**KIRLOSKAR BROTHERS LIMITED**
A Kirloskar Group Company

Enriching Lives

SEC/ F:25

July 5, 2025

**BSE Limited**
Corporate Relationship Department,
2nd Floor, New Trading Ring,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001.

**National Stock Exchange of India Ltd.**
5th Floor, Exchange Plaza,
Bandra (East),
Mumbai – 400 051.

**(BSE Scrip Code – 500241)**

**(NSE Symbol - KIRLOSBROS)**

Dear Sir/Madam,

**Sub: Notice of 105th Annual General Meeting and Integrated Annual Report**

**Ref: Regulation 30 and 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

This is further to our letter dated May 14, 2025 amongst other matters, informing about the convening of the 105th Annual General Meeting ('AGM') of the Company on **Friday, August 01, 2025** through Video Conference/ Other Audio Visual Means (VC/OAVM) facility, the record date of the final dividend and the date by which the same will be paid to the eligible members.

In terms of the subject referred regulations, we enclose herewith a copy of the Notice of 105th AGM of the Company along with the Integrated Annual Report for the Financial Year 2024-25.

In this regard, please note the following:

1) In view of the General circular no. 14/2020, 17/2020, 20/2020, 22/2020, 33/2020, 39/2020, 02/2021, 02/2022, 10/2022, 09/2023 dated September 25, 2023 and September 19, 2024 issued by the Ministry of Corporate Affairs (MCA) and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 and all other applicable laws and circulars issued by the MCA, Government of India and the SEBI, Notice of the 105th AGM of the Company along with the Integrated Annual Report for the Financial Year 2024-25, is being sent to the registered members of the Company, only *via* electronic mode (e-mail) and no physical copies are being dispatched.

   Further, a letter is being sent to those members who have not registered their email addresses, providing them a web-link to access complete details of the Integrated Annual Report.

2) In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014, the Company has fixed **Friday, July 25, 2025,** as a **cut–off date** to record the entitlement of the shareholders to cast their votes at the AGM by **remote e-voting**. Consequently, the same cut-off date i.e. **Friday, July 25, 2025** would be applicable to the shareholders, who do not cast their votes electronically, to cast their votes at the AGM.

3) The **remote e-voting period** for the AGM shall commence on **Tuesday, July 29, 2025 at 9.00 a.m. (IST)** and end on **Thursday, July 31, 2025 at 5.00 p.m. (IST).**

A copy of the Notice of 105th AGM of the Company along with the Integrated Annual Report is also available on the website of the Company at www.kirloskarpumps.com.

You are requested take the above on your records.

Thanking you,

Yours faithfully,
For **KIRLOSKAR BROTHERS LIMITED**

Devang B Trivedi
Digitally signed by Devang B Trivedi
Date: 2025.07.05 11:45:42 +05'30'

Devang Trivedi
**Company Secretary**

Encl.: As above.

# NOTICE

NOTICE is hereby given that the 105th Annual General Meeting (AGM) of the Members of **KIRLOSKAR BROTHERS LIMITED** will be held on Friday, the 1st day of August, 2025 at 02:00 p.m. Indian Standard Time (IST), through Video Conferencing / Other Audio Visual Means (VC/OAVM) facility to transact the following businesses.

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company at Yamuna, Survey No. 98 (3 to 7), Plot No. 3, Baner, Pune 411 045, which shall be the deemed venue of the AGM.

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2025 and the Report of the Board of Directors and Auditors thereon.
2. To consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2025 and the Report of the Auditors thereon.
3. To declare dividend on equity shares of the Company for the Financial Year ended March 31, 2025.
4. To appoint a Director in place of Mr. Alok Kirloskar (DIN 05324745), who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 ('Act'), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Articles of Association of the Company, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals as may be required and as recommended by the Nomination and Remuneration Committee of the Board and by the Board of Directors, the approval of the Members be and is hereby accorded to the re-appointment of Mr. Sanjay C. Kirloskar (DIN 00007885) as the Managing Director of the Company for a period from November 19, 2025 upto March 21, 2027 (both days inclusive) and to perform the duties that may be delegated to him by the Board from time to time, subject to overall supervision and control of the Board of Directors and subject to all other terms and conditions as may be set out in the agreement to be entered into between the Company and Mr. Sanjay C. Kirloskar on the remuneration mentioned below: -

   **Salary:**

   ₹15,00,000/- (Rupees Fifteen Lakh only) per month from November 19, 2025 till March 31, 2026 and ₹ 20,00,000/- (Rupees Twenty Lakh only) per month from April 01, 2026 till March 21, 2027.

   **Perquisites:**

   a. Fully furnished/unfurnished residential accommodation. Where no accommodation is provided by the Company, suitable House Rent Allowance in lieu thereof may be paid.
   b. The expenses on furnishings, gas, electricity, water and other utilities and repairs, if any, shall be borne by the Company.
   c. Reimbursement of all medical expenses incurred for self and family.
   d. Leave Travel Assistance for self and family as per Company rules.
   e. Reimbursement of actual travelling expenses for proceeding on leave from Pune to any place in India and return therefrom once a year in respect of himself and family.
   f. Fees of clubs which will include admission and life membership fees.
   g. Personal accident insurance, premium whereof does not exceed ₹ 25,000/- per annum.
   h. Provision of service staff at residence.
   i. A car with driver for official and personal purpose.
   j. Telephone and other communication facilities at residence.
   k. Contribution to Provident Fund, Superannuation Fund or Annuity Fund.

l. Gratuity at the rate not exceeding 30 days' salary for each completed year of service.

m. Leave at the rate of one month for every eleven months of service. Leave not availed of may be encashed.

"Family" for the above purpose means the spouse, dependent children and dependent parents of the Managing Director.

Perquisites shall be valued as per the provisions of the Income Tax Rules.

**Commission:**

Commission shall be decided by the Board of Directors based on the net profits of the Company and as may be recommended by the Nomination and Remuneration Committee of the Board, for each year subject to the condition that the aggregate remuneration of the Managing Director shall not exceed the limit laid down under Section 197 of the Companies Act, 2013 read with Schedule V of the said Act, and as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and any other applicable laws as amended from time to time.

**RESOLVED FURTHER THAT** in the event in any Financial Year during the tenure of Mr. Sanjay C. Kirloskar as a Managing Director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V of the Act, the Company may pay to Mr. Sanjay C. Kirloskar the fixed pay and perquisites (subject to annual review from time to time) as approved by the Nomination and Remuneration Committee and the Board of Directors, and which shall be the minimum remuneration payable to Mr. Sanjay C. Kirloskar subject to requisite approvals, if any.

**RESOLVED FURTHER THAT** the scope and quantum of remuneration specified herein above, may be revised by the Board, considering and in conformity with any amendment to the relevant provisions of the Act and/or Income Tax Act, 1961 and/or the rules and regulations made thereunder and/or such guidelines, as may be announced by the Central Government, from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to execute all such agreements, documents, instruments and writings as may be deemed necessary, file requisite forms or applications with statutory/regulatory authorities, with the power to settle all questions, difficulties or doubts that may arise, in this regard, as it may in its sole and absolute discretion deem fit and to do all such acts, deeds, matters and things and take such steps and actions as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any Director(s) / Company Secretary of the Company, to give effect and to implement this resolution."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** [subject to (i) Regulation 25(2A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and (ii) what is stated in the Explanatory Statement to the Notice]:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014, the Articles of Association of the Company and Regulations 17(1C) and 25 (2A) and any other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations), [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and as recommended by the Nomination and Remuneration Committee of the Board, Mr. Pradyumna Vyas (DIN 02359563), who was appointed by the Board as an Additional Director in the category of Independent Director, with effect from May 14, 2025 pursuant to the provisions of Section 161 of the Act read with Article 166 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting of the Company and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, from a Member proposing his candidature for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, with effect from May 14, 2025, to hold the office for a term of 5 (Five) consecutive years from May 14, 2025 to May 13, 2030 (both days inclusive).

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made thereunder and Regulation 17(6) of the Listing Regulations [including any statutory modification(s) or re-enactment thereof for the time being in force], Mr. Pradyumna Vyas be paid such fees and profit related commission as the Nomination and Remuneration Committee and the Board of Directors may approve from time to time and subject to such limits as may be prescribed from time to time.

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

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

"**RESOLVED THAT** pursuant to the provisions of Sections 152 and other applicable provisions of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014, the Articles of Association of the Company and Regulation 17(1C) and any other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), including any statutory modification(s) or re-enactment(s) thereof for the time being in force and as recommended by the Nomination and Remuneration Committee of the Board and the Board of Directors, Mr. M. S. Unnikrishnan (DIN 01460245) who was appointed by the Board of Directors as an Additional Director in the category of Non-Executive and Non-Independent Director with effect from June 25, 2025 in terms of provisions of Section 161 of the Act and Article 166 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, from a Member proposing his candidature for the office of director being so eligible, be appointed, as a Director of the Company, in the category of in Non-Executive and Non-Independent Director, who shall be liable to retire by rotation.

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

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

"**RESOLVED THAT** pursuant to the provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), the relevant circulars issued by the SEBI and the provisions of Section 204(1) of the Companies Act, 2013 ('the Act') and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable laws, if any, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and as per the recommendation of the Audit Committee and the Board of Directors of the Company, consent of the Members be and is hereby accorded for appointment of M/s. Dinesh Birla & Associates, Practicing Company Secretary (COP No. 13029 and Peer Review No. 1668/2022) as Secretarial Auditors of the Company for a term of 5 (Five) consecutive years commencing from the conclusion of 105$^{th}$ Annual General Meeting upto 110$^{th}$ Annual General Meeting of the Company i.e. for audit of secretarial records of the Company from the Financial Year ending on March 31, 2026 upto the Financial Year ending on March 31, 2030.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to finalise the remuneration plus out of pocket, travelling and other expenses etc. if any, as may be mutually agreed upon and do all such acts, deeds and things and take all steps and actions as may be incidental, necessary, proper or expedient to give effect to this resolution."

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

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Audit Committee, the remuneration amounting to ₹ 8,00,000/- (Rupees Eight Lacs Only) excluding GST and other taxes as may be applicable and out of pocket and travelling expenses, if any, payable to M/s. Harshad S. Deshpande & Associates, Cost Accountants, Pune (Firm Registration No. 00378), appointed by the Board of Directors of the Company as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year 2025-26, be and is hereby ratified.

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

By order of the Board of Directors
For **KIRLOSKAR BROTHERS LIMITED**

**Devang Trivedi**
Company Secretary
ICSI Membership No. A13339

Pune: June 18, 2025

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the businesses under Item Nos. 5 to 9 of the accompanying Notice and additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed hereto. The Board of Directors of the Company considered that the Special Businesses under Item Nos. 5 to 9, being unavoidable, be transacted at the 105th AGM of the Company.

2. **General instructions for accessing and participating in the 105th AGM through VC/OAVM facility and voting through electronic means including remote e-Voting.**

   a. In terms of Ministry of Corporate Affairs ('MCA') in continuation to its previous General Circulars No. 20/2020 dated 5th May, 2020, No. 02/2021 dated 13th January, 2021, No. 21/2021 dated 14th December, 2021, No. 02/2022 dated 5th May 2022, No. 10/2022 dated 28th December, 2022, No. 09/2023 dated 25th September 2023 further extended the relaxation vide Circular No. 09/2024 dated 19th September 2024 ('MCA Circulars') and in terms of The Securities and Exchange Board of India ('SEBI') in continuation to its previous Circulars No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, No. SEBI/HO/CFD/CMD2 / CIR/P/2022/62 dated 13th May, 2022, No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023, No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7th October 2023 further extended the relaxation vide Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October, 2024 ('SEBI Circulars'), and in compliance with the provisions of the Act and with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.

   b. In terms of the MCA Circulars, the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the AGM. However, in pursuance of Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the AGM through VC/OAVM facility and e-Voting during the AGM.

   c. In line with the aforementioned MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Integrated Annual Report for the Financial Year 2024-25 ('the Integrated Annual Report') is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depository Participants. A letter is being sent to those Members providing the web-link, where complete details of the Integrated Annual Report is available to those shareholder(s) who have not registered their email addresses. The Members may note that notice of the AGM and the Integrated Annual Report is also available on the website of the Company at www.kirloskarpumps.com, on the website of BSE Limited (BSE) at www.bseindia.com, on the website of National Stock Exchange of India Limited (NSE) at www.nseindia.com and also on the website of National Securities Depositories Limited (NSDL) at www.evoting.nsdl.com.

   d. Since the AGM will be held through VC/OAVM facility, the Route Map is not annexed in this Notice.

   e. NSDL will be providing facility for voting through remote e-Voting, for participation in the AGM through VC/OAVM facility and e-Voting during the AGM.

   f. Members may join the AGM through VC/OAVM facility by following the procedure as mentioned below which shall be kept open for the Members from 1:30 p.m. IST i.e. 30 minutes before the time scheduled to start the AGM and the Company may close the window for joining the VC/OAVM facility at 2.30 p.m. IST i.e. 30 minutes after the scheduled time to start the AGM.

   g. Members may note that the VC/OAVM facility, provided by NSDL, allows participation of 1,000 Members on a first-come-first-serve basis. The large shareholders (i.e. 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. can attend the AGM without any restriction on account of first-come-first-serve principle.

   h. Attendance of the Members participating in the AGM through VC/OAVM facility shall be counted for the purpose of considering the quorum under Section 103 of the Act.

i. Pursuant to the provisions of Section 108 of the Act and any other applicable provisions, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and Regulation 44 of SEBI Listing Regulations, 2015 read with MCA Circulars and SEBI Circulars, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the AGM and facility for those Members participating in the AGM to cast vote through e-Voting system during the AGM.

## 3. Instructions for Members for remote e-Voting are as under:

a. The remote e-Voting period will commence on **Tuesday, 29th July, 2025 (9:00 am IST)** and will end on **Thursday, 31st July, 2025 (5:00 pm IST)**. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of July 25, 2025**, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast, the Member shall not be allowed to change it subsequently.

b. A person who is not a Member as on the cut-off date i.e., **July 25, 2025** should treat this Notice of AGM for information purpose only.

c. The details of the process and manner for remote e-Voting are explained herein below:

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

### Step 1: Access to NSDL e-Voting system

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by the 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.

**Login method for Individual shareholders holding securities in demat mode is given below:**

| Type of Shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | 1. Existing **IDeAS** user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under "**Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services.<br><br>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 i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br><br>2. If you are 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<br><br>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.<br><br>You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

| Type of Shareholders | Login Method |
|---|---|
| | 4. Shareholders/Members can also download NSDL Mobile App<br>"NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.<br>  |
| Individual Shareholders holding securities in demat mode with CDSL | 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing **Myeasi** "username & password".<br>2. After successful login the Easi / Easiest, user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there 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.<br>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.<br>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN, from a link in 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 e-voting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

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

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

| Login type | Helpdesk details |
|---|---|
| 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.com or call at toll free no.: 022 – 4886 7000 |
| 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 |

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

How to Log-in to NSDL e-Voting website?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL e-services i.e. **IDeAS**, you can log-in at https://eservices.nsdl.com/ with your existing **IDeAS** login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

| **Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical** | | **Your User ID is:** |
|---|---|---|
| a) | For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID.<br>For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) | For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID.<br>For example, if your Beneficiary ID is 12**********<br>then your user ID is 12********** |
| c) | For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company.<br>For example if Folio number is 001*** and EVEN is 101456<br>then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) "**Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

8. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no. 022 - 4886 7000 or send a request at evoting@nsdl.com or contact Mr. Amit Vishal, Deputy Vice President or Ms. Pallavi Mhatre, Senior Manager, National Securities Depository Ltd., at the designated email ID:evoting@nsdl.com or at telephone nos. :1800 1020 990 and 1800 22 44 30 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the Company's email address grievance.redressal@kbl.co.in.

9. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the **cut-off date i.e. July 25, 2025** may obtain the login ID and password by sending a request at evoting@nsdl.com or issuer/ RTA however, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or **call on toll free no. 022-4886 7000 and 022-2499 4561**.

   In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the **cut-off date i.e. July 25, 2025** may follow steps mentioned in the notice of the AGM under "Access to NSDL e-voting system".

**4. Process for those Members whose email IDs are not registered for procuring User id and password and registration of email ids for e-Voting on the resolutions set out in this Notice:**

a) In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to grievance.redressal@kbl.co.in.

b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account Statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to grievance.redressal@kbl.co.in. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained

at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

c) Alternatively, Shareholder/Members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

d) In terms of SEBI circular dated December 9, 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**5. Instructions for Members for participating in the AGM through VC/OAVM are as under:**

a) Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

b) Members are encouraged to join the Meeting through Laptops for better experience.

c) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

d) 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.

e) For smooth conduct of proceedings of the AGM, Members can submit questions/queries in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered email address, mentioning their name, DP ID and Client ID number / folio number and mobile number, to reach the Company's email address grievance.redressal@kbl.co.in at least 7 days before the start of the meeting i.e. by **July 25, 2025 by 2:00 p.m. IST**. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.

f) Members, who would like to ask questions during the AGM with regard to the financial statements or any other matter to be placed at the AGM, need to register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/ folio number and mobile number, to reach the Company's email address grievance.redressal@kbl.co.in at least 7 days before the start of the AGM i.e. by **July 25, 2025 by 2:00 p.m. IST.** Those Members who have registered themselves as speakers shall only be allowed to ask questions during the AGM, on first-come-first-serve basis and subject to availability of time.

g) The Company reserves the right to restrict the number of questions and number of speakers as appropriate, for smooth conduct of AGM.

h) Institutional Investors who are Members of the Company, are encouraged to attend and vote in the AGM through VC/OAVM Facility. Institutional/corporate shareholders (i.e. other than individual, HUF, NRI etc.) are required to send scanned copy (PDF/JPEG Format) of the relevant Board Resolution/Power of Attorney/Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to csdineshbirla@gmail.com / jainandbirla@jainandbirla.com with a copy marked to evoting@nsdl.com. Such shareholders can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "**Upload Board Resolution/Authority Letter**" displayed under "**e-voting**" tab in their login.

**6. Instructions for Members for e-Voting during the AGM are as under:**

a) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

b) Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast 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 at the AGM.

c) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

d) The details of the persons who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same persons mentioned for Remote e-voting i.e. Mr. Amit Vishal, Deputy Vice President - NSDL or Ms. Pallavi Mhatre, Senior Manager- NSDL at the designated email ID: evoting@nsdl.com or telephone number 022-4886 7000 or 022-2499 4561.

**7. Other Guidelines for Members:**

a) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Log in to the e-Voting website will be disabled upon 5 unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com to reset the password.

b) The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the **cut-off date of July 25, 2025**.

c) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the AGM. Mr. Dinesh Birla, Practicing Company Secretary from Pune or failing him, Ms. Kavita Sethi Jain, Practicing Company Secretary from Pune has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and vote cast through e-Voting system during the AGM in a fair and transparent manner. Mr. Dinesh Birla and Ms. Kavita Sethi Jain, both have communicated their respective willingness to be appointed as scrutinizer and will be available for the said purpose.

d) During the AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC/OAVM Facility and who have not voted earlier, to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the AGM.

e) The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated Scrutinizer's Report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or the Company Secretary of the Company, who has been authorised for the same, within two working days from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.

f) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.kirloskarpumps.com and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of Results by the Chairman or the Company Secretary of the Company. The Results shall also be immediately forwarded to the BSE and NSE.

**8.** Pursuant to the MCA Circulars and SEBI Circulars, the Notice of the AGM and the Integrated Annual Report for the Financial Year 2024-25 are being sent only by email to the Members. For the Members whose email addresses are not registered with the Company, a letter is being sent to those Members providing the web-link, where complete details of the Integrated Annual Report is available. Further, such Members can get their email address registered by following the steps as given below: -

a) For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, Aadhaar) supporting the registered address of the Member, by email to the Company's email address grievance.redressal@kbl.co.in

b) For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

**9.** The Notice of the AGM and the Integrated Annual Report for the Financial Year 2024-25, will be available on the website of the Company at www.kirloskarpumps.com and the website of BSE and NSE. The Notice of AGM will also be available on the website of NSDL at www.evoting.nsdl.com.

**10.** Income tax on Dividend will be deducted as per the prescribed rates in the Income Tax Act, 1961 (the IT Act). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address at grievance.redressal@kbl.co.in.

**11.** Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (IEPF Rules), read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government.

The Company has been sending reminders to the Members having unpaid/ unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid / unclaimed dividends are also uploaded on the website of the Company at www.kirloskarpumps.com. Members who have not encashed Dividend 2017-18 or any subsequent dividend declared by the Company, are advised to write to the Company immediately.

**12.** The unclaimed dividends upto the Financial Year 2016-17 have been transferred to IEPF, pursuant to the applicable provisions of Section 124 of the Act. In terms of the said Section read with relevant rules, the amount transferred to the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of 7 consecutive years or more from the date of such transfer, shall be transferred by the Company to IEPF. Accordingly, the unpaid/ unclaimed dividend for the Financial Year 2017-18 onwards will become transferable at the end of 7 years from the respective dates of transfer of such amount to the Unclaimed Dividend Account to IEPF.

As per the provisions of the IEPF Rules, the underlying shares in respect of which the dividend has remained unclaimed / unpaid for 7 years or more are required to be transferred to IEPF. Accordingly, during the year, the Company has transferred shares in respect of unpaid / unclaimed dividend for the Financial Year 2016 - 17.

In terms of the provisions under the IEPF Rules, the said shares and the dividend transferred to IEPF can be claimed by the shareholders or his or her legal heir/successor/nominee subject to the compliance of certain conditions as mentioned in the IEPF Rules. The procedure for the same is available on the website of the Company at www.kirloskarpumps.com.

The details of transfer of unpaid/unclaimed dividend to IEPF are given below:

| Financial Year | Type of dividend | Dividend in ₹ per share | Date of declaration | Due Date of transfer to the IEPF Account |
|---|---|---|---|---|
| 2017 -18 | Final | 2.50 | 27-Jul-18 | September, 2025 |
| 2018 -19 | Final | 2.50 | 12-Aug-19 | September, 2026 |
| 2019 - 20 | Interim | 2.00 | 14-Feb-20 | March, 2027 |
| 2019 - 20 | Final | 0.50 | 25-Sept-20 | October, 2027 |
| 2020 - 21 | Final | 3.00 | 09-Sept-21 | October, 2028 |
| 2021 - 22 | Final | 3.00 | 10-Aug-22 | September, 2029 |
| 2022 - 23 | Final | 4.50 | 01-Aug-23 | September, 2030 |
| 2023 - 24 | Final | 6.00 | 02-Aug-24 | September, 2031 |

In terms of the IEPF Rules, the details of unclaimed dividend up to 2023-24 have been uploaded on the Company's website www.kirloskarpumps.com. This will facilitate the Members to claim their unclaimed dividend. Members are therefore, requested to check and send their claims, if any, for the relevant Financial Years from 2017-18 onwards, before the respective amounts become due for transfer to IEPF.

**13.** In terms of the Listing Regulations, 2015, securities of listed companies can only be transferred in dematerialized form. Further, SEBI, vide its Circular dated 25th January 2022, has mandated that listed companies shall issue the securities in dematerialized form only, while processing service requests such as issue of duplicate share certificates, transmission, transposition etc. Accordingly, Members are advised to dematerialize shares held by them in physical form.

**14.** SEBI has vide its circulars, mandated the furnishing of PAN, address with pin code, mobile number, email address, bank account details and nomination by the holders of physical securities. The Members who have not updated KYC, are requested to furnish required details to the RTA at the earliest. On updation of the details, the holders of physical securities will be eligible to lodge grievance or avail any service request and for any payment of dividend/interest etc. only through electronic mode.

**15.** The shareholders may utilize "iConnect" facility provided by RTA at https://iconnect.bigshareonline.com/Account/Login for lodging service requests and complaints and tracking the same on real-time basis.

**16.** Electronic copies of all the documents referred to in the accompanying Notice of the AGM and the Statement of material facts shall be available for inspection in the Investor Section of the website of the Company at www.kirloskarpumps.com.

**17.** During the AGM, Members with prior intimation of 48 hours, may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested, maintained under Section 189 of the Act, upon Login to NSDL e-Voting system at https://www.evoting.nsdl.com.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

**Item No. 4**

(Information is being provided for the benefit of the shareholders although there is no legal requirement to furnish an Explanatory Statement as per the provisions of Section 102 of the Companies Act, 2013 for item No. 4)

The Members of the Company had approved re-appointment of Mr. Alok Kirloskar (DIN: 05324745) as the Director of the Company at the 103rd Annual General Meeting held on 01st August, 2023. Mr. Alok Kirloskar who retires by rotation and being eligible, offer himself as a Director. This proposal for his re-appointment shall be considered by the shareholders at the ensuing 105th Annual General Meeting.

Details of Mr. Alok Kirloskar as required under Regulation 36(3) of the Listing Regulations and Secretarial Standards - 2, are provided in the Annexure to this notice.

Mr. Alok Kirloskar will be entitled for sitting fees as may be decided by the Board from time to time and commission, if any, as may be approved by the Board.

Mr. Alok Kirloskar is not disqualified as per the provisions of Section 164 of the Companies Act, 2013 and given his consent to act as a Director of the Company. In the opinion of the Board, he fulfils the conditions for the said re-appointment as prescribed under the relevant provisions of the Companies Act, 2013 and the relevant Rules made thereunder and the Listing Regulations. Mr. Alok Kirloskar is not disqualified or debarred from being re-appointed as a director in terms of provisions of Companies Act, 2013 or Ministry of Corporate Affairs or Securities and Exchange Board of India (SEBI) or by any other authority.

Apart from Mr. Alok Kirloskar, his father Mr. Sanjay Kirloskar and his sister Ms. Rama Kirloskar, none of the Directors and / or Key Managerial Personnel and / or their relatives are deemed to be concerned or interested, directly or indirectly, financially or otherwise, in the proposed resolution.

The Board recommends his re-appointment as a Non-Executive Director, liable to retire by rotation and passing of this resolution as an Ordinary Resolution.

**Item No. 5**

The Members of the Company had re-appointed Mr. Sanjay C. Kirloskar (DIN: 00007885) as the Managing Director of the Company for a period of 5 (five) years from November 19, 2020 till November 18, 2025 (both days inclusive) through Postal ballot on December 28, 2020.

Based on the recommendation of Nomination and Remuneration Committee and approval of the Audit Committee at their respective meetings held on May 13, 2025, the Board of Directors at its meeting held on May 14, 2025 has unanimously approved re-appointment of Mr. Sanjay C. Kirloskar as the Managing Director (Key Managerial Personnel) for a further tenure from November 19, 2025 to March 21, 2027 (both days inclusive), subject to the approval of Members of the Company.

Further, the Board at its meeting held on May 14, 2025, has approved the terms and conditions of re-appointment of Mr. Sanjay C. Kirloskar as mentioned in the draft resolution, which are as under:

**Salary:**

₹15,00,000/- (Rupees Fifteen Lakh only) per month from November 19, 2025 till March 31, 2026 and ₹ 20,00,000/- (Rupees Twenty Lakh only) per month from April 01, 2026 till March 21, 2027.

**Perquisites:**

a. Fully furnished/unfurnished residential accommodation. Where no accommodation is provided by the Company, suitable House Rent Allowance in lieu thereof may be paid.

b. The expenses on furnishings, gas, electricity, water and other utilities and repairs, if any, shall be borne by the Company.

c. Reimbursement of all medical expenses incurred for self and family.

d. Leave Travel Assistance for self and family as per Company rules.

e. Reimbursement of actual travelling expenses for proceeding on leave from Pune to any place in India and return therefrom once a year in respect of himself and family.

f. Fees of clubs which will include admission and life membership fees.

g. Personal accident insurance, premium whereof does not exceed ₹ 25,000/- per annum.

h. Provision of service staff at residence.

i. A car with driver for official and personal purpose.

j. Telephone and other communication facilities at residence.

k. Contribution to Provident Fund, Superannuation Fund or Annuity Fund.

l. Gratuity at the rate not exceeding 30 days' salary for each completed year of service.

m. Leave at the rate of one month for every eleven months of service. Leave not availed of may be encashed.

"Family" for the above purpose means the spouse, dependent children and dependent parents of the Managing Director. Perquisites shall be valued as per the provisions of the Income Tax Rules.

**Commission:**

Commission shall be decided by the Board of Directors based on the net profits of the Company and as may be recommended by the Nomination and Remuneration Committee of the Board, for each year subject to the condition that the aggregate remuneration of the Managing Director shall not exceed the limit laid down under Section 197 of the Companies Act, 2013 read with Schedule V of the said Act, and as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and any other applicable laws as amended from time to time.

Details of Mr. Sanjay Kirloskar as required under Regulation 36(3) of the Listing Regulations and Secretarial Standards-2 are provided in Annexure to this Notice.

A draft of the agreement setting out the terms of re-appointment including payment of remuneration, proposed to be entered into with Mr. Sanjay C. Kirloskar will be available for inspection on request without payment of fee, during the business hours of the Company.

Mr. Sanjay Kirloskar is not disqualified as per the provisions of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director of the Company. He is not debarred from being re-appointed as the Managing Director in terms of provisions of the Companies Act, 2013 or Ministry of Corporate Affairs or Securities and Exchange Board of India (SEBI) or by any other authority. In the opinion of the Board, he fulfils the conditions for the said re-appointment as prescribed under the relevant provisions of the Companies Act, 2013 and the relevant Rules made thereunder and the Listing Regulations.

Apart from Mr. Sanjay Kirloskar, his son Mr. Alok Kirloskar, and his daughter Ms. Rama Kirloskar, none of the Directors, Key Managerial Personnel and/or their relatives are deemed to be concerned or interested, directly or indirectly, financially or otherwise, in the proposed resolution.

The Board recommends the re-appointment of Mr. Sanjay C. Kirloskar as Managing Director of the Company and passing of this resolution as an Ordinary Resolution.

**Item No. 6**

With a view to strengthen the Board with professionals from diversified background, the Board at its meeting held on May 14, 2025, based on the recommendations of the Nomination & Remuneration Committee (NRC) appointed Mr. Pradyumna Vyas (DIN 02359563) as an Additional Director with effect from May 14, 2025, and as an Independent Director of the Company for a term of 5 (Five) consecutive years with effect from May 14, 2025 up to May 13, 2030, subject to approval of the shareholders.

Details of Mr. Pradyumna Vyas as required under Regulation 36(3) of the Listing Regulations and Secretarial Standards-2 are provided in Annexure to this Notice.

He will be entitled to sitting fees as may be decided by the Board from time to time and commission, if any, as may be approved by the Board.

The Company has received a notice under Section 160 (1) of the Act, from a Member proposing his candidature for the office of Director of the Company.

Mr. Pradyumna Vyas is not disqualified as per the provisions of Section 164 of the Companies Act, 2013 and he has given his consent to act as a Director of the Company. He is not debarred from being appointed as a director in terms of provisions of Companies Act, 2013 or by the Ministry of Corporate Affairs or the Securities and Exchange Board of India (SEBI) or by any other authority. In the opinion of the Board, he fulfils the conditions for the said appointment as prescribed under the relevant provisions of the Companies Act, 2013 and the relevant Rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

In accordance with the provisions of Regulation 25(2A) of the Listing Regulations, the appointment of an Independent Director shall be subject to the approval of Members by way of a special resolution. In view of the stipulations as contained in the First proviso to Regulation 25(2A) of the Listing Regulations, if a special resolution for the appointment of Mr. Pradyumna Vyas as an Independent Director fails to get the requisite majority of votes but the votes cast in favour of the resolution exceed the votes cast against the resolution and votes cast by the public shareholders in favour of the resolution exceed the votes cast against the resolution then the appointment shall be deemed to have been made under Regulation 25(2A) of the Listing Regulations.

In view thereof, the approval of the Members for appointment of Mr. Pradyumna Vyas as an Independent Director, is being sought as a Special Resolution [subject to the provisions contained in Regulation 25(2A) of the Listing Regulations]. The draft letter of appointment to be issued to Mr. Pradyumna Vyas setting out all the terms and conditions of appointment as an Independent Director is available on the website of the Company at www.kirloskarpumps.com.

Apart from Mr. Pradyumna Vyas, none of the Directors and / or Key Managerial Personnel of the Company and/or their relatives are deemed to be concerned or interested, directly or indirectly, financially or otherwise, in the proposed resolution.

The Board recommends appointment of Mr. Pradyumna Vyas as an Independent Director of the Company for a term of 5 (Five) consecutive years i.e., up to May 13, 2030, not liable to retire by rotation, and passing of this resolution as a Special Resolution (but subject to the provisions contained in Regulation 25(2A) of the Listing Regulations).

**Item No. 7**

Mr. M. S. Unnikrishnan (DIN 01460245), was associated with the Company since June 05, 2020 as an Independent Director. His term came to an end on June 04, 2025 and he ceased to be the independent director of the Company.

Considering the vast experience of Mr. Unnikrishnan in engineering and manufacturing sector, significant contributions made by him during his earlier tenure as an Independent Director of the Company on the Board and as a member of its committees, the Board of Directors on June 18, 2025, based on the recommendation of Nomination and Remuneration Committee, appointed Mr. M.S. Unnikrishnan as an Additional Director (in the category of Non-Executive and Non-Independent Director) of the Company with effect from June 25, 2025, in terms of Section 161 of the Companies Act, 2013 ('the Act') and Article No. 166 of the Articles of Association of the Company, to hold office upto the date of the Annual General Meeting and recommends to the Members his appointment, as a Non-Executive and Non-Independent Director of the Company, liable to retire by rotation.

Details of Mr. M. S. Unnikrishnan as required under Regulation 36(3) of the Listing Regulations and Secretarial Standards-2 are provided in Annexure to this Notice.

He will be entitled to sitting fees as may be decided by the Board from time to time and commission if any, as may be approved by the Board.

The Company has received a notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Director of the Company.

Mr. M. S. Unnikrishnan is not disqualified as per the provisions of Section 164 of the Act and has given his consent to act as a Director of the Company. He is not debarred from being appointed as a director in terms of provisions of the Act or by Ministry of Corporate Affairs or Securities and Exchange Board of India (SEBI) or by any other authority. In the opinion of the Board, he fulfils the conditions for the said appointment as prescribed under the relevant provisions of the Act and the relevant Rules made thereunder and the Listing Regulations.

Apart from Mr. M. S. Unnikrishnan, none of the Directors and / or Key Managerial Personnel of the Company and / or their relatives are deemed to be concerned or interested, directly or indirectly, financially or otherwise, in the proposed resolution.

On the recommendation of Nomination and Remuneration Committee, and as per the requirements of Section 152 read with Section 160 of the Act, the Board recommends appointing Mr. Unnikrishnan as Non-Executive, Non-Independent Director of the Company by passing of this resolution as an Ordinary Resolution.

**Item No. 8**

In terms of Regulation 24A of the Listing Regulations, the Secretarial Auditor shall be appointed on the recommendation of the Board with the approval of shareholders of the Company. Accordingly, the Board has recommended the appointment of M/s. Dinesh Birla & Associates, Practicing Company Secretaries (COP No. 13029 and Membership No. F7658), a peer reviewed sole proprietary firm (Certificate No. 1668/2022) as Secretarial Auditors of the Company for audit period of 5 years commencing from Financial Year 2025-26 till Financial Year 2029-2030. M/s. Dinesh Birla & Associates were Secretarial Auditors of the Company for the Financial Year 2024-25. They have been paid ₹ 1,75,000 (Rupees One Lac Seventy-Five Thousand) plus applicable taxes and reimbursement of other out-of-pocket expenses in connection with the Secretarial Audit of the Company for the Financial Year 2024-25.

The details required to be disclosed under provisions of Regulation 36(5) of the Listing Regulations are as under:

| Particulars | Details |
|---|---|
| Basis of recommendation | M/s. Dinesh Birla & Associates, is a sole proprietary firm founded in 2014. The firm provides professional services in the field of Corporate Laws, SEBI Regulations including carrying out Secretarial Audit, Due Diligence Audits and Compliance Audits. The firm is Peer Reviewed by the Institute of Company Secretaries of India. The firm has its establishment in Pune.<br><br>The Board believes that their experience of conducting Secretarial Audit of listed companies and large companies, and knowledge of the legal and regulatory framework will be beneficial to the Company in ensuring continued adherence to compliance requirements under the Companies Act, 2013, SEBI Regulations and other applicable laws.<br><br>The recommendation for the appointment of M/s. Dinesh Birla & Associates as Secretarial Auditors is based on their past track record and capabilities in delivering quality secretarial audit services to other companies of similar size and complexity. |
| Credentials of Proposed Secretarial Auditor | M/s. Dinesh Birla & Associates is a peer reviewed sole proprietary firm (Certificate No. 1668/2022) having Certificate of Practice Number 13029 and Membership Number as F7658. |
| Term of Appointment | Five (5) consecutive years i.e. from the conclusion of 105th Annual General Meeting till the conclusion of the 110th Annual General Meeting of the Company to be held for the Financial Year ended March 31, 2030. |
| Proposed Fees | ₹ 1,75,000 (Rupees One Lac Seventy Five Thousand only) plus applicable taxes and reimbursement of other out-of-pocket expenses actually incurred in connection with the Secretarial Audit of the Company for the Financial Year 2025-26.<br><br>The Board of Directors (including Committee thereof) shall approve revisions to the remuneration of the Secretarial Auditors for the balance part of the tenure, based on performance review and any additional efforts on account of changes in regulations, management processes or any other considerations.<br><br>M/s. Dinesh Birla & Associates were also Secretarial Auditors of the Company for the Financial Year 2024-25 on the same remuneration as being proposed for FY 2025-26. |

M/s. Dinesh Birla & Associates confirmed that the firm has not incurred any disqualification and is eligible to be appointed as Secretarial Auditor of the Company in terms of Regulation 24 (1A) of the Listing Regulations.

Besides the secretarial audit services, the Company would also obtain certifications which are mandatorily to be obtained from the Secretarial Auditors under various statutory regulations from time to time, for which the Auditors will be remunerated separately on mutually agreed terms. The services to be rendered by M/s. Dinesh Birla & Associates as Secretarial Auditors are within the purview of Regulation 24 (1B) of the Listing Regulations, read with SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024.

None of the Directors and/ or Key Managerial Personnel of the Company and/ or their relatives are deemed to be concerned or interested, directly or indirectly, financially or otherwise, in the proposed resolution.

Based on the recommendation by the Audit Committee, after assessing the performance, expertise and skills, the Board recommends the appointment of M/s. Dinesh Birla & Associates as Secretarial Auditors of the Company, and passing of this resolution as an Ordinary Resolution.

**Item No. 9**

In terms of Section 148 of the Act read with The Companies (Cost Records and Audit) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, the Company is required to get its cost records audited by a Cost Accountant and the remuneration to be paid to such Cost Accountant would require approval of the Members of the Company. The Board of Directors of the Company at its meeting held on May 14, 2025 has appointed M/s. Harshad S. Deshpande & Associates, Cost Accountants, Pune, as Cost Auditors in terms of the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, for the purpose of auditing the cost records of the Company for the Financial Year 2025-26 on a yearly remuneration of ₹ 800,000/- (Rupees Eight Lacs Only) excluding GST and other taxes as may be applicable and out of pocket and travelling expenses, if any.

None of the Directors and / or Key Managerial Personnel of the company and / or their relatives are deemed to be concerned or interested, directly or indirectly, financially or otherwise, in the proposed resolution.

The Board recommends passing of this resolution as an Ordinary Resolution.

By order of the Board of Directors
For **KIRLOSKAR BROTHERS LIMITED**

**Devang Trivedi**
Company Secretary
ICSI Membership No – A13339

Pune: June 18, 2025

## ANNEXURE TO THE NOTICE OF 105th ANNUAL GENERAL MEETING

## DETAILS OF DIRECTOR(S) SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS (SS-2)

| Name (Director Identification Number) | Mr. Alok Sanjay Kirloskar (DIN: 05324745) | Mr. Sanjay Chandrakant Kirloskar (DIN: 00007885) | Mr. Pradyumna Rameshchandra Vyas (DIN: 02359563) | Mr. M. S. Unnikrishnan (DIN: 01460245) |
|---|---|---|---|---|
| Category | Non-Executive and Non-Independent Director | Managing Director (Key Managerial Personnel) | Non-Executive and Independent Director | Non-Executive and Non-Independent Director |
| Age | 41 Years | 68 Years | 66 Years | 64 Years |
| Date of first Appointment | 18 July, 2012 | 19 November, 1985 | 16 May, 2019 as a Non-Executive and Independent Director | 05 June 2020 as a Non-Executive and Independent Director |
| Total tenure in Company | 12 Years as Director | Around 40 Years as the Managing Director | 3 Years (16 May, 2019 – 15 May, 2022) as a Non-Executive and Independent Director | 5 years (05 June, 2020 to 04 June, 2025) as a Non-Executive and Independent Director |
| Expertise in functional areas | Strategy, Executive Management and International business operations. | He has been associated with the Company since 1983 and has over 42 years of rich and varied industrial experience with expertise in other functional areas like strategy, executive management and international business operations. | Designing, Technology, Innovations Education, Strategy, Executive Management and International Operations. | Strategy, Policy, Finance, Legal framework, Executive Management, Commercial and International Operations. |
| Qualifications and Brief Profile | He has done Bachelor of Science in Business Administration with concentration in Finance from Carnegie Mellon University, Pittsburgh, PA, USA. He had the honor to be on the Dean's list for his academic excellence throughout the course.<br>He has been associated with the Company since September, 2007. He was first entrusted with responsibilities of international marketing business and he acquainted himself with the functioning of various departments/ sectors. Later, he was the Head of the Industry sector of the Company, before he became the Director. He is on the Board of the Company since July 18, 2012. | Mr. Sanjay Kirloskar holds a Bachelors in Science in Mechanical Engineering from the Illinois Institute of Technology in Chicago, USA.<br>Mr. Sanjay Kirloskar, is Chairman and Managing Director of Kirloskar Brothers Limited. The Company, established in 1888, is one of India's oldest manufacturing companies. It is India's largest centrifugal pump manufacturer and has manufacturing facilities in the Netherlands, South Africa, Thailand, the United Kingdom and the United States of America.<br>He is also on the Boards of DCM Shriram Industries Limited, Kirloskar Ebara Pumps Limited, Kirloskar | He has acquired Masters in Industrial Design (M Des.) from the Indian Institute of Technology, Bombay and was awarded an Honorary Master of Arts degree from the University for the Creative Arts in Farnham, United Kingdom in 2010.<br>With more than 38 years of professional and teaching experience in different spheres of design, Prof. Vyas was associated with NID for 30 years, first as a faculty member and later as the Director of the Institute from 2009-2019.<br>He is a former Director of National Institute of Design (NID), India's premier design institute. | Mr. M. S. Unnikrishnan, is a graduate in Mechanical Engineering from VNIT, Nagpur, he has also completed his Advanced Management Program from the Harvard Business School, Boston, USA. He continues to be a keen student of energy, environment, and management.<br>He is the CEO of IITB-Monash Research Academy, a research institute dedicated to a PhD program in cutting edge technologies and management, jointly promoted by IIT Bombay and the Monash University of Australia. |

| Name (Director Identification Number) | Mr. Alok Sanjay Kirloskar (DIN: 05324745) | Mr. Sanjay Chandrakant Kirloskar (DIN: 00007885) | Mr. Pradyumna Rameshchandra Vyas (DIN: 02359563) | Mr. M. S. Unnikrishnan (DIN: 01460245) |
|---|---|---|---|---|
| | Before joining the Company, he worked with Sonasoft Corporation (Microsoft GPC) at San Jose, California, USA, as Business Development Manager. He had also interned at Nasa Girvan Institute of Technology, Santa Clara, USA and Toyota Motor Corporation, Torrance, USA.<br>Mr. Alok S. Kirloskar, is presently Managing Director – SPP Pumps Limited, Britain's leading pump manufacturer and a subsidiary of the Company. He is also the Managing Director of Kirloskar Brothers International B.V., Kirloskar Brothers International B.V. is the holding company for the international business of the Company. | Brothers International B.V., The Netherlands and SPP Pumps Limited, UK. | He is currently the senior Advisor for Design Promotion and Innovation at the Confederation of Indian Industry (CII), and President-elect of the World Design Organisation (WDO).<br>He has also been chairing the jury of the Design Excellence Award organized by Business World one of the leading business magazines of India. Appointed as a member of the Academic Committee of the World Eco - Design Conference (UN Consultative status NGO) in 2024.<br>He has been conferred with multiple awards like below:<br>• Outstanding Contribution to Education at World Education Congress 2015;<br>• Lifetime Achievement Award by Times Education Icons 2017;<br>• Nomination as a jury member for the Good Design Award (G-Mark) Japan by the Japan Institute of Design Promotion consecutively in 2012, 2013, 2014 and 2016;<br>• Intelligence Award 2024, China, the Taiwan International Students Design Competition 2024, Taiwan, and the Golden Pin Design Award 2024, Taiwan.<br>He has been at the helm of design affairs in India and globally, and his illustrious career has been marked with several national and international milestones and accolades. | He has previously held the position of Managing Director & CEO of Thermax Group for over 13 years and played a pivotal role in the growth, professionalisation and globalisation of the company.<br>He serves on the Boards of KEC International and Greaves Cotton Limited, Livguard Energy Technologies Pvt. Ltd and Ground Screw Pvt. Ltd. He is also a trustee of "Akshaya Patra," the largest NGO of India that feeds 19 lakhs/ day underprivileged school children, and Jehangir Hospital, Pune. He has also served as an Independent Director of the Company during June 05, 2020 to June 04, 2025. He was also a member of Audit Committee, Nomination & Remuneration Committee and Chairman of the Risk Management Committee of the Company, during his tenure.<br>Mr. Unnikrishnan is a member of the Governing Councils of TERI and Army Institute of Technology. |

| Name (Director Identification Number) | Mr. Alok Sanjay Kirloskar (DIN: 05324745) | Mr. Sanjay Chandrakant Kirloskar (DIN: 00007885) | Mr. Pradyumna Rameshchandra Vyas (DIN: 02359563) | Mr. M. S. Unnikrishnan (DIN: 01460245) |
|---|---|---|---|---|
| Shareholding in the Company of the director (including shareholding as beneficial owner) | 6,187 equity shares (0.01%) of ₹ 2/- each. | 1,78,47,465 equity shares (22.48%) of ₹ 2/- each of the Company, held as under:<br>• 1,60,85,546 equity shares in the individual capacity<br>• 17,58,904 equity shares as Trustee of Kirloskar Brothers Limited Employees Welfare Trust Scheme<br>• 3,015 equity shares as a Trustee of C. S. Kirloskar Testamentary Trust | 95 equity shares (0%) of ₹ 2/- each. | NIL |
| Disclosure of relationships between directors inter-se | • Sanjay Kirloskar, Chairman & Managing Director (Father)<br>• Rama Kirloskar, Joint Managing Director (Sister) | • Alok Kirloskar, Non-Executive Director (Son)<br>• Rama Kirloskar, Joint Managing Director (Daughter) | He is not related to any other director of the Company. | He is not related to any other director of the Company. |
| Shareholding in the company of immediate relatives of the director | • Sanjay Kirloskar (Father) holds 1,78,47,465 (22.48%) equity shares<br>• Pratima Sanjay Kirloskar (Mother) holds 1,38,49,488 (17.44%) equity shares | • Pratima Sanjay Kirloskar (Spouse) holds 1,38,49,488 (17.44%) equity shares<br>• Alok Sanjay Kirloskar (Son) holds 6,187 (0.01%) equity shares | NIL | NIL |
| No. of board meetings attended during FY 2024-25 | Attended all the 6 (Six) meetings held during the year. | Attended all the 6 (Six) meetings held during the year. | Not Applicable | Attended 5 (Five) out of 6 (Six) board meetings during his tenure as an Independent Director of the Company. |
| Chairman/ Member of committee of Board of Directors of the Company | **Chairmanship:** Nil<br>**Committee Membership:**<br>Stakeholder's Relationship Committee | **Chairmanship:** Nil<br>**Committee Membership:**<br>a) Stakeholder's Relationship Committee<br>b) Corporate Social Responsibility Committee<br>c) Nomination And Remuneration Committee | **Chairmanship:** Nil<br>**Committee Membership:**<br>a) Audit Committee (w.e.f. May 14, 2025)<br>b) Nomination and Remuneration Committee (w.e.f. June 25, 2025) | **Chairmanship:**<br>a) Risk Management Committee (w.e.f. June 25, 2025)<br>**Committee Membership:**<br>a) Audit Committee (w.e.f. June 25, 2025)<br>b) Nomination and Remuneration Committee (w.e.f. June 25, 2025) |

| Name (Director Identification Number) | Mr. Alok Sanjay Kirloskar (DIN: 05324745) | Mr. Sanjay Chandrakant Kirloskar (DIN: 00007885) | Mr. Pradyumna Rameshchandra Vyas (DIN: 02359563) | Mr. M. S. Unnikrishnan (DIN: 01460245) |
|---|---|---|---|---|
| Listed entities in which the person also holds the directorship and the membership of Committees of the board [along with listed entities from which the person has resigned in the past three years] | He does not hold any directorships or committee memberships in any other listed entity. He has not resigned from any listed entities in past three years. | **Directorship:**<br>DCM Shriram Industries Limited<br>**Committee Membership:**<br>1. Nomination and Remuneration Committee – Chairman<br>2. Risk Management Committee – Member<br>3. Audit Committee – Member<br>He has not resigned from any listed entity in the past three years. | **Directorship:**<br>1. Carysil Limited<br>2. Dynamatic Technologies Limited<br>**Committee Membership:**<br>a) Carysil Limited<br>1. Nomination & Remuneration Committee - Chairman<br>2. Audit Committee - Member<br>3. Risk Management Committee – Member<br>b) Dynamatic Technologies Limited<br>1. Nomination & Remuneration Committee - Chairman<br>2. Audit Committee - Member<br>3. Risk Management Committee – Member<br>4. Stakeholders Relationship Committee - Chairman<br>5. Corporate Social Responsibility Committee - Member<br>He has not resigned from any listed entity in the past three years. | **Directorships:**<br>1. KEC International Limited<br>2. Greaves Cotton Limited<br>**Committee Memberships:**<br>KEC International Limited:<br>1. Risk Management Committee – Chairman<br>2. Audit Committee – Member<br>3. Nomination and Remuneration Committee – Chairman<br>4. Finance Committee – Member<br>Greaves Cotton Limited:<br>Nomination and Remuneration Committee – Member<br>He has not resigned from any listed entity in the past three years. |

| Name (Director Identification Number) | Mr. Alok Sanjay Kirloskar (DIN: 05324745) | Mr. Sanjay Chandrakant Kirloskar (DIN: 00007885) | Mr. Pradyumna Rameshchandra Vyas (DIN: 02359563) | Mr. M. S. Unnikrishnan (DIN: 01460245) |
|---|---|---|---|---|
| List of other directorships held | 1. Kirloskar Corrocoat Private Limited<br>2. Prakar Investments Private Limited<br>3. SPP Pumps Ltd. - United Kingdom<br>4. Micawber 784 (Proprietary) Ltd. – South Africa<br>5. Braybar Pumps (Proprietary) Ltd. – South Africa<br>6. Kirloskar Brothers International B.V. – The Netherlands<br>7. Kirloskar Brothers (Thailand) Ltd. – Thailand<br>8. Syncroflo Inc. – United States of America<br>9. Kirloskar Pompen B.V. – The Netherlands<br>10. SPP Pumps Inc. – United States of America<br>11. SPP Pumps Real Estate LLC – United States of America<br>12. Rodelta Pumps International B.V. – The Netherlands<br>13. Rotaserve B.V. – The Netherlands<br>14. SPP Pumps (South Africa) (Pty.) Limited – South Africa<br>15. SPP Pumps International (Pty.) Limited – South Africa | 1. Kirloskar Ebara Pumps Limited<br>2. Kirloskar Brothers International B.V. - The Netherlands<br>3. SPP Pumps Ltd. – United Kingdom<br>4. Mahratta Chamber of Commerce Industries and Agriculture<br>5. Auto Cluster Development and Research Institute<br>6. MCCIA Foundation<br>7. MCCIA Electronic Cluster Foundation | 1. JKM Erla Automotive Limited<br>2. Dynamatic Manufacturing Limited<br>3. Carysil USA Inc.<br>4. United Granite LLC, USA<br>5. Carysil Products Limited, UK<br>6. Carysil UK Limited | 1. Ground Screw Private Limited<br>2. Livguard Energy Technologies Private Limited<br>3. IIT Palakkad Technology IHUB Foundation<br>4. VNIT Nagpur Alumni Association<br>5. Nair Business Forum<br>6. KEC Investment Holdings |
| Chairman/ Member of Committee of directors of other public limited companies in which he is a director | Mr. Alok Kirloskar does not hold any committee chairmanships or memberships in any public limited companies. | Kirloskar Ebara Pumps Limited<br>Committee Membership:<br>1. Audit Committee - Chairman<br>2. Nomination and Remuneration Committee - Chairman<br>3. Share Transfer Committee - Chairman<br>4. Financial & Investment Committee - Chairman | Nil | Nil |

| Name (Director Identification Number) | Mr. Alok Sanjay Kirloskar (DIN: 05324745) | Mr. Sanjay Chandrakant Kirloskar (DIN: 00007885) | Mr. Pradyumna Rameshchandra Vyas (DIN: 02359563) | Mr. M. S. Unnikrishnan (DIN: 01460245) |
|---|---|---|---|---|
| Skills and capabilities required for the role and the manner in which the proposed person meets such requirements (In case of independent directors) | Not Applicable | Not Applicable | NRC has identified amongst others, skills and expertise required for this role. NRC and Board of Directors are of the view that Mr. Vyas possesses requisite skills, and capabilities in addition to his vast experience in the fields of Industrial Design, Strategy, Policy and Innovations and Technology etc. Therefore, his association with the Company would immensely benefit the Company and it is desirable to appoint Mr. Pradyumna Vyas as an Independent Director. | Not Applicable |
| Terms and conditions of appointment | As per the details provided in the explanatory statement. | As per the details provided in the explanatory statement. | As per the details provided in the explanatory statement. | As per the details provided in the explanatory statement. |
| Last drawn remuneration (FY 2024-25) | ₹ 31,25,000/- (Please refer 'Remuneration of Directors' in the Corporate Governance Report for details) | ₹ 9,89,47,692/- (Please refer 'Remuneration of Directors' in the Corporate Governance Report for details) | Not Applicable | ₹ 36,50,000/- (Please refer 'Remuneration of Directors' in the Corporate Governance Report for details) |
| Details of proposed remuneration | As per the details provided in the explanatory statement. | As per the details provided in the explanatory statement. | As per the details provided in the explanatory statement. | As per the details provided in the explanatory statement. |

**KIRLOSKAR BROTHERS LIMITED**
Established 1888
A Kirloskar Group Company

Enriching Lives



# Transformation

## Unleashing Our True Potential

**Integrated Annual Report FY 2024-25**

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Read the report online at
www.kirloskarpumps.com

# Transformation

## Unleashing our True Potential

### Transformation is not a destination but a continuous journey of evolution and reinvention.

At Kirloskar Brothers Limited (KBL), we view transformation not merely as a shift in routine, but as a holistic process of growth, one that is deeply rooted in resilience, foresight and a relentless pursuit of excellence. It reflects not only our achievements but also the spirit with which we are preparing to redefine future possibilities.

Our transformation is both internal and external. While we adapt to changing market dynamics, we are equally focused on reinventing ourselves from within. By integrating innovative technologies across operations, product development, customer engagement and supply chain ecosystems, we are building a future-ready organisation. This journey, which began with KBL's inception, continues to gain momentum with every new system we implement, every process we refine and every team member we empower.

The pace of change is accelerating, driven by rapid technological advancements, evolving customer expectations and shifting economic paradigms. Guided by a century-old legacy of engineering excellence, we are committed to building a smarter, more sustainable and inclusive future. Our mission to make India self-reliant in fluid management is at the heart of this transformation. Through the adoption of Industry 4.0 principles, automation, data analytics and smart monitoring, we are enhancing operational efficiency and delivering superior customer experiences.

Yet, transformation is not solely about technology. It is also about the people, the teams who design, build and support our innovations. Their passion and dedication form the foundation of our progress. As we stand at this pivotal juncture, transformation serves as our guiding beacon, inspiring us to create meaningful impact and contribute to the betterment of society. Together, we move forward committed to excellence, driven by purpose and proud to shape a future that reflects the true potential of KBL.

## Standalone Decade at a glance

(₹ Million except otherwise stated)

| Particulars | Ind AS | | | | | | | | | IGAAP |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Revenue from Operations | 29,014 | 27,201 | 25,399 | 21,659 | 17,999 | 20,970 | 22,235 | 19,135 | 17,355 | 16,387 |
| Other Income | 408 | 359 | 330 | 357 | 190 | 254 | 247 | 189 | 182 | 208 |
| Material Cost | 15,525 | 14,791 | 14,740 | 13,169 | 10,703 | 11,618 | 13,205 | 11,288 | 9,975 | 9,898 |
| Other Expenses | 9,789 | 8,995 | 8,354 | 7,171 | 5,613 | 7,704 | 7,408 | 6,508 | 6,318 | 5,833 |
| Interest | 51 | 58 | 138 | 158 | 241 | 302 | 262 | 253 | 315 | 382 |
| Depreciation | 584 | 491 | 424 | 407 | 383 | 400 | 366 | 352 | 397 | 408 |
| Profit before tax | 3,473 | 3,225 | 2,073 | 1,111 | 1,249 | 1,200 | 1,241 | 923 | 533 | 74 |
| Income tax provision | 852 | 791 | 547 | 330 | 317 | 408 | 368 | 267 | 203 | (33) |
| Net Profit after tax | 2,621 | 2,434 | 1,526 | 782 | 932 | 792 | 873 | 656 | 330 | 107 |
| Share Capital | 159 | 159 | 159 | 159 | 159 | 159 | 159 | 159 | 159 | 159 |
| Reserves | 16,467 | 14,363 | 12,358 | 11,095 | 10,523 | 9,608 | 9,244 | 8,796 | 8,221 | 7,903 |
| Net Worth | 16,625 | 14,522 | 12,517 | 11,254 | 10,682 | 9,767 | 9,403 | 8,955 | 8,380 | 8,062 |
| Imports | 833 | 902 | 990 | 844 | 652 | 576 | 1,042 | 504 | 382 | 403 |
| Exports | 1,695 | 1,726 | 1,741 | 1,301 | 1,354 | 2,511 | 2,199 | 1,311 | 1,667 | 1,245 |
| Basic Earnings per Share (₹) (Face Value of ₹ 2/-) | 33.01 | 30.65 | 19.22 | 9.85 | 11.74 | 9.97 | 11.00 | 8.26 | 4.16 | 1.36 |
| Dividend % | 350%* | 300% | 225% | 150% | 150% | 125% | 125% | 125% | 50% | 25% |
| Book Value per Share (₹) | 209.38 | 182.88 | 157.63 | 141.73 | 134.52 | 123.00 | 118.42 | 112.78 | 105.53 | 101.53 |

*Previous years' figures have been regrouped to make them comparable. For FY 2019-20 and FY 2020-21, performance was partially affected by COVID-19.*

** Final Dividend Recommended 350%*

# BASIS OF REPORTING

## REPORTING APPROACH

Developed in accordance with the International Integrated Reporting Council's (IIRC) <IR> framework and with reference to Global Reporting Initiative (GRI) 2021, Kirloskar Brothers Limited (KBL/Company) is pleased to present its Integrated Annual Report for FY 2024-25. The report provides key insights into how the Company creates value in the short, medium and long-term for its stakeholders. In addition to this and as mandated by SEBI, performance relevant to stakeholder is also reported by KBL through a Business Responsibility and Sustainability Report (BRSR). Both reports have been combined to avoid duplication and ensure comprehensive yet concise information to all stakeholders.

As a Company, we are committed to achieving the highest governance standards essential for sustainable value creation. This is reflected in our reporting philosophy which is founded on the principles of accountability, transparency, accuracy, integrity, responsibility and compliance.

## FRAMEWORK, GUIDELINES AND STANDARDS

The Report covers key performance indicators in line with the <IR> framework. It also links the Company's capital-wise performance to the applicable United Nations Sustainable Development Goals (UNSDGs). Sections of the document also comply with the requirements of the Companies Act, 2013 (and the rules made thereunder); Indian Accounting Standards; the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015; and the Secretarial Standards issued by the Institute of Company Secretaries of India. Stakeholders are encouraged to read them in conjunction with the contents prepared using the <IR> format to get a holistic view of the Company's annual performance.

## BOUNDARY AND SCOPE OF REPORTING

The report covers information pertaining to, but not limited to, manufacturing facilities, products and solutions, operations and maintenance, office premises of KBL and its Indian Subsidiaries and Associate Companies. Disclosures pertaining to the period 1st April, 2024 to 31st March, 2025 are covered under this report, unless stated otherwise. KBL publishes its Integrated Report on an annual basis.

## FORWARD-LOOKING STATEMENTS

Certain statements in this report regarding – our business operations may constitute forward-looking statements. While these statements reflect the Company's future expectations, it is important to remain mindful that a number of risks, uncertainties and other important factors could cause actual results to differ materially.

## AUDIT AND ASSURANCE

The financial statements presented in the report have been audited by M/s. Sharp and Tannan Associates - Chartered Accountants, Mumbai. The information contained in (Page No. 40 to 89) in line with <IR> framework and BRSR Core parameters has been independently assured by M/s SGS India Private Ltd. Pune.

## OUR STAKEHOLDERS

- **Shareholders/ Investors**
- **Customers**
- **Dealers and Distributors**
- **Suppliers**
- **Employees**
- **Communities**
- **Financial Institutions**
- **Business and Governing Bodies**

## CAPITALS

**Financial Capital**
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**Manufactured Capital**
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**Intellectual Capital**
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**Human Capital**
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**Social and Relationship Capital**
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**Natural Capital**
Pg 84 Read more

## KEY STRATEGIC OBJECTIVES

**S1** Widening Market Reach

**S2** Improving Operational Efficiency

**S3** Digital Transformation

**S4** Environment Protection

**S5** Talent Management and Competency Development

**S6** Improving Plant Productivity

**S7** Supply Chain Management

# ENRICHING LIVES. TRANSCENDING BOUNDARIES.

## With 135+ Years of Engineering Excellence

Since 1888, KBL has been enriching lives of people worldwide. With 137 years of engineering excellence, KBL is the 5th generation of inheritors and is the flagship company of the Kirloskar Group, one of India's first industrial conglomerates in the engineering sector, with a significant presence in both domestic and international markets.





**A remarkable achievement**

We provide drinking water to over 35% of India's population – a testament to our commitment to improving access to clean water and enhancing the quality of life for millions of people.

## OUR SMART AND SUSTAINABLE SOLUTIONS

### Product Portfolio

**100+**
products

**100,000+**
SKUs

**20+**
diversified sectors

### Product Line

#### Pumps

**75+**
Types of pumps

Pumps up to
**30 MW**
(40,000 HP)

Pump head up to
**3,200 m**
(4,539 psi)

Flow of up to
**120,000 m³/hr**
(528,000 US GPM)

**1,000+**
Lowest Lifecycle Cost (LLC™ ) pumps supplied worldwide

#### Valves

**30+**
Types of valves

Valves with diameter
**6 mm to 5,000 mm**

#### PAT/PICO

PAT
**6 kW to 100 kW**

PICO
**0.5 kW to 5 kW**

Hydel Turbine
**Up to 20 MW**

## WHAT DO WE PROVIDE

**Complete fluid management solutions for large infrastructure projects** in the areas of Water Supply, Power Generation, Oil & Gas, Building & Construction, Industrial, Marine & Defence as well as Domestic and Agricultural applications.

## WHAT MAKES US DIFFERENT

- Largest manufacturer of centrifugal pumps in India
- Ultra-modern and future-ready integrated manufacturing facilities
- India's leading pump manufacturer with the highest market capitalisation
- Manufacturer of the largest pumps by size and horsepower in India
- Provider of optimised pumping solutions from Concept to Commissioning across segments

## WE CONTINUE TO BE GUIDED BY

### Our Purpose

**Pg 06** Read more

### Our Strategy

**Pg 32** Read more

### Our Approach to ESG

**Pg 90** Read more



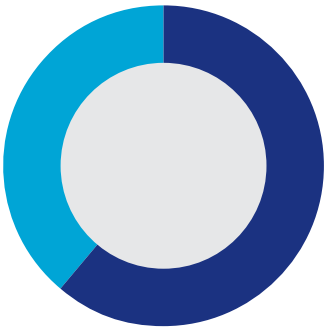
### Unlocking value for stakeholders

Our multi-dimensional approach to value creation is aimed at consolidating our market position, increasing profitability, increasing the order book and maximising strong potential.

## BUSINESS OVERVIEW

**Sector served**

Building & Construction, Industry, Water & Irrigation, Marine & Defence, Oil & Gas, Power and Retail Pumps



Consolidated Order Book

**₹31,176 mn**

(As on 31st March, 2025)

**61.26%**
Domestic Order Book

**38.74%**
Overseas Order Book

## OUR VALUE SYSTEM

### Our Purpose

Enriching Lives. Transcending Boundaries

### Our Vision

Enriching lives across communities through innovative and sustainable engineering solutions

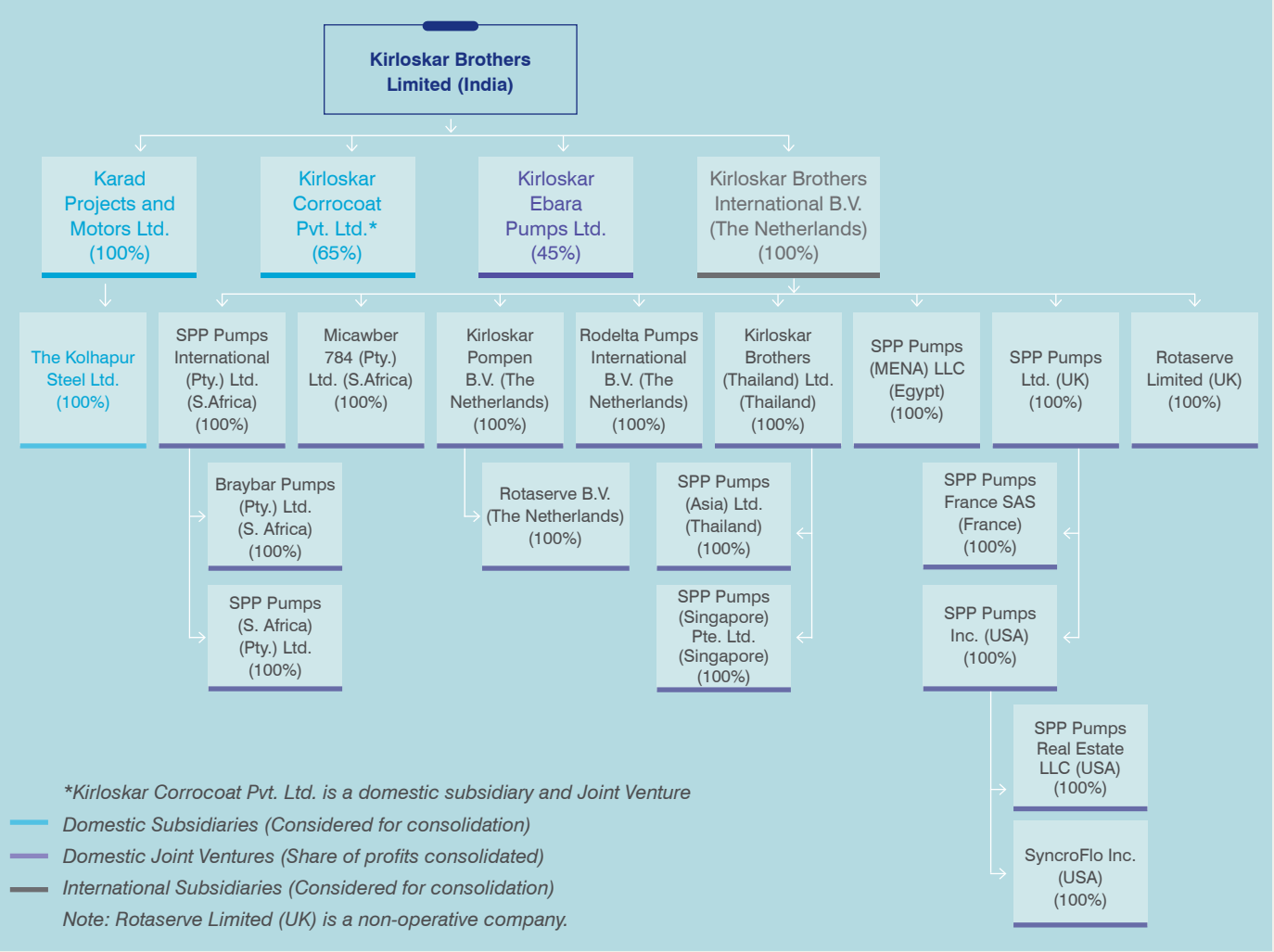
### Our Mission

To lead the industry through reliable, intelligent hydraulic machines and systems providing superior value and ensuring customer delight

### Our Core Values

- Teamwork with Mutual Trust and Empathy
- Commitment towards the Environment
- Integrity and Accountability
- Speed and Accuracy
- Progressive and Proactive
- Process Centric

## GROUP BUSINESS STRUCTURE




## A STRONG BRAND PORTFOLIO

KIRLOSKAR EBARA PUMPS LIMITED India
SPP PUMPS LIMITED United Kingdom
BRAYBAR PUMPS (PTY) LTD Republic of South Africa
SYNCROFLO, INC. U.S.A.
RODELTA PUMPS INTERNATIONAL B.V. The Netherlands
ROTASERVE
KARAD PROJECTS AND MOTORS LIMITED India
KIRLOSKAR BROTHERS (THAILAND) LIMITED Thailand
KIRLOSKAR CORROCOAT PRIVATE LIMITED India
SYNCROFLO, INC. U.S.A.
THE KOLHAPUR STEEL LIMITED India

### Leading the way toward a Sustainable Future

- KBL Registered Corporate Office is one of the first buildings to receive LEED Platinum Green Building Rating from IGBC
- KBL is the first and the only pump manufacturing company to receive CII GreenCo rating twice
- KBL is the first and the only pump manufacturing company to achieve CII GreenPro certification for its pumps and foundry units
- KBL is one of the first Indian pump manufacturers to implement the ISO 14001 Environmental Management System as a part of Integrated Management System Certification
- KBL is awarded a patent for the Hydro Power Generation System for PICO pump turbine, which underscores our steadfast commitment to innovative energy solutions and technological advancement

# HISTORY AND LEGACY

Founded in 1888 and formally incorporated in 1920, Kirloskar Brothers Limited (KBL) stands as a true pioneer of the Indian pump industry. Our story, stretching back over 137 years, is one of ground-breaking achievements – from crafting India's first plough to engineering its first centrifugal pump. This spirit of innovation has defined KBL and led to revolutionary introductions in the industry such as the first diesel engine, electric motor, lathe and the specialised Concrete Volute Pump (CVP).

**OUR REMARKABLE LIST OF "FIRSTS" UNDERSCORES OUR ENDURING COMMITMENT TO DRIVING INDUSTRIAL PROGRESS, WITHIN INDIA AND ACROSS THE GLOBE.**

The seeds of this legacy were sown in 1896 with the establishment of a modest bicycle shop by our visionary founder, Shri Laxmanrao Kirloskar, alongside his brother, Shri Ramuanna Kirloskar. This humble beginning ignited India's journey towards industrialisation.

The visionary foresight of Shri Laxmanrao Kirloskar laid the cornerstone for the future of the Kirloskar Group. His son, Shri Shantanurao Kirloskar, who joined the Company in 1926, played a pivotal role in expanding its horizons. Under his leadership, Kirloskar Brothers Limited (KBL) transformed from a modest enterprise into a diversified industrial conglomerate. The Group's growth gained momentum with the establishment of Mysore Kirloskar Ltd. in 1941, under the leadership of Shri Shambhuanna Jambhekar and Shri Rajaram Kirloskar. This upward trajectory continued under the dynamic stewardship of Shri S.L. Kirloskar, with strong support from Shri N.W. Gurjar and Shri Ravi Kirloskar. In 1946, the Group entered a significant phase of diversification with the founding of Kirloskar Electric Company Limited in Bangalore and Kirloskar Oil Engines Limited in Pune, further strengthening its industrial footprint across India.

From its nascent stages in 1910 from a small factory shed at Kirloskarvadi, KBL has undergone a remarkable transformation into a globally recognised multinational conglomerate. Today, our footprint extends across 17 manufacturing facilities worldwide, with Kirloskarvadi continuing to remain the enduring heart of all our operations.

Over the years, KBL has risen to become a global leader in fluid management, providing cutting-edge solutions to diverse sectors including construction, process industries, nuclear energy, marine & defence, power generation, petrochemicals and sustainable water management.

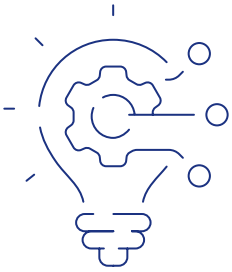


At KBL, innovation and sustainability go hand in hand as we engineer energy-efficient, eco-friendly solutions that minimise the environmental impact. Our DBxe and LLC™ series pumps, both GreenPro Ecolabel certified, deliver superior hydraulic performance, while reducing energy costs and carbon footprints.

Embracing renewable energy, we offer pioneering solutions such as Pump as Turbine (PAT) and PICO, generating clean power from flowing water, alongside fish-friendly pumps that safeguard marine ecosystems. We are also embracing future-ready technologies including IoT, AI and AR to create smarter, more responsive and immersive pump systems.

KirloSmart™, our IoT-based remote monitoring solution, offers real-time remote monitoring, enhancing operational efficiency and reliability. From intelligent pressure boosting systems that ensure seamless water supply in high-rises to rapid-response flood control units deployed in disaster-hit regions, our innovations are shaping resilient communities.

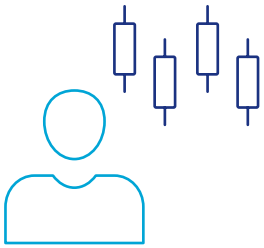
As India accelerates toward a clean energy future, KBL stands ready to power this transformation, delivering advanced pumping solutions for nuclear energy projects that will help secure sustainable growth.



**Our legacy, built upon a foundation of relentless innovation, unwavering resilience and an enduring commitment to excellence, continues to shape the future of industries worldwide.**



# HOW WE CREATE AND DELIVER VALUE TO OUR STAKEHOLDERS



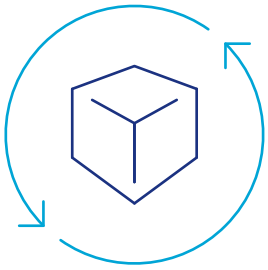
## SHAREHOLDERS

Ensuring healthy capital structure and robust balance sheet, focusing on high-margin businesses, minimising exposure to working capital intensive EPC projects and maintaining a consistent revenue stream



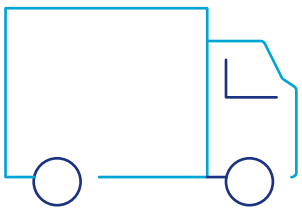
## CUSTOMERS

Meeting the evolving needs of customers around the world through reliable, innovative, efficient and customised solutions, maintaining a steadfast focus on innovation and faster turnaround and ensuring consistency in deliveries



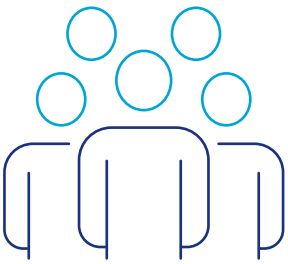
## DEALERS & DISTRIBUTORS

Nurturing strong business relationships with dealers and distributors, offering reliable products, providing comprehensive before and after sales and making inroads for future growth opportunities



## SUPPLIERS

Fostering open communication and feedback, maintaining effective supplier relationships, ensuring timely payments, sharing knowledge and opportunities and maintaining a collaborative partnership on quality improvement and innovation



## EMPLOYEES

Building competencies and expertise of our workforce and continuously upgrading their capabilities, engaging in skill enhancement, offering a diverse and enriching experience for mutual growth



## COMMUNITIES

Maximising social impact through socio-economic development, driving societal causes, enriching communities and fostering a sense of community spirit, building enduring relationships and focusing on community development



## FINANCIAL INSTITUTIONS

Maximising value, fostering resilience and trust, driving sustainable growth and strong financial performance thus creating a sustainable future, maintaining a stringent focus on having a strong balance sheet, with effective practices on capital management



## BUSINESS AND GOVERNING BODIES

Contributing to critical infrastructure projects such as water supply, irrigation, flood control and urban development, compliance with environmental and regulatory standards, supporting sustainable development goals

# GLOBAL PRESENCE

## Registered Office and Global Headquarter

1 **Pune, India**

## Manufacturing Plants in India

2 **Kirloskarvadi**

- Maharashtra
- Various types of pumps ranging from 5 kW to 30 MW and valves ranging from 6 mm – 5,000 mm

3 **Dewas**

- Madhya Pradesh
- Industry and domestic pumps ranging from 0.37 kW to 22 kW

4 **Sanand**

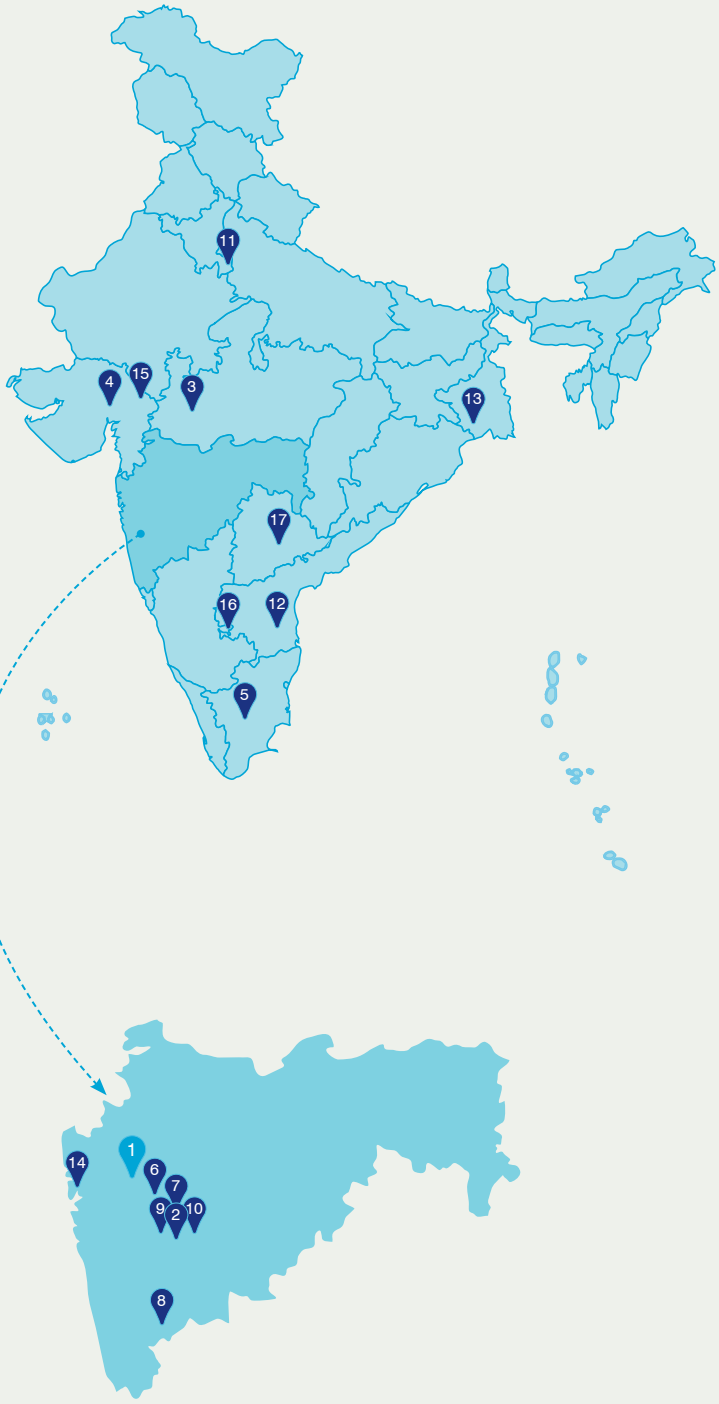
- Gujarat
- Submersible pumps ranging from 0.37 kW to 44 kW

5 **Kaniyur**

- Tamil Nadu
- Domestic mini pumps ranging from 0.37 kW to 1.1 kW

6 **Shirwal**

- Maharashtra
- Hydro-pneumatic, HVAC and IoT Panels




## Domestic Subsidiaries and Associate Companies

7 **Karad Projects and Motors Limited, Karad**

8 **The Kolhapur Steel Limited, Kolhapur**

9 **Kirloskar Corrocoat Private Limited, Kirloskarvadi**

10 **Kirloskar Ebara Pumps Limited, Kirloskarvadi**

Location  Products manufactured

## Regional Offices

11 **New Delhi**

12 **Chennai**

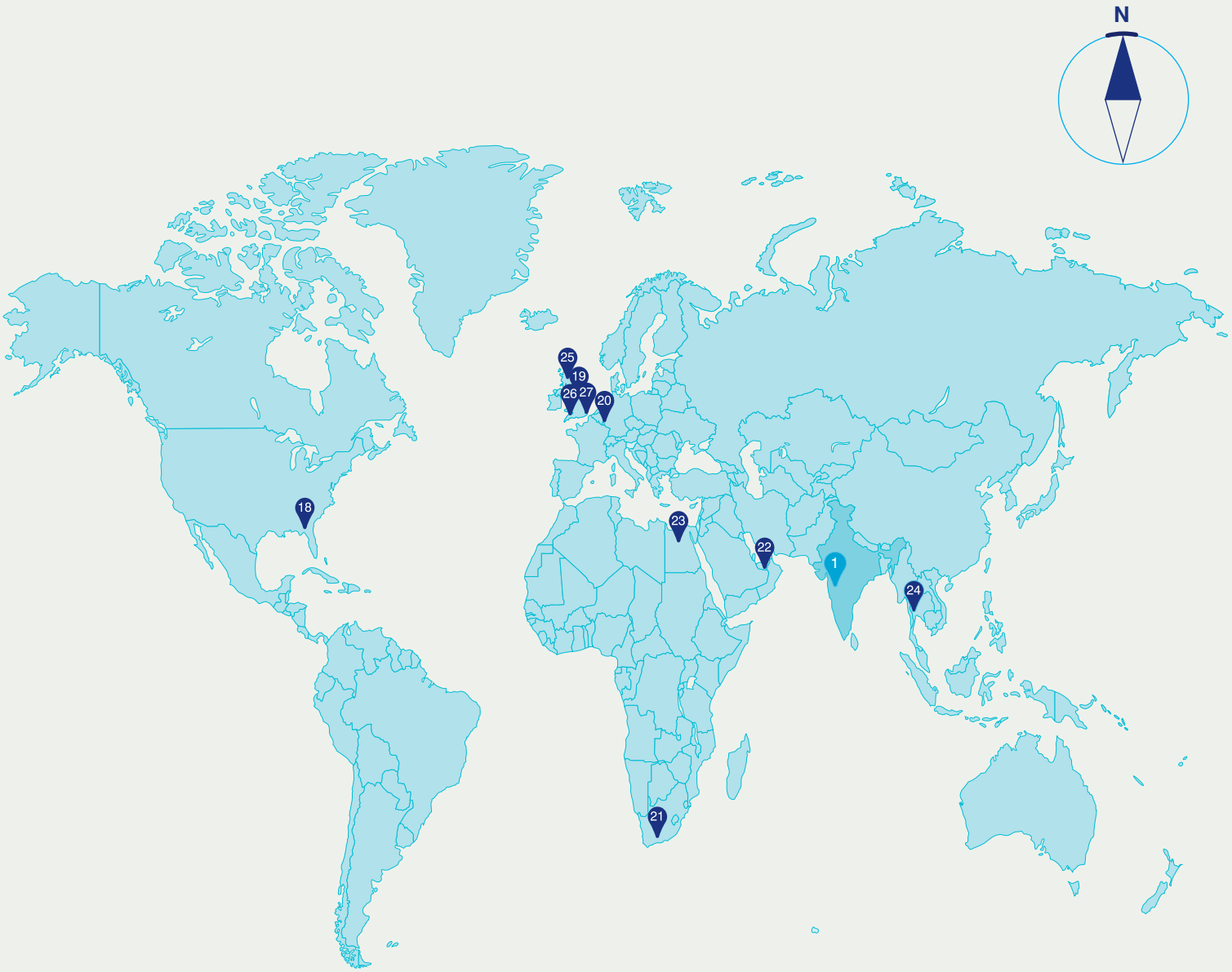
13 **Kolkata**

14 **Mumbai**

15 **Ahmedabad**

16 **Bengaluru**

17 **Hyderabad**




## Overseas Presence

18 **Atlanta, US** (Manufacturing)

19 **Coleford, UK** (Manufacturing)

20 **Almelo, The Netherlands** (Manufacturing)

21 **Johannesburg, South Africa** (Manufacturing)

22 **Jebel Ali, UAE** (Assembly and warehousing)

23 **Cairo, Egypt** (Assembly, testing and services)

24 **Bangkok, Thailand** (Assembly, testing and services)

25 **Aberdeen** (Service centre)

26 **Hyde, Manchester** (Service centre)

27 **Theale, Reading** (Office)

## Sectors served

- Building & Construction
- Industry
- Oil & Gas
- Power
- Water & Irrigation
- Marine & Defence
- Retail Pumps

The above map is not to scale and for illustrative purposes only.

# CMD'S MESSAGE



**Dear Stakeholders,**

*It gives me immense pleasure to present to you the 105th Annual Report of Kirloskar Brothers Limited (KBL) for the fiscal year 2024–2025. This year's report is more than a review of our performance; it reflects the remarkable transformation that our organisation has embraced — a transformation rooted in resilience, foresight and our relentless pursuit of excellence.*

The theme for this year, "*Transformation* — Unleashing True Potential", is both timely and deeply meaningful for us, as it encapsulates not just what we have achieved but the spirit with which we are preparing to redefine possibilities for the future.

We are witnessing an era of unprecedented change across the global industrial landscape. The pace of transformation driven by shifting economic paradigms, rapid technological advancements and evolving customer expectations is accelerating. Markets today are more interconnected than ever and businesses are compelled to operate in an environment where agility, innovation and sustainability are not just competitive advantages but essential requisites for survival and growth.

At KBL, we have always believed in the importance of anticipating change rather than reacting to it. Over the past year, we have navigated the complexities of volatile commodity prices, geopolitical disruptions, environmental challenges and fluctuating demand cycles. While these dynamics have assessed industries globally, they have also opened avenues for innovative business models and product portfolios.

In particular, the Indian infrastructure and energy sectors, crucial contributors to the country's economic ambitions, are undergoing rapid modernisation. Significant investments in water infrastructure, smart cities, nuclear energy and renewable power generation present new opportunities for value creation. Internationally, the demand for energy-efficient and sustainable pumping solutions is growing steadily, driven by stricter environmental regulations and rising consciousness about resource conservation.

The Trump tariffs, introduced as part of a broader protectionist policy, have contributed to economic instability by disrupting global supply chains and increasing costs for businesses worldwide. However, KBL and its subsidiaries are well-positioned to withstand these challenges. With over 70% localisation in our manufacturing facilities across global operations, KBL has significantly reduced its dependence on imported components. This strong localisation strategy ensures minimal impact from external trade barriers and tariffs, allowing the Company to maintain operational stability and continue delivering value to its customers worldwide.

Transformation for KBL is not confined to external market shifts, it is equally about how we are reinventing ourselves from within. Our operations, product development, customer engagement and supply chain ecosystems are being increasingly infused with innovative technologies.

The integration of Industry 4.0 principles, including advanced automation, data analytics and smart monitoring solutions, is enabling us to enhance operational efficiencies, predict maintenance requirements and deliver superior customer experiences. Our research and development initiatives are aligned to future-ready technologies such as IoT-enabled pumps, AI-driven monitoring systems and remote asset management tools, ensuring that our offerings remain ahead of the curve.

We have also invested in digital platforms and intelligent business systems that are streamlining our internal processes and decision-making. From manufacturing plants adopting smart manufacturing protocols to customer service platforms providing real-time support, digitalisation has become a cornerstone of our strategy to unlock greater productivity, responsiveness and reliability.

A particularly exciting chapter in our transformation journey has been our growing participation in India's nuclear power programme. As the country seeks to expand its nuclear energy capacity programme to meet clean energy targets and ensure

energy security, KBL is proud to be playing a pivotal role by supplying high-precision, critical locally developed pumping systems for nuclear installations. We expect to deliver the first Indian-designed primary heat transfer pump for the pressurised heavy water fleet programme, within the agreed timelines.

Our experience and engineering excellence in manufacturing nuclear-grade pumps uniquely position us as a trusted partner in this strategic sector. It is a testament to our technical capabilities and commitment to quality that KBL continues to be among the select few Indian companies certified to supply to this highly specialised domain.

Going forward, we see immense potential in expanding our contributions to nuclear power projects, both in India and globally. This aligns with our broader strategy of participating in high-value, technologically demanding projects that reinforce our brand's legacy while opening new avenues for growth.

In the evolving industrial narrative, sustainability is no longer an optional agenda but an essential part of responsible business practice. At KBL, sustainability has always been intrinsic to our ethos, manifesting in the energy-efficient products we engineer, the resource-conserving processes we adopt and the community-centric initiatives we champion.

Our integrated approach to sustainability encompasses environmental stewardship, social responsibility and economic value creation. During the year, we have made noteworthy progress in reducing our carbon footprint, optimising water usage and improving waste management practices across our operations. The development of energy-efficient pump sets and water-saving solutions is enabling customers to achieve their own sustainability goals while contributing to a cleaner environment.

Moreover, our focus on employee well-being, safety, skill development and diversity has fostered a workplace culture where talent is nurtured and innovation thrives. Through our CSR initiatives, we have continued to engage with local communities in meaningful ways, promoting education, health and sustainable livelihoods.

As we stand on the cusp of a new growth cycle, our vision for KBL is clear – Enriching Lives across communities through innovative and sustainable engineering solutions. Our strategic priorities are anchored around four key pillars that will shape our journey forward. First, innovation-led growth, where we will continue to invest in research and development, create next-generation technologies and expand our product portfolio to meet the evolving demands of the infrastructure, energy, water and industrial sectors. Second, we remain committed to operational excellence, enhancing efficiency, quality and agility through digitalisation, lean practices and world-class manufacturing standards. The third pillar is customer-centricity, as we strive to strengthen our engagement by offering intelligent, customised solutions and comprehensive life-cycle support that maximises operational uptime and optimises resource utilisation. Lastly, our focus on sustainable leadership reflects our dedication to embedding sustainability in every aspect of our business, from eco-efficient product designs to ethical governance and inclusive community development. Together, these priorities will empower KBL to create enduring value for all stakeholders and drive meaningful progress in the years ahead.



*Our experience and engineering excellence in manufacturing nuclear-grade pumps uniquely position us as a trusted partner in this strategic sector.*

Looking ahead, the global pumping industry is poised for transformational shifts, driven by megatrends such as urbanisation, industrial automation, climate change and digitalisation. At KBL, we are proactively responding to these trends with progressive ideas that will shape the future of fluid management.

Our vision includes developing smart pumping systems capable of predictive diagnostics and autonomous operation, integrating renewable energy-powered pumps for off-grid water supply and pioneering modular solutions for decentralised infrastructure projects. We were the first pump company to introduce such IoT based systems, ensuring that data resides in India. Furthermore, by expanding our footprint in niche and high-growth segments such as nuclear power, desalination and wastewater management, we aim to build a resilient, diversified business portfolio capable of delivering long-term value to our stakeholders.

Transformation is not a destination but a continuous journey of evolution and reinvention. At KBL, this journey is guided by our legacy of over a century of engineering excellence and our unwavering commitment to building a future that is smarter, sustainable and inclusive.

As we move forward, I would like to extend my deepest gratitude to our customers, business partners, employees, shareholders and community stakeholders for their unwavering trust and support. Your belief in our capabilities inspires us to push boundaries, embrace new possibilities and truly unleash the potential that lies within.

Together, let us embark on this exciting new chapter of transformation and progress.

**Sanjay C. Kirloskar**
Chairman and Managing Director
Kirloskar Brothers Limited

# JMD'S MESSAGE



**Dear Stakeholders,**

*It is with a deep sense of pride and optimism that I present to you the Annual Report 2024-25 of Kirloskar Brothers Limited (KBL). This milestone reflects our enduring legacy and signals our evolving readiness to meet the demands of an increasingly complex and dynamic marketplace. The theme for this year – Transformation: Unleashing True Potential – aptly captures the essence of our journey and ambitions, as we reimagine ourselves for a future shaped by innovation, agility and customer-centricity.*

*We have observed a clear shift in customer expectations demanding not just reliable products but integrated, efficient and intelligent solutions.*

The Indian pump and fluid management market has witnessed a significant transformation over the past few years. As one of the key enablers of India's industrial and infrastructure growth, this sector continues to evolve in response to shifting economic priorities, increasing environmental concerns and technological disruption. At KBL, we have always believed in being ahead of the curve. The past year reinforced our commitment to not just adapting to changes, but to shaping them through strategic foresight and operational excellence.

We have observed a clear shift in customer expectations demanding not just reliable products but integrated, efficient and intelligent solutions. As competition intensifies from domestic players and global entrants, the need to differentiate ourselves through quality, service, innovation and digital prowess has never been greater. Our response has been deliberate and comprehensive, touching every part of our value chain.

Innovation remains a cornerstone of our strategy to stay competitive and relevant in a fast-evolving market. Over the past year, we have intensified our R&D efforts with a sharper focus on energy-efficient, IoT-enabled and sustainable pumping solutions. Our in-house capabilities have expanded to include predictive maintenance technologies, advanced fluid dynamics simulations and AI-integrated diagnostic tools. These innovations not only enhance product performance but also improve the lifecycle value for our customers.

We are especially proud of our work in developing application-specific pumps tailored for the infrastructure, irrigation, wastewater and renewable energy sectors. These next-generation products are the result of a close collaboration between our R&D teams, customers and field engineers. Through our innovation ecosystem, we are continuously leveraging customer insights and global trends to co-create solutions that are truly transformative.

As part of our digital and technological transformation, we are also embracing the power of emerging technologies such as Artificial Intelligence (AI), Internet of Things (IoT) and Augmented Reality (AR) to redefine the future of pumping systems. AI and machine learning are enabling smarter diagnostics, predictive maintenance and autonomous system controls, significantly improving uptime and performance efficiency. IoT integration is allowing us to create connected pump systems that provide real-time monitoring and actionable insights, leading to more informed and responsive fluid management. Additionally, AR is being utilised in training, maintenance and on-site troubleshooting, creating immersive support environments for our customers and technicians. In the domain of product development, we have started leveraging 3D printing technology to prototype new pump components rapidly, validate complex geometries and accelerate our design-to-market cycle. These advanced technologies are not just tools – they are catalysts in our journey of transformation, helping us innovate with speed, precision and purpose.

India's vision to become a global manufacturing hub is closely aligned with our own manufacturing excellence journey. At KBL, we have continued to invest in modernising our plants, upgrading processes and embedding digital technologies to enhance productivity, precision and agility. Our state-of-the-art facilities across the country are equipped with advanced technology, real-time quality control systems and environmentally responsible operations.

We have implemented several initiatives to reduce our carbon footprint, optimise water usage and increase the share of renewable energy across our manufacturing units. These measures are part of our broader sustainability agenda, ensuring that our growth is aligned with the needs of future generations.

Our commitment to 'Make in India' goes beyond a slogan, it's a core philosophy. A significant share of our products are indigenously designed, developed and manufactured, reflecting India's engineering excellence and manufacturing strength.

One of the most promising developments in recent years has been the strong growth of our retail business. Driven by rapid urbanisation, growing concerns around water security and the expansion of the rural economy, demand for domestic and agricultural pumps has significantly increased.

This success reflects our deep understanding of local needs, our ability to deliver reliable products at competitive price points and our commitment to prompt service and support. The introduction of compact, energy-efficient and easy-to-maintain pump models has been particularly well received by farmers, homeowners and entrepreneurs.

Looking ahead, we are focused on deepening market penetration and strengthening our emotional connect with end-users continuing to build on the trust and legacy associated with the Kirloskar brand name.

Our continued focus on critical and high-value sectors such as nuclear, defence, water & irrigation and process industries has yielded significant results. KBL has maintained its leadership position in supplying specialised pumping systems to India's nuclear power programme, a domain that demands the highest level of precision, quality and regulatory compliance. We have strategically expanded into emerging applications such as thermal power, desalination and chemical processing by offering customised, high-efficiency solutions tailored to the unique requirements of each sector. These initiatives not only broaden our sectoral presence but also reinforce our position as a trusted partner in nation-building endeavours.

Digital is no longer an enabler – it is the very fabric of modern business transformation. Over the past year, KBL has accelerated its digital initiatives across marketing, sales, customer engagement and internal operations. We have adopted a data-driven approach to decision-making, real-time monitoring of performance indicators and predictive analytics to forecast demand and streamline supply chains. The digital transformation is helping us move closer to our vision of becoming a truly agile, responsive and future-ready organisation.

Transformation is not a destination, it is an ongoing journey of reinvention. As we look ahead, our focus remains clear: to strengthen customer relationships, drive meaningful innovation, foster an empowered and inclusive workforce and create sustainable, long-term value for all our stakeholders.

We firmly believe that growth must be both inclusive and sustainable. In line with this belief, we are deepening our ESG commitments, investing in skill development and supporting community water initiatives that deliver real impact at the grassroots level.

Our core values – integrity, excellence, innovation and responsibility continue to serve as our guiding principles. They shape our actions as we seize new opportunities, address emerging challenges and work towards making KBL not just a market leader, but a force for positive change.

I would like to express my sincere gratitude to all our stakeholders: employees, partners, customers, shareholders, financial institutions and communities for their continued trust and support. Together, we have built a solid foundation for the next chapter of our journey, one defined by transformation, driven by purpose and committed to unleashing our true potential.

**Rama Kirloskar**
Joint Managing Director
Kirloskar Brothers Limited

# DIRECTOR'S MESSAGE



**Dear Stakeholders,**

*It is my privilege to present the 105th Annual Report of Kirloskar Brothers Limited (KBL) for the financial year 2024–25.*

*One of the most significant trends this year has been the accelerated evolution in customer expectations. Across markets, customers now demand not only reliable and cost-efficient fluid management solutions but also integrated systems that are smart, energy-efficient, digitally-connected and aligned with their Environmental, Social and Governance (ESG) goals.*

As we reflect on a year marked by rapid global transformations, shifting trade landscapes and evolving customer expectations, I am pleased to report that KBL has not only navigated these dynamic conditions with resilience but has also advanced confidently in its journey of transformation, innovation and global relevance.

The past year has seen substantial shifts in the international business scenario, especially in the fluid management industry. Global economic uncertainty, coupled with regional conflicts, tightening monetary policies and climate-induced challenges, had a cascading impact across sectors. The fluid management sector, being intricately tied to infrastructure development, utilities, oil & gas, agriculture and manufacturing, was no exception. However, demand rebounded in many parts of the world, driven by infrastructure stimulus programmes, sustainability initiatives and a reinvigorated focus on water and energy security.

Tariff structures and trade barriers across several key markets continued to fluctuate, influenced by geopolitical tensions and changing regional trade pacts. This, in turn, affected supply chain dynamics, material costs and project execution cycles. Despite these challenges, KBL's globally integrated supply and procurement strategy ensured a consistent and reliable delivery framework, safeguarding project timelines and customer commitments.

One of the most significant trends this year has been the accelerated evolution in customer expectations. Across markets, customers now demand not only reliable and cost-efficient fluid management solutions but also integrated systems that are smart, energy-efficient, digitally-connected and aligned with their Environmental, Social and Governance (ESG) goals.

The shift from conventional pump and fluid management systems to intelligent, predictive and sustainable solutions is evident across sectors – from municipal water infrastructure to critical industrial applications, from power generation to irrigation. KBL has responded with agility, aligning our product development, R&D investments and customer service mechanisms to this new reality.

Our international subsidiary, Kirloskar Brothers International B.V., delivered an exceptional performance in the fiscal year 2024-25. The subsidiary continues to play a pivotal role in expanding KBL's global footprint, with a strong and growing presence in the United Kingdom, the USA, the Netherlands, South Africa, Egypt, Thailand and several other strategic geographies.

During the year, KBI BV achieved robust top-line growth and a notable improvement in profitability. This was driven by targeted strategies in high-potential markets and a deep understanding of local customer requirements. Key infrastructure and utility projects across Africa and the Middle East, supported by strong aftermarket services and customised engineering solutions, solidified our position as a preferred partner for mission-critical applications.

Despite global macroeconomic headwinds and ongoing geopolitical uncertainties, our international operations under the KBI BV Group delivered record-breaking results. The Group posted its highest-ever revenue of ₹ 15,260 mn, with profit before tax growing by 44% to ₹ 1,496 mn. This outstanding performance was powered by strong contributions from our operations in the United Kingdom, the United States, South Africa and the Netherlands. Notably, SPP Pumps delivered its best-ever performance in both sales and profitability, while our U.S. business achieved significant expansion in market presence.

Strategic investments in automation, infrastructure and talent development have played a vital role in driving these outcomes. A sharp focus on operational efficiency, continuous process improvements and customer-centric innovation ensured consistent value delivery across markets. Our commitment to localisation – through local assembly units, skilled service teams and well-established partner ecosystems – has enabled us to offer enhanced value-added services while maintaining competitive pricing.

KBI BV has made significant investments to enhance its infrastructure and talent pool. Notable initiatives include the implementation of the Phoenix production labour hour tracking system, which has fully automated previously manual processes, improving both accuracy and efficiency on the shopfloor. Additionally, Colligo, a web-based system for real-time service shop floor production data collection, has been introduced, providing enhanced data accuracy and accessibility and driving the ESD business forward.

Furthermore, the Group's resilience in supply chain management and its emphasis on technology integration have provided a strong and sustainable edge in competitive markets. With a forward-looking approach and solid foundations in place, KBI BV is well-positioned to build on this momentum and contribute meaningfully to KBL's global vision in the years to come.

*Innovation continues to be the cornerstone of our strategy. This year marked a significant milestone with the launch of KirloSmart™ 2.0 and KirloSmart™ 2.1, our next-generation IoT-based pump monitoring solutions.*

Innovation continues to be the cornerstone of our strategy. This year marked a significant milestone with the launch of KirloSmart™ 2.0 and KirloSmart™ 2.1, our next-generation IoT-based pump monitoring solutions. These platforms are a testament to KBL's commitment to offering intelligent, data-driven and customer-centric solutions.

In a world where change is the only constant, KBL has demonstrated adaptability at every level. Whether it is evolving global trade policies, customer digitisation expectations, or the rising importance of climate-conscious operations, we have stayed ahead by continually reimagining our value proposition.

We have invested in modernising our manufacturing facilities, upgrading digital infrastructure and streamlining internal processes through automation and AI-based systems. These efforts have improved operational efficiency, reduced carbon footprints and elevated product quality and customer experience.

Looking ahead, our vision is clear, to be the most trusted global fluid management solutions provider through excellence, innovation and sustainability. In the year ahead, we will focus on four key pillars: driving sustainable growth through geographic and sectoral expansion with minimal environmental impact; accelerating digital transformation; delivering customer-centric, intelligent and modular solutions; and fostering a future-ready, agile workforce.

This progress is made possible by the trust of our customers, partners, employees and shareholders – thank you for your continued support. As we move forward, KBL will continue to adapt, innovate and lead – creating value and driving sustainable progress worldwide.

**Alok Kirloskar**
Non-Executive and Non-Independent Director
Kirloskar Brothers Limited

# RISK MANAGEMENT FRAMEWORK

As our efforts are directed towards achieving long-term growth, we understand the need for proactive risk identification and management, that is crucial for sustaining exceptional growth and achieving our strategic vision and devised several strategies that align with our overall goals.

We operate under an approved Enterprise Risk Management Policy which is meticulously designed to assess the state of our business risks effectively. The management team identifies, evaluates, manages and reports risks and the associated opportunities. We secure sustainable value for all our stakeholders through effective risk identification and its prompt mitigation.

The approach of our integrated quantitative risk analysis in day-to-day activities and performance management of the Company allows us to proactively address potential risks and capitalise on the growing opportunities in the sector and also guides our corporate decision-making. While ensuring continuous operations and sufficient liquidity, our focus has also been on safeguarding our supply chains, customers and the communities we operate within.

**Key Risks**

**R1**

## Talent Management – Recruitment and Retention

**Risk definition**

- There has been an increase in demand for skilled talent in the industry, leading to dearth of talent for skilled professionals
- Loss of talent to competitor and inability to ensure optimal staffing levels may lead to operational/delivery issues

**Risk drivers**

- Development of identified successors
- Identification of talent pool
- Engaging and developing talent
- Adequate rewards for talent

**Implication for value creation**

- Loss of talent to competition
- Knowledge and skill gap
- Loss of intellectual capital
- Missed opportunities and stagnation
- Disruption of operations
- Company's information moves out with talent loss to competition

**Mitigating controls**

- Talent Management process developed and implemented
- Critical positions identified
- Successors identified and development plan for them is in progress
- Established a talent readiness assessment framework
- Process automation initiated to reduce dependability

## R2

### Information and Cyber Security Risk: Cyber Attacks/Cyber Security Threats, Vulnerability Management & Application Security and Inadequate Data Governance Procedures

**Risk definition**

- Cyber-attacks are a potential threat on the IT resources, resulting in theft, damage or sabotage and disruption/loss
- Inadequate business continuity and disaster recovery plans resulting in business disruption or delay in service restoration in the event of IT disaster may lead to unavailability of systems that are required for the normal functioning of the business
- Inability to generate/retain/retrieve information timely, competition intelligence, dashboards, etc., due to sub-optimal utilisation of systems, absence of effective document management system and poor quality of data may hamper decision-making and operations

**Risk drivers**

- Limited resources and infrastructure
- Evolving threat landscape
- Inadequate security controls
- Lack of training and skills
- Inadequate plan testing and exercises
- Limited communication and awareness
- Incomplete documentation and document management

**Implication for value creation**

- Disruption in operations
- Regulatory consequences
- Damage of customer trust and reputation
- Financial loss

**Mitigating controls**

- Governance for ITSM, IT project management and IT incident management has been established
- The principle of 'Secure by Design' has been integrated into all development activities
- A dedicated leadership within IT has been formed to strategically focus on cybersecurity, SAP and development projects
- A Cybersecurity Maturity Assessment was conducted and a three-year roadmap has been developed
- An AI-ML-based Endpoint Threat Detection & Response system has been implemented
- A robust system for managing privileged accounts has been established
- Vulnerability Management processes have been put in place, including assessments and penetration testing on critical business applications and governance for Vulnerability Management has been implemented
- IT and cybersecurity policies have been revised and rolled out
- Regular cybersecurity awareness sessions and phishing simulations have been conducted to enhance staff vigilance and resilience against evolving cyber threats, with staff receiving interactive training

## R3

### Financial Performance Risk Affecting Margins

**Risk definition**

The Company may face a risk of inadequate gross margins on the products manufactured and businesses/subsidiaries with low margins may lead to lower EBITDA and PAT.

**Risk drivers**

- Market volatility
- Increase in cost of commodity prices
- Cost inflation
- Pricing pressure from the market
- Deterioration in operating efficiency

**Implication for value creation**

- Financial performance
- Competitive positioning
- Investor confidence
- Long-term sustainability
- Fluctuating EPS

**Mitigating controls**

- Enrich product mix for higher margins
- Innovative products introduction with better efficiency to generate premium in the market
- Enhancement in volumes through campaigns and awareness
- Penetration of untapped territories
- Debottlenecking of manufacturing capacities
- Conduct benchmarking exercise to control identify and control leakage areas
- Enhanced governance via focussed teams to monitor costs and Working Capital
- Focus on value engineering to make the products cost competitive

## R4

### Delay in Commercialisation of New Technologies

**Risk definition**

In the product development cycle, the transition from the R&D phase to the commercialisation phase may get delayed and the timeline for successfully launching and monetising the technology may further be extended.

**Risk drivers**

- Complex regulatory requirements and intellectual property rights
- Competitive landscape
- Ineffective targeting and segmentation
- Resource constraints

**Implication for value creation**

- Revenue loss
- Reputation damage
- Competitive disadvantage
- Loss of investor confidence

**Mitigating controls**

- Develop KPIs to accelerate new products to the market
- Implement a robust intellectual property strategy
- Conduct pro-active market research and analysis
- Enhance technical expertise

## R5

### Rise in Procurement Cost and Heavy Dependence on Limited Suppliers

**Risk definition**

There is a risk of potential increase in expenses related to sourcing materials, goods or services, coupled with a high reliance on a limited number of suppliers. This may limit the negotiation power of the Company and further make it vulnerable to price fluctuations and supply disruption.

**Risk drivers**

- Supplier concentration
- Currency fluctuation
- Inflation
- Supply and demand imbalance
- Global commodity shortage

**Implication for value creation**

- Escalation of costs
- Limited negotiating power
- Higher exposure towards supply chain disruption and subsequent delays
- Affecting production plan

**Mitigating controls**

- Leveraged tools to track direct expenditure
- Strategic partnership with suppliers for key purchase category
- Introducing alternate suppliers and category management to keep track of overall spend
- Regular monitoring of raw material price index to facilitate timely purchase decision
- Consistently evaluating negotiation tools; for example – E Auction
- Sufficient stocking of key raw material(s)
- Hiring category experts for cost reductions

**R6**

## Geopolitical Risk

**Risk definition**

The Company has subsidiaries in numerous geographies across North America, EMEA and Asia Pacific and is exposed to risks on account of external factors originating from geopolitical events which may adversely affect the Company's international operations.

**Risk drivers**

- Volatile international commodity prices
- Political instability/conflict/ global power shifts
- Regulatory changes/policy uncertainty/protectionist policies
- Trade disputes and tariff barriers
- International sanctions and embargoes
- International financial turmoil

**Implication for value creation**

- Impairment of value of investments in international subsidiaries
- International Go-To Market (GTM)/ expansion decisions
- Disruption in supply chain and increase in costs
- Abandoned, hold or cancelled projects and orders

**Mitigating controls**

- Stringent governance oversight for high-risk countries and for exports
- Diversified spread of international operations and exports
- The Company has put in place, alternate strategic sourcing options to minimise the impact
- Increased local sourcing share

# MATERIALITY ASSESSMENT

At KBL, a systematic grasp of material aspects fosters improved synchronisation between business strategy, performance management and reporting. A formal materiality assessment helps us identify significant issues that have the greatest impact on our business, communities and the environment and substantively influence our capacity to generate value in the short and long term.

At KBL, we have conducted a materiality assessment survey in accordance with Global Reporting Initiative (GRI) standards during FY 2022-23. The assessment included a comprehensive analysis of key ESG concerns with the potential to impact KBL's business, environment, society and larger economy.

Through an evaluation of this assessment, we have been able to identify and map the ESG risks and opportunities that represents our organisation's most significant impacts on the economy, environment and people, including any effect on human rights. Consequently, we were enabled to adopt targeted actions and report significant issues pertinent to the Company and all its stakeholders. The prioritisation process for material issues is summarised below.



## UNDERSTANDING THE ORGANISATION CONTEXT

- Analysing the organisation's long-term vision, mission and objectives
- Understanding Risks and Opportunities posed to the business by the changing ESG landscape



## IDENTIFYING SIGNIFICANT ESG ISSUES FOR THE ORGANISATION

- Identifying sectoral and peer material priorities and forming a stack of exclusive material topics for the Company



## ANALYSING THE SIGNIFICANCE OF ESG MATERIAL TOPICS

- Engaging with stakeholders to identify and rate the likelihood of any impact posed by the material topics and the severity of this impact



## PRIORITISING MATERIAL TOPICS

- Material topics are prioritised based on stakeholder's responses and management discussion through validation by senior management

## KEY MATERIAL ASPECTS

### High Impact Material Issues

**Strategy**

Implement and scrutinise

**Approach**

The Company has established systems and working groups for effective management and due diligence of high impact material topics

- M1 Product stewardship and innovation
- M2 Emissions management
- M3 Health and safety
- M4 Diversity, equity and inclusion
- M5 CSR and local communities
- M6 Energy management

### Medium Impact Material Issues

**Strategy**

Adapt and anticipate

**Approach**

The Company has prepared through effective anticipation of future risks and opportunities for management of medium impact material issues

- M7 Materials
- M8 Talent attraction and retention
- M9 Supply chain management
- M10 Risk management
- M11 Compliance
- M12 Marketing and communications
- M13 Economic performance
- M14 Customer safety and product quality
- M15 Cyber security and digitisation
- M16 Market presence

### Low Impact Material Issues

**Strategy**

Comply

**Approach**

The Company ensures strict compliance against the low impact material issues

- M17 Business ethics and values
- M18 Corporate governance
- M19 Human capital development
- M20 Biodiversity
- M21 Waste management
- M22 Water and effluents management
- M23 Human rights and labour conditions
- M24 Public policy advocacy

Under ESG governance, we have identified goals and commitments against each material issue and our Corporate Sustainability Committee reviews the progress of all such initiatives quarterly. Double materiality assessment shall be conducted in FY 2025-26. Frequency for conducting materiality assessment is once in three years or any significant change in process or operations whichever is earlier.

To understand KBL's management approach and strategies on materiality assessment in detail, please refer to the Business Responsibility and Sustainability Report (BRSR) on Page 130.

# STAYING ENGAGED AND RESPONSIVE TO ALL OUR STAKEHOLDERS

## Shareholders/ Investors

**Risks:**

R1 R3 R4 R6

**Material matters:**

M10 M11 M13 M14 M15 M16 M17 M18 M24

**Need and Expectations**

- Strong operational performance
- Revenue growth
- Consistent returns on investments
- Well-capitalised balance sheet
- Better disclosures, transparency and credibility of financial and non-financial disclosures
- Corporate governance practices
- Quality of servicing shareholders
- Compliance culture

**Mode and Frequency of Engagement**

- AGM – Yearly
- Analyst Meet – Quarterly
- Query resolution and support on daily basis

**Value Proposition**

- Maintaining substantial market share
- Improving shareholder returns
- Ensuring strong capital and liquidity levels
- Focus on ESG commitments and disclosures

**Quality of Relationship**

95% Investors' Service Score

**Capital impacted**

## Customers

**Risks:**

R3 R4 R6

**Material matters:**

M1 M2 M6 M13 M14 M16

**Need and Expectations**

- Efficient product availability
- Product quality and reliability
- On-time delivery
- Service response
- Green and sustainable product
- Value for money

**Mode and Frequency of Engagement**

- Customer perception survey (CPS) (Once in two years)
- Customer visits and communication - Continual process
- Events and exhibitions – As per plan

**Value Proposition**

- Extended warranty period
- Goodwill replacement
- Prompt installation and service support
- Value-added services
- New product development

**Quality of Relationship**

84.3% CPS Score

**Capital impacted**

## Dealers and Distributors

**Risks:**

R3 R4 R6

**Material matters:**

M1 M2 M9 M11 M13 M14 M16 M17

### Need and Expectations

- On Time In Full (OTIF)
- Prompt and fast after sales service and spare parts availability
- Delivery support in case of special strategic orders
- On time service support

### Mode and Frequency of Engagement

- Monthly review meetings
- As and when required through CRM
- Dealer Meets/Conferences
- Product & Process Training Sessions
- Events & exhibitions – As per plan
- Audits and assessment – As per plan

### Value Proposition

- Substantial market share/market presence
- Meeting customer expectations
- Reliable product quality & services
- Effective and efficient supply chain

### Quality of Relationship

4.3 - Overall Satisfaction Score (on a scale of 1 to 5)

**Capital impacted**

## Suppliers

**Risks:**

R3 R5 R6

**Material matters:**

M7 M9 M11 M14 M16 M17

### Need and Expectations

- Business quantum
- Timely payment
- Technical support
- Training & development support
- Green supply chain
- Clear, unambiguous contracts, policies, agreements and scope of works
- Fairness in dealing, transparency, ethical behaviour

### Mode and Frequency of Engagement

- Quarterly and yearly supplier meets
- Supplier quality assessment visits (As per plan)
- Order-based discussions (As applicable)
- Vendor Satisfaction Survey
- Supplier Trainings and workshops (As per plan)
- Audits and assessment (As per plan)

### Value Proposition

- Business growth for good quality Suppliers
- Supplier Quality Improvement Program (SQIP) for mutual benefit
- Responsible sourcing and circular economy

### Quality of Relationship

8.45 - Supplier Perception Survey Score (on a scale of 1 to 10)

**Capital impacted**

## Employees

**Risks:** R1

**Material matters:** M3 M4 M8 M11 M14 M17 M19 M23

**Need and Expectations**

- Work-Life balance
- Learning & growth opportunity
- Fair wages
- Rewards & recognition
- Growth opportunity, authority & empowerment
- Occupational health and safety
- Employment security
- Compliance to human rights
- Equality, diversity, inclusiveness and indiscrimination
- Transparency in communicating decisions/ performance feedback, HR policies

**Mode and Frequency of Engagement**

- Employee Engagement Survey (EES) (Once in two years)
- Performance Management System (Six Monthly)
- Celebration of festival and other days (As per plan)
- Employee well-being programmes (As per plan)
- Town Hall Meet

**Value Proposition**

- Training platform
- Career growth opportunities
- Employee health and well-being schemes
- Job rotations
- CMD Award

**Quality of Relationship**

72% Employee Engagement Score

**Capital impacted**

## Communities

**Risks:** R1

**Material matters:** M2 M5 M14 M19 M23

**Need and Expectations**

- Employment opportunity
- Pollution-free environment
- Community development and support
- Local sourcing
- Business support to vulnerable & marginalised groups

**Mode and Frequency of Engagement**

- Formal/informal meetings with Village Panchayat/local administration (As per plan)
- During CSR activity (As per plan)
- Society perception survey (As per plan)

**Value Proposition**

- Local employment and sourcing
- Development and support activities through CSR spend

**Quality of Relationship**

100% execution of plan for contribution to society on upliftment of education & medical care

**Capital impacted**

## Financial Institutions

**Risks:** R2 R3

**Material matters:** M10 M11 M14 M15 M16 M17

**Need and Expectations**
- Robust business growth
- Good financial performance and cash flow
- Transparency and timely data submission
- Compliance in RBI and FEMA regulations

**Mode and Frequency of Engagement**
- Quarterly and yearly meets through Consortiums
- Monthly meetings (As per agenda)

**Value Proposition**
- Proportionate business routings
- Competitive pricing

**Quality of Relationship**

AA - Rating from CRISIL

**Capital impacted**

## Business and Governing Bodies

**Risks:** R2 R6

**Material matters:** M2 M3 M11 M17 M22 M23 M24

**Need and Expectations**
- Financial management, security and sustainability of the organisation
- Governance structure, transparency, accountability and ethical behaviour of the organisation
- Social and environmental responsibility of the organisation
- Management of risk and compliance
- Branding and reputation of the organisation
- Products, services and solutions offered by the organisation and its approach to innovation in processes, products, services and solutions

**Mode and Frequency of Engagement**
- Formal meetings with business & governing bodies (As and when)
- Email, letters, meetings and filing through government portals (As and when)

**Value Proposition**
- Regular interaction with government/business bodies to engage with industry concerns on existing/ future policies and regulations to advance ease of doing business
- Strictly complying with relevant rules and regulations and coordinating with regulatory bodies

**Quality of Relationship**

On time grievance handling

**Capital impacted**

**Capital impacted:**
- Financial
- Manufactured
- Intellectual
- Human
- Social and Relationship
- Natural

**Risks:**
- R1 Talent Management – Recruitment and Retention
- R2 Information and Cyber Security Risk: Cyber Attacks/Cyber security threats, Vulnerability Management & Application Security and Inadequate Data Governance Procedures
- R3 Financial performance risk affecting margins
- R4 Delay in commercialisation of new technologies
- R5 Rise in procurement cost and heavy dependence on limited suppliers
- R6 Geopolitical risk

**Material matters:**
- M1 Product stewardship and innovation
- M2 Emissions management
- M3 Health and safety
- M4 Diversity, equity and inclusion
- M5 CSR and local communities
- M6 Energy management
- M7 Materials
- M8 Talent attraction and retention
- M9 Supply chain management
- M10 Risk management
- M11 Compliance
- M12 Marketing and communications
- M13 Economic performance
- M14 Customer safety and product quality
- M15 Cyber security and digitisation
- M16 Market presence
- M17 Business ethics and values
- M18 Corporate governance
- M19 Human capital development
- M20 Biodiversity
- M21 Waste management
- M22 Water and effluents management
- M23 Human rights and labour conditions
- M24 Public policy advocacy

# OUR BUSINESS MODEL

## OUR UNIQUE STRENGTHS

### ENGINEERING EXCELLENCE

- End-to-end offering – One-stop solution from conceptualisation to manufacturing and implementation
- Dedicated Research & Engineering Development department equipped with latest softwares for various analysis backed up by test beds for new product testing and development
- Proficiency in Engineering and Fluid Management Systems

### DISTINCT CULTURE

- Setting a unique culture and building high-performance teams
- Promoting a culture of sustainability and energy conservation
- Leading digital transformation in India's Pump Industry

### MANUFACTURING PROFICIENCIES

- Being India's first and largest and a world-class pump manufacturing company for MTO, MTS and ETO products
- Manufacturing capabilities benchmarked against highest quality standards
- Manufacturing locations spread across 5 countries in 4 continents, ensuring cost effectiveness, reduced turnaround time and adherence to local sourcing norms

### WORLD-CLASS AND INDUSTRY-LEADING PRODUCTS

- Manufacturing cutting-edge, energy-efficient and environmentally sustainable innovative products running the wheels of most industries
- Inculcating innovation in products to remain aligned with business goals
- A diversified product portfolio catering to a wide range of applications across industries, ensuring business remains unimpacted by cyclicality
- Optimising the mix of value-added products, end-to-end solutions and new product launches by leveraging technological advances such as 3-D Printing, IoT, AI, AR and VR

### CUSTOMER-CENTRIC APPROACH

- A global company serving customers across 6 continents and 120+ countries; having local presence across all major trading blocks
- Fulfilling the responsibility of offering customised solutions to address specific needs of customers across industries
- Ensuring customer satisfaction by fulfilling their need for reliable, intelligent hydraulic machines and systems
- Comprehensive after-sales support through a dedicated and extensive network of authorised spares dealers and service centres

### CAPITAL MANAGEMENT

- Prudent equilibrium between cash inflows and outflows to manage our CAPEX requirement through internal cash accruals
- Positive cash flow and sufficient liquidity to satisfy current and the anticipated cash flow demands in the future

## UTILISING OUR STRENGTHS

**SUPPORTED BY:**

VISION

MISSION

**SUSTAINABLE AND INNOVATIVE SOLUTIONS**

**SERVING CUSTOMERS GLOBALLY**

# DELIVERING LASTING VALUE

VALUES

OUR RISK MANAGEMENT FRAMEWORK

**PROVIDING ONE-STOP SOLUTION FOR VARYING NEEDS OF CUSTOMERS**

**CREATING VALUE-ADDED PRODUCTS ACROSS MULTIPLE SEGMENTS AND MULTIPLE BUSINESS MODELS**

## FOR OUR SHAREHOLDERS

- Revenues increased by 6.7%
- EBITDA margin grew by 5.8%
- Rewarded shareholders with 350% Dividend (subject to approval by Members in the AGM)

## FOR OUR CUSTOMERS

- 84.3% Overall Customer Satisfaction Score
- Addressing changing needs and preferences and providing adequate after-sales support
- Seeking faster and convenient ways to reach customers through a dedicated and extensive network of Channel Partners

## FOR OUR EMPLOYEES

- 72% Employee Engagement Score
- Various programmes launched to enhance employee well-being and enrich overall employee experience through range of activities organised by previously established employee clubs
- Provided training and awareness programmes, initiatives on skill development and employee engagement; maintained focus on diversity, equity & inclusion

## FOR OUR COMMUNITIES

- Continued to conduct CSR activities in local areas with key focus on our strategic pillars of Health, Education and Environment
- Spent ₹ 43+ mn on CSR activities

## FOR OUR PLANET

- Implemented environmental stewardship initiatives to effectively minimise our operational impact on biodiversity, natural resources and air quality
- CII GreenCo certified manufacturing plants (5 plants)
- CII GreenPro Ecolabel certified products
- Enhancement of renewable energy thereby reducing GHG emissions

# OUR STRATEGY ROADMAP

KBL's strategy and business model lies at the heart of our capacity to create and sustain value over time. Our holistic approach to creating value is underpinned by our strategy, objectives and targets. Each of our business units have specific strategies that align with the organisation's overall business goals.

Strengthening our offerings, enhancing our geographic presence, increasing market share, focussing extensively on our smart and innovative solutions and setting new standards in product innovation, efficiency, reliability and sustainability are some of our key priorities.

To operate in a challenging environment and to make the organisation even more competitive in the global business landscape, we have devised our strategies and key priorities, aimed at unlocking our full potential and delivering increased value to all our stakeholders.

## OUR STRATEGIC OBJECTIVES AND ENABLERS

### S1 WIDENING MARKET REACH

**Performance measures**

- Leveraging global presence and focus on high growth segments
- Developing new products with simultaneous thrust on enhancing existing products
- Expanding channel partner network

**Progress in FY 2024-25**

- Recorded a significant 49% growth in opening export order board
- Launched new products across key segments including Buildings & Construction (B&C), Industry, Power, Agriculture and Domestic.
- 52% of business revenues contributed by channel partners and has shown 10.3% growth

**Key Risks**

- Financial performance risk affecting margins
- Delay in commercialisation of new technologies/ products
- Geopolitical risk

**Capitals Impacted**



### S2 IMPROVING OPERATIONAL EFFICIENCY

**Performance measures**

- Increasing overall revenue through introduction of new products, value-added offerings and by providing aftermarket sales and service
- Optimising margins with competitive and value-based pricing and product upselling
- Improving cost and processes, optimising workflow and eliminating inefficiencies and optimising generation of green energy
- Continuous financial analysis, cost control and working capital management

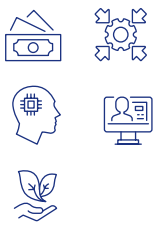
**Progress in FY 2024-25**

- 7.7% Increase in Net Profit
- 7.68% Increase in Net Margin
- 5.8% growth in EBITDA
- 243 variants of new products including energy-efficient models developed
- 13% increase in revenues from after-market
- Implemented a forecasting model for the Kirloskarvadi stock pump business, enabling proactive production planning, improving on-time delivery performance and significantly enhancing customer satisfaction
- AGILE methodology was developed and adopted for meeting the fluctuating market demand with optimal utilisation of resources and capacity

**Key Risks**

- Talent management
- Financial performance risk affecting margins
- Cyber and information security risk
- Delay in commercialisation of new technologies/ products

**Capitals Impacted**



## S3 DIGITAL TRANSFORMATION

**Performance measures**

- Implementing advanced engineering softwares and Augmented Reality for product research and development
- Increasing operational efficiency and employee productivity with intelligent automation of software
- Manufacturing innovative solutions

**Progress in FY 2024-25**

- Digitisation projects implemented in Procurement function (Procurement dashboards, Procurement Analytics, Go Live of Phoenix portal)
- AI-powered security deployed and endpoint encryption enabled real-time threat detection, cyber attack prevention and secure data transmission
- AI Roadmap - projects started in the area of customer service, Quality, HR
- Strategic investments in Virtual Reality (VR), Augmented Reality (AR), Artificial Intelligence (AI), Internet of Things (IoT) and 3D Printing significantly impacted product quality and created additional revenue streams
- Launched KirloSmart™ 2.0 and KirloSmart™ 2.1 – advanced version of IoT-based solution

**Key Risks**

- Talent management
- Cyber and information security risk
- Financial performance risks affecting margin
- Rise in procurement cost

**Capitals Impacted**



## S4 ENVIRONMENT PROTECTION

**Performance measures**

- Developing energy-efficient and lowest lifecycle cost products
- Conserving biodiversity at plants
- Acquiring Environmental Management System (ISO 14001:2015) and Energy Management System (ISO 50001:2018) for all manufacturing plants
- Monitoring and measurement of energy, water, waste, emissions and biodiversity across plants

**Progress in FY 2024-25**

- Signed a solar Open Access Power Purchase Agreement (PPA) for supply of 13.5 MWp solar energy to Company's manufacturing facility at Kirloskarvadi and at TKSL's Kolhapur facility, significantly reducing carbon footprint
- 437 nos. BEE-certified star-rated products including 4-star and 5-star ratings
- Dewas plant achieved "Approaching to Zero Waste to Landfill Facility" status and Sanand plant achieved "Aspiring to Zero Waste to Landfill Facility" status under the CII Zero Waste to Landfill Guidelines
- Successful sustenance of GreenCo certification for plants (Kirloskarvadi, Dewas, Sanand and Kaniyur) through annual assessment by CII
- ISO 14001:2015 (Environmental Management System) certification and compliance for 9 of our plants
- ISO 50001:2018 (Energy Management System) certification and compliance for 5 plants
- ESG initiatives like water feasibility study, zero waste to landfill assessment, biodiversity assessment conducted across plants
- Mass tree plantation drives undertaken at Kirloskarvadi and Dewas plant to promote biodiversity and enhance green cover

**Key Risks**

- Financial performance risk affecting margins
- Rise in procurement cost
- Geopolitical risk
- Environmental risk

**Capitals Impacted**



## S5 TALENT MANAGEMENT AND COMPETENCY DEVELOPMENT

**Performance measures**

- Employee engagement
- Diversity and inclusion
- Skill upgradation
- Leadership development

**Progress in FY 2024-25**

- 8.76% Female Workforce (increased gender diversity)
- 72% Employee Engagement Score
- 100% women-driven manufacturing plant at Kaniyur
- 30% women representation on the Board
- Continuous skill development programmes conducted for employees throughout the year
- Various programmes launched aimed at improving overall employee experience and increasing engagement (revision in employee policies, car policy, flexi working hours, optional holidays and range of activities through previously established employee clubs)

**Key Risks**

- Talent management – recruitment and retention
- Financial performance risk affecting margins

**Capitals Impacted**



## S6 IMPROVING PLANT PRODUCTIVITY

**Performance measures**

- Deploying TPQM as foundation for lean transformation
- Eliminating inefficiencies in manufacturing processes
- Integrating autonomous maintenance to improve equipment reliability

**Progress in FY 2024-25**

- Implemented a specialised Foundry ERP version at the Kirloskarvadi Plant's CI foundry thereby enhancing production planning, quality monitoring and metal accounting processes
- Commissioned new robotic weld overlay machine for all types of valves at Kirloskarvadi, improving product quality and reduce dependency on external vendors
- Replaced the conventional cupola furnace with a 1.5-tonne induction furnace at the Kirloskarvadi CI foundry, resulting in lower operating costs and increased productivity
- Multiple initiatives under the TPQM pillars have resulted in reduction of machine downtime/break down losses, thereby improvement of productivity and OEE of our manufacturing plants
- Automated pump testing facilities at Dewas and Kaniyur plants to increase testing efficiency and accuracy
- Dewas Plant recognised with award for Excellence in "Consistent in TPM Commitment 2024' by the Japan Institute of Plant Maintenance (JIPM)

**Key Risks**

- Talent management
- Financial performance risk affecting margins
- Delay in commercialisation of new technologies

**Capitals Impacted**



## S7 SUPPLY CHAIN MANAGEMENT

**Performance measures**

- Enabling continuous supply chain assessment
- Monitoring quality, cost and delivery of procurement categories
- Automation and digitalisation of related processes
- Vendor Engagement programmes
- Implementing ESG initiatives in supply chain

**Progress in FY 2024-25**

- Procurement cost saving of 3.6% achieved in FY 2024-25
- Vendor meet (participation by 400+ vendor delegates) and supplier perception survey (for 244 vendors) conducted which helped to strengthen supplier relationship and improve supply chain performance
- Enhancement in on-time delivery and reduction in process time achieved through the implementation of auto PO for B-class and C-class items (4,500 items covered)
- Go Live of Phoenix portal, procurement dashboards, procurement analytics improved efficiency, data transparency, cost savings, faster retrieval of data and better supplier management
- Enhanced focus on sourcing raw materials that are recyclable, biodegradable or made from renewable sources
- 43% of sustainable sourcing
- ESG assessment completed across the value chain, covering 62.93% of total business spend
- 8.45 Supplier Perception Score (on scale of 1 to 10)

**Key Risks**

- Rise in procurement cost
- Financial performance risk affecting margins
- Cyber and information security risk
- Geopolitical risk

**Capitals Impacted**



# ADAPTING TO A FAST-EVOLVING BUSINESS ENVIRONMENT

The operating environment during the year was encircled in complexities of volatile commodity prices, geopolitical disruptions, environmental challenges and fluctuating demand cycles. Amid continued global economic and geopolitical uncertainty, we realigned our priorities with those of our stakeholders as we strive to create shared value.

In FY 2024-25, we witnessed an era of unprecedented change across the global industrial landscape, driven by shifting economic paradigms, rapid technological advancements and evolving customer expectations. India is currently recognised as the world's fastest-growing major economy and is expected to maintain a strong growth trajectory, driven by strong economic fundamentals, resilient private consumption and robust public investment.

Viksit Bharat @2047 envisions a globally competitive Indian manufacturing sector integrated into global value chains, contributing significantly to the nation's GDP and creating well-paying jobs. This includes a focus on leveraging policy-driven investments, green technologies, digital infrastructure and global partnerships to drive sustainable and inclusive industrial growth.

India's rapid economic growth had a positive impact on the manufacturing industry, specifically the pump sector. Increasing investments in agricultural infrastructure represent one of the key factors bolstering the growth of the market in India. Factors like rapid industrialisation and the rising requirement of safe drinking water are anticipated to fuel the market growth.

As a leading entity in the industry, KBL remains well-positioned to capitalise on the above opportunities and drive further success. Despite a tough operating environment, agility, innovation and sustainability continued to be the Company's competitive advantages and essential prerequisites for growth.

## Climate Change

**SDGs served**




Gradual climatic processes (sea-level rise, changing rainfall pattern) and frequent weather events (heatwaves and droughts) are impacting businesses. These factors are likely to alter the demand pattern, especially for pumps with domestic and agricultural applications.

### Our Response

KBL has always been committed to developing energy-efficient and sustainable products for extreme weather conditions. Our focus on sustainable manufacturing practices, adoption of green energy and compliance to prevalent regulations and standards enables us to mitigate the risks associated with climate change.

### Key Risks

- Financial performance risk affecting margins
- Delay in commercialisation of new technologies
- Rise in procurement cost and heavy dependence on limited suppliers
- Geopolitical risk

## Regulation and Governance

**SDGs served**




There was an ongoing demand for an improved regulatory environment and improved structure and processes for decision-making, accountability and culture.

### Our Response

KBL places a strong emphasis on regulatory compliance and governance to ensure its operations are in line with global standards. KBL also complies with various environmental regulations, focusing on sustainability by developing energy-efficient and green products. To maintain high governance standards, we follow transparent business practices and prioritise ethical operations. By integrating regulatory compliance into strategic goals and maintaining strong governance, KBL ensures compliance to prevalent regulations and standards.

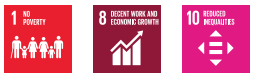
### Key Risks

- Financial performance risk affecting margins
- Delay in commercialisation of new technologies
- Geopolitical risk



## Economic growth

**SDGs served**



Despite global uncertainty, India displayed steady economic growth. India's real GDP growth of 6.4% in FY 2024-25 remains close to the decadal average and is emerging as the fastest-growing large economy. Strong growth in construction activities and electricity, gas, water supply and other utility services, is expected to support industrial expansion.

### Our Response

KBL is capitalising on India's economic growth by expanding its product offerings to meet the increasing demand for pumps in sectors such as agriculture, infrastructure and industry. Our focus on innovation, R&D and sustainable products enhances the ability to serve growing markets, particularly with the rise in urbanisation and industrialisation. By strengthening our presence in the centrifugal pump market, we aim to leverage the favourable economic environment and meet expanding economy demands.

### Key Risks

- Financial performance risk affecting margins
- Delay in commercialisation of new technologies
- Rise in procurement cost and heavy dependence on limited suppliers
- Geopolitical risk



## Digital adoption

**SDGs served**



Impact of new emerging technologies, increased level of digital adoption and behavioural changes of customers. New emerging technologies, increased level of digital adoption and behavioural changes in customers continues to benefit the nation. Technology is poised to quickly and radically change every sector of the Indian economy.

### Our Response

KBL has been actively embracing digital transformation to enhance operational efficiency, improve product offerings and serve customers better. Our digital platforms like KirloSmart™ provide remote diagnostics and performance tracking, improving the overall customer experience. Additionally, KBL is also investing in automation and smart manufacturing to improve efficiency, reduce operational costs and ensure high-quality production for sustained growth and greater competitiveness in the global market.

### Key Risks

- Cyber and information security risk
- Talent management risk – Recruitment and Retention
- Financial performance risk affecting margins
- Delay in commercialisation of new technologies



## Increasing competition

**SDGs served**



Increased competition between global players, wide distribution channels and competition from the unorganised sector led to a further fragmented market. Customers reached out for companies offering products with high efficiency, superior quality, innovative design and reliability.

### Our Response

KBL is leveraging its unique strengths by focusing on innovation, cost optimisation and enhancing distribution networks to differentiate itself. Our strong R&D capabilities in developing advanced, energy-efficient products along with enhanced customer service and support to retain customer loyalty further enhances the market demand of our products. Additionally, the Company is ensuring compliance with ongoing and emerging quality standards and improving accessibility through better distribution channels, all while continuously adapting to market shifts and opportunities.

### Key Risks

- Talent management risk – Recruitment and Retention
- Financial performance risk affecting margins
- Delay in commercialisation of new technologies
- Geopolitical risk

# OUR VALUE CREATION MODEL WITH SIX PILLARS OF GROWTH

We continue to invest in the six capitals to create long-term value for our stakeholders, build a resilient and sustainable value chain and deliver responsible growth. The overarching objective of our strategy is to ensure that the organisation remains future-ready and to deliver continuous value.

## STANDALONE KEY HIGHLIGHTS

### FINANCIAL CAPITAL

Page No. 40

We consistently drive optimal value creation to drive long-term sustainable returns for our stakeholders.

**₹29,014 mn**
Total Revenue

**16.14%**
Return on Equity

**₹33.01**
Earnings per share

### MANUFACTURED CAPITAL

Page No. 46

We pursue our growth aspirations through organic and inorganic expansion to increase our capacity, while also ensuring efficiency, safety and sustainability through innovative processes and technologies.

**1,300,000+**
Number of products sold

**17,000 MT+**
Output from inhouse foundries

**04**
CII GreenCo certified manufacturing plants

### INTELLECTUAL CAPITAL

Page No. 54

We are investing in disruptive technologies and digital transformation, driving improvement and innovative across businesses

**₹308.48 mn**
R&D spend

**243**
New product variants

**437**
BEE Star Rated Products

## HUMAN CAPITAL

Page No. 60

We work towards building a culture that promotes innovation and high performance and focuses on diversity and inclusion.

**8.76%**
Workforce Diversity

**3**
Training mandays (Per employee)

**72%**
Employee engagement

**30%**
Women representation on Board (3 Nos.)

**3.97**
Engagement Index (on scale of 1-to-5)

## SOCIAL AND RELATIONSHIP CAPITAL

Page No. 76

We believe in continuous stakeholder engagement and in nurturing long-term relationships with our customers, suppliers and communities.

**₹43+ mn**
CSR Spend

**5,000+**
Active Supply chain partners

**16,200+**
Channel Partners in India

**84.3%**
Customer satisfaction index

**8.45**
Supplier Perception Survey Score (on a scale of 1 to 10)

**43%**
Sustainable Sourcing

## NATURAL CAPITAL

Page No. 84

We are investing in environmental management to manage our ecological footprint.

**1.07 MT/₹ mn of revenue**
Scope 1 & 2 emission intensity

**8.76 KL/₹ mn of revenue**
Specific Water Consumption

**₹6.63 GJ/₹ mn of revenue**
Specific Energy Consumption

**41%**
Recycled water

**35%**
Reduction in Scope 1 emissions

**4,972 MT**
Scope 2 emissions avoided using RE

# FINANCIAL CAPITAL

**Fortifying financial resilience and steady progress**

We consistently drive optimal value creation to drive long-term sustainable returns for our stakeholders. Our reliable cash flow, robust balance sheet, healthy capital structure and industry-leading debt coverage ratio are clear indicators of prudent planning and strong financial acumen. Our consistently strong performance and top-tier ratings reflect the strength of our standalone businesses and our sound financial risk profile.



### Strategies Impacted

S1 S2 S3 S4 S5 S6 S7

### SDGs Impacted



### Material Issues Impacted

- M8 Talent attraction and retention
- M9 Supply chain management
- M13 Economic performance
- M15 Cyber security and digitisation
- M16 Market presence

## CONSOLIDATED KEY HIGHLIGHTS

**₹44,922 mn**
Total Revenue

**₹6,810 mn**
EBITDA

**₹4,187 mn**
Profit After Tax

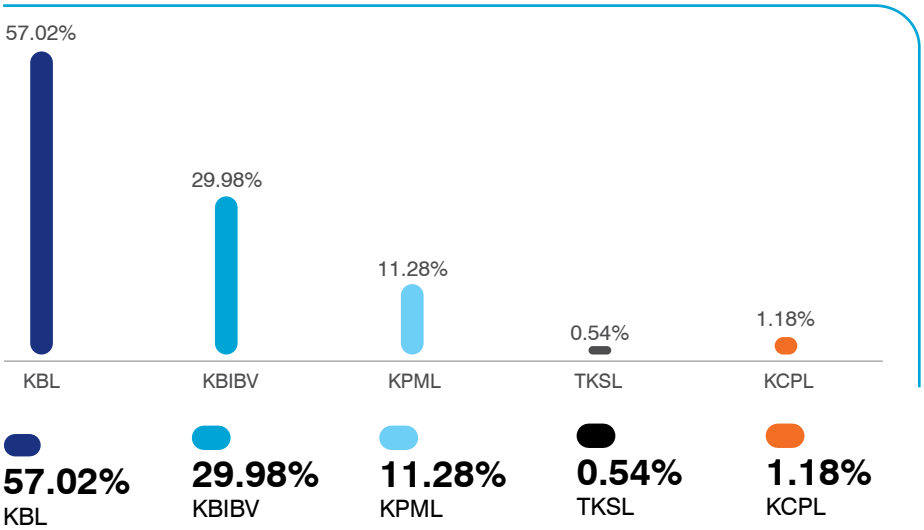
**27%**
ROCE

**₹136,027 mn**
Market Capitalisation

**₹7**
Dividend Per Share

**₹31,176 mn**
Consolidated order book

## BUSINESS OVERVIEW (GROSS REVENUE)




**57.02%** KBL
**29.98%** KBIBV
**11.28%** KPML
**0.54%** TKSL
**1.18%** KCPL

## IMPROVING PRODUCT MIX (%)

| | FY 2009-10 | FY 2014-15 | FY 2020-21 | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|---|---|---|
| Projects – Trading & Civil | 54 | 15 | 8 | 4 | 3 | **3** |
| Engineered to Order | 14 | 14 | 16 | 18 | 20 | **21** |
| Made to Order | 12 | 28 | 26 | 28 | 27 | **25** |
| Made to Stock | 20 | 43 | 50 | 50 | 50 | **51** |

*Note: Only KBL (Standalone) has a presence in EPC/Projects Business; No international subsidiaries are present in EPC/Projects.*

## SERVING VARIOUS SECTORS WITH OUR RANGE OF PRODUCT CATEGORIES


Building and Construction


Industry


Water & Irrigation


Marine & Defence


Oil & Gas


Power


Retail Pumps

## ECONOMIC VALUE GENERATED AND DISTRIBUTED FOR MAJOR STAKEHOLDERS (CONSOLIDATED BASIS)

(₹ Million)

| | FY 2024-25 | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| Economic Value Generated | 45,794 | 40,699 | 37,682 |
| Economic Value Distributed | 41,161 | 24,707 | 23,805 |
| Economic Value Retained | 4,633 | 3,935 | 2,951 |

## ENHANCING FINANCIAL PERFORMANCE

As part of a strategic shift over the past decade, we have significantly reduced our exposure to the EPC business, while increasing our focus on services and value-added products. At the same time, we have prioritised higher-margin, profitable contracts in the water, power and irrigation sectors, enhancing both our competitiveness and financial performance.

Our limited exposure to low-margin, working capital-intensive EPC projects has strengthened our working capital cycle and improved cash flows, while supporting a consistent revenue stream. This strategic shift not only enhanced our financial stability, but also fostered a positive business outlook and unlocked multiple growth opportunities.

Moving ahead, we anticipate continued improvement in profitability, driven by a more balanced business mix from our international operations, stable commodity prices, calibrated pricing strategies and a growing share of high-margin, reliable services businesses.

### Delivering Sustainable Returns

We take pride in our disciplined financial management, which enables us to consistently deliver long-term growth and profitability. Our strong balance sheet – driven by effective cost optimisation and a diverse portfolio of cost-efficient product offerings – positions us to seize opportunities in an evolving industrial landscape. Our robust financial planning framework evaluates both current and future capital needs, ensuring sustained business performance and supporting strategic investments aimed at long-term value creation and sustainability

### A Return-Based Approach

Our return-focused strategy is driven by a competitive cost structure and a high-value product mix, which together strengthen our margin profile and enhance Return on Capital Employed (ROCE). Our capital and resource allocation framework are designed to deliver consistent, strong returns to the business and its financial stakeholders. By maintaining cost efficiency and offering a diverse range of value-added products, we have successfully improved profitability and capital productivity.

Our core objective is to ensure that both our standalone and subsidiary businesses are equipped with the resources needed to support growth, generate sustainable returns and create long-term value for all stakeholders.

### Prudent Cash Flow Management

We follow a disciplined approach to managing cash flows, maintaining a prudent balance between inflows and outflows. Our capital expenditure requirements are primarily funded through internal cash accruals, reflecting the strength of our operational performance. We consistently generate positive cash flows and maintain adequate liquidity to meet current, anticipated and future financial obligations, ensuring long-term financial stability and operational resilience.

### Optimal Capital Structure

Through focused efforts to minimise debt costs, we have achieved a zero-debt status, providing us the financial flexibility to pursue growth opportunities with confidence. Our conservative approach to debt management allows us to primarily rely on internal accruals to fund our operations and expansion plans, ensuring a strong and sustainable capital structure.

### Value Creation

Creating sustained value for our customers and shareholders remains our foremost priority. We have implemented several initiatives to ensure timely and efficient product delivery, maximising value creation for our clients. Simultaneously, we focus on streamlining processes and driving operational efficiencies across multiple business domains to enhance overall performance and competitiveness.

### Cost-Focussed Structure

Through the implementation of numerous cost-optimisation and backward integration initiatives, our businesses have achieved global recognition for cost leadership. Effective supply chain management ensures timely delivery of essential inputs, along with efficient logistics and warehousing. This, combined with a streamlined working capital cycle, has reinforced our position as cost leaders in the manufacturing industry. We continuously deploy and integrate new technologies across our operations. Automation has significantly enhanced cost efficiency, resulting in reduced expenses and consistently industry-leading quality standards.

### Diversifying our Revenue Base

We anticipate significant growth in our overseas services business, as an increasing number of international customers outsource maintenance and monitoring of installed pumps. Our IoT-enabled platform and subscription-based services have played a key role in diversifying our revenue streams while enhancing the overall margin profile.

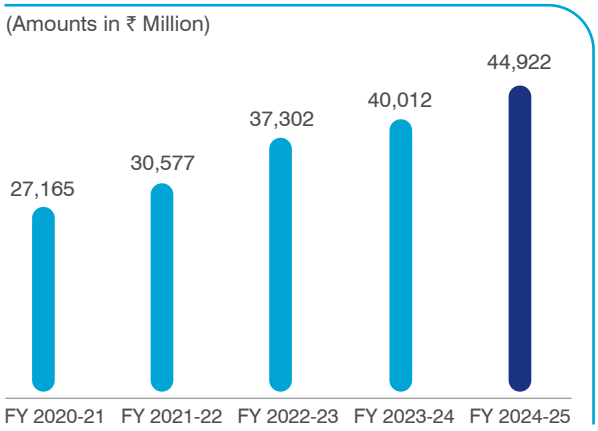
### Towards Future Growth

We expect EBITDA growth driven by declining commodity prices, improvements in the global supply chain, ongoing cost rationalisation measures and an increasing contribution from our services revenue. Looking ahead, KBL's growth will be supported by a strong order book for our 'Made-to-Order' and 'Engineered-to-Order' products, positioning us well to capitalise on emerging opportunities.

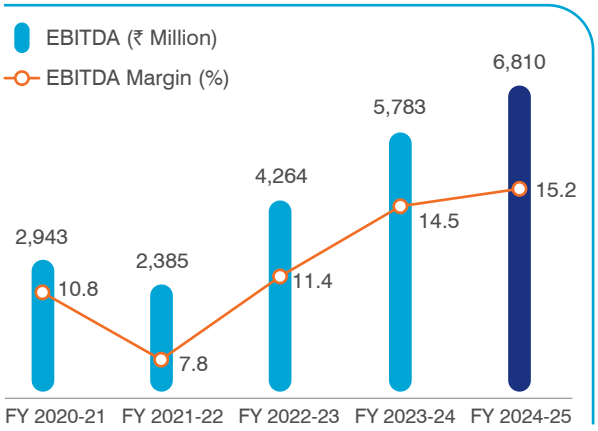
### Maintaining Product Competitiveness

We have implemented value engineering to reduce product weight and improve power efficiency. To strengthen our market position, we have introduced online monitoring of pump performance alongside advanced manufacturing technologies such as 3D printing, artificial intelligence, virtual reality and the Internet of Things.

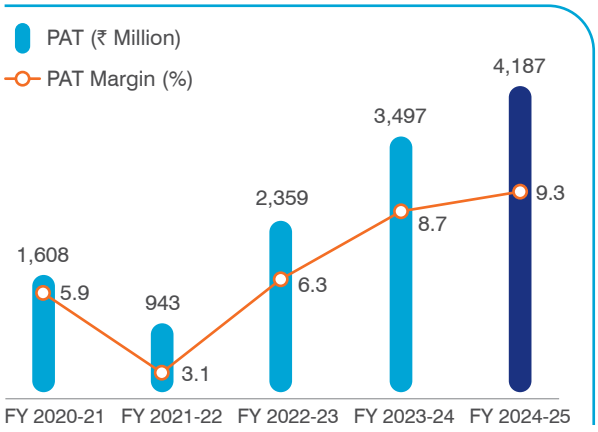
### Revenue



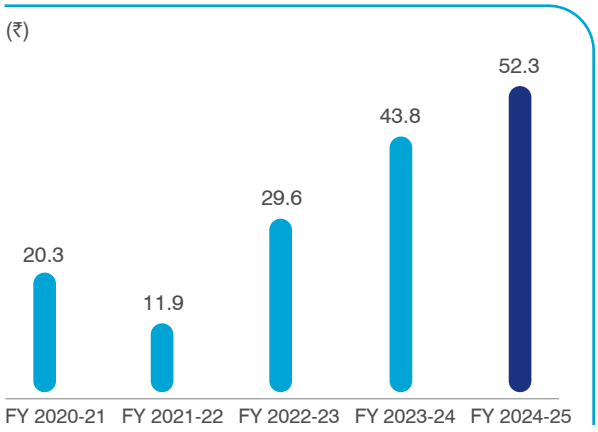

### EBITDA and EBITDA Margin



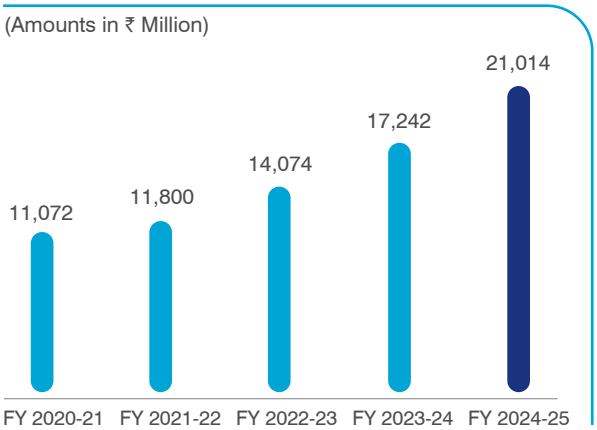

### PAT and PAT Margin



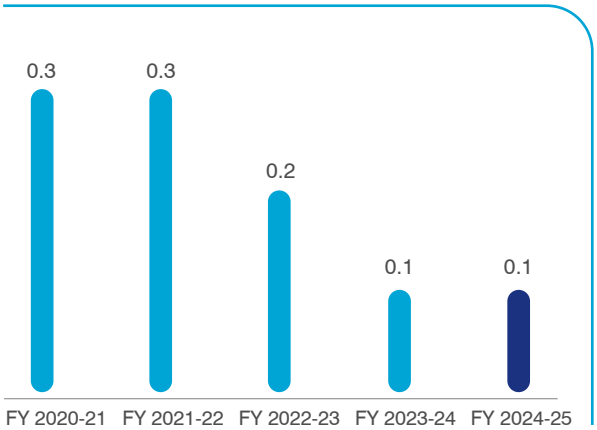

### Earnings Per Share



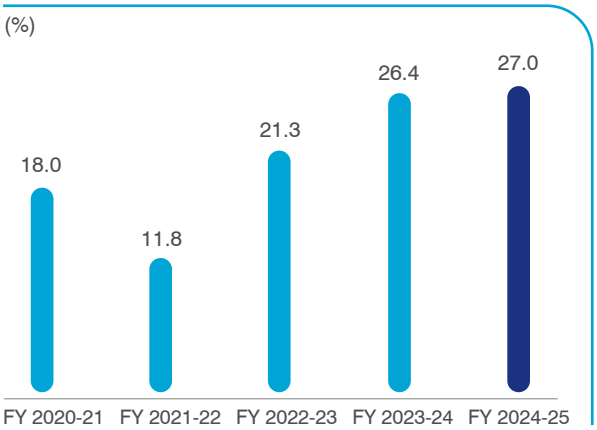
### Net Worth



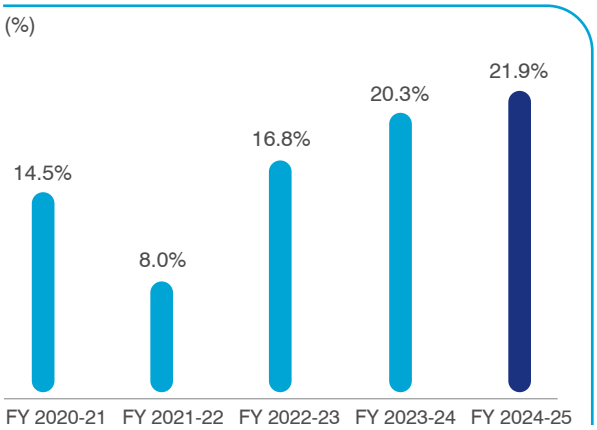

### Leverage




### ROCE




### ROE




** all graphs are on consolidated basis*

## SHARE OF LOCAL SPENDING

**96.2%**
Kirloskar Brothers Limited (KBL)

**88.6%**
Karad Projects and Motors Limited (KPML)

**100.0%**
The Kolhapur Steel Limited (TKSL)

**89.7%**
Kirloskar Corrocoat Private Limited (KCPL)

**94.2%**
Kirloskar Ebara Pumps Limited (KEPL)

# MANUFACTURED CAPITAL

**Building a bedrock of engineering, fuelled by technology**

Our commitment to indigenous manufacturing aligns perfectly with the national vision of establishing India as a global manufacturing hub. The ground-breaking milestones that we achieve and the patents granted to us reaffirm our dedication to forging superior and innovative energy solutions and technological development.



### Strategies Impacted

S2 S3 S4 S5 S6 S7

### SDGs Impacted



### Material Issues Impacted

- M1 Product stewardship and innovation
- M2 Emissions management
- M3 Health and safety
- M6 Energy management
- M7 Materials
- M8 Talent attraction and retention
- M9 Supply chain management
- M10 Risk management
- M11 Compliance
- M14 Customer safety and product quality
- M15 Cyber security and digitisation

## KEY HIGHLIGHTS

**17**
Manufacturing Facilities (10 Domestic and 7 Overseas)

**08**
Inhouse foundries

**05**
CII GreenCo certified plants

## Golden Peacock Award in Quality Management for Dewas Plant




Over the years, we have evolved from being India's leading pump manufacturer to a global leader in fluid management solutions. Our world-class manufacturing facilities showcase our continued commitment towards the government's "Make in India" and "AtmaNirbhar Bharat" initiatives.

We are a dedicated provider of advanced fluid management technologies and solutions, serving a wide range of applications. Our key milestones are a testament to over a century of pioneering innovations, sustainability and contributions to nation-building. Its emphasis on operational excellence and initiatives like Total Quality Productive Maintenance are aimed at improving efficiency, enhancing competitiveness and supporting a sustainable growth trajectory.

Our manufacturing facilities continue to provide cutting-edge pumping solutions for critical industries, including building and construction, process industry, nuclear industry, marine & defence, power generation, petrochemicals and sustainable water management.



One of Asia's largest hydraulic research centre

## 115 YEARS OF KIRLOSKARVADI: A LEGACY OF INDUSTRIAL EXCELLENCE AND INNOVATION

The Kirloskarvadi plant has been home to several engineering firsts, setting benchmarks in industrial progress. From launching India's first centrifugal pump to introducing India's first electric motor, it has consistently led to technological advancements.

10th March, 2025, marked a historic milestone as Kirloskar Brothers Limited (KBL) celebrated 115 years of Kirloskarvadi, one of India's first industrial townships. Established in 1910 by the visionary Shri Laxmanrao Kirloskar, Kirloskarvadi has evolved from barren land into a thriving industrial and engineering hub, playing a key role in India's manufacturing sector. This milestone is a testament to over a century of pioneering innovations, sustainability and contributions to nation-building.

Kirloskarvadi serves as the mother plant of the Kirloskar Group, encompassing everything from foundry and machining to assembly and testing of pumps.

Kirloskarvadi is also a leader in green manufacturing, demonstrating KBL's commitment to sustainability and environmental responsibility. Its 13.5 MWp solar project generates approximately 20 Million units of clean energy annually, substantially increasing its renewable energy usage from 25% to 75%. Additionally, the facility harnesses 4.5 MW of wind energy.

From a small factory shed in 1910, Kirloskarvadi has grown into the backbone of KBL's global operations, with the Company now operating 17 manufacturing facilities worldwide. KBL's evolution from being India's leading pump manufacturer to a global leader in fluid management solutions is remarkable.

As Kirloskarvadi completes 115 years, KBL remains committed to innovation, sustainability and national development. The journey of Kirloskarvadi – marked by resilience, determination and excellence – will continue to drive progress for generations to come. Here's to 115 years of success and many more ahead.

## EXHIBITING OUR MANUFACTURING PROFICIENCIES

A wide range of Energy-Efficient and Lowest Lifecycle Cost (LLC™) pumps

Equipped to meet growing demands of local and global customers with **17** Manufacturing Facilities (10 Domestic and 7 Overseas)

Supported by an integrated and best-in-class network of:

**05** APOEMs

**650+** Authorised Service Centres

**16,200+** Channel Partners in India

**250** Channel Partners overseas

## ONE OF THE ASIA'S LARGEST HYDRAULIC RESEARCH CENTRE

Housing one of Asia's largest hydraulic research centres at Kirloskarvadi for testing pumps at duty conditions up to 5,000 kW and with up to 50,000 $m^3$/hr discharge.

## MANUFACTURING INITIATIVES IN FY 2024-25

### Approach on Total Productive Maintenance (TPM)

- KBL Dewas plant won the "Award for Excellence in Consistent TPM Commitment"
- Conducted various workshops with live cases on Karakuri kaizens, PM Analysis and Figure of Eight method, JH Step 4-5-6 at plants based on their progress and need
- AGILE methodology was developed and adopted for meeting the fluctuating market demand with optimal utilisation of resources and capacity

## OUR STATE-OF-THE-ART MANUFACTURING FACILITIES

**Kirloskarvadi:**

- **Location:** Kirloskarvadi, Maharashtra
- **Capacity:** 6,000+ pumps/month
- **Key capabilities:** In-house foundry with NDT facilities, NABL Accredited Lab, Largest pump testing facility, Pattern-less casting manufacturing, customised pump and pumping system/solution provider
- **People strength:** Employee with core competencies and rich work experience. 3,000+ including staff, associate & contractual

**Dewas**

- **Location:** Dewas, Madhya Pradesh
- **Capacity:** Approx. 78,000 pumps/month, rating from 0.5 HP to 30 HP
- **Key capabilities:**
  - First company in Indian market which provides CED coated components which is best-in-class technology & prevents from rust & enhances component life
  - Wide voltage range
  - Manufacturer of Energy-Efficient pumps of IE4 & IE5
  - In-house foundry with approx. 1,150 MT capacity
- **People strength:** 1,000+ including staff, associate & contractual

**Kaniyur**

- **Location:** Coimbatore, Tamil Nadu
- **Capacity:** Approx. 1.6 Lakh pumps/month, rating from 0.5 HP to 2 HP
- **Key capabilities:**
  - Women operating plant
  - Manufacturing capability of Mini series & Monobloc pumps
- **People strength:** 158+ People including staff, associate & contractual

**Sanand**

- **Location:** Ahmedabad, Gujarat
- **Capacity:** Approx. 25,200 pumps/month, rating from 0.5 HP to 60 HP
- **Key capabilities:**
  - First submersible pump Company in Indian market which provides CED coated components which is best-in-class technology and prevent from rust and enhance component life
  - Wide voltage range
  - Manufacturer of Energy-Efficient pumps of BIS & BEE approved models – approx. 400+
  - Zero Liquid Discharge plant
  - 30% Renewable Energy used in plant operation from 165 kW solar power plant
- **People strength:** 200+ People including staff, associate & contractual

**Shirwal**

- **Location:** Shirwal, Maharashtra
- **Capacity:** Approx. 2,000+ Products including HYPN, KirloSmart™, CPBS and K-Booster, HVAC Panels, Fire IoT panels
- **Key capabilities:**
  - SCADA based HYPN system test setup
  - KirloSmart™ panel test setup
- **People strength:** 30+ People including staff, associate & contractual

## NEW AND ADVANCED MACHINES

- Installed laser marking machines to improve product aesthetic and productivity
- Dynamic balancing machine to measure and correct the imbalance in rotating components
- Drill resharpening machine for efficient and precise cutting
- Tool presetter to measure and verify tool dimensions
- Installation of DISA sand mixer machine for higher process efficiency
- Automation of pump performance testing machine
- Installation of liquid paraffin oil dispensing unit
- Automatic motor testing for three-phase and single-phase mini-series pumps implemented
- Automatic performance testing implemented for mini-series pumps both three-phase and single-phase
- Auto cut-off for charging points to save electrical energy
- Mechanical test set-up upgraded for testing of 3 pumps simultaneoulsly

## SYSTEM CERTIFICATIONS

Total quality management enabled manufacturing facilities certified for Integrated Management System comprising (HO and all 5 KBL Plants)

| | |
|---|---|
| ISO 9001:2015 (QMS) | ISO 14001:2015 (EMS) |
| ISO 45001:2018 (OH&S) | ISO 50001:2018 (EnMS) |

## PRODUCT CERTIFICATIONS

- IS 9079 for Monobloc Pump Sets
- IS 14220 for Openwell Submersible Pump Sets
- IS 12225 for Centrifugal Jet Pumps
- IS 6595 for Horizontal Centrifugal Pumps
- BEE Star Rating
- FM/UL Certification for Valves
- IS 8034 Borewell Submersible Pumpset
- CE Marking for all Kirloskarvadi Pumps
- IS 210 quality and excellence in manufacturing Grey Iron Castings at Kirloskarvadi and Dewas
- Regenerative self-priming pumps (IS 8472)
- Motors for submersible pumps (IS 9283)

## CII GREENCO CERTIFICATIONS

- **Dewas** - GreenCo Gold certification
- **KPML** (Stamping Unit) - GreenCo Gold certification
- **Kirloskarvadi** - GreenCo Silver certification
- **Sanand and Kaniyur** - GreenCo Bronze certification

# Key Achievements

### Demand for manufacturing energy-efficient pumps

The small pump segment, which was strategically restructured in FY 2022-23 in response to the changing market situation and previous learnings, continues to report more achievements. With large-scale acceptance and a growing requirement for 'energy saving products', KBL's energy-efficient pumps are more and more in demand.

### Enhancing Green Manufacturing

- Coke operated Cupola Furnace has been replaced with Induction Furnace at Kirloskarvadi Foundry
- Induction furnace panels replaced with new and more efficient IGBT panels at Kirloskarvadi Foundry
- GreenPro certified products
- Enhancement of renewable energy

## DIGITAL MANUFACTURING

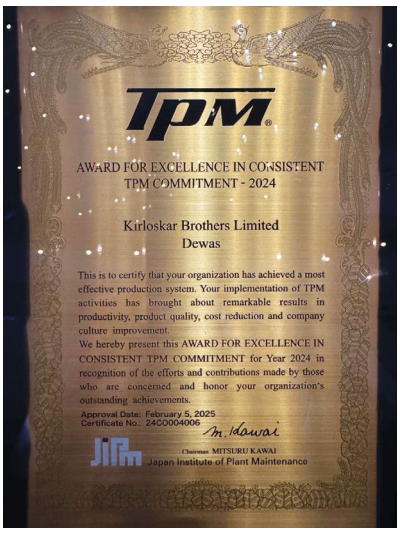
- Digital transformation has played a crucial role in our quality initiatives. Strategic investments in Virtual Reality (VR), Augmented Reality (AR), Artificial Intelligence (AI), Internet of Things (IoT) and 3D Printing have significantly impacted product quality and also created additional revenue streams
- 6 Channel Digital Display LPG Leak Detection system at Sanand
- Network Barcode Printers at Sanand
- ERP Integration

## AWARDS & ACCOLADES (PLANT-WISE)

### Kirloskarvadi

- WeldFab Tech Award 2024 for an outstanding contribution to the field of welding and fabrication technology. At the event, we showcased our Valve Robotic Welding Project, which welds the valve seat area with Inconel alloy, ensuring high precision and defect-free weld deposits, while significantly reducing production time
- Asian Power Awards 2024 for our business excellence case study on the Concrete Volute Pumping solution for the 2x660 MW Jawaharpur thermal power plant




### Dewas

- TPM Consistency Award from Japan Institute of Management
- National level Golden Peacock Award in Quality Management

### Sanand

- The Silver Award in the National Awards for Manufacturing Competitiveness (NAMC)

### Kaniyur

- The Silver Award in National Awards for Manufacturing Competitiveness (NAMC)
- Two Gold and One Silver award in QCFI Chennai Chapter
- The Outstanding Award from NCQC (National Council for Quality Circle) Gwalior Chapter

### KEPL

- TPM Excellence Award by Japan Institute of Management

### SPP Pumps, UK

- Pump industry award by British Pump Manufacturers Association (BPMA)




### Prestigious Gold Award at IEI Industry Excellence Awards 2024

KBL has been honoured with the esteemed Gold Award in the Manufacturing and Processing category at the 17th IEI Industry Excellence Awards 2024 organised by The Institution of Engineers (India). This recognition highlights our outstanding contributions to sustainability, digital transformation and engineering innovation.



## OUR INDIAN SUBSIDIARIES AND JOINT VENTURE COMPANIES

### Karad Projects and Motors Limited (KPML)



**Key Highlights**

- Installed auto clitting, higher frame welding machine for stack operation at Stamping Division
- Installed programmable TIG welding machine for Healthcare Stators at Stamping Division
- Extended the range in Firefighting Motors, IE4 and IE5 Motors
- Developed manufacturing capacity of GKW Drive Unit Assembly at component division
- Established shaft manufacturing capacity up to 1,000 mm Length and 90 mm Outer Diameter
- Increased impeller machining capacity (1,500 Nos./Month) at component division
- Improved productivity of keyway manufacturing by 17% by introducing high speed cutter at component division
- Special machines developed for Laser Welding, Laser Marking, Potting, Helium Testing, Forming and others, for STP Line at motor division

**New Products Launched:**

- New Submersible Turbine Pumps for Petrol Pumps
- IE4 Motors
- Oil Filled Submersible Line
- GKW Drive Unit Assembly

**Awards & Accolades:**

- Received Zero PPM Award from an OEM customer for Stamping Division

### The Kolhapur Steel Limited (TKSL)




**Key Highlights**

- State-of-the-art in-house manufacturing and testing/ inspecting capabilities
- Job rotation drive has yielded positive benefits in terms of skill enhancement
- Digitilisation of various process like Vendor Development, People Performance Management System
- Overall satisfaction rating of 92% in vendor perception survey

## Kirloskar Corrocoat Private Limited (KCPL)




### Key Highlights

- Preferred choice of customers for protecting their capital assets by use of KCPL products and services
- Plant carry out protection of Pipeline, Structures as well as Pumps. GE Power has been entrusting KCPL for protecting FGD systems
- KCPLs flagship products are Polyglass 100, Polyglass VEF, Corrothane XT for protection of pipelines, tanks, FGD equipments. KCPL's Fluiglide system is a hit amongst customers for providing power savings of their pumps
- KCPL's new product Rezorect has been introduced to address abrasion resistance requirement of slurry pumps. The products are under testing and will be launched commercially soon

- Highest ever production in RIL PV Solar Site in a month: 12,542 Sq. M. pipeline external & internal coating
- Successfully completed coating of various FGD (Flue Gas Desulfurisation) Absorbers at customer sites
- Deployed special refrigerated containers at customer sites for storage of coating materials under controlled conditions, maintaining temperature below 20°C

## Kirloskar Ebara Pumps Limited (KEPL)




### Key Highlights

- BB5 Pump with mixed hydraulics supplied to IOCL pipeline Division Noida
- BB5 Pump with improved efficiency developed & supplied to Oil India Ltd, Assam, India
- Upgradation of Dorries VTL spindle from DC drive to AC drive & replaced obsolete Siemens 840DiSL controller by Fanuc OITF Plus controller to eliminate electronic waste to increase machine efficiency

# INTELLECTUAL CAPITAL

## One Innovation at a Time

We rank among the first Indian companies to embrace future-ready technologies and remain at the forefront in using cutting-edge technology to manufacture high-end pumps. With our strong emphasis on innovation and quality, we have created a significant presence in the domestic and international markets.



### Strategies Impacted

S1 S2 S3 S4 S5 S6

### SDGs Impacted



### Material Issues Impacted

- M1 Product stewardship and innovation
- M8 Talent attraction and retention
- M12 Marketing and communications
- M13 Economic performance
- M14 Customer safety and product quality
- M15 Cyber security and digitisation
- M16 Market presence

## KEY HIGHLIGHTS OF FY 2024-25

**4**
Patents granted

**437**
BEE Star Rated Products

**243**
New products launched

**2**
NABL-certified pump testing facilities

**₹ 308.48 mn**
Total investment in R&D

**200+**
No. of R&D employees

**8**
Research papers published

**4**
Design registrations

## BREAKING NEW GROUND WITH STATE-OF-THE-ART LAUNCHES

### Launched first time in India

- LEHR – 10 cm borewell submersible pumps with Flexi-Drive technology
- Energy-efficient 17.5 cm borewell submersible pumps with oil-filled motor

Launched energy-efficient JOS Ultra Openwell Submersible Pumps



## INNOVATION – THE CORE OF ALL OUR ENDEAVOURS

Innovation is the backbone of all our verticals. With strong emphasis on innovation, quality and customer happiness and with an unwavering dedication to engineering excellence and sustainability, we are creating a significant presence in both domestic and international markets.

The Company continues its trend of setting a new benchmark in engineering excellence and using technology for customer convenience. KirloSmart™, its advanced version of its signature IoT (Internet of Things) based pump monitoring system uses IoT as technology, allows the customer to remotely monitor the pump's essential parameters by measuring and transmitting its analytical field parameters on our web-based portal. It generates alerts for the probable causes leading to the failure of the pump and a system enabled with it helps the user in monitoring the pump health on a real-time basis by appropriately sensing the critical health parameters of the pump. It helps take predictive maintenance or action to avoid bad performance or failure, thereby significantly reducing maintenance cost and loss of production.

## INNOVATIVE PRODUCTS AND TECHNOLOGY

- KW-SC vertical inline pump series
- KU7P - India's first 17.5 cm Oil-Filled Submersible Pump
- LEHR-10 cm borewell submersible pump with flexi drive technology – First time in India
- PetroTurbo, a state-of-the-art pump designed specifically for retail petroleum applications
- GFP series end suction slurry pump, designed specifically for Flue Gas Desulphurisation (FGD) applications
- Energy-efficient JOS Ultra openwell submersible pump
- Next generation of KirloSmart™ - IoT based pump monitoring system
- Special pumps for nuclear applications
- Pump/Valve Selection Package
- Fire Pump Monitoring system
- Lowest Lifecycle Cost (LLC™) Pumps
- Canned Motor Pump for industry, marine and defence ships
- Additive manufacturing 3D Printer
- FM/UL Fire Package
- Autoprime Unit
- Dry pit submersible pump that can work as dry pit as well as wet pit
- KBL's largest turbine inlet valve of 3800 mm PN2.5 with dual ground mounted cylinder arrangement
- Monobloc pumps and Self Priming pump sets with IE4/IE5 Ultra-premium efficiency motors
- Lifter shallow well pump series for domestic application
- KAM series pumps suitable for wide voltage range



## ENABLING DIGITAL TRANSFORMATION OF PROJECTS

### Bidding

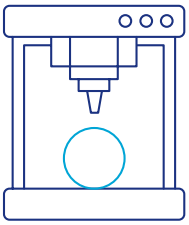
Dolphin, a pump selection software tool, that offers new updates on products, helps improve performance and precision and improves sales of manufacturers engaged in fluid handling and related equipment.

### Engineering and Design

Introduced skid-mounted Smart Firefighting System with IoT-based remote monitoring solution, an advanced system designed for ease of installation and real-time insights.

### Procurement

Introduced Vendor Portal for Supplier Management



The world's largest 3D printer at Kirloskarvadi plant for faster turnaround of moulds in foundries

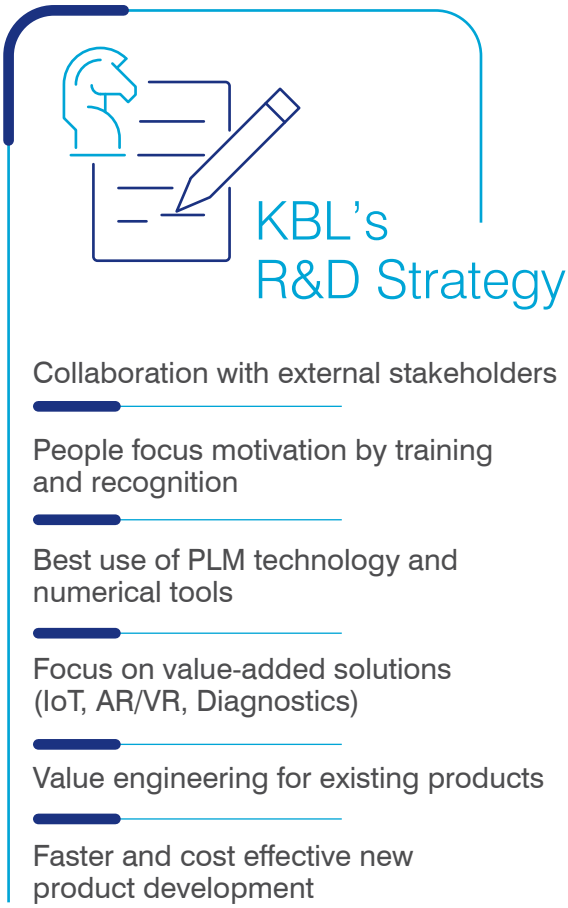


## AT THE FOREFRONT OF USING CUTTING-EDGE TECHNOLOGIES FOR HIGH-END PUMPS

- Launched LEHR – 10 cm borewell submersible pumps with Flexi-Drive technology – First time in India
- As a progressive step, KBL has launched Annika-II and Anisa-II, highly efficient pumps for domestic and agriculture use, with the most advanced design, compact, lightweight and enhanced safety features
- Patent for Hydro Power Generation System for PICO pump turbine, which underscores our unwavering dedication to innovative energy solutions and technological advancement. Key attributes of this system are:
  - cost efficiency
  - enhanced mobility due to portability
  - minimal maintenance pre-requisites
  - a user-friendly compact design that simplifies installation
- Introduced Artificial Intelligence and self-learning systems to select, customise and perform application engineering around existing products
- Staying ahead of the curve through digital initiatives by investing in virtual reality, augmented reality, artificial intelligence and 3D printing, providing technological advantage and creating additional revenue streams in the services business
- Implemented Augmented Reality for hands-on service and to respond to customers better
- The world's largest 3D printer at Kirloskarvadi plant for faster turnaround of moulds in foundries
- KirloSmart™, an IoT-based remote monitoring system, brings real-time performance data to the forefront, resulting in proactive maintenance and operational efficiency and marking the future of pump design. Along with pump & motor parameters, now KirloSmart™ can also monitor water quality parameters. KirloSmart™ with the help of sensors can measure and monitor pH, Temperature, Turbidity, Conductivity, Chlorine and TDS levels based on the application (drinking/bore water)

## AN UNWAVERING DEDICATION TO INNOVATIVE ENERGY SOLUTIONS AND TECHNOLOGICAL ADVANCEMENT

- Breaking into fast-growing HVAC market with innovative KW-LC and KW-SC pumps
- This can be utilised for a wide range of applications including water supply, HVAC, hot water, drinking water and cooling water applications
- **CII GreenPro certified DBxe pump series –** The DBxe pump series, reduces energy consumption significantly, while delivering top-tier performance. The pump complies with international standards and boasts a Minimum Efficiency Index (MEI) of ≥ 0.7, which ensures lower electricity costs and a reduced environmental footprint for the consumers
- **CII GreenPro certified Lowest Lifecycle Cost (LLC™) Pump Series** – Lowest Life-cycle Cost (LLC™) pump series, engineered for lower energy and maintenance costs, is a state-of-the-art product. The series ensures significant cost savings while boosting profitability by maintaining high performance throughout the pump's life cycle
- **Pump as Turbine (PAT) –** PAT can meet comparatively higher energy requirements (up to 100 kW)
- PICO is generally used for meeting smaller energy requirements (up to 5 kW)
- KBL's self-priming coupled pump sets and monobloc pumps, equipped with ultra-premium IE4 and IE5 class motors, enhance efficiency by offering lower operational costs and reduced payback times
- Pressure Boosting Hydro-Pneumatic (HYPN) System is one of the most cost-effective pressure-boosting solutions worldwide
- Autoprime, a ground-breaking mobile dewatering and flood control unit ranging from 30-300 HP boasts an impressive discharge capacity of 2,000,000 LPH. This makes it ideal for extracting large volumes of water with enhanced efficacy
- GFP Series End Suction Slurry Pump is designed specifically for Flue Gas Desulphurisation (FGD) applications. Its robust construction, superior hydraulic efficiency and user-friendly maintenance features make it an ideal solution for handling aggressive slurry applications in various industrial settings



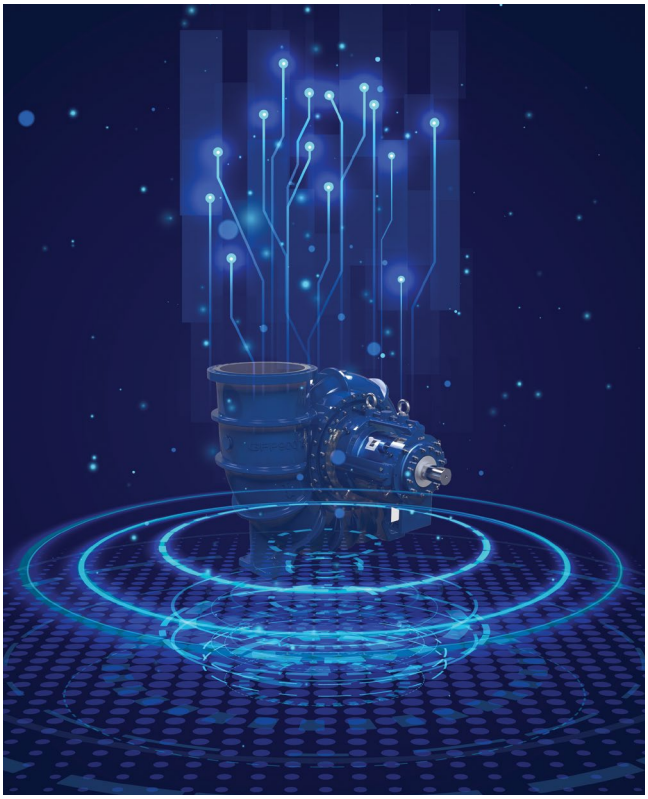

## COLLABORATIONS FOR R&D

### Institutions we collaborated with

- Hydraulic Institute (HI)
- Confederation of Indian Industry (CII)
- Federation of Indian Chambers of Commerce & Industry (FICCI)
- Indian Pump Manufacturers Association (IPMA)
- Indian Electrical and Electronics Manufacturers' Association (IEEMA)
- India Foundry Association
- Central Board of Irrigation & Power (CBIP)
- Mahratta Chamber of Commerce, Industries and Agriculture (MCCIA)
- Indore Management Association
- Bureau of Indian Standards (BIS)

## INTEGRATION OF IoT WITH BUSINESS PROCESSES

- As digital capabilities improve and connectivity becomes omnipresent, technology is poised to quickly and radically change every sector of the Indian economy. New emerging technologies, increased level of digital adoption and behavioural changes in customers will benefit the nation
- We are leading the charge in our industry by embracing technology throughout our operations in this digital age. Our "Digital First" approach includes comprehensive training initiatives to empower our workforce to effectively leverage digital tools and platforms. Our pursuit of digital transformation includes optimising business processes, developing cutting-edge innovations in fluid management and utilising artificial intelligence to revolutionise business models
- Our commitment to digital adoption is rooted in our vision to drive sustainable growth, enhance competitiveness and create value for all stakeholders. We are excited about the opportunities unleashed by digital transformation and remain dedicated to exploring new possibilities for our business
- KBL IoT and AI strategy roadmap for next 3-5 years is already in place. KBL has already started adoption of new disruptive technologies, including the integration of the Industrial Internet of Things (IIoT); we are investing in AI and IoT in factory Automation, Quality, Customer Service so on
- KBL has invested in SCADA and MES system for all our manufacturing facilities for real-time monitoring and data collection from connected devices to optimise business processes like Real-time Production Monitoring, Quality testing so on
- KBL are leveraging predictive maintenance and AI-driven insights to reduce operational costs and enhance asset reliability
- KBL is investing in RPA for automation of repetitive tasks in various functions like Finance, Quality and IT team to increase workforce efficiency and allows employees to focus on higher-value activities
- KBL is investing in advanced technologies in supply chain automation. KBL is modernising its Warehouses with advance equipment like ASRS, Vertical automated racks which are connected using IIOT to various ERP and other system to foster better supply chain management through enhanced visibility and traceability, safety of on ground workforce, increase the efficiency of people
- KBL has been investing in advance IIoT bases solution for Energy Monitoring System, condition-based monitoring and promoting sustainability by enabling energy efficiency and resource optimisation
- These EMS technologies are also unlocking new revenue streams such as data-driven services



# HUMAN CAPITAL

**Driving Group Synergies through One KBL**

Human Capital is at the heart of KBL's success and is attributed through our differentiated and capable workforce, proficient leadership, an empowering culture and our efficient operational excellence. Our people policies are designed to create a "future-ready" workforce, while delivering a dynamic, enriching and trustworthy experience for our employees.



### Strategies Impacted

S2 S4 S5 S6 S7

### SDGs Impacted



### Material Issues Impacted

- M3 Health and safety
- M4 Diversity, equity and inclusion
- M8 Talent attraction and retention
- M10 Risk management
- M12 Marketing and communications
- M13 Economic performance
- M14 Customer safety and product quality
- M15 Cyber security and digitisation
- M16 Market presence

## KEY HIGHLIGHTS OF FY 2024-25

**2,979**
Total Employees

**360⁰**
Feedback tool for Leadership development

**8.76%**
Women workforce

**12:1**
Best-in-Class Positivity Index (Ideal Index: 5:1)

**87.06%**
Retention Rate

**30%**
Women representation on Board (3 Nos.)

**3**
Training Average man-day

**6.25%**
Women representation in Leadership/Senior Management Roles

# Employee Engagement

In an ongoing commitment towards cultivating a culture of collaboration and empowerment, we implemented a strategic initiative aimed at enhancing employee engagement across all our locations. We understand that a happy and healthy workforce is the cornerstone of our success, hence we aim to create meaningful experiences and building a workplace where everyone thrives. Our revamped induction process ensures that new hires embark on their journey with us feeling energised and supported. We ensure alignment of organisational objectives with individual targets to achieve the expected achievements which gives role clarity and support.

## Our Leadership Drivers

- Business confidence
- Business direction
- Communication
- Customer centricity
- Strong purpose

**72%**

Employee Engagement Score (High Performance Range – Manufacturing Industry)

**3.97**

Engagement Index
(on scale of 1-to-5)



## TALENT ACQUISITION

### Leadership Competency Framework

We see this as a strategic roadmap for identifying and cultivating leadership talent at all levels, ensuring alignment between individual capabilities and organisational objectives and values. We aim to implement a leadership competency framework not only for a structured approach to defining, assessing and developing the skills, but also to build the behaviours required for effective leadership within the organisation.

### Technical Competency Framework

By using this framework, we tend to outline the essential competencies and proficiency levels needed for individuals to perform effectively in their roles. Typically, a technical competency framework includes a set of core competencies, specialised skills and behavioural indicators aligned with the goals and requirements of the organisation or the industry.

### Capability Building

This training programme was organised for young engineers on “Design Thinking” and “Systematic Way of Problem Solving”. These initiatives will help in building the capabilities of our Engineers with respect to innovation, out-of-the-box thinking and problem-solving. This is aimed at ultimately helping them in better understanding of customer needs and designing innovative products that are environment-friendly, energy-efficient and safe to operate.

Cross-functional teams are trained on the above skills and work on different projects to solve customer needs and develop processes. We have also collaborated with the Indo German Chamber of Commerce for skill development of employees working on Computerised Numerical Controlled (CNC) machines. We conducted an Assessment & Development Session for our Leadership team, which helped them in leveraging their key strengths and for work on areas of improvement.

## KEY INITIATIVES UNDERTAKEN IN FY 2024-25

**Capability Development Programmes**

- Design Thinking Workshop
- Systematic Problem Solving
- Customer Centricity
- Execution Excellence
- Global Mindset
- Quality Training

We consistently invest in the development of our human capital, focusing on digitisation, process improvement, competency development, artificial intelligence and new technologies providing employees with diverse, enriching experiences that support mutual growth. These efforts not only strengthen our workforce’s capabilities, but they also enhance their overall employability, empowering them to seamlessly explore alternative career opportunities when desired.

### Revisiting People Policies

At KBL, as part of our action planning, we revisited our well-being policies to ensure that the organisational policies remain effective instruments for achieving strategic objectives, promoting ethical conduct and sustaining organisational success. Higher Education Policy, Health Club reimbursement, Travel Policy, Local Travel Policy and Flexi Working Hours at Head Office and advanced salary disbursement date were some of the policies that were revisited. In addition, the National Pension Scheme has been implemented for mid-level and junior-level employees too.

# Performance Management System

## 360-degree Feedback

This is aimed at fostering open communication and building trust within the teams. The teams can address interpersonal challenges, improve collaboration and build a more cohesive working environment by understanding how colleagues perceive each other's strengths and weaknesses.

## 30-60-90-120 Day Feedback

We conduct reviews at 30, 60, 90 and 120 days to help new employees to understand the Company culture, business practices, team structures, as well as short and long-term organisational goals. These reviews also clarify role-specific expectations, supporting employees in their integration and growth within the organisation.

## PROMOTING DIVERSITY AND INCLUSION

At KBL, diversity isn't just a buzzword, but one of our core values. We believe in the power of different perspectives, backgrounds and experiences coming together to drive innovation and success. Hence, we are dedicated to ensure that our workforce reflects the rich tapestry of the society. With a target of achieving 20% female workforce by 2030, we are actively working to break down barriers and create opportunities for women in the organisation and ensure there is no discrimination in the hiring process.

## PROVIDING EQUAL OPPORTUNITIES

We have established a standardised platform for hiring, compensation and talent development that guarantees equal opportunities for all, regardless of gender, race, or ethnicity.

## GENDER EQUALITY AND WOMEN EMPOWERMENT

To continue our focus on women empowerment, we employed 15 young female MBA graduates from the North-East to leverage the region's socio-economic model. These women are from Assam, Arunachal Pradesh, Agartala, Manipur, Meghalaya, Mizoram, Nagaland and Siliguri (West Bengal) and have been deployed in front-end sales at different locations.

We understand diversity in leadership is not only a best practice, but also a strategic advantage. We are proud to see an increasing number of women in mid-senior and leadership roles, contributing valuable perspectives, innovation and resilience to our operations. Functions like HR, Kaniyur plant, Product Portfolio Management have women leadership. Also, critical roles such as Foundry operations, Software IT applications, Oil & Gas also have women presence with highest deliverables.

## EMPLOYEE DISTRIBUTION AGE-WISE

| Age | Number of employees |
|---|---|
| 18-20 | 56 |
| 21-30 | 726 |
| 31-40 | 985 |
| 41-50 | 614 |
| 51-60 | 588 |
| 60+ | 10 |
| **Grand Total** | **2,979** |

**KBL Standalone*

## TEAM COLLABORATION AND EVENTS

We recognise that a happy, healthy workforce is vital to our success. Hence, we are committed to creating meaningful experiences and nurturing a workplace where everyone can thrive. Our enhanced induction program helps new employees start their journey with energy and a strong sense of support. We also take pride in embracing diversity and building a sense of community through cultural celebrations. In addition, we encourage overall well-being by offering fitness sessions, yoga, sports like cricket and badminton, indoor and outdoor games and regular health check-ups.










## KIRLOSPHERE

We have cultivated vibrant communities through clubs like KirloFit, KirloMind and KirloConnect, fostering wellness, creativity and inter-team connect within KirloSphere.

## YAMUNA PREMIER LEAGUE (YPL) AND KIRLOSKAR PREMIER LEAGUE (KPL)

A Grand Slam of Cricketing Excellence! The Yamuna and Kirloskar Premier League was a thrilling cricket tournament that united the employees in a celebration of sportsmanship, talent and teamwork. Organised under the KirloFit Club, the league aimed at fostering a sense of community and camaraderie among the staff members through their beloved game of cricket. The Yamuna Premier League and Kirloskar Premier League were both a resounding success, embodying the values of teamwork, sportsmanship and healthy competition. We look forward to future collaborations and initiatives that will continue to promote unity and well-being among the employees through the universal language of cricket.

## KIRLOFIT BADMINTON TOURNAMENT

A Smash Hit Event! The KirloFit Badminton Tournament held at our organisation was a thrilling event that brought together employees in a spirit of competition, camaraderie and fitness. Organised under the banner of KirloFit, our workplace wellness initiative, the tournament aims at promoting physical activity and teamwork among the staff members.

In addition to large-scale tournaments, we actively encourage participation in a variety of indoor and traditional sports such as table tennis, chess, carrom, kabaddi and Surya Namaskar. These activities, supported under the KirloFit wellness initiative, are designed to promote not only physical health but also mental well-being, collaborative thinking and team bonding.

## MULTICULTURAL FESTIVAL CELEBRATION

We take pride in being an inclusive organisation that celebrates the diverse cultures of our employees. By recognising and honouring their heritage, we foster a sense of belonging and pride. This inclusivity enriches our workplace and strengthens our community by promoting mutual respect and understanding. We actively encourage the celebration of cultural events and traditions, ensuring every employee feels valued and appreciated.

## NAVRATRI CELEBRATION

A Vibrant Dandiya Night Extravaganza! The Navratri Celebration - Dandiya Night organised by us was a lively and colourful event that brought together employees to celebrate the joyous festival of Navratri. Organised with enthusiasm and cultural flair, the Dandiya Night aimed to honour tradition, foster community spirit and spread festive cheer among staff members

## INDEPENDENCE DAY CELEBRATION

The Independence Day celebration was a patriotic and educational event that brought employees together to commemorate the spirit of freedom and independence. Through a themed quiz, the participants received an opportunity to test their knowledge of historical events, national symbols and cultural significance associated with the special day.

## CELEBRATING WOMEN'S DAY

We reaffirm our commitment to supporting and uplifting women in the workplace and beyond and look forward to future opportunities for growth, collaboration and empowerment. The International Women's Day was celebrated with great enthusiasm, shining a spotlight on the achievements and contributions of the women in our workforce. The day featured a series of interactive activities and team-building exercises designed to foster connection, collaboration and a sense of empowerment. It served as a meaningful platform for women to share experiences, build bonds and celebrate their journey in a supportive and inclusive environment.

## DIWALI CELEBRATION

At KBL, Diwali was a festive fusion of culture, creativity and colour. Our Diwali celebration was a vibrant and joyful affair that beautifully captured the essence of India's rich cultural heritage. Themed "Dress Up in the Cultures of India", the event encouraged employees to showcase the diverse traditions of our nation through colourful attire, creating a truly festive and inclusive atmosphere. Employees wore traditional outfits representing various regions of India, celebrating unity in diversity and also took part in Rangoli and Diya painting competitions, filling the workplace with color, creativity and warmth.

# Rewards & Recognition

## LONG SERVICE AWARDS

To appreciate the employees' engagement and contribution, long service awards were distributed to 100+ employees. Many of our employees have worked with the Company for nearly four generations. These awards were distributed to employees who have served the Company for 15+ years.

## I APPRECIATE

We foster a culture of recognition where every employee's effort is valued. This approach keeps them motivated and loyal to the organisation. "I Appreciate" card also play a key role in this process.

## CMD AWARDS

The CMD Awards is a prestigious annual event that recognises employees who have showcased exceptional potential and top performance. Nominations are based on recommendations from Heads of Departments and validated by a jury. This recognition highlights the efforts of individuals who contribute significantly to strengthening the Company, inspiring growth and excellence across the organisation.



# Employee Testimonials



### YAKUB SHAIKH

Manager, SPB Sales

I joined KBL in March 2010 and proud to be named Man of the Quarter twice as a Sales Manager.

In November 2012, I met with a life-changing accident and got bedridden for a year. With the Company's support and encouragement, I got back to work after my recovery. Since then I face challenge to walk and sit, but KBL has always been supportive. I was allowed to work at my own pace and to even adapt my workspace to suit my needs.

This kindness extended benefited me as I was able to stand tall and be able to help my family provide quality education to my kids. As I look toward to my retirement in 2026, I remain deeply grateful for the support that I have received from KBL.



### GURDIAL SINGH

General Manager, HR, Kirloskarvadi

As a part of KBL I have felt consistent support, trust and guidance from senior management, which has allowed me to take ownership of my work with confidence. The open-door approach of my manager, especially during challenging moments, gave me the assurance and motivation to deliver effectively.

Heading Admin at Kirloskarvadi plant, heart of KBL, the management's approach had always been collaborative, proactive and to ensure safety. At KBL, it's not just about getting the job done – it's about making a meaningful impact.

One moment that stood out for me was witnessing how cross-functional teams came together seamlessly during a crisis to meet critical project deadlines. That spirit of collaboration left a lasting impression.



### SUJATA KARANDIKAR

General Manager, Product Portfolio Management

The job rotation enriched my experience giving exposure to new technologies and roles. Through the Dolphin project, I had the privilege of collaborating with global teams, gaining insights into different applications and work cultures.

I'm grateful to the management for the trust and confidence they have placed in me to lead key initiatives such as Dolphin Pump Selection tool and Augmented Reality. My journey with KBL has been an incredible experience – full of learning and teamwork.



## DEVENDRA CHOUDHARY

Senior Manager, Foundry Operations, Dewas

Kirloskar Brothers Limited has been a cornerstone of my professional journey for the past 18 years, offering a highly positive and enriching work environment. The Company fosters a strong work culture rooted in integrity, innovation and collaboration. Its well-defined processes focus on continuous improvement and employee-friendly policies have consistently supported my personal and professional growth.

Unlike many companies, KBL blends traditional values with modern engineering excellence, offering world-class fluid management solutions. The Company promotes a culture of ownership and accountability, empowering employees at all levels. Its focus on continuous improvement, ethical practices and community welfare makes KBL not just a workplace, but also a trusted and respected organisation in the industry.



## AMEY KULKARNI

Deputy Manager, HR, Corporate office

Joining Kirloskar Brothers Limited as Deputy Manager in Organisational Transformation was a defining moment in my career. Transitioning from IT to core manufacturing, I met with a warm, collaborative culture and supportive colleagues who made the shift seamless.

Kirloskar' s century-old legacy, approachable leadership and focus on innovation make it more than just a workplace – it's a space where I've found purpose, growth and a true sense of belonging.



## PINKI MAHAJAN

Manager, Marketing

Over the past eight years at KBL, my journey as a Marketing Manager has been both challenging and deeply rewarding. I have had the privilege of leading strategic initiatives in market segmentation, brand positioning and competitive analysis, each contributing meaningfully to KBL's growth story.

By leveraging cross-sector synergies and applying data-driven insights, I helped shape impactful campaigns that strengthened our market presence and supported long-term business sustainability. This experience has been a testament to the power of innovation, strategic foresight and a relentless pursuit of excellence.

Working at KBL has not only honed my professional capabilities but also reinforced my belief in the Company's vision and values. I am proud to be part of an organisation that continues to lead with integrity and purpose in the industrial sector.



## YASH GUPTA

Deputy Manager, Engineering, Corporate Office

As a Graduate Engineer Trainee in the R&D Engineering team, I am given opportunity to contribute to the development of KirloSmart™ IoT devices, a forward-thinking initiative by Kirloskar. Over 11 months, I was engaged deeply with real-time problem-solving, iterative design and product development cycles.

The journey was not just technical skills, but also patience – an essential trait in navigating complex systems and long innovation cycles. Supported by a collaborative team and inspiring leadership, I grew both as an engineer and as a professional. This experience solidified my foundation in IoT technology and taught me the quiet strength of persistence and teamwork in achieving meaningful progress.



## KSHITIJA SAWANT

Assistant Manager - Corporate Sustainability and Excellence

I have been working as Assistant Manager – Corporate Sustainability and Excellence at KBL for the past two years. During this time, I have worked on various sustainability projects that aim to make our processes more efficient and environment-friendly. The Company has given me a great platform to learn, take initiatives and grow in my career. Being part of a company that values sustainability and excellence makes me feel proud and motivated every day. I look forward to learning more, taking on new responsibilities and making a bigger impact in the future.

# Fostering Employee Well-being

## CREATING AN EMPLOYEE-CENTRIC APPROACH

- **Maha Sabha:** This is a platform for KBL employees to directly ask questions and engage in fruitful interactions with the CMD and JMD.
- **Weekly Newsletters:** Weekly newsletter highlights contributions made towards the Company's growth across departments, as well as any new orders, deals and events celebrated throughout the organisation.
- **Quarterly Business Sharing:** Every quarter, business insights are shared with employees through Quarterly Business Sharing. This practice motivates Employees and provides a clear understanding of the organisation's progress.

## PROVIDING EMPLOYEE INSURANCE

### Parivar Sukarsha Yojana

This is a pioneering approach to group term life insurance, wherein the standard income benefit is extended to the family of the deceased employee for a period of five years.

### Group Personal Accident Plan

This is a 24/7 global support for emergency situations, such as accidents or critical illness.

### KBL Benevolent Fund

This fund is maintained through employees' contribution to extend financial help to the family in case of their death in service.





## RECREATIONAL FACILITIES

KBL corporate campus is a state-of-the-art facility with an amphitheatre, auditorium, badminton courts, table tennis, fully equipped gym, yoga studio, Zumba classes, swimming pool. Employees are also provided with to-and-fro bus services facility from their home to Corporate Office. Additionally, daily shuttle service is available from Corporate Office to Kirloskarvadi and vice versa to facilitate easy commuting.

## HEALTH BENEFITS

Medical checkup camps are organised for employees every year. Health talks are arranged for increasing awareness amongst people about good health, nutrition and exercise. They are briefed on how to manage medical conditions such as blood pressure, heart diseases, cancer and diabetes, among others. We extend life insurance coverage and also provide Parivar Suraksha Yojana and Benevolent Fund Schemes to our employees and permanent workers. Pension and post-retirement medical benefits are provided to qualified staff, whereas workers are offered pension benefits under relevant statute.

## GRIEVANCE REDRESSAL

Below are the internal mechanisms to redress grievances on human rights:

- A robust grievance mechanism helps in having a stronger and stable workforce. It helps resolve all concerns and facilitate in communicating people suggestions to the management through different channels
- Speak-out sessions are organised giving them an opportunity to raise their grievances
- Whistle Blower Policy help them to report instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct to the management
- Buddy system helps our new employees learn about their jobs and roles better and makes them understand various internal processes and systems
- Different committees are formed such as safety, canteen, IR, PF and joint council committee to resolve grievances and to improve the process

# Occupational Health & Safety

Safety is our top priority and we conduct several programmes to increase safety awareness amongst our employees. We focus on working along 360 degrees, i.e., from prevention to mitigation.

## MANUFACTURING PLANTS

Our manufacturing plants are ISO 45001:2018 certified (Occupational Health and Safety Management System Standard). Continuous efforts are taken to ensure a safe working environment for all employees and workers and this is achieved through regular audits that helps identify and monitor health and safety-related incidents. We conduct fire drills and mock drills to assess the effectiveness of emergency plan. Employees and workers are sensitised about precautionary measures through safety trainings.

## WORK-RELATED HAZARDS

We have adopted a systematic Hazard Identification and Risk Assessment (HIRA) approach to regularly identify work-related hazards. Trained professionals conduct regular audits for identifying the potential work-related hazards across operating locations. We identify and implement safety controls for safe execution of business operations. Employees and workers are encouraged to report near miss cases through safety committees and other channels.

## HANDLING WORK-RELATED HAZARDS

As a part of ISO 45001:2018 Management System, we have established procedures and programmes to report the work-related hazards and to safeguard our employees from risks. Through the 'Safety Yellow Tag System', workers can raise issues using yellow tags available in the shop floor. Through the Safety Committee, workmen can report hazards to the management. Workmen are instructed not to take any risks and are authorised to stop work if there is any immediate risk to health and safety.

## FACILITATING NON-OCCUPATIONAL HEALTH SERVICES

Accessibility of non-occupational health services is facilitated to workers through medical camps, vaccination drives and medical health check-ups. Employees can avail financial assistance through medical claims. Voluntary health promotion services are organised such as health awareness webinars on 'Child Health Programs', 'Healthy Heart Program'. At our Occupational Health Centre at the manufacturing plants, the available nurses with qualified doctors provide workmen with non-occupational medical service.

## SAFETY TRAININGS

Safety trainings are organised on different topics to all the staff for improving safety practices across our operations. Key topics covered in these trainings are – Fire Safety, Material Handling Safety, Hazard Identification and Risk Assessment, Working at Height, Permit System, Crane Safety and legal requirements on EHS and safety passport system, among others.



## KEY SAFETY PROGRAMMES

- Mock drill
- Street plays on driving safely
- Street plays on use of single-use plastic
- Development of Safety Training Centre
- LPG safety training for female employees and employee families
- 2-wheeler Safe Driving Competition
- Safety Speech Competition
- Special drives to improve safety
- Flammable material handling safety
- Grinding safety assessment at shopfloor
- Safety awareness campaigns

## HUMAN CAPITAL WORKFORCE: A SNAPSHOT (KBL STANDALONE)

| | Male | Female | Total |
|---|---|---|---|
| Total Employees | 1,569 | 123 | 1,692 |
| Total Workers | 1,176 | 111 | 1,287 |
| **Role-Wise Distribution** | | | |
| Permanent & Probationers | 2,425 | 181 | 2,606 |
| Trainees and Apprentices | 216 | 27 | 243 |
| Temporary/FTE | 104 | 26 | 130 |
| Third-party Contract | 0 | 0 | 0 |
| **New Employees Hired** | | | |
| Age-wise Distribution | | | |
| Under 30 years | 338 | 52 | 390 |
| 30-50 years | 183 | 22 | 205 |
| Over 50 years | 7 | 2 | 9 |

## HUMAN CAPITAL INITIATIVES (SUBSIDIARIES AND JOINT VENTURES)

### Karad Projects and Motors Limited (KPML)

#### Major Achievements

- Implementation of S4 HANA - HR Module
- Implementation of Emsphere Attendance System
- Set up a Technical Library for all the employees
- Created a new structure for the R&D centre

#### Human Capital Development Initiatives

- Initiated Six Sigma Training for 3rd batch
- Conducted various safety competitions such as SCBA, Spot the Hazard, Grand Vision-Safety Poster and Firefighting to enhance awareness and to ensure the team is well-prepared in advance to identify hazards and handle any emergency situation

#### OH & S Initiatives

- Achieved zero reportable accidents and reduced first aid cases by 50%
- Installed 360° Motorised Rotating Crane Hook, enabling crane operators to easily position heavy or awkward loads in challenging work areas enhancing operator's safety
- Installed biometric access control system to bench grinder and authorisation is provided only to the trained operators
- Interlocked the grinding, drilling and tapping machines so that when the hand-operated switch is released, the machine stops working or moving forward
- An addressable Fire Alarm System was installed, which is significantly more efficient in detecting specific areas during the emergencies

**Total Employees**

| | Permanent | Other than permanent |
|---|---|---|
| Male | 429 | 320 |
| Female | 9 | 3 |

**New Employee Hires**

| | | Permanent | Other than permanent |
|---|---|---|---|
| Male | Under 30 years | 4 | 65 |
| | 30-50 years | 8 | 2 |
| | Over 50 years | 1 | 0 |
| Female | Under 30 years | 0 | 5 |
| | 30-50 years | 0 | 0 |
| | Over 50 years | 0 | 0 |

**Average hours of training per year per employee**

| | | Permanent | Other than permanent |
|---|---|---|---|
| Male | Senior Management | 0.04 | NA |
| | Middle Management | 0.03 | NA |
| | Professionals | 0.05 | NA |
| | Para-professionals | NA | 0.01 |
| | Associates | NA | 2.16 |
| Female | Senior Management | NA | NA |
| | Middle Management | 0.12 | NA |
| | Professionals | 0.18 | NA |
| | Para-professionals | NA | 0.12 |
| | Associates | NA | NA |

## The Kolhapur Steel Limited (TKSL)

### Key Initiatives undertaken

- Ensured job rotation of employees to place the right person at the right job
- Organised various engaging activities on the occasion of Safety Week to bring about safety awareness
- Organised health check-up camps for employees and workers to ensure their good health
- Arranged internal competitions on the topic of energy conservation to increase awareness on environmental protection

### Total Employees

| | Permanent | Other than permanent |
|---|---|---|
| Male | 128 | 123 |
| Female | 1 | 0 |

### New Employee Hires

| | | Permanent | Other than permanent |
|---|---|---|---|
| Male | Under 30 years | 1 | 15 |
| | 30-50 years | 2 | 0 |
| | Over 50 years | 0 | 1 |
| Female | Under 30 years | 0 | 0 |
| | 30-50 years | 0 | 0 |
| | Over 50 years | 0 | 0 |

## Kirloskar Corrocoat Private Limited (KCPL)

### Key Initiatives undertaken

- Provided adequate trainings on product quality, health & safety and ESG
- Celebrated Safety Week and World Environment Day to emphasise the importance of sustainability
- Initiated various employee well-being activities for the employees

### Total Employees

| | Permanent | Other than permanent |
|---|---|---|
| Male | 35 | 45 |
| Female | 0 | 0 |

### New Employee Hires

| | | Permanent | Other than permanent |
|---|---|---|---|
| Male | Under 30 years | 3 | 51 |
| | 30-50 years | 4 | 0 |
| | Over 50 years | 0 | 0 |
| Female | Under 30 years | 0 | 0 |
| | 30-50 years | 0 | 0 |
| | Over 50 years | 0 | 0 |

### Average hours of training per year per employee

| | | Permanent | Other than permanent |
|---|---|---|---|
| Male | Senior Management | 14 | NA |
| | Middle Management | 28 | NA |
| | Professionals | 28 | NA |
| | Para-professionals | NA | NA |
| | Associates | NA | 11.28 |
| Female | Senior Management | NA | NA |
| | Middle Management | NA | NA |
| | Professionals | NA | NA |
| | Para-professionals | NA | NA |
| | Associates | NA | NA |

## Kirloskar Ebara Pumps Limited (KEPL)

### Key Initiatives undertaken

- Enrolled 13 CNC operators for the 40-day special CNC up-skilling course conducted by the Indo-German Chamber of Commerce (IGCC). The trained operators are now imparting further up-skilling training to other operators
- Revamped behavioural competency framework as required by the business and briefed all the employees through sessions conducted by Functional Heads to help them better understand the precise requirement and expectations of the role
- Undertook quality certification trainings organised by the quality team as per the business requirement
- Organised general health and well-being trainings on Cancer Awareness, reasons for cardiac arrest and precautions to be taken and conducted sessions on emotional well-being, employee wellness and fitness
- To ensure effective employee engagement, planned and executed activities with an overall objective of cross-functional collaboration thorough daily, monthly and yearly initiatives, such as Employee of the Month, Employee birthday celebration, monthly interdepartmental collaboration activities and celebration of festivals like Diwali and Dussehra. Employee engagement activities also included celebration of special occasions and days and motivating them through rewards & recognition
- Evaluating candidates monthly for "Employee of the Month Award" and recognising them in front of all the employees. Also recognising the contribution of outstanding performers by awarding them with the "I Appreciate" card
- Implementing internal policies and processes to ensure diversity, equity & inclusion across all the cadres in the organisation
- Ensuring total employee involvement approach by involving all levels of employees in engagement activities, including contract labours

### Total Employees

| | Permanent | Other than permanent |
|---|---|---|
| Male | 341 | 18 |
| Female | 18 | 2 |

### New Employee Hires

| | | Permanent | Other than permanent |
|---|---|---|---|
| Male | Under 30 years | 28 | 12 |
| | 30-50 years | 27 | 6 |
| | Over 50 years | 1 | 0 |
| Female | Under 30 years | 1 | 2 |
| | 30-50 years | 1 | 0 |
| | Over 50 years | 0 | 0 |

# SOCIAL AND RELATIONSHIP CAPITAL

**Celebrating the Joy of Giving**

At KBL, we follow a philosophy of creating and delivering holistic, long-term and sustainable value and remains committed to ensuring an inclusive governance approach. Our social initiatives are aimed at creating livelihood opportunities and providing access to healthcare and education, thus improving the quality of life in our communities.



### Strategies Impacted

S1 S2 S5 S6 S7

### SDGs Impacted



### Material Issues Impacted

- M3 Health and safety
- M4 Diversity, equity and inclusion
- M5 CSR and local communities
- M8 Talent attraction and retention
- M9 Supply chain management
- M10 Risk management
- M11 Compliance
- M12 Marketing and communications
- M14 Customer safety and product quality
- M16 Market presence

# Social Capital

We are driven by a profound dedication to fostering positive social impact and empowerment. We move beyond our organisational boundaries and remain deeply committed to enriching and uplifting local communities and continue to seek new avenues to make a meaningful contribution to the society. In our social journey, we remain embedded in our core values of social responsibility and are propelled towards the goal of cultivating a fairer and more equitable world for all and driving positive change.

**KEY HIGHLIGHTS OF 2024-25**

**₹ 43+ mn**

Total CSR Spend

## CSR

Our CSR initiatives are aligned with UN Sustainable Development Goals (SDG) and focus on creating a lasting impact through education, enhancing green cover, promoting healthcare and developing skills.

## KBL

### Education

- Supported 4 Zilla Parishad (ZP) schools and 4 ICDS centres in underserved areas of Sangli, Maharashtra and Dewas, Madhya Pradesh
- Introduced e-learning systems, set up STEM & Robotics labs and distributed activity-based learning kits to enhance the learning experience and improved foundational skills such as reading, numeracy and problem-solving among students
- Upgraded learning environments with educational wall art and well-stocked libraries
- Major milestone: All 4 ZP schools and 4 ICDS centres supported achieved ISO 9001:2015 certification, reflecting high standards of quality and impact

Impact and outcomes: Enabled better learning conditions for 447 children in ZP schools and 206 children in ICDS centres.

### Green Cover Enhancement

- Undertook two forest restoration projects using the Miyawaki method to promote biodiversity and climate resilience.
  - Dehu Road Depot Project: Planted 25,000 native trees, including fruit-bearing, medicinal and endangered species in 2.5 acres of barren land.
  - Goa Project: Plantation of 800 trees and shrubs from 100 native species is underway at 5 Technical Training Centre in Bambolim, Goa.
- Conducted a large-scale plantation drive near Tekri Temple, Dewas (Madhya Pradesh) with more than 3,000 trees planted in that area.

### Healthcare Initiatives

- Upgraded 4 Primary Health Centres (PHCs) in Kirloskarvadi region (Kundal, Devrashtre, Bhilawadi, Wadgaon) by providing medical equipment, beds and furniture, clean drinking water dispensers and solar panels for uninterrupted power.
- Installed hand wash stations in all 4 supported ZP schools

### Impact and Outcomes:

- Covered 50 villages, serving a population of 2.3 Lakh people by providing comprehensive primary care closer to rural communities, reducing the need to travel to distant hospitals.
- Benefited ~2,245 antenatal (ANC) and 1,081 postnatal (PNC) mothers.

### Skill Development

- Signed an MoU with the Water Management & Plumbing Skill Council (WMPSC) to host certified training programmes across India, empowering individuals with technical skills to create sustainable livelihood opportunities.
- Conducted WMPSC-certified training programmes across eight states including Uttar Pradesh, Kerala, Maharashtra, Assam, Bihar, Tamil Nadu and others.
- Trained over 1,500 plumbers, enhancing employability and income-generating potential.

## KPML

### Education

- Supported digitalisation efforts in schools and Anganwadis in Goa including Sarvangin Balvikas Yojana Anganwadi centres in Deulwada, Bharoniwada, Phanaswadi and Government Primary Schools in Maini Navelim and Bharoniwada.
- Desktop computers and printers were donated to schools and panchayats in Malakapur, Umarkanchan, Koregaon and Belwade Haveli.
- CCTV cameras were installed at New English School, Agashivnagar, Malkapur to enhance safety for students and staff.
- Benches were provided to Saraswati Vidyamandir, Karad and plastic chairs to Adarsh Vidyamandir, Wing to improve classroom comfort.
- MS-CIT training was organised for Sahyadri Shikshan Sanstha, Yashawantnagar to enhance digital literacy and employability.

### Healthcare

- Ambulance was donated to the Gram Panchayat Shiroli Pulachi, Kolhapur and MIDC Tasawade Association to improve emergency medical access.
- Water coolers and purifiers were installed at Government ITI Karad, Annaji Govindrao Pawar Vidyalay Vahagaon, Sahyadri Shikshan Sanstha Yashwantnagar, Tasawade Police Station, Shikshan Mandal Karad and ZP Primary School Arewadi.
- Donation to Grampanchayat Bahule, Maharani Tarabai Vidyalay Talbid and a Water ATM to Grampanchayat Gamewadi to ensure access to clean drinking water.



- Ten Polycab fans were given to New English School, Agashivnagar, Malkapur to improve classroom conditions.
- Financial support for the Marathon Police Run 2025, Tasawade Police Station.

### Environment

Supported the adoption of renewable energy by donating solar systems (3kW and 2kW) to several Gram Panchayats and schools, including Gram Panchayat, Talbid; Gram Panchayat, Wing; Gram Panchayat, Tasawade; ZPS, Vanvasmachi; ZPS, Varade; and Shikshan Mandal Karad.

### Wildlife Conservation

Supported Aaranyak, an Assam-based NGO committed to rhino protection, by donating two electric scooters and protective equipment to strengthen their efforts in safeguarding wildlife and preserving natural habitats.

### KCPL

- Cupboard for school children at NAB Blind School, Miraj
- Installed Water RO filter of capacity 100 Ltr/Hr at LABA Patil Girls High School and Computer & Drinking Water Facility at Tandalgaon Primary School
- Bicycles for bicycles bank at school
- Donated Bench & Sanitary Pad Vending Machine at Balawadi Highschool
- Donated for educational activities through Vikas Charitable Trust

### KEPL

- Donated a Wildlife Intensive Care Unit to RESQ Charitable Trust in Pune as a part of its ongoing commitment towards wildlife conservation and environmental sustainability. This is aimed at enhancing the care provided to injured or distressed animals, aiding in their recovery and making them return to their natural habitats
- Seed Ball project change as to enhance biodiversity



## Relationship Capital

We have built strong relationship of trust with diverse stakeholders, including customers, local communities, investors, governmental bodies, distributors and suppliers. We understand the importance of these relationships in meeting the changing needs of our diverse stakeholders. Our partnerships with each of our stakeholders highlight our commitment to providing high-quality services and responsive support, while upholding the ethical practices.

### KEY HIGHLIGHTS OF 2024-25

**5,000+**
No. of Suppliers

**1,700+**
No. of MSME Suppliers

**650+**
No. of Authorised Service Centres across India

**16,000+**
Channel Partners in India and 250 overseas

**05**
No. of APOEM facilities

**8.45**
Supplier Perception Survey Score (on a scale of 1 to 10)

**84.3%**
Customer Perception Index

**62.93%**
Business spend of value chain partners covered under ESG assessment

**43.0%**
Sustainable sourcing

## RESPONSIBLE AND SUSTAINABLE SOURCING

### Optimally managed supply chain

- New avenues of ensuring green procurement practices
- We focus on responsible sourcing, ensuring that raw materials are ethically and sustainably procured from suppliers who follow eco-friendly practices
- Focus on sourcing raw materials that are recyclable, biodegradable or made from renewable sources
- We seek to implement the hierarchy to reduce, reuse & recycle resources throughout the procurement activity
- Sustainable sourcing policy & Integrated Management system policy to strengthen sustainable sourcing drive

### Healthy partnership with business partners to complete supply chain

- By building long-term partnerships with key suppliers, we are able to maintain a steady supply of raw materials and reduce the risks of disruption
- Supports to business partners through continuous training, technology sharing and providing access to enhance operational efficiency
- Partnering with suppliers who meet international certifications such as ISO 14001 ensures that sustainable practices are embedded in procurement decisions
- Utilising software tools and data analytics to assess the ESG impacts of suppliers allows for better decision-making
- Category structure in plant procurement to streamline supply chain process
- Strategic partnership with Siemens with 20% YoY growth for energy-efficient motors

### Greening the supply chain

- CNG vehicles are being used for food supply, material transportation and general commuting at Kaniyur
- Green Procurement Initiative: Introducing CNG vehicle at Kirloskarvadi improving logistic efficiency
- Milk run concept - for subcontracting activities & transportation of final goods
- Promoting sustainability awareness and assessments at supply chain through training programmes, webinars and assessments
- Encouraging and guiding suppliers for disposing goods to authorised agencies in an environmentally friendly manner

### Entering into partnerships

- Resulted in sustainable benefits based on JV development projects
- Helped developed a more sustainable supply chain
- Resulted in cost reduction, managing risks better, generating new sources of revenue, boosting the value of our brand



## SUSTAINABLE PACKAGING

- Use of recyclable materials at plants
- Usages of plant scrap in plant foundry
- Fabricated recycle bins in place of wooden boxes and pallets at Dewas
- Initiated VMI for seals, bearings, fasteners, foundry consumables, motors. Switching to materials complying with ROHS standards
- Initiated elimination of plastic wrapping at Sanand
- PP box for packaging of inward material instead of wooden material

## VENDORS AND SUPPLIERS

### Prioritising Supply Chain Management

- Warehouse for spare parts stocking
- Supplier Engagement and Supplier Social Assessment
- Supplier Perception Survey for 240+ suppliers
- Monthly & Quarterly Business Review with suppliers
- Supplier Meet - 400+ Suppliers participated
- Vendor portal - Supplier grievance mechanism included
- Encouraged suppliers to carry out ESG activities by conduction trainings, workshops and assessments. Conducted workshops on ESG & BRSR Core for suppliers covering 30% business spend
- Initiated trainings and workshops to 2,000 suppliers through procurement digitalised portals

### Business Partners Meet

KBL hosted Business Partners Meet bringing together key stakeholders to celebrate past achievements and envision future successes. This event underscored the critical role of collaboration in driving operational excellence and innovation. The theme, “Partnering for Excellence”, emphasised KBL’s commitment to innovation and strong partnerships. The agenda featured insightful presentations, engaging panel discussions and interactive sessions, fostering meaningful dialogue on leveraging synergies for mutual growth



## DEALERS

### Authorised Pump Original Equipment Manufacturer (APOEM):

In alignment with KBL's strategic objectives and policies, KBL has established APOEMs equipped with advanced testing facilities across all zones. Each APOEM plant is supervised by a dedicated KBL quality expert, ensuring strict compliance with our rigorous quality standards and parameters. As part of our commitment to excellence, we require all dealers to procure and sell KBL-branded "APOEM" pumpsets, which include KBL-branded pumps and motors, thereby delivering world-class products to our customers.

### Milestones

- 5 APOEM plants pan India
- APOEM plant modernisation - Name Plate Laser Marking Machine
- Display van inauguration
- Energy audit cell with all equipment and team
- Customer meets, presentation and trainings at APOEM plants

### APOEM Inauguration - S. Rudraradhya & Co (SRC) at Bengaluru

KBL's fifth APOEM South (S. Rudraradhya & Co) was inaugurated by CMD, JMD and KBL senior management in February 2025.

### Strengthening the value chain:

- **Dealer/Retail Engagement Activities**

  **Digitisation & Digitalisation:** As part of our ongoing efforts to enhance dealer engagement, KBL is embracing digitisation and digitalisation to streamline operations and improve communication with our dealers. Through digital platforms, KBL provides real-time access to product information, sales data and training resources, ensuring that our dealers are well-equipped to respond to market needs quickly and efficiently.

  **Annual Recognition of Excellence:** KBL celebrate and recognise top-performing partners both within India and internationally for their exceptional contributions to our mutual success

  **Training and Development:** KBL conduct technical and behavioural training programmes at plants, regional offices and partner locations to enhance skills and empower partners to perform at their best



*Inauguration of new APOEM*

**Regular Engagement through Business Events:** KBL host annual functions, regional conferences and business meetings to foster open communication, gain valuable feedback and understand our partners' needs and perceptions.

**Collaborative Marketing and Promotions:** Product promotion campaigns and marketing activities are carried out in close collaboration with both customers and channel partners, boosting visibility and market reach.

**KBL-KBC Quiz:** A dedicated knowledge-building initiative, the KBL-KBC Quiz, allows our partners to participate via a dedicated app. Winners are honoured at the Annual Dealer Conference.

**Continuous Performance Monitoring and Guidance:** KBL regularly assess the performance of partners, offering guidance to help them meet business objectives, adhere to commercial policies and ensure consistent growth.

**Market Engagement through Exhibitions:** Our partners participate in targeted exhibitions and advertisements, helping us showcase our products and strengthen our presence in key markets.

**Direct Engagement and Feedback:** KBL conduct one-on-one discussions with our dealers to gather valuable market feedback, which helps to make informed decisions and continuously improve products and services.

- KBL participated in the Climate Resilient Smart Buildings Conclave at the India Habitat Centre, New Delhi organised by FOCUS in association with INBA.
- Participated in WATREX EXPO 2024, the biggest exhibition and conference for water and wastewater technologies in the Middle East & Africa region

### Channel Partner Meet

This was a 2-day programme involving one-to-one discussions with the dealers to seek their feedback and understanding their concerns. There was 'Rewards & Recognition' session to felicitate the top performers under various categories. It was a well-utilised platform to engage with the dealers and plan the business for the year ahead.

## ASSOCIATE PARTNER OF PUNERI PALTAN

### A Celebration of Strength and Excellence

The team's stories of grit, strategy and perseverance were truly inspiring, resonating deeply with KBL's core values of strength, teamwork and an unwavering drive for excellence. We are proud to be the Associate Partner of Puneri Paltan for Pune Kabaddi League Season 11. This partnership symbolises a shared commitment to representing India on the global stage and celebrating the 'Make in India' spirit. PKL has emerged as one of India's most popular sporting leagues, captivating millions of fans with its high-octane action. The league has played a significant role in elevating the profile of Kabaddi, a traditional Indian sport, both nationally and internationally.

As a proud associate sponsor of Puneri Paltan, we are excited to be part of this thrilling sporting spectacle. There are striking similarities between KBL and Kabaddi. As the Company celebrates 137 years of excellence, it is noteworthy that the modern version of Kabaddi also traces its origins to the early 20th century. Kabaddi embodies qualities such as strength, intelligence, speed and strategy. Similarly, KBL products are renowned for their reliability, durability and innovation.

Both KBL and Kabaddi share the "Make in India" spirit and proudly represent Pune on the global stage. Puneri Paltan, known for their exceptional defensive abilities and strategic gameplay, have consistently showcased their dominance in the PKL.



# NATURAL CAPITAL

**Towards a cleaner, greener future for our planet**

We remain committed to promoting sustainable development by integrating economic, environmental and social considerations into our key business imperatives. With a strong focus on minimising our ecological footprint, we remain dedicated to implementing strategies that contribute to a low-carbon future and positive environmental impact, maintaining a strong focus on minimising our ecological footprint.



### Strategies Impacted

S2 S4 S6 S7

### SDGs Impacted



### Material Issues Impacted

- M1 Product stewardship and innovation
- M2 Emissions management
- M6 Energy management
- M7 Materials
- M9 Supply chain management
- M20 Biodiversity
- M21 Waste management
- M22 Water and effluents management

## KEY HIGHLIGHTS OF FY 2024-25

**13.5 MWp**
Renewable Energy added

**Dewas plant**
awarded as "Approaching to Zero Waste to Landfill" by CII

**Sanand plant**
awarded as "Aspiring to Zero Waste to Landfill" by CII

**41%**
Water recycled

**05**
GreenCo certified manufacturing plants

**08**
CII GreenPro Ecolabel certified products

Enhanced energy performance of Borewell Submersible Pumps with BEE 4-star and 5-star rating

**35%**
Reduction in Scope 1 emissions

At KBL, we strongly believe in joining forces with multiple stakeholders to promote the culture of sustainability across the organisation. By combating climate change and managing natural capital responsibly, we continue to create a lasting impact on the environment and contribute to a more sustainable future for our next generations.

Our approach to sustainability is centred around executing environmental stewardship initiatives to minimise our operational impact on biodiversity, natural resources and air quality.



FORGING PATHWAYS TO A CLEANER FUTURE

# Energy Management

**Goal**

**10%** reduction in Specific Energy Consumption by 2030 (as a baseline of FY 2023-24)

Enhancement of Renewable Energy up to **70%** by FY 2026-27

## RENEWABLE ENERGY

Addition of 13.5 MWp Solar Energy through Open Access PPA with existing 4 MW Wind Mills and 4.74 MW Solar Rooftop Project

## ENHANCEMENT OF RENEWABLE ENERGY

In a significant step towards sustainability, the Company signed a Solar Open Access Power Purchase Agreement (PPA) to power the manufacturing facilities at Kirloskarvadi and Kolhapur. The 13.5 MWp solar project will generate ~20 Million units of clean energy annually. This will help in substantially increasing the renewable energy usage at Kirloskarvadi plant from the existing 25% to 75%.

On the other hand, the renewable energy usage of The Kolhapur Steel Limited (TKSL), a subsidiary company of KBL, will also increase to 75%.

This will lead to a significant reduction in KBL's carbon footprint by offsetting 14,200 metric tonnes of $CO_2$eq emissions yearly.

## RECOVERING AND REUSING OF ENERGY AT HYDRAULIC RESEARCH CENTRE

PICO and PAT, patented pump models of KBL, are designed for meeting the smaller energy requirements in diverse industries. These pumps can be operated in reverse as a turbine for generating electricity. While PICO is generally used for meeting energy requirements of up to 5 kW, PAT is used for meeting comparatively higher energy requirements of up to 100 kW. Installed as a full-fledged energy generation unit, these solutions are not only helping companies reduce their energy costs, they are also considered a potent alternative for combating global warming.

## ENERGY-EFFICIENT PUMPS

**Redefining HVAC Efficiency with the New Vertical Inline Pump KW-SC**

The KW-SC pump is a ground-breaking addition to KBL's vertical inline pump series. Designed for circulation of liquids for heating and air-conditioning systems, the versatile pump enhances HVAC operations and temperature control and potentially reduces energy consumption and costs. Its compact vertical design fits into a limited space, making it ideal for crowded mechanical rooms. The pump is suitable for air conditioning, bottling plants, industrial circulation and water boosting systems. Some of the key benefits offered by the pump are – easy maintenance, minimising downtime and costs.

## LOWEST LIFECYCLE COST PUMPS (LLC™)

KBL's Lowest Lifecycle Cost (LLC™) Pump series focuses on reduction in energy consumption and maintenance cost. Due to their unique features, these lowest lifecycle cost pumps offer significant energy savings potential during their lifespan, without majorly reducing pump efficiency over a longer period and hence, this results in low life cycle cost in comparison with conventional pumps. These pumps are expected to reduce 1,000-1,200 MT $CO_2$eq within the first 10 years of installation.

## DBxe END SUCTION PUMP SERIES

The highly efficient end-suction pump series (DBxe) can save up to 20 MT $CO_2$eq in the first 10 years of installation operations. With thousands of such pumps being installed every year, this is expected to result in cost savings and reduced energy consumption on an aggregate basis.

## SOLAR PUMPS

The Company offers efficient, reliable and sustainable water pumping solutions using solar energy. These solutions reduce reliance on fossil fuels and are ideal for agriculture, residential bungalows, farmhouse, multi-story residential complexes and commercial uses. Kirloskar Solar Pump and Jalverter® technology make optimum use of solar energy to deliver water at virtually zero electricity and low maintenance cost.

## ENERGY CONSERVATION MEASURES

- Enhanced energy performance of 437 pumps with BEE 4-star and 5-star rating
- Making improvements through ENCON initiatives within KBL Group of Companies
- Replacement of CFL lights with LED lights to improve energy efficiency
- Optimisation in compressor capacity utilisation by relocating compressors
- Conducting periodic Energy audits
- Adoption of energy-efficient technologies like IGBT panel, VFD, optimisation in compressor capacity utilisation, use of star rated AC

# Water Management

**Goal**

**To achieve Water Neutrality by 2030**

The Company understands social, economic and environmental value of water and the need to conserve and resue it. It promotes sustainable and equitable use of water to address the growing scarcity and to scale a positive impact on nature and water.

### Key Initiatives towards Water Stewardship

- Initiatives taken to reduce specific water consumption
- Third-party water feasibility study conducted to improve water conservation practices
- Use of recycled water for gardening
- Installation of new ETP plant at Kirloskarvadi, with treated water used in the process
- Increase in area coverage for rainwater harvesting at Kirloskarvadi plant and township
- Desilting of Check Dam (Bandhara) at Kirloskarvadi
- World Water Day celebration - awareness about the importance of fresh water resources and water-related issues among the employees and took oath for 'Save Water'- Displaying posters, information boards & conducting awareness and training programmes
- Preparation of water balance diagram to understand water usage pattern, identify any leakages
- Closed-loop hydro testing - Implemented closed-loop systems for hydro testing processes to minimise water wastage
- Installed drip irrigation systems to optimise water use in garden areas. Utilised sprinkler systems for efficient watering of lawn areas
- Replaced conventional taps with push-type taps to reduce water wastage
- Installed float valves in overhead tanks to prevent overflow and wastage
- Water conservation initiatives taken beyond the fence

# Emissions Management

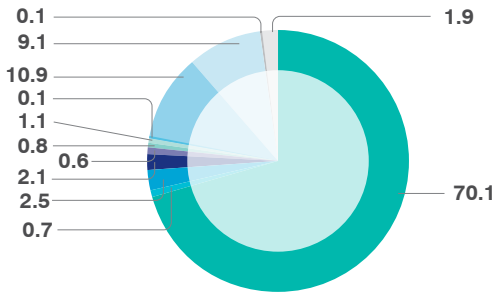
**Goal**

**To achieve Net Zero in line with India's target to become Net Zero by 2070**

KBL recognises that climate change is a significant threat to our planet and requires immediate actions.

### Key Initiatives towards Emissions Management

- 35% reduction in Scope 1 emissions by replacement of cupola furnace with induction furnace
- Enhancement of renewable energy to reduce Scope 2 emissions
- Use of CNG vehicles for material transportation and general commuting at Kirloskarvadi and Kaniyur
- Promoting carpooling, use of e-vehicles and bicycle for commuting among employees
- Awareness sessions for value chain partners on emissions reduction
- Implementation of sustainable sourcing policy
- Use of low VOC paints for buildings
- Monitoring of SOx, NOx, VOC and Particulate Matter (PM)
- Routine maintenance of pollution control equipment ensures optimal performance




**KBL Scope 3 emission profile FY 2024-25 (Category-wise %)**

| Scope-3 Category | Category Description |
|---|---|
| 1 | Purchased goods and services |
| 2 | Capital goods and services |
| 3 | Fuel- and energy-related activities |
| 4 | Upstream transportation and distribution |
| 5 | Waste generated in operations |
| 6 | Business travel |
| 7 | Employee commuting |
| 8 | Upstream leased assets |
| 9 | Downstream transportation and distribution |
| 12 | End-of-Life treatment of sold products |
| 13 | Downstream leased assets |
| 15 | Investments |

# Material Circularity & Waste Management

**Goal**

**To enhance the use of recycled material above 50% during in-house processes and achieve "Zero Waste to Landfill" status for the manufacturing plants by 2030.**

The Company values environmental resources and acknowledges the concept of circular economy, which improves business efficiencies and reduces primary resource consumption and waste generation.

### Key Initiatives towards Waste Management

- Responsible disposal of hazardous and non-hazardous waste
- Dewas plant achieved "Approaching to Zero Waste to Landfill" certification from CII
- Sanand plant achieved "Aspiring to Zero Waste to Landfill" certification from CII
- Sand reclamation unit for recycling of burnt sand
- Periodic audits of authorised waste recyclers
- Recycling of metal scrap in foundries
- Use of Green Certified housekeeping chemicals and products
- Undertaking end of lifecycle procedure to ensure safe and environment-friendly disposal of product

# Biodiversity

**Goal**

**To ensure No Net Loss of Biodiversity**

KBL is dedicated towards environmental sustainability and acknowledges that biodiversity is essential for the processes that support life on Earth. The Company has adopted various initiatives to improve the green belt within and beyond the fence.

### Key Initiatives towards Biodiversity

- Biodiversity assessment for two manufacturing plants to develop sustainable strategies
- Kirloskar Centenary Forest: adopted Miyawaki afforestation concept at Dewas
- 10,000+ trees planted in Kirloskarvadi Township and Kirloskarvadi plant
- Created Navgrah Vatika & Medicinal Garden at Dewas
- Planation of natural purifier plants such as Aloe Vera, Snake Plants, Fern, Spider Plants, Tulsi and more
- Making use of natural species for plantation
- Mass Plantation Drive: Planted 3,000+ trees around Tekri Temple area in Dewas
- Having a variety of animal and bird species such as Peacock, Monkey, Jackals (Siyaar), Mongoose(Nevala), Snake, Ponder Heron, Median Egret and Grey Hornbill
- Created Food & Water feeder points for birds and animals during summer
- Enabling "Waste to Best" concepts like Mix-Flowering drum by making use of available waste material
- Developed aquaculture in pond having species of fishes and tortoise at Sanand


CII
Confederation of Indian Industry

CERTIFICATE OF VERIFICATION

This is to certify that

KIRLOSKAR BROTHERS LIMITED, SANAND

Involved in Manufacture and supply of Submersible Pump Set is verified in line with CII GreenCo Zero Waste to Landfill certification as

ASPIRING TO ZERO WASTE TO LANDFILL FACILITY

Verification Period: November 2023 - October 2024

Certificate No: CII-ZWTL-2025-16

Diversion Rate = 96.82%

Issued Date: 20 March 2025

Valid till: 19 March 2028

Aspiring to Zero Waste to Landfill

K S VENKATAGIRI
Executive Director
CII Godrej GBC

PRADEEP BHARGAVA
Chairman, CII GreenCo Council
CII Godrej GBC


CII
Confederation of Indian Industry

CERTIFICATE OF VERIFICATION

This is to certify that

KIRLOSKAR BROTHERS LIMITED, DEWAS

Involved in design & manufacturing of Power driven Centrifugal / Regenerative / Monoblloc / Coupled Pump set / Multistage Pump set / Open well Pump / Solar driven Pump is verified in line with CII GreenCo Zero waste to landfill certification as

APPROACHING TO ZERO WASTE TO LANDFILL FACILITY

Verification Period: November 2023 - November 2024

Certificate No: CII-ZWTL-2025-15

Diversion Rate = 97.52%

Issued Date: 12 March 2025

Valid till: 11 March 2028

Approaching to Zero Waste to Landfill

K S VENKATAGIRI
Executive Director
CII Godrej GBC

PRADEEP BHARGAVA
Chairman, CII GreenCo Council
CII Godrej GBC



# Product Sustainability

**Goal**







**In FY 2024-25, KBL has earned CII GreenPro ecolabel certification for below product groups**

- 10 cm Submersible Pumpsets (4" Oil and Water Filled Submersible Pumpsets)
- 0.5 HP Mini Pump Series
- 1.0 HP Mini Pump Series

**Our below product groups are also certified under CII GreenPro ecolabelling**

- Cast Iron Foundry Castings
- Alloy Cast Steel Foundry Castings
- End Suction Pump Series-DBxe
- LLC™ (Lowest Life-Cycle Cost) Series – Horizontal Axially Split Case Pumps

**Resource Consumption****

## ENERGY CONSUMPTION in GJ

| | KPML | TKSL | KCPL | KEPL |
|---|---|---|---|---|
| **Renewable sources** | | | | |
| Total Electricity Consumption | 3,696.73 | - | - | 1,536.06 |
| **Non-Renewable sources** | | | | |
| Total Electricity Consumption | 3,916.98 | 9,141.87 | 749.06 | 5,296.84 |
| Total Fuel Consumption | 549.25 | 10,709.42 | 122.68 | 714.63 |
| **Total Energy Consumption** | 8,162.96 | 19,851.29 | 871.74 | 7,547.53 |

## GHG EMISSIONS in MT

| | KPML | TKSL | KCPL | KEPL |
|---|---|---|---|---|
| Scope 1 Emissions | 39.40 | 594.69 | 9.03 | 50.37 |
| Scope 2 Emissions | 791.00 | 1,846.15 | 151.26 | 1,069.66 |
| **Total GHG Emissions** | 830.4 | 2,440.84 | 160.29 | 1,120.03 |

## WATER CONSUMPTION in KL

| | KPML | TKSL | KCPL | KEPL |
|---|---|---|---|---|
| (i) Surface water - River & Openwell | 29,698.28 | 13,213.00 | 1,380.45 | - |
| (ii) Groundwater | - | - | - | 14,599.50 |
| (iii) Third-party water | - | - | - | - |
| (iv) Seawater/desalinated water | - | - | - | - |
| (v) Others | - | - | - | - |
| Total volume of water withdrawal | 29,698.28 | 13,213.00 | 1,380.45 | 14,599.50 |
| Recycled water | 9,463.83 | 2,232.00 | 12 | 5,000.29 |
| % recycled consumed | 24% | 14% | 1% | 26% |

## WASTE IN MT

| | KPML | TKSL | KCPL | KEPL |
|---|---|---|---|---|
| Plastic waste generated | 3.27 | - | 2.36 | 4.38 |
| E-waste generated | - | | 0.12 | 1.09 |
| Other hazardous waste generated | 28.59 | 0.77 | 56.17 | 47.87 |
| Other non-hazardous waste generated | 549.81 | 2,900.20 | 26.76 | 262.39 |
| Total waste generated | 581.67 | 2,900.97 | 85.41 | 315.73 |
| Total waste recovered through recycling | 562.3 | 71.97 | 69.14 | 280.46 |
| Total waste recovered through other recovery options | 19.33 | 0 | 16.30 | 34.38 |
| Total waste landfilled | 0 | 2,829.00 | 0 | 0 |
| Other disposal operations | 0 | 0 | 0 | 0.89 |

## EMISSIONS IN MT

| | KPML | TKSL | KCPL | KEPL |
|---|---|---|---|---|
| PM | 1.39 | 0.448 | 0.5134 | 3.01 |
| SOx | 0.32 | 0.16 | 0.01 | 0.003729 |
| NOx | 0.07 | 0.14 | 0 | 0.01 |
| Total emissions | 1.78 | 0.75 | 0.52 | 3.02 |

***Refer details under Principle 6 of BRSR section for resource consumption details of KBL standalone*

# PROGRESSING TOWARDS A SUSTAINABLE FUTURE

**Our Environmental, Social and Governance approach**

While we are making encouraging progress across our key priority areas in sustainability, an ambitious and evolving sustainability agenda has been created with short-term and long-term goals. We aim to deliver a consistent, competitive and greater impact and work on our goals by making sustainability progress integral to our performance and with an ongoing commitment to responsible business.

Sustainability is at the core of our business. At KBL, we have embarked on a comprehensive journey to strengthen our sustainability approach. We believe in setting clear targets and goals that will serve as our sustainability compass and will help integrate sustainability across the business.

We are engaged in reinforcing our sustainable and inclusive actions in several ways. While we have identified key areas for making a meaningful difference, we are also capitalising on the growing opportunities.

## Our Sustainability Compass 2030

- To become water neutral
- Zero Waste to Landfill
- To enhance female workforce up to 20%
- Sustainable sourcing up to 60%
- Driving ESG across supply chain

## EMBEDDING CORPORATE SUSTAINABILITY

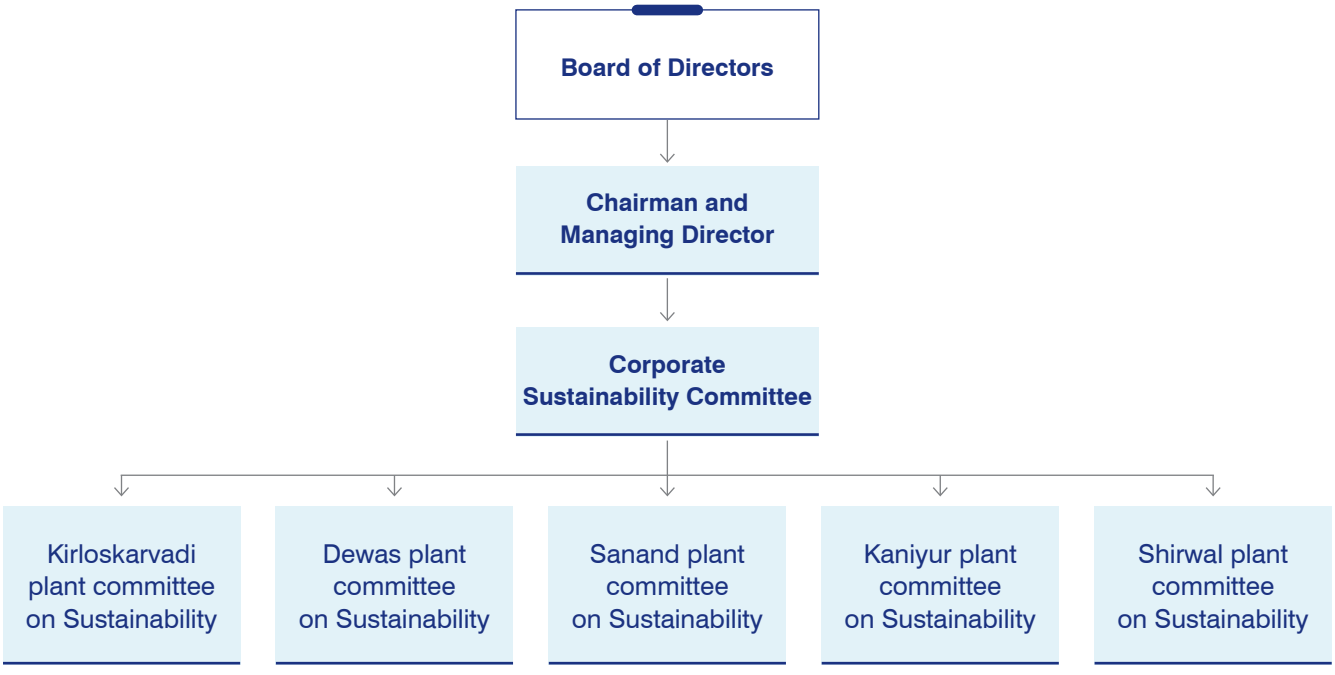
- Corporate Sustainability Committee reports to the Board twice a year
- Plant-level Sub-Committees report to Corporate Sustainability Committee every quarter
- Exclusive Corporate Sustainability & Excellence team to drive ESG initiatives across KBL Group of Companies
- ESG commitments, goals and targets are reviewed by the Committee

KBL has formed a corporate level Sustainability Committee under the authority of Chairman and Managing Director consisting of non-board members with the Chairmanship of Associate Vice President and Head – Corporate Quality Assurance with facilitation provided by Assistant General Manager and Head - Corporate Sustainability and Excellence. The Corporate Sustainability Committee reports progress of ESG initiatives along with other updates to the Board twice a year. We have also formed plant-level Sustainability Committees that in turn report to the Corporate Sustainability Committee.

Our ESG policies are assessed and updated by Corporate Sustainability Committee and Senior Leadership, including the CMD, periodically or on a need basis. Performance of all policies is being monitored through review of goals and commitments identified against each policy. This is done by the Corporate Sustainability Committee and also by other respective functions at the time of monthly reviews of their functional annual operating plans. The Committee findings are also reviewed by CMD.

### ESG performance against specific commitments, goals and targets

- Signed Power Purchase Agreement (PPA) with M/s Sunsure Energy for 13.5 MWp for open access renewable energy
- As a part of CII Zero Waste to Landfill certification, Dewas plant achieved "Approaching to Zero Waste to Landfill" certification and Sanand plant achieved "Aspiring to Zero Waste to Landfill" certification
- ESG assessment completed for value chain covering 62.93% of business spend
- ESG training conducted for Value chain partners
- ESG workshops completed for 27 value chain partners for ESG and BRSR Core implementation (48.85% business spend)
- 35% reduction in Scope 1 emissions as compared to FY 2023-24
- 8.76% Female workforce including all women operated manufacturing plant at Kaniyur
- Sustainable sourcing up to 43%
- 437 BEE Star rated products
- Reduction in specific water consumption



## OUR ESG CHARTER

### Environment

- Greening the nation
- Achieving climate resilience
- Resource efficiency
- Waste management
- Renewable energy enhancement
- Water management

### Social

- Health and safety
- Diversity and inclusion
- Talent management
- Sustainable supply chain

### Governance

- Stakeholder engagement
- Corporate governance
- ESG policy implementation

**Our Action Plan**

## SUSTAINABILITY-RELATED GOALS

### Environment

#### Energy and Climate Change

**Short-term Goal:**

- Prioritising energy efficiency and embracing deployment of alternate sources of energy
- Achieving intermediate milestones to become Net Zero
- Increasing renewable energy's contribution in total power consumption up to 50% by FY 2025-26

**Long-term Goal:**

- Dedicated to implement strategies contributing to a low-carbon future and a positive environmental impact
- Implement strategies to achieve Net Zero in line with India's target to become Net Zero by 2070
- Increasing contribution of Renewable Energy to 70% by FY 2026-27

#### Biodiversity

**Short-term Goal:**

- Ensuring maximum greenbelt coverage at manufacturing plants
- Biodiversity assessment for manufacturing plants and offices
- Plantation of native, drought-resistant species

**Long-term Goal:**

- Contributing to preservation and restoration of ecosystems and promoting a healthier and more sustainable planet
- Ensuring "No Net Loss" of Biodiversity

#### Water

**Short-term Goal:**

- Increasing rainwater harvesting systems across plant locations
- Recycling wastewater or effluent generated to achieve Zero Liquid Discharge

**Long-term Goal:**

- Implementing a robust water management strategy for water conservation, reuse and recycling
- Becoming Water neutral by 2030

#### Waste Management

**Short-term Goal:**

- Minimising plastic usage and waste generation and encouraging value chain partners to follow waste management practices
- Implement best-in-class industry practices to divert waste from landfilling

**Long-term Goal:**

- Embracing the principles of a circular economy with strong emphasis on 5R approach
- Achieve Zero Waste to Landfill by 2030 for all manufacturing plants

# Social

## Safety and Well-being

**Short-term Goal:**

- Striving for zero accident rate, along with safety and reliability of the manufacturing operations
- Introducing a mental wellness initiative for the employees

**Long-term Goal:**

- Continually developing and enforcing robust systems and procedures to ensure employee safety
- Digitising employee health reports
- Creating a supportive and inclusive work environment that prioritises employee health and well-being with a keen focus on mental, physical and emotional health

## Workforce Diversity

**Short-term Goal:**

- Focusing on gender equality and women empowerment

**Long-term Goal:**

- Enhancing diversity in the workplace through focussed initiatives and operational processes for a thriving workplace; extending diversity and inclusion in the hiring process; cultivating a more comprehensive approach for intersectional and cultural diversity; implementing training sessions using interactive methods like real-life scenarios

## Community Development

**Short-term Goal:**

- Focusing on improving health of people living in and around the manufacturing facilities

**Long-term Goal:**

- Enacting positive change in the society by executing CSR activities with wide-reaching efforts and maintaining a positive connect with communities at all levels of the society

# Governance

## Certification

**Short-term Goal:**

- To achieve TPM second stage certification for all the manufacturing plants
- To achieve ISO 19443:2018 Certification (Quality Management Systems – Specific requirements for organisations engaged in the supply chain of Nuclear Energy sector, supplying products and services that are important to Nuclear Safety) for Kirloskarvadi plant

**Long-term Goal:**

- To achieve CII GreenCo Platinum Certification for manufacturing plants
- To achieve Corporate Sustainability Excellence

## Technology

**Short-term Goal:**

- To enhance features and automate performance testing facilities at Kaniyur plant
- To implement online energy monitoring system for all manufacturing plants
- To integrate AR/VR for customer experience

**Long-term Goal:**

- Integration of best-in-class IoT solutions
- EPR integration
- AI support for recruitment

## Research & Development

**Short-term Goal:**

- Energy-efficient Submersible and Monobloc Pumps, as per MEL standards

**Long-term Goal:**

- Development of Submersible & Monobloc pumps for the export markets
- Development of high-efficient and ultra-premium efficient electric motors
- Development of pumps for hard metal slurry and biofuel application
- Development of best-in-class hydraulics for end-section pumps

# CONTRIBUTING TO THE GLOBAL GOALS

**Marking a critical step towards a sustainable future**

At KBL, we have identified 13 UNSDGs, in consultation with our stakeholders, that deeply resonate with our purpose and strategy. These are the areas where we are confident of making a positive contribution and supporting the United Nations 2030 Agenda for Sustainable Development.

The United Nation's 17 Sustainable Development Goals (SDGs) is a universal call for action by all countries to protect the planet and build a more sustainable and inclusive world by 2030. At KBL, we have identified the SDGs where we can have the greatest impact and co-related these with our purpose to see where our contributions can add real value and support our own commitments. We monitor and transparently report on our progress on each of these goals.

We continue to work hard to make our business contribute to these SDGs and to create a resilient future for our planet and for its people. Our policies, operating systems and defined values support in sustainable management of the Company's business units. We are putting our efforts into these goals to accomplish sustainable development at the Company.

## Building a More Responsible and Equal World

### Good Health and Well-Being

We strive to create a culture that promotes a healthy lifestyle at the workplace and within the community. Ensuring good health and well-being contributes to the long-term sustainability of the company and results in healthy employees and communities that are more productive and resilient, which directly impacts our business performance.

**Key Initiatives:**

- Driving focus on health and well-being through the "KirloFit Club", including yoga sessions, expert doctor talks and mental health awareness sessions
- Lifestyle and health management sessions
- Medical facility to society through Radhabai Maternity Hospital
- Zero accidents manufacturing plants
- Periodic medical check-up for all employees
- Health check-up camps and health awareness sessions at schools and nearby villages
- Parivar Suraksha Yojna for employees

### Quality Education

We understand that fostering a skilled and knowledgeable workforce is essential for innovation, operational efficiency and sustainability. Additionally, we also focus on extending education to the community where we support local schools and skill development programmes to uplift the society.

**Key Initiatives:**

- Kirloskar High School - Open to All
- Employee training & development programmes
- Felicitation of students on securing highest marks
- Plumber/technicians skill development programmes
- Higher education policy for employees
- Bodhi Training Centre at Kaniyur and Kirloskarvadi
- Promotion of standards club activity driven by Bureau of Indian Standards (BIS) at School

## Gender Equality

Gender equality is the key for creating a safer, healthier society and fostering economic growth by unlocking the full potential of every individual. We are dedicated to promoting gender equality and have established internal standards to help achieve this objective.

### Key Initiatives:

- 100% Women-driven manufacturing plant at Kaniyur
- 30% Women representation on the Board
- 8.76% Gender diversity
- 6.25% women representation in Leadership/Senior Management Roles

## Affordable and Clean Energy

Grid energy is a major resource and significant cost for industries and is generated from burning of fossil fuels leading to air pollution. We aim to replace this energy with clean, cost-effective renewable energy solutions. Additionally, we also encourage our value chain partners to adopt renewable energy solutions.

### Key Initiatives:

- Enhancement of 13.5 MWp renewable energy with existing 4 MW windmills and 4.74 MW solar rooftop
- Energy Conservation (ENCON) activities and projects for reducing energy consumption

## Clean Water and Sanitation

We, at KBL, follow a strong water management strategy focused on conservation, reuse and recycling. We emphasise on these principles by being committed to sustainable water practices and contributing to the preservation and responsible use of this essential resource.

### Key Initiatives:

- 35% of India's population are supplied drinking water by a KBL pump
- Rainwater harvesting across plant locations and the corporate office
- 40% wastewater recycled for manufacturing processes and gardening
- Conducting awareness programmes on clean water and sanitation
- Manufacturing products for water application in domestic, industry and irrigation sectors
- Providing drinking water facilities for students in schools

## Decent Work and Economic Growth

At KBL, we aim to promote inclusive, sustainable economic growth and decent work for all. We take absolute pride in contributing to national aspirations including 'Make in India' and 'AtmaNirbhar Bharat'. We emphasise fostering innovation, improving working conditions and ensuring economic opportunities for all segments of the society.

### Key Initiatives:

- Being one of India's Atmanirbhar and 'Make in India' organisations
- Global presence and focus on high-growth market segment
- Extensive channel partner network to enhance customer reach
- 6,000+ Employee strength
- Employee engagement activities
- Opportunities for career growth

## Industry, Innovation and Infrastructure

With a legacy of 137+ years in India's pump industry, we are committed to product stewardship and innovative strategies. By providing innovative and sustainable engineering solutions, we strive to enhance lives across the communities.

### Key Initiatives:

- One of Asia's largest hydraulic research centres at Kirloskarvadi
- 100+ research papers published
- 3D printing technology
- Lowest Lifecycle Cost (LLC™) design for pumps, offering longer life and minimum cost towards operations and maintenance
- Strengthening India's core sectors by supplying pumps to iconic structures
- Providing cutting-edge, energy-efficient and environment-friendly innovative solutions (Star-rated pumps, DBxe, PAT and PICO)
- Offering digital technologies through innovative solutions, such as KirloSmart™
- Special pumps for nuclear applications
- Pressure Boosting Hydro-Pneumatic (HYPN) System - one of the most cost-effective pressure-boosting solutions worldwide
- Redefining HVAC efficiency with the new vertical Inline Pump KW-SC
- Enhanced number of certified green products

## Reduced Inequalities

Inequality threatens long-term social and economic development, harms poverty reduction and destroys people's sense of fulfilment and self-worth. We have a presence across India and globally, employing and collaborating with people from diverse communities, cultural boundaries and traditions.

### Key Initiatives:

- Providing equal opportunities to all and not discriminating on race, caste, gender, religion, colour, age and nationality
- Making workplace accessible for differently-abled employees
- Supporting industries that foster employment and human capabilities
- Implementing policies that empower women, youth and other marginalised groups, ensuring their equal participation in the society

## Sustainable Cities and Communities

We provide efficient and innovative pumping systems for water treatment plants, residential applications and commercial buildings, meeting the water needs of communities and supporting them through our CSR initiatives.

### Key Initiatives:

- Developing infrastructure at schools
- KBL Corporate Office is an IGBC "LEED Platinum Rated" green building
- GreenCo certified plants
- Assistance to medical institutions and hospitals infrastructure

## Responsible Consumption and Production

We are dedicated to reducing resource consumption and minimising waste by considering the life-cycle cost of products. Through our procurement activities, we focus on reducing, reusing and recycling resources, prioritising the purchase of recycled products. This is targeted to optimise consumption, encourage waste collection and reprocessing and work towards achieving zero landfill discharge.

### Key Initiatives:

- KBL Dewas plant achieved "Approaching to Zero Waste to Landfill" and KBL Sanand plant achieved "Aspiring to Zero Waste to Landfill" certification by CII
- Implementation of TPM to reduce losses and for effective usage of all resources
- Use of biodegradable plastic packaging instead of virgin plastic
- Use of polypropylene boxes instead of cardboard boxes
- Recycling of metal in foundries
- Sand reclamation and reuse in foundries and brick manufacturing
- Implementation of Sustainable Sourcing Policy
- CII GreenPro certified product groups

## Climate Action

We recognise the effects of climate change and actively work to mitigate it by implementing eco-friendly initiatives that lower GHG emissions across our entire value chain.

### Key Initiatives:

- Inventorisation of Scope 1, 2 & 3 emissions
- PPA for 13.5 MWp solar energy will reduce 50% of Scope 2 emissions
- Carbon footprint study for key products
- Elimination of coke by replacing cupola furnace with induction furnace
- CII GreenCo certification for manufacturing plants
- CII GreenPro certification for product group
- CNG vehicles are being used for food supply, material transportation and general commuting at Kaniyur
- Mass tree plantation drive at Dewas
- Miyawaki forest afforestation concept adopted at Dewas

## Partnership for Goals

We believe that our growth is closely linked to that of our value chain partners. Our business model is built on strong partnerships with a vast network of suppliers and dealers. We also partner with institutions and industry associates for innovation and research and carry out CSR initiatives in collaboration with our partner, Vikas Charitable Trust.

### Key Initiatives:

- CSR activities undertaken directly and through various implementing agencies
- ESG workshops and assessment for value chain partners
- Development of APOEM facilities with business partners
- Network of 650+ service centres and 16,000+ channel partners in India
- Partnerships with trade and industry associates
- Joint venture with Corrocoat and Ebara Pumps

## Life on Land

We remain committed to improving biodiversity within operational boundaries by planting trees and developing Miyawaki forests. We promote tree plantation by undertaking various CSR activities beyond our premises, thus contributing to environmental sustainability.

### Key Initiatives:

- Ensuring no net loss of biodiversity across our manufacturing plants
- Promoting environmental sustainability through ecological balance, conservation of natural resources and promoting biodiversity
- Kirloskar Centenary Forest at Dewas
- Tree plantation drive across plants

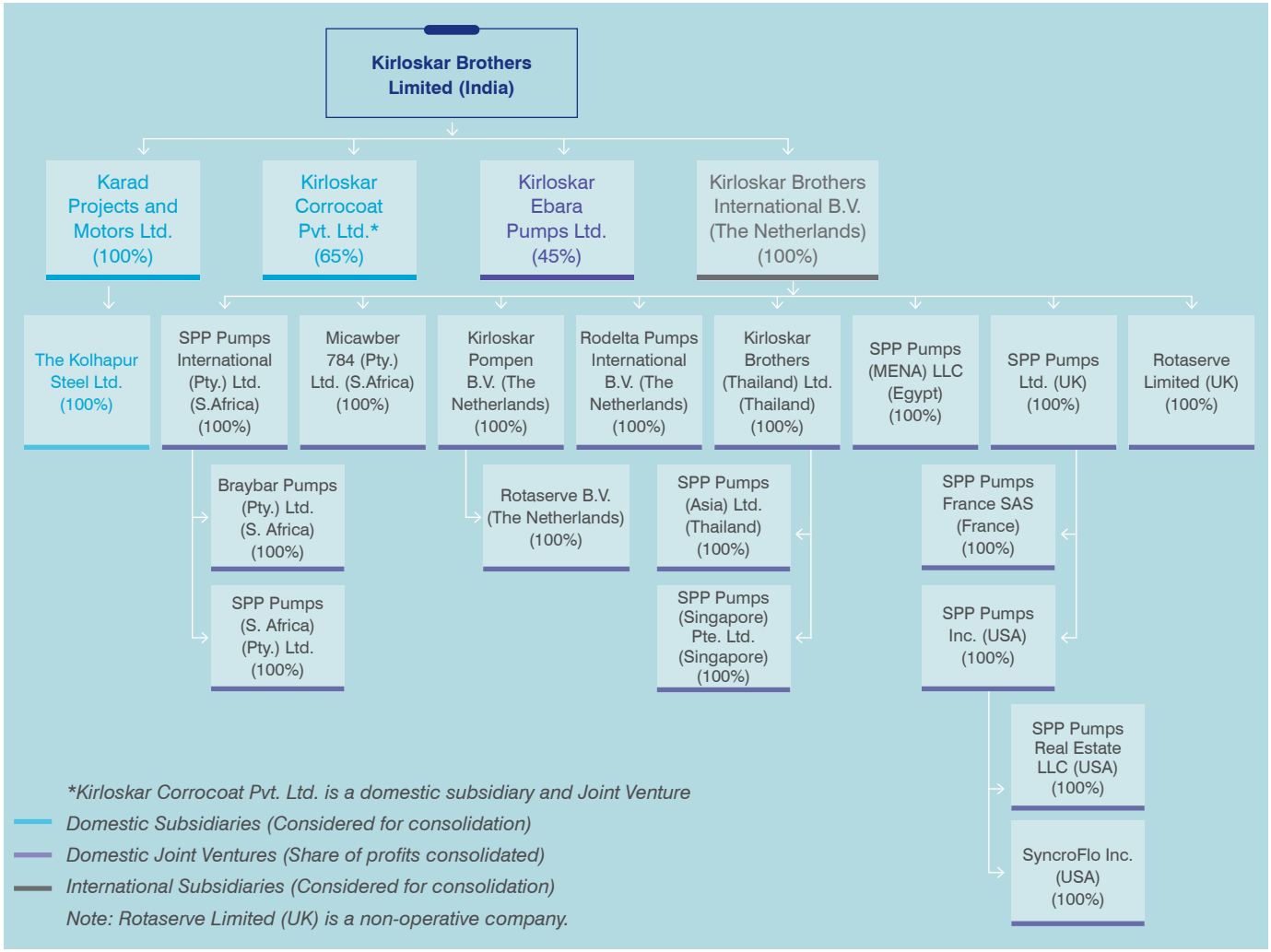
# GOVERNANCE FRAMEWORK

Ethics is one of our most valuable assets. Our governance framework is driven by the objective of enhancing long-term stakeholder value without compromising on ethical standards. Our philosophy on corporate governance represents the core values by which all our practices and policies are guided.

The Company is equipped with a robust framework of corporate governance that considers the long-term interest of every stakeholder as we operate. We are committed to integrity, fairness, equity, transparency, accountability and commitment to values. Our governance framework lays down effective procedures and mechanisms for enhancing leadership and productive collaboration among the employees, the government, communities it operates within and its shareholders.

Corporate governance is implemented through robust governance processes, internal control systems, strong audit mechanisms and an esteemed Board that offers a wide variety of perspectives guiding the current and future strategic direction and articulated through the Code of Conduct.

## GROUP BUSINESS STRUCTURE



## A STRONG AND HIGHLY-QUALIFIED MANAGEMENT TEAM



**Mr. Sanjay C. Kirloskar**
*Chairman & Managing Director*

**Director since:** 1985

**Independence:** NA

**Committees:**

**Areas of Expertise:**
Strategy, Executive Management, International

Mr. Sanjay Kirloskar is Chairman and Managing Director of Kirloskar Brothers Limited. Established in 1888, the Company is one of India's oldest manufacturing companies. It is India's largest centrifugal pump manufacturer and has 5 plants in India, along with manufacturing facilities in the Netherlands, South Africa, Thailand, the United Kingdom and the United States of America.

Mr. Sanjay Kirloskar holds a Bachelor's in Science degree in Mechanical Engineering from the Illinois Institute of Technology in Chicago, USA.

He is also on the Boards of DCM Shriram Industries Limited, Kirloskar Ebara Pumps Limited, Kirloskar Brothers International BV, The Netherlands, Kirloskar Brothers (Thailand) Limited and SPP Pumps Limited, UK.



**Ms. Rama Kirloskar**
*Joint Managing Director - Kirloskar Brothers Limited & Managing Director – Kirloskar Ebara Pumps Limited*

**Director since:** 2017

**Independence:** NA

**Committees:**

**Areas of Expertise:**
Strategy, IT, Executive Management

Ms. Rama Kirloskar, is a Director on the Board of the Company, from 28th July, 2017 and has been appointed as a Joint Managing Director of the Company, from 3rd August, 2021. She currently serves as Joint Managing Director of Kirloskar Brothers Limited and Managing Director of Kirloskar Ebara Pumps Limited (KEPL). She has been instrumental in the turnaround of KEPL into a debt-free company. Previously, she was General Manager and Head of the Product Portfolio Management at Kirloskar Brothers Limited, where she was responsible for driving the Go-to-market strategy, product value management and restructuring for the mass production business; material grade rationalisation and streamlining for the foundry business and product rationalisation for the made-to-order business.

She holds a double major in Mathematics and Biology from Bryn Mawr College, USA. After graduation, she went on to work at Polaris Partners, a multi-stage venture capital firm that principally invests in technology, healthcare and consumer products, headquartered at Boston, MA, USA. Subsequently, she worked at the Koch Institute at Massachusetts Institute of Technology (MIT), USA. Her research led her and the team to begin working with Visterra Inc., an MIT biotechnology start-up company that currently uses its proprietary platform to design therapeutics for infectious diseases.

She is one of the authors of a publication in the journal Cell (Robinson et al., 2015, Cell 162,1–12, doi:10.1016/j.cell.2015.06.057), in the paper titled "Structure-Guided Design of an Anti-Dengue Antibody Directed to a Non-Immunodominant Epitope".

She is also on the Boards of KPT Industries Limited, Karad Projects and Motors Limited and Prakar Investments Private Limited. She is a member of Corporate Social Responsibility Committee and Risk Management Committee.



**Mr. Alok Kirloskar**
*Director – Kirloskar Brothers Limited & Managing Director – Kirloskar Brothers International B.V.*

**Director since:** 2012

**Independence:** NA

**Committees:**

**Areas of Expertise:**
Strategy, Executive Management, International

Mr. Alok S. Kirloskar, a Non-Executive, Non-Independent Director on the Board of the Company. He has done his Bachelor of Science in Business Administration with concentration in Finance from Carnegie Mellon University, Pittsburgh, PA, USA. He had the honour to be on the Dean's list for his academic excellence throughout the course.

Mr. Alok Kirloskar has been associated with the Company since September 2007. He was first entrusted with responsibilities of international marketing business and he acquainted himself with the functioning of various departments/sectors. Later, he was head of the industry sector of the Company, before he became the Director. He is on the Board of the Company since 18th July, 2012.

Before joining the Company, he worked with Sonasoft Corporation (Microsoft GPC) at San Jose, California, USA, as Business Development Manager. He had also interned at Nasa Girvan Institute of Technology, Santa Clara, USA and Toyota Motor Corporation, Torrance, USA.

Mr. Alok Kirloskar, is presently Managing Director – SPP Pumps Limited, Britain's leading pump manufacturer and a subsidiary of the Company. He is also the Managing Director of Kirloskar Brothers International B.V. (KBI B.V). KBI B.V. is the holding company for the international business of Kirloskar Brothers Limited.

Mr. Alok Kirloskar is also a Director of SPP International (Pty.) Limited, SPP Pumps Inc, Micawber 784 (Proprietary) Limited, Braybar Pumps (Proprietary) Limited, SyncroFlo Inc., SPP Pumps Real Estate LLC, Rodelta Pumps International B.V., Rotaserve B.V., SPP Pumps (South Africa) (Pty.) Limited, which are subsidiaries of KBI B.V. He is also the Chairman of Kirloskar Corrocoat Pvt. Ltd., Kirloskar Pompen B.V. and Kirloskar Brothers (Thailand) Limited.



**Mr. Ravish Mittal**
*Chief Financial Officer (Till 28th February, 2025)*

**Committees:**

Mr. Ravish Mittal is a qualified Chartered Accountant and has completed executive education from IIM Bangalore. He is a fellow member of the Institute of Directors India & London (F.IOD). He has work experience of over 28 years in the field of finance, strategic evaluation, risk analysis, treasury & forex management, investor relations, etc. He was working with Kirloskar Brothers Limited till February 2025 as the Vice President (Finance).



**Mr. Bhavesh Chheda**
*Chief Financial Officer (from 14th May, 2025)*

Mr. Bhavesh Chheda has rich experience of 23 years in Finance planning and analysis, risk management, treasury management, Merger and acquisition, ERP Implementation, International subsidiary operations, with over 10 years in leadership role. Mr. Bhavesh Chheda is qualified Chartered Accountant in year 2002 from Institute of Chartered Accountants of India and Executive Postgraduate Diploma in Business Management from Symbiosis Institute of Management in 2010. He was associated with organisations like Thermax Limited and Thermax Babcock & Wilcox Energy Solutions Private Limited before joining KBL.



**Mr. Devang Trivedi**
*Company Secretary*

Mr. Devang Trivedi is the Company Secretary and Compliance Officer and designated as the Key Managerial Personnel of Kirloskar Brothers Limited since March 2022.

Mr. Devang Trivedi is an Associate Member of the Institute of Company Secretaries of India and LLB from Gujarat University. He has over 24 years of proven success in the fields of Secretarial, Legal affairs and Compliance and has managed various company law assignments as required under the Companies Act and SEBI Regulations. He possesses hands-on experience in overall company secretarial functions involving mergers & amalgamations, joint ventures through his past assignments with companies like Finolex Industries Limited, Elecon Engineering Co. Limited, Thermax Limited and Torrent Cables Limited. Before joining KBL, he was associated with Adani Enterprises Limited, Ahmedabad.

## AN ESTEEMED BOARD

Apart from Mr. Sanjay C. Kirloskar, Chairman & Managing Director (DOA – Director on 19th November, 1985 and Managing Director on 21st September, 1998), Ms. Rama S. Kirloskar – Joint Managing Director (DOA – Director on 28th July, 2017 and Joint MD on 3rd August, 2021) and Mr. Alok Kirloskar – Non-Executive Non-Independent Director (18th July, 2012), below are the other Directors on the Board of the Company:



**Mr. M. S. Unnikrishnan**
*Non-Executive Independent Director (upto 4th June, 2025)*

**Director since:** June 2020

**Independence:** Yes

**Committees**:

**Areas of Expertise:**
Strategy, Policy, Finance, Legal Framework, Executive Management, Commercial, International

Mr. M. S. Unnikrishnan (Unny) is the CEO of IITB-Monash Research Academy, a research institute dedicated to a PhD program in cutting-edge technologies and management, jointly promoted by IIT Bombay and the Monash University of Australia. He has previously held the position of M.D. & CEO of Thermax Group for over 13 years and played a pivotal role in the growth, professionalisation and globalisation of the Company.

He serves on the Board of KEC International, Greaves Cotton Limited, Livguard Energy Technologies Pvt. Ltd. and Ground Screw Pvt. Ltd. He is also a trustee of "Akshaya Patra", the largest NGO of India that feeds 19 Lakhs/day underprivileged school children and Jehangir Hospital, Pune.

Mr. Unnikrishnan is a member of the Governing Councils of TERI and Army Institute of Technology.

A graduate in Mechanical Engineering from VNIT, Nagpur, he has also completed his Advanced Management Program from the Harvard Business School, Boston, USA. He continues to be a keen student of energy, environment and management.



**Mr. Shobinder Duggal**
*Non-Executive Independent Director*

**Director since:** May 2021

**Independence:** Yes

**Committees**:

**Areas of Expertise:**
Strategy, Finance, Executive Management, Commercial, International

Mr. Shobinder Duggal is an Independent Director of our Company. He holds a Bachelor's degree in Economics (Hons.) from St. Stephens College, Delhi University and is a member of Institute of Chartered Accountants of India. He has completed the International General Management program for executive development from the International Institute for Management Development, Lausanne, Switzerland. He has several years of experience and in the past has held positions at Nestle. While he was the Chief Financial Officer at Nestle Group in India and Switzerland, he was presented with the Best MNC CFO award at the Best CFO Awards 2012 by Business Today and Business India. Earlier, he served as a member on the boards of Nestle India Limited and Nestle Lanka PLC and is presently on the boards of SBI Life Insurance Company Limited, Sanofi Consumer Healthcare India Limited, ABB India Limited and PI Industries Limited.



**Mr. Shrinivas V. Dempo**
*Non-Executive Independent Director*

**Director since:** May 2021

**Independence:** Yes

**Committees**:

**Areas of Expertise:**
Strategy, Executive Management, International

Mr. Shrinivas V Dempo is Chairman of the Goa-based Dempo Group of Companies, having diversified interests in industries such as calcined petroleum coke, shipbuilding, food processing, real estate and newspaper publishing. Under his leadership, the group has expanded its influence and maintained a strong reputation in both industrial and community development.

He's the immediate Past President of the Goa Chamber of Commerce and Industry (GCCI) and previously been Chairman of the Western Region of the Confederation of Indian Industry (CII) and President of the All India Management Association (AIMA). He is the Chairman (Independent Director) of the Automobile Corporation of Goa Ltd, a Tata Group Company. Additionally, he serves as the Honorary Vice Consul of Italy in Goa, India, since 2013.

Mr. Dempo has a deep association with football, having patronised a premier football club and served as President of the Goa Football Association (GFA) and Vice President of the All India Football Federation (AIFF) in the past. Beyond football, he is an ardent supporter of cricket and table tennis. He is a co-promoter of Goa Challengers Team of Ultimate Table Tennis (UTT), India's premier professional table tennis league, reflecting his passion for fostering sports development in the country.

In academia, Mr. Dempo is a member of the Executive Council of Goa University and a Trustee on the Board of Carnegie Mellon University (CMU) in Pittsburgh, USA. His philanthropic efforts include affiliations with organisations like the Charles Correa Foundation and the Goa Cancer Society, reflecting his commitment to societal well-being.

Mr. Dempo earned his Bachelor's and Master's degrees from the University of Mumbai in 1990 and 1992 respectively. In 1995, he completed his Master of Science in Industrial Administration & Finance from Carnegie Mellon University, Pittsburgh, Pennsylvania, USA.



**Ms. Ramni Nirula**
*Non-Executive Independent Director*
**Director since:** May 2021
**Independence:** Yes
**Committees**:
**Areas of Expertise:**
Finance, Executive Management, Commercial

Ms. Ramni Nirula retired as Senior General Manager of ICICI Bank Limited. She has more than 4 decades of experience in the financial services sector, beginning her career with the erstwhile ICICI Limited in the project appraisal division. Since then, she has held various leadership positions in areas of Project Financing, Strategy, Planning & Resources and Corporate Banking. She was part of the top management team instrumental in transforming ICICI Bank from a term lending institution into a technology led diversified financial services group with a strong presence in India's retail financial services market. She was also part of the top-level task force, which successfully planned and implemented ICICI Bank's entry in the Rural Banking, Microfinance & Agriculture Business group, identified by the Bank as a key thrust area. Ms. Nirula also held key position as Managing Director & CEO of ICICI Securities Limited, the Investment Banking arm of ICICI Bank Limited. She also headed the Corporate Banking Group for ICICI Bank.

In addition, she was also responsible for setting up the Government Banking/ Corporate Agri Group based out of New Delhi within the bank. Ms. Nirula helped to set up/take forward I-Banks' CSR initiative through the ICICI Foundation set up with a focus on delivery of primary health, primary education and access to finance.

Ms. Nirula has been a member of the Board of many ICICI Group and associate companies i.e. ICICI Securities Limited, ICICI Direct and 3i Infotech. Additionally, she has been a member of Board of leading companies in India. Ms. Nirula has also been on the Board of non-corporates like a leading residential school for girls, a Micro Finance Institution in India and Advisory Council Member of ICICI Knowledge Park Trust. In addition to the Corporate Boards, Ms. Nirula was on the India Advisory Board of a Boston-based global PE fund for advising on investment opportunities in India and supporting investee companies in their biz growth.

Ms. Nirula holds a Bachelor's Degree in Economic and a Master's degree in Business Administration from Delhi University. Currently, Ms. Nirula is on the Boards of HEG Limited and Usha Martin Limited.



**Mr. Vivek Pendharkar**
*Non-Executive Independent Director*
**Director since:** October 2021
**Independence:** Yes
**Committees:**
**Areas of Expertise:**
Strategy, Executive Management, IT, International

Mr. Vivek Pendharkar is a Technology Executive based in Silicon Valley for 30+ years with experience spanning Fortune 500 companies as well as Early-Stage Venture backed start-ups and CEO positions for the past 15 years, delivering complete life-cycle from Series-A financings, building teams, establishing Product-Market fit, revenue ramp and successful M&A/exits.

He has worked in successive breakthrough technologies emerging out of Silicon Valley starting with Microprocessors, Systems, Software, Internet, Video, Wireless, Cloud and Data technologies. He has extensive international experience with customers, partners and teams across Europe, Asia-Pacific/Japan and Americas. Currently, he is on the Advisory Board & Mentoring for technology companies/Founders in Enterprise Software, Security and Digital Health markets.

He has done SEP, Business Administration from Stanford University Graduate School of Business, MSEE, Computer Engineering from Virginia Tech. BS Electrical Engineering from Birla Institute of Technology and Science Pilani.



**Ms. Rekha Sethi**
*Non-Executive Independent Director*
**Director since:** October 2021
**Independence:** Yes
**Committees**:

**Areas of Expertise:**
Strategy, Executive Management, International

Ms. Rekha Sethi is the Director General of the All-India Management Association (AIMA), the apex body for management in India. Ms. Sethi took charge of AIMA in June 2008. She has since established AIMA as the preferred platform for discussion and debate on management and has deepened AIMA's relationship with the Government of India and India Inc. AIMA now attracts India's top industry leaders and policy makers on its platform.

Ms. Sethi is on the Boards of some leading Indian companies as an Independent Director including SAMIL – Samvardhana Motherson International Ltd. – a diversified global manufacturing specialist and one of the world's largest and fastest growing automotive supplier for OEMs, with 400 plants across 44 countries. She is on the Board of Spencer's Retail Ltd. – one of India's leading retailers and also on the Board of Hero Steels Limited manufacturing steel products and Firstsource Solutions Limited.

She has earlier served on the Board of Sun Pharmaceutical Industries Ltd, world's fourth-largest generic pharmaceutical company and India's top pharmaceutical company and on the Boards of Sun Pharma Laboratories Ltd., Sun Pharma Distributors Ltd. and CESC, one of India's foremost power generation and distribution companies and the flagship company in the RP-Sanjiv Goenka Group.

Prior to joining AIMA, Ms. Sethi worked with India's premier industry organisation, the Confederation of Indian Industry (CII) for over 17 years. There she led the initiative to create high-profile international events to promote India's economic interests. She started her career with the Center for Development of Telematics (C-DoT). Ms. Sethi is an alumnus of St. Stephens College, Delhi University.



**Mr. Vinayak Deshpande**
*Non-Executive Independent Director*
**Director since:** August 2023
**Independence:** Yes
**Committees**:

**Skills and Expertise:**
Strategy, Executive Management, Commercial, International Finance and Legal Framework

Mr. Vinayak Deshpande, is a graduate in Chemical Engineering (1980) from IIT, Kharagpur. He has over 42 years of experience, largely in 2 domains; industrial automation, software, advanced controls and Level 4 MES, Optimisation (Honeywell) and large infrastructure projects spanning Telecom, Power Generation, Refinery & Petrochem, Minerals & Metals, Urban Infrastructure with metros, bridges and airports.

In the last 23 years, he has occupied Chief Executive Officer (CXO) positions starting as Managing Director at Tata Honeywell in 2000, then at Tata Teleservices, HCC and Tata Projects. He possesses deep experience in business management, strategy & new business formulation, investment analysis and implementation of large, nation building projects and HR and talent development.

He has been extensively engaged in design, engineering & innovation, business process re-engineering, corporate quality and business excellence management and has been a long-term member of Tata Innovation forum, TAS recruitment panel and a Mentor in TBEM (Tata Business Excellence Model), a Tata Group-wide excellence platform.

Mr. Deshpande presently serves on the Boards of Voltas Ltd., Universal MEP Projects & Engineering Services Ltd., Praj Industries Limited and Signify Innovations India Ltd. (Chairman). He is Chairman of Safety Committee and Member of Project Risk Committee of Voltas Ltd.

He is also Chairman for Structural Engineering Research Council of the CSIR, Government of India. Until recently, he was Co-Chair for CII – Construction Committee. He has also served as Chairman, Pune Metro, Line 3, a Tata-Siemens JV in PPP Format.



**Mr. Pradyumna Vyas**
*Non-Executive Independent Director*
**Director since:** 14th May, 2025
**Independence:** Yes
**Committees:**
**Areas of Expertise:**
Strategy, Policy, International

Mr. Pradyumna Vyas has acquired Masters in Industrial Design (M Des.) from the Indian Institute of Technology, Bombay and was awarded an Honorary Master of Arts degree from the University for the Creative Arts in Farnham, United Kingdom in 2010.

With more than 38 years of professional and teaching experience in different spheres of design, Prof. Vyas was associated with NID for 30 years, first as a faculty member and later as the Director of the Institute from 2009-2019.

He is a former Director of National Institute of Design (NID), India's premier design institute. He is currently the senior Advisor for Design Promotion and Innovation at the Confederation of Indian Industry (CII) and President-elect of the World Design Organisation (WDO). He has also been chairing the jury of the Design Excellence Award organised by Business World one of the leading business magazines of India. Appointed as a member of the Academic Committee of the World Eco-Design Conference (UN Consultative status NGO) in 2024.

Mr. Vyas has been conferred with multiple awards like below:

- Outstanding Contribution to Education at World Education Congress 2015
- Lifetime Achievement Award by Times Education Icons 2017
- Nomination as a jury member for the Good Design Award (G-Mark) Japan by the Japan Institute of Design Promotion consecutively in 2012, 2013, 2014 and 2016
- Intelligence Award 2024, China, the Taiwan International Students Design Competition 2024, Taiwan and the Golden Pin Design Award 2024, Taiwan

He has been at the helm of design affairs in India and globally and his illustrious career has been marked with several national and international milestones and accolades.

## Board Diversity

The Board of the Company consists of optimum combination of executive and non-executive directors. 70% of the Board comprises of Independent Directors which helps in getting varied perspective on the table which ultimately helps in decision-making process. The Board consists of 3 women directors bringing in the gender diversity.

The Board comprises directors who collectively have the skills, knowledge and experience to effectively govern and direct the organisation as required in the context of its business and sectors for it to function effectively. Highly skilled and experienced Directors have contributed immensely for achieving highest standards of corporate governance by implementation of best practices from various industries and accelerating the growth of the Company.

## Board Committees as on 14th May, 2025

### Audit Committee

**Mr. Shobinder Duggal, Chairman**
Mr. M. S. Unnikrishnan, Member
Ms. Ramni Nirula, Member
Mr. Vinayak Deshpande, Member
Mr. Pradyumna Vyas, Member

**Audit Committee** - Comprises five Independent Directors constituted as per the provisions of Section 177 of the Companies Act, 2013 ('the Act') and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended from time to time. The scope of the committee is as defined under the Act and the Listing Regulations. The constitution and the terms of reference have been included in the Annual Report.

### Stakeholders' Relationship Committee

**Mr. Shrinivas Dempo, Chairman**
Mr. Sanjay C. Kirloskar, Member
Mr. Alok Kirloskar, Member
Mr. Vinayak Deshpande, Member

**Stakeholders Relationship Committee** - Comprises four Directors constituted as per the provisions of Regulation 20 of the Listing Regulations as amended from time to time. The scope of the committee is as defined by the Listing Regulations. The constitution and the terms of reference have been included in the Annual Report.

### Nomination and Remuneration Committee

**Mr. Shrinivas Dempo, Chairman**
Mr. M. S. Unnikrishnan, Member
Mr. Sanjay C. Kirloskar, Member
Ms. Rekha Sethi, Member
Mr. Vinayak Deshpande, Member

**Nomination and Remuneration Committee** - Comprises five Directors constituted as per the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations as amended from time to time. The scope of the committee is as defined under the Act and the Listing Regulations. The constitution and the terms of reference have been included in the Annual Report.

### Risk Management Committee

**Mr. M. S. Unnikrishnan, Chairman**
Ms. Rama Kirloskar, Member
Mr. Vinayak Deshpande, Member
Mr. Bhavesh Chheda, Member

**Risk Management Committee** - Comprises three Directors and Chief Financial Officer constituted as per the provisions of Regulation 21 of the Listing Regulations as amended from time to time. The scope of the committee is as defined under the Listing Regulations. The constitution and the terms of reference have been included in the Annual Report.

### Corporate Social Responsibility Committee

**Mr. Vivek Pendharkar, Chairman**
Mr. Sanjay C. Kirloskar, Member
Ms. Rama Kirloskar, Member
Ms. Rekha Sethi, Member

**Corporate Social Responsibility Committee** - Comprises four Directors constituted as per the provisions of Section 135 of the Act as amended from time to time. The scope of the committee is as defined under the Act. The constitution and the terms of reference have been included in the Annual Report.

## KEY POLICIES

- Enterprise Risk Management Policy
- Environment, Health and Safety Policy
- Whistle Blower Policy
- Policy on Prevention of Sexual Harassment (POSH)
- Policy on Human Rights
- Anti-Bribery and Anti-Corruption Policy
- Corporate Disclosure Policy
- Policy on Related Party Transactions
- Dividend Distribution Policy
- Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to Regulate, Monitor and Report Trading by Insiders of KBL
- Corporate Social Responsibility Policy
- Preservation and Archival Policy
- Policy on Material Subsidiaries
- Board Evaluation Policy
- Remuneration Policy
- Policy on Conflict Minerals
- Energy Management Policy
- Water Management Policy
- Circularity and Waste Management Policy
- Emission Management Policy
- Biodiversity Policy
- Sustainable Sourcing Policy
- Policy on Sustainability
- Integrated Management System Policy
- Policy on Ethics, Transparency and Accountability
- Policy on Employee Well-being and Social Accountability
- Policy on Stakeholder Engagement
- Policy on Responsible Advocacy
- Policy on Inclusive Growth and Equitable Development
- Policy on Customer Value
- Policy on Equal Employment Opportunity, Diversity and Inclusion

## SUBSIDIARY & JOINT VENTURE COMPANIES – BOARD OF DIRECTORS

**as on 14th May, 2025**

### Karad Projects and Motors Limited (KPML)

**Mr. K. Taranath – Chairman**
Mr. Ravindra Samant – Managing Director
Mr. Chittaranjan Mate – Non-Executive Director
Ms. Rama Kirloskar – Non-Executive Director
Ms. Manjiri Jawadekar – Non-Executive Director

### The Kolhapur Steel Limited (TKSL)

**Mr. Rajkumar Assudani – Managing Director**
Mr. Ravindra Samant – Non-Executive Director
Mr. K Taranath – Non-Executive Director
Mr. Achyut Dhadphale – Non-Executive Director
Mr. Suresh Deshpande – Non-Executive Director
Mr. Rudrappa Mahajan – Non-Executive Director

### Kirloskar Corrocoat Private Limited (KCPL)

**Mr. Alok Kirloskar – Chairman**
Mr. Chittaranjan Mate – Non-Executive Director
Mr. Clive Harper – Non-Executive Director

### Kirloskar Ebara Pumps Limited (KEPL)

**Mr. Sanjay C. Kirloskar – Chairman**
Ms. Rama Kirloskar – Managing Director
Mr. Achyut Dhadphale – Independent Director
Mr. Akshay Dhar – Independent Director
Mr. Ajay Deshpande – Independent Director

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Sanjay C. Kirloskar**
*Chairman and Managing Director*

**Rama S. Kirloskar**
*Joint Managing Director*

**Alok S. Kirloskar**

**M. S. Unnikrishnan**

**Shrinivas V. Dempo**

**Shobinder Duggal**

**Ramni Nirula**

**Vivek Pendharkar**

**Rekha Sethi**

**Vinayak Deshpande**

**Pradyumna Vyas**
*(w.e.f. 14th May, 2025)*

## CHIEF FINANCIAL OFFICER

**Ravish Mittal**
*(Up to 28th February, 2025)*

**Bhavesh Chedda**
*(w.e.f. 14th May, 2025)*

## COMPANY SECRETARY

**Devang Trivedi**

## STATUTORY AUDITOR

**M/s. Sharp & Tannan Associates**
Chartered Accountants, Mumbai

## BANKERS

Bank of India
Canara Bank
HDFC Bank Limited
Citibank N.A.
EXIM Bank
ICICI Bank Limited
Axis Bank Limited
HSBC Bank Limited
Standard Chartered PLC

## REGISTERED AND CORPORATE OFFICE

"Yamuna", Survey No. 98/(3-7), Plot No. 3,
Baner, Pune – 411 045, Maharashtra (India)
Phone: (020) 67214444
Fax: (020) 67211136
Email: grievance.redressal@kbl.co.in
Website: www.kirloskarpumps.com

## WORKS

Kirloskarvadi, Shirwal, Kondhapuri (Maharashtra); Dewas (Madhya Pradesh); Kaniyur (Tamil Nadu); Sanand (Gujarat)

## INFORMATION TO SHAREHOLDERS ON ANNUAL GENERAL MEETING

**Annual General Meeting:**

| | | |
|---|---|---|
| Day & Date | : | Friday, 1st August, 2025 |
| Time | : | 02.00 p.m. |
| Venue | : | Video Conferencing/Other Audio Visual Means ("VC/OAVM") |
| Deemed Venue | : | "Yamuna", Survey No. 98/(3-7), Plot No. 3, Baner, Pune – 411 045, Maharashtra (India) |

SGS India Private Limited
4B, Adi Shankaracharya Marg,
Vikhroli (West), Mumbai – 400083

+91 080 6938 8888
+91 22 6640 8888
www.sgs.com

# INDEPENDENT ASSURANCE STATEMENT

**Independent Limited Assurance Statement to Kirloskar Brothers Limited on its Integrated Annual Report for the FY 2024-25**

**To,**

**The Board of Directors and Management,**

**Kirloskar Brothers Limited**
Yamuna," Survey No. 98 (3-7), Plot No 3,
Baner, Pune – 411 045, Maharashtra, India

## Nature of the Assurance

SGS India Private Limited (hereinafter referred to as 'SGS India') was engaged by Kirloskar Brothers Limited (the 'Company') to conduct an independent assurance of the disclosures under the Sustainability Report (the 'Report') pertaining to the reporting period of 1st April 2024 to 31st March 2025. The Sustainability Report has been prepared with reference to the Global Reporting Initiatives (GRI 2021) Standards. This limited level Assurance Engagement was conducted in accordance with "International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410".

## Intended Users of this Assurance Statement

This Assurance Statement is provided with the intention of informing all Kirloskar Brothers Limited's Stakeholders.

## Responsibilities

The information in the report and its presentation are the responsibility of the management of the Company. SGS India has not been involved in the preparation of any of the material included in the report.

Our responsibility is to express an opinion on the text, data, and statements within the defined scope of assurance, aiming to inform the management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific scope. The statement shall not be used for interpreting the overall performance of the Company, except for the aspects explicitly mentioned within the scope. The Company holds the responsibility for preparing and ensuring the fair representation of the assurance scope.

## Assurance Standard

SGS India has conducted limited level Assurance engagement in accordance with the International Standard on Assurance Engagement (ISAE) 3000 (Revised) (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and ISAE 3410. Our evidence-gathering procedures were designed to obtain a *'Limited level of assurance'*. The procedures performed in a limited assurance engagement are designed to support expectations regarding the direction of trends, relationships and ratios rather than to identify misstatements with the level of precision expected in a reasonable assurance engagement.

## Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS India affirms our independence from Kirloskar Brothers Limited, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance.

SGS India Private Limited
4B, Adi Shankaracharya Marg,
Vikhroli (West), Mumbai – 400083

+91 080 6938 8888
+91 22 6640 8888
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## Scope of Assurance

The assurance process involved assessing the quality, accuracy, and reliability of ESG indicators within the Integrated Annual report for the period 1st April 2024 to 31st March 2025. The reporting scope and boundaries include Corporate Office and 10 manufacturing sites spread across different states of India as follows.

- Corporate Office- Yamuna, Survey No. 98/(3 to 7), Baner, Pune 411045, Maharashtra
- Kirloskarvadi Plant- Kirloskar Brothers Limited, Kirloskarvadi, Dist. Sangli 416308, Maharashtra
- Dewas Plant- Kirloskar Brothers Limited, Station Road, Dewas, 455 001, Madhya Pradesh
- Sanand Plant- Kirloskar Brothers Limited, 254/1 Chharodi Village, Sanand Ahmedabad Viramgam Highway, Ahmedabad- 382 170 Gujrat
- Kaniyur Plant- Kirloskar Brothers Limited S.F. No. 324/1- Moperipalaym Road, Thattampudur, Kaniyur Village, Karumathampatti Post, Coimbatore- 641 659 Tamil Nadu
- Shirwal Plant- Kirloskar Brothers Limited, Gate No 117, Shindevadi, Tal. Khandala, Dist. Satara- 412 801, Maharashtra
- Kirloskar Ebara Pumps Limited, Kirloskarvadi, Dist Sangli 416 308, Maharashtra
- Karad Projects & Motors Limited, Plot B-67 & 68, MIDC Karad Industrial Area, Taswade, Karad- 415 109, Dist- Satara, Maharashtra
- Kirloskar Corrocoat Private Limited, Kirloskarvadi, Dist Sangli 416 308, Maharashtra
- The Kolhapur Steel Limited, Pune Bangalore Highway, Shiroli Pulachi, Tal. Hatkanangale, Dist- Kolhapur 416 122 , Maharashtra

## Assurance Methodology

The assurance comprised a combination of desktop review, interaction with the key personnel engaged in the process of developing the report, on-site visits, and remote verification of data. Specifically, SGS India undertook the following activities:

- Assessment of the suitability of the applicable criteria in terms of its comprehensiveness, reliability, and accuracy.
- Interaction with key personnel responsible for collecting, consolidating, and calculating the ESG KPIs and assessed the internal control mechanisms in place to ensure data quality.
- Application of analytical procedures and verification of documents on a sample basis for the compilation and reporting of the KPIs.
- Assessing the data reporting process at site as well as plant level and aggregation process of data at the Corporate Office level
- Critical review of the report regarding the plausibility and consistency of qualitative and quantitative information related to the KPIs.

## Limitations

The assurance scope excludes:

- Disclosures other than those mentioned in the assurance scope.
- Data review outside the operational sites as mentioned in the reporting boundary.
- Validation of any data and information other than those presented in “Findings and Conclusion”.
- The assurance engagement considers an uncertainty of ±5% based on the materiality threshold for assumption/ estimation/measurement errors and omissions.
- The Company’s statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Strategy and other related linkages expressed in the report.
- Mapping of the report with reporting frameworks other than those mentioned in the reporting criteria above
- The assurance scope excluded forward-looking statements, product- or service-related information, external information sources and expert opinions.

SGS India verified data on a sample basis; the responsibility for the authenticity of the data entirely lies with the Company. The assurance scope excluded forward-looking statements, product or service related information, external information sources and expert opinions. SGS India has not been involved in the evaluation or assessment of any financial data/performance of the company. Our opinion on financial indicators is based on the third-party audited financial reports of the Company. SGS India does not take any responsibility for the financial data reported in the audited financial reports of the Company.

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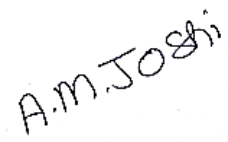
## Findings and Conclusions

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the ESG KPIs (listed below) reported in the Sustainability Report are not prepared, in all material respects, in accordance with the reporting criteria.

The list of ESG KPIs that were verified within this assurance engagement is given below:

| Indicator | GRI 2021 Disclosures |
|---|---|
| Procurement Practices | 204-1 |
| Anti-Corruption | 205-2, 205-3 |
| Anticompetitive Behavior | 206-1 |
| Energy | 302-1, 302-3, 302-4, 302-5 |
| Water and Effluents | 303-3, 303-4, 303-5 |
| Emissions | 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7 |
| Waste | 306-3, 306-4, 306-5 |
| Supplier Environmental Assessment | 308-1 |
| Employment | 401-1, 401-2 |
| Occupational Health and Safety | 403-1,403-2, 403-3, 403-4, 403-5, 403-6, 403-9,403-10 |
| Training and Education | 404-1, 404-2 |
| Diversity and Equal Opportunity | 405-1, 405-2 |
| Non-discrimination | 406-1 |
| Freedom of Association and Collective Bargaining | 407-1 |
| Child Labor, Forced or Compulsory Labor | 408-1, 409-1 |
| Local Communities | 413-1, 413-2 |
| Supplier Social Assessment | 414-1, 414-2 |
| Customer Privacy | 418-1 |

**For and on behalf of SGS India Private Limited**

| | |
|---|---|
|  |  |
| **Ashwini K. Mavinkurve,**<br><br>**Technical reviewer**<br>**Head – ESG & Sustainability Services, SGS India**<br>**Pune, India**<br>**25th June,2025** | **Abhijit M. Joshi**<br><br>**Lead Verifier – ESG & Sustainability Services, SGS India**<br>**Pune, India**<br>**25th June,2025** |

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# INDEPENDENT ASSURANCE STATEMENT

## Independent Reasonable Assurance Statement to Kirloskar Brothers Limited on its BRSR CORE for the FY 2024-25

**To,**

**The Board of Directors and Management,**

**Kirloskar Brothers Limited ,**
Yamuna," Survey No. 98/ (3-7), Plot No 3
Baner, Pune – 411 045, Maharashtra, India

### Nature of the Assurance

SGS India Private Limited (hereinafter referred to as 'SGS India') was engaged by Kirloskar Brothers Limited (the 'Company' or 'KBL') to conduct an independent assurance of the Company's Business Responsibility and Sustainability Reporting (BRSR Core) (the 'Report') pertaining to the reporting period of April 1, 2024, to March 31, 2025. SGS India has conducted a Reasonable level of Assurance for BRSR Core parameters. This assurance engagement was conducted in accordance with "International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410.

### Reporting framework

The Report has been prepared following:

1) BRSR Core–Framework for assurance and ESG disclosures for value chain (SEBI vide Circular No.SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122) dated July 12, 2023
2) MASTER CIRCULAR (SEBI vide Circular No.SEBI/HO/CFD/PoD2/CIR/P/2023/120) dated July 11, 2023
3) Greenhouse Gas Protocol standard

### Intended Users of this Assurance Statement

This Assurance Statement is provided with the intention of informing all Kirloskar Brothers Limited's Stakeholders.

### Responsibilities

The information in the report and its presentation are the responsibility of the management of the Company. SGS India has not been involved in the preparation of any of the material included in the report.

Our responsibility is to express an opinion on the text, data, and statements within the defined scope of assurance, aiming to inform the management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific scope. The statement shall not be used for interpreting the overall performance of the Company, except for the aspects explicitly mentioned within the scope.

### Assurance Standard

SGS India has conducted an engagement in accordance with the International Standard on Assurance Engagement (ISAE) 3000(revised) and ISAE 3410 (Assurance Engagements other than Audits or Reviews of Historical Financial Information). Our evidence-gathering procedures were designed to obtain a 'Reasonable' level of assurance, which is a high level of assurance in accordance with ISAE 3000(revised) standard but is not absolute certainty. It involves obtaining sufficient appropriate evidence to support the conclusion that the information presented in the report is fairly stated and is free from material misstatements.

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## Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS India affirms our independence from Kirloskar Brothers Limited, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance.

## Scope of Assurance

The assurance process involved assessing the quality, accuracy, and reliability of BRSR Indicators (KPIs) within the report for the period 1st April 2024 to 31st March 2025. The reporting scope and boundaries include 5 manufacturing Plants, and 1 Corporate Office spread across different states in India (Standalone basis)

- Corporate Office- Yamuna, Survey No. 98/(3 to 7), Baner, Pune 411045, Maharashtra
- Kirloskarvadi Plant- Kirloskar Brothers Limited, Kirloskarvadi, Dist. Sangli 416308, Maharashtra
- Dewas Plant- Kirloskar Brothers Limited, Station Road, Dewas, 455 001, Madhya Pradesh
- Sanand Plant- Kirloskar Brothers Limited, 254/1 Chharodi Village, Sanand Ahmedabad Viramgam Highway, Ahmedabad- 382 170 Gujrat
- Kaniyur Plant- Kirloskar Brothers Limited S.F. No. 324/1- Moperipalaym Road, Thattampudur, Kaniyur Village, Karumathampatti Post, Coimbatore- 641 659 Tamil Nadu
- Shirwal Plant- Kirloskar Brothers Limited, Gate No 117, Shindevadi, Tal. Khandala, Dist. Satara- 412 801, Maharashtra

## Assurance Methodology

The assurance comprised a combination of desktop review, interaction with the key personnel engaged in the process of developing the report, on-site visits, and remote verification of data. Specifically, SGS India undertook the following activities:

- Assessment of the suitability of the applicable criteria in terms of its comprehensiveness, reliability, and accuracy.
- Interaction with key personnel responsible for collecting, consolidating, and calculating the BRSR Core KPIs and assessing the internal control mechanisms in place to ensure data quality.
- Application of analytical procedures and verification of documents on a sample basis for the compilation and reporting of the KPIs.
- Assessing the aggregation process of data at the KBL Corporate Office level.
- Critical review of the report regarding the plausibility and consistency of qualitative and quantitative information related to the KPIs.

## Limitations

The assurance scope excludes:

- Disclosures other than those mentioned in the assurance scope.
- Data review outside the operational sites as mentioned in the reporting boundary.
- Validation of any data and information other than those presented in “Findings and Conclusion.”
- The assurance engagement considers an uncertainty of ±5% based on the materiality threshold for Assumption/ estimation/measurement errors and omissions.
- The Company’s statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Strategy and other related linkages expressed in the report.
- Mapping of the report with reporting frameworks other than those mentioned in the reporting criteria above.

SGS India verified data on a sample basis; the responsibility for the authenticity of the data entirely lies with the Company. The assurance scope excluded forward-looking statements, product or service related information, external information sources and

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expert opinions. SGS India has not been involved in the evaluation or assessment of any financial data/performance of the company. Our opinion on financial indicators is based on the third-party audited financial reports of the Company. SGS India does not take any responsibility for the financial data reported in the audited financial reports of the Company.

## Findings and Conclusions

Based on the procedures, we have performed and the evidence we have obtained, we are satisfied that the information presented by the Company in its report, on the Core Indicators (as per annexure A) is complete, accurate, reliable, has been fairly stated in all material respects, and is prepared in line with the BRSR Core requirements.

**For and on behalf of SGS India Private Limited**

| | |
|---|---|
| **Ashwini K. Mavinkurve,**<br><br>**Technical reviewer**<br>**Head – ESG & Sustainability Services, SGS India**<br>**Pune, India**<br>**25th June,2025** | **Abhijit M. Joshi**<br><br>**Lead Verifier – ESG & Sustainability Services, SGS India**<br>**Pune, India**<br>**25th June,2025** |

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## Annexure A

The list of BRSR Core Indicators that were verified within this assurance engagement is given below:

| S.No. | BRSR Core Attributes | BRSR Core Indicators |
|---|---|---|
| 1 | Greenhouse gas (GHG) footprint | ≈ Total Scope 1 emissions<br>≈ Total Scope 2 emissions<br>≈ GHG Emission Intensity (Scope 1 +2) |
| 2 | Water footprint | ≈ Total water extraction<br>≈ Total water consumption<br>≈ Water consumption intensity<br>≈ Water Discharge by destination and levels of Treatment |
| 3 | Energy footprint | ≈ Total energy consumed<br>≈ % of energy consumed from renewable sources<br>≈ Energy intensity |
| 4 | Embracing circularity | ≈ Plastic waste<br>≈ E-waste<br>≈ Bio-Medical waste<br>≈ Construction and Demolition waste<br>≈ Battery waste<br>≈ Radioactive waste<br>≈ Other hazardous waste<br>≈ Other non-hazardous waste<br>≈ Total waste generated<br>≈ Waste intensity<br>≈ Total waste recovered through recycling, re-using or other recovery operations<br>≈ Total waste disposed by nature of disposal method |
| 5 | Employee well-being and safety | ≈ Spending on measures towards well-being of employees as a % of total revenue from operations of the Company<br>≈ Details of safety related incidents for employees |
| 6 | Enabling gender diversity in business | ≈ Gross wages paid to females as % of total wages paid<br>≈ Complaints on POSH |
| 7 | Enabling inclusive development | ≈ Input material sourced from MSMEs/ small producers as % of total purchases directly sourced from MSMEs/ small producers and directly from within India<br>≈ Job creation in smaller towns - Wages paid to persons employed in smaller towns as % of total wage cost |
| 8 | Fairness in engaging with customers and suppliers | ≈ Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events<br>≈ Number of days of accounts payable |
| 9 | Open-ness of business | ≈ Concentration of purchases & sales done with trading houses, dealers, and related parties<br>≈ Loans and advances & investments with related parties |

# MANAGEMENT DISCUSSION AND ANALYSIS




*Presenting sustainable solutions for the energy sector at India Energy Week (IEW) 2025 in New Delhi.*

## ECONOMIC REVIEW

### Global Economy

The global economy remained resilient in 2024, expanding at a solid annualised pace of 3.2% through the second half of the year. Global GDP growth is expected to moderate from 3.2% in 2024 to 3.1% in 2025 and 3.0% in 2026, with higher trade barriers in several G20 economies and increased policy uncertainty weighing on investment and household spending. Annual real GDP growth in the United States is projected to slow from its very strong recent pace to 2.2% in 2025 and 1.6% in 2026. Euro area real GDP growth is projected to be 1.0% in 2025 and 1.2% in 2026 as heightened uncertainty keeps growth subdued.

Inflationary pressures persist in many economies, with headline inflation recently turning up again in an increasing share of economies. Services price inflation has stayed elevated, with a median rate of 3.6% across Organisation for Economic Co-operation and Development (OECD) economies. Over 2025-26, inflation is projected to be higher than previously expected, although still moderating as economic growth softens. Headline inflation is projected to fall from 3.8% in 2025 to 3.2% in 2026 in the G20 economies. Underlying inflation is now projected to remain above central bank targets in many countries in 2026.

*(Source: OECD Economic Outlook, Interim Report March 2025)*

### Indian Economy

India's growth momentum was observed to have softened at the start of 2025, following some recovery in Q4 in 2024. Economic activity is expected to slow further in the coming quarters, prompting a downward revision of the GDP growth forecast to 6.5% in 2025 (from 6.7%) and to 6.6% in 2026 (from 6.8%). In fiscal year terms, growth of 6.4% is now projected for FY 2025-26.

The external sector is expected to be weighed down by lower U.S. imports and second-round effects stemming from weaker Chinese and global demand. On the domestic front, private consumption was seen to have weakened at the beginning of the year.

Although a benign outlook for food and fuel price inflation is likely to support real incomes in the coming months, the unemployment rate remains elevated at 8% and concerns regarding job security, particularly in urban areas, are expected to exert downward pressure on spending.

*(Source: OECD Economic Outlook, Interim Report March 2025)*

## INDUSTRY OVERVIEW AND DEVELOPMENTS

### Global Pump Market

World pump consumption was estimated to have risen by 1.7% in 2024, reaching USD 57.0 billion. A deceleration in global pump demand to 1.0% is anticipated as the global growth is expected to be curbed by the impact of global tariffs, a high degree of policy uncertainty and prolonged high U.S. interest rates.

World GDP growth is projected to expand by 2.3% in 2025. Industrial production is expected to be more severely impacted, with the world economy forecast to enter a technical industrial recession in 2025.

Construction sector activity is projected to grow at the slowest pace since the global financial crisis, excluding 2020. Residential construction will remain constrained by elevated mortgage rates while commercial building activity is expected to be held back by weaker business investment.

The power generation sector is expected to benefit from structural factors, such as the increased focus on electrification, a key pillar of the energy transition and the growth of AI-driven power demand in data centres. Oil & Gas sector output is expected to benefit from the reversal of OPEC+ production cuts, although Russian production will continue to be constrained by sanctions and mature oil fields.

U.S. pump demand is forecast to increase by 2.7% in 2025 and by 2.0% in 2026. On a regional basis, the Middle East is projected to experience the strongest growth in pump demand. In Asia, demand is forecast to grow by 1.4% in 2025, although the region has been significantly affected by U.S. tariffs.

Key pump-using sectors are likely to benefit from increased household consumption and stronger government spending, while capex-sensitive sectors are expected to remain constrained by a tight monetary stance.
*(Source: OECD Economic Outlook, Interim Report March 2025)*

### Indian Pump Market

Pump consumption growth is expected to pick up in 2025. India's GDP growth eased to 6.7% in 2024 due to a sharp downgrade in exports, which was exacerbated by weaker demand from the US and China as well as broader uncertainty in global trade. Despite this slowdown, growth remained robust, supported by resilient domestic drivers. Government investment held firm, while private consumption staged a modest rebound towards the end of the year. In 2025, growth is expected to soften further to 6.5%. Public capital expenditure will continue to support the economy, but weaker household spending and subdued private investment amid elevated urban unemployment are expected to weigh on momentum.

Within the water and wastewater sector, which represents the largest share of pump demand, growth is expected to decelerate sharply by 2.8 percentage points to 3.9% in 2025. Pump demand (excluding parts) is set to grow only modestly this year, reflecting the broader economic slowdown. The consumption growth is anticipated to rise slightly to 4.4% in 2025. Pump demand is expected to continue its upward trajectory, with overall consumption (excluding parts) forecast to rise by 7.6% in 2026. Over the medium term, growth is projected to stabilise around 7%.
*(Source: OECD Economic Outlook, Interim Report March 2025)*

## COMPANY OVERVIEW

With a legacy of over 137 years, Kirloskar Brothers Limited (KBL) stands as the flagship company of the Kirloskar Group. Driven by engineering excellence, KBL has grown into a trusted Indian multinational, renowned globally for its innovative solutions in pumps, valves, hydro-turbines and fluid management systems across diverse applications.

The Company addresses the pumping needs of a wide spectrum of sectors – ranging from large-scale infrastructure projects like water supply, power generation, irrigation, oil & gas, construction, industry and marine & defence, to compact solutions for domestic and agricultural applications. With a steadfast commitment to empowering communities, expanding its global footprint, strengthening infrastructure and driving innovation, KBL continues to lead the way in comprehensive fluid management solutions.

KBL manufactures over 75 types of pumps, with power ratings up to 30 MW, flow capacities reaching 120,000 $m^3$/hr (33,333.34 litres per second) and heads up to 3,200 metres, efficiently serving clients across domestic and international markets. The Company also manufactures over 30 types of valves with diameters ranging from 6 mm to 5 metres, along with low-tension induction motors and PICO, PAT and mini hydel turbines (from 0.5 kW to 10 MW). The Company operates through 17 technologically advanced manufacturing facilities, including 7 located overseas. With a global network of over 16,000 channel partners, KBL is further supported by a best-in-class, pan-India network of authorised service and refurbishment centres.

It is the first Indian pump manufacturing company to be certified for Integrated Management System (ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ISO 50001:2018). Its factories deploy Total Quality Management tools using the European Foundation for Quality Management (EFQM) model.

## INTERNATIONAL BUSINESS

The KBI BV Group continued to solidify its position in 2024, achieving significant milestones. The Group recorded a PBT of £13.8 million, representing a robust 41% growth. The international operations exhibited resilience and strategic focus, contributing significantly to the Group's exceptional growth despite ongoing global challenges.

SPP Pumps achieved its highest-ever sales of £66 million, with a PBT of £7.3 million, yielding an impressive return of 11%. The Company maintained a strong cash position with no external borrowings. SPP Pumps continued to focus on its products and service businesses, with its ESD, Fire and Water divisions reaching record revenue levels in 2024.

The U.S. operations remained a key contributor to the Group's performance, generating a PBT of USD 7.8 million on record sales of USD 60 million. This outstanding performance was driven by a strong focus on cash generation, maintaining relationships with distributors and expanding market

*The KBI BV Group recorded a PBT of £13.8 million, representing a robust 41% growth.*

presence in South America. The Company's emphasis on the warehouse, data centre and complex systems segments further supported growth.

The South African operations, including SPP Pumps and Braybar, also made a strong contribution to KBI BV's overall performance, achieving sales of ZAR 110 million and a PBT of ZAR 20.2 million (18.3% margin).

The Dutch operations turned profitable this year, driven by strategic cost-saving initiatives and an expanded reach in the water and power generation markets. The Group is making efforts to maintain this positive trajectory.

The Thailand business continued facing challenges in 2024 due to a slow economic recovery, volatility in the Thai Baht against major currencies, delays in government spending and issues with project execution caused by contractor or EPC liquidity concerns. Despite these setbacks, the Group is optimistic about a turnaround in 2025, having implemented strategic initiatives in 2024 that are expected to yield results. A key initiative involves obtaining FMUL certification for Thai entities to cater to the Far East and Middle East markets, positioning the Group's fire offerings as cost-competitive in the region.

Overall, the management has remained focused on maintaining stringent fiscal policies aimed at improving cash flow, enhancing margins and introducing growth-oriented strategies. These efforts have contributed to the Group's highest-ever revenue of £136 million, a 13% increase compared to £120 million in the prior year.

KBI BV has made significant investments to enhance its infrastructure and talent pool. Notable initiatives include the implementation of the Phoenix production labour hour tracking system, which has fully automated previously manual processes, improving both accuracy and efficiency on the shop floor. Additionally, Colligo, a web-based system for real-time service shop floor production data collection, has been introduced, providing enhanced data accuracy and accessibility and driving the ESD business forward. Furthermore, the Group is working on developing the Thai business as an FMUL-certified manufacturing facility to serve the Far East and Middle East fire markets, which will provide a competitive edge. Moreover, ongoing efforts to streamline and standardise critical IT and operational processes across the Group are designed to further enhance operational efficiency.

Despite ongoing geopolitical tensions, including the Russia-Ukraine conflict and the Israel-Gaza conflict, which have significantly impacted the global economic outlook, KBI BV has delivered a remarkable performance. The European markets have had very low GDP growth rates and the focus has been on developing pumping solutions around the bright spots within the economy. The same strategy has been deployed in South Africa as well, where the growth of the overall economy has been slow. The Group remains committed to navigating these challenges while seizing strategic opportunities to ensure continued growth.

## MANUFACTURING PLANTS

### Kirloskarvadi Plant

KBL's flagship manufacturing facility at Kirloskarvadi marked 115 years of its establishment – a significant milestone in the Company's industrial journey; the plant's adoption of Total Productive Maintenance (TPM) has significantly enhanced operational efficiency, equipment reliability and employee involvement, reinforcing its position as a world-class manufacturing hub.

### Dewas Plant

In line with the commitment to innovation and customer satisfaction, 18 new variants were launched across various pump series. During the year, the automation of pump performance testing was commissioned, thus bolstering the manufacturing capabilities and efficiency.

#### AWARDS AND CERTIFICATIONS

- Best ENCON (Energy Conservation) Project Award
- Excellence in Consistent Total Productive Maintenance-2024 award by JIPM
- Achieved the status of 'Approaching to Zero Waste to Landfill Facility' under CII zero waste to landfill guideline
- Winner of Golden Peacock National Quality Award-2025

### Kaniyur Plant

The plant successfully launched 2 new pump models, further diversifying its product range to meet evolving customer needs. TPM implementation to enhance product quality and operational efficiency is progressing as per schedule.

#### AWARDS AND CERTIFICATIONS

- Silver award in National Award for Manufacturing Competitiveness (NAMC) audit
- Innovative Project Award in group ENCON competition
- Two Gold and one Silver medal in Quality Circle Forum of India (QCFI), Chennai Chapter
- Outstanding award from National Convention on Quality Concepts (NCQC), Gwalior Chapter

### Sanand Plant

The plant successfully launched 49 new models, further diversifying its product range to meet evolving customer needs. TPM implementation to enhance product quality and operational efficiency is progressing as per schedule.

### AWARDS AND CERTIFICATIONS

- Winner of ENCON Excellence Unit
- Best Energy Manager Award
- Achieved the status of 'Aspiring to Zero Waste to Landfill Facility' under the CII Zero Waste to Landfill Guidelines

## OPERATIONAL OVERVIEW

### Water Resource Management

In FY 2024-25, the Water Resource Management sector secured substantial orders from major OEMs and contractors across Jammu & Kashmir, Madhya Pradesh, Maharashtra, Uttar Pradesh and Uttarakhand. Notable orders were received for multi-stage pumps, split-case pumps and large vertical turbine pumps under various Jal Jeevan Mission (JJM) projects. With IoT solutions increasingly being specified in tenders for AMRUT 2.0 and JJM projects, the Company anticipates that IoT-based applications will become a standard requirement in future project executions. Additionally, the Company is exploring opportunities in the solar segment through "Solar Hybrid Control Systems" for open and institutional markets. It is also focusing on replacing outdated sewage, effluent, influent and water supply pumps with energy-efficient alternatives. A significant boost is expected in direct export business in FY 2025-26.

### Irrigation

In FY 2024-25, the Company secured prestigious orders from the Narmada Valley Development Authority (NVDA) and the Irrigation Department for 30 large vertical turbine (VT) pumps. It also received high-value orders from the Uttar Pradesh Irrigation Department for the replacement of existing pumps with advanced IoT-enabled solutions. Notably, a substantial portion of domestic sales in FY 2024-25 was driven by the replacement business, which is expected to witness significant growth in FY 2025-26.

### Power

In FY 2024-25, KBL strengthened its position as a trusted solutions provider across the nuclear, thermal and hydro power segments. With India aiming for net-zero emissions by 2070 and targeting 100 GW of nuclear power capacity by 2047, supported by increased private sector participation and a focus on BSRs, KBL is well-positioned to contribute through advanced pumping solutions.

In the nuclear sector, the Company secured an order for condensate extraction pumps for a nuclear power plant in Karnataka and successfully commissioned Circulating Water and Auxiliary Service Water pumps for an atomic power plant in Rajasthan. In the thermal segment, the Company achieved strong order inflows for Circulating Water and Auxiliary Circulating Water pumps from a leading private power company for supercritical thermal power projects in Raipur and Raigarh in Chhattisgarh and Mirzapur in Uttar Pradesh. Additionally, the Company ensured the timely supply of flue gas desulphurisation pumps for slurry circulation to a prominent central government power utility site in Uttar Pradesh. The swift delivery of five large concrete volute pumps within a tight timeline of 12 months further underscored the Company's manufacturing agility and project execution excellence. In the hydro segment, the Company secured an order for a 55 kW Pump-as-Turbine order for first-of-its-kind renewable energy generation in a water supply gravity scheme.

### Valves

In FY 2024-25, the Valves sector received large repeat orders from customers in irrigation projects for large-size valves, which established customers' confidence in KBL in handling critical valves in projects. The government's continued focus on water and sanitation is providing good business to this sector. The MRO business saw growth in revamp projects at power plants. Strong investments in new power plants, steel plants and water and irrigation projects are expected to drive continued growth in this sector.

### Building and Construction

In FY 2024-25, the Building & Construction sector achieved a strong 23% growth in sales over the previous year, driven by successful pump supplies and commissioning for several key infrastructure and industrial projects across India. The Company's involvement spanned a diverse range of developments, including redevelopment project in Worli; Patna Metro Phase 1; Varex Imaging (Belagavi); Cummins India, Pepsico, Assam and Bimanbandar underground metro station.

KBL maintained a strong industry presence by participating in major national events and exhibitions such as the CII Datacenter Blueprint Summit, FSIE, Plumbex, ACREX India, Indian Plumbing Conference, ACRECONF, Cool Conclave, PACC and MahaCon. Participation in forums like the FOCUS Lucknow Chapter installation ceremony and the DCI CUP Cricket Tournament organised by ISHRAE further reinforced stakeholder engagement. To support internal capability building, the Company also conducted an orientation and training programme for its sales team at the World Skill Centre in Bhubaneswar.

### Industry

In FY 2024-25, the industry sector witnessed growth in sales, primarily driven by the Steel, Coal and Mining segments. The addition of new clients from the Chemical industry led

*The Authorised Pump Set Original Equipment Manufacturer (APOEM) facilities were successfully established in almost all zones, which helped to increase the footprint and meet client's requirements.*

to increased business in terms of both value and volume. The chemical segment contributed 25% to the overall booking of this sector. The industry business scaled new heights with breakthrough orders of various packages in the Steel & Mining segment. The steel segment is witnessing increased investment activity, with new palletisation and DRI plants being developed. Additionally, several major steel producers have announced plans for new blast furnace (BF) projects, signalling a strong pipeline of expansion initiatives. Focusing on replacing old pumps with energy-efficient products yielded good revenues. Additionally, the business also improved in terms of the booking of value-added products, including Hydro-Pneumatic (HYPN) pressure boosting systems in various customer segments.

The Authorised Pump Set Original Equipment Manufacturer (APOEM) facilities were successfully established in almost all zones, which helped to increase the footprint and meet client's requirements. We have improved our focus to grow wallet share of key customers from Chemical & Steel. New Products like the vertical inline pump KW-LC in the Pharma segment, approved by major consultants in the Industry sector, will further strengthen our offerings.

### Oil and Gas

KBL actively supported the "Make in India" initiative through continued participation in indigenisation programmes. In the Oil & Gas sector, the Company successfully designed and developed PetroTurbo® Pumps for petroleum applications, which were supplied to leading PSUs.

### Marine and Defence

KBL remained committed to providing an 100% indigenised solution for pumps and firefighting systems under the "Atmanirbhar Bharat" and the "Make in India" initiative to various Defence establishments.

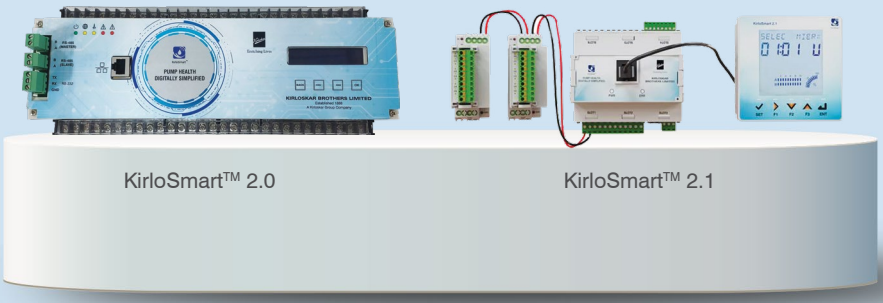
### Small Pump Business (SPB)

The Small Pump Business segment started with good momentum in Q1 of the FY 2024-25. Though the overall pace of economic activity witnessed a slowdown in Q2 and Q3, as was observed in the overall GDP, the SPB managed to register YoY business growth. This was possible with the efforts made to enhance the product offerings and expand the reach. New product additions in the Domestic as well as Agriculture segments offering energy-efficient solutions appealed to consumers looking for sustainable and affordable options. There is a conscious shift in customer demand from conventional to more energy-efficient and environmentally friendly products. SPB also made progress in reaching the 'Bottom of the Pyramid' segment by providing reliable, competitively priced products. By focusing on strengthening its networks, SPB increased its reach and accessibility to end customers. The digitisation of key business processes is helping improve efficiency and effectiveness, enabling SPB to continue delivering value to customers and stakeholders.



*Metallic Volute Pumps (MVP) supplied to a nuclear power plant in Rajasthan*

# PRODUCTS LAUNCHED IN FY 2024-25



KirloSmart™ 2.0 KirloSmart™ 2.1




Borewell Submersible (Oil-filled) Pump - KU7P

Borewell Submersible (Water-filled) Pump - LEHR

Openwell Submersible Pump - JOS Ultra



End-suction Slurry Pump (for FGD Application) - GFP series

### Customer Service and Spares (CSS)

The Small and Medium Pump Division (SMPD) achieved 13% growth in sales in FY 2024-25. The sector successfully replaced numerous competitor pumps in various sectors of industries, surpassing customer expectations through energy audits and proactive services. KBL's vast service network, including a number of authorised service centres and spare dealers nationwide ensures comprehensive service coverage for all pump sets, exceeding customer expectations.

### Engineered Service Division (ESD)

The Large Pump Division (LPD) witnessed a double-digit growth of 12% in Sales compared to the last year. Efforts to reclaim customers from non-original spares providers have been successful, enhancing the customer base. The ESD team was recognised for efficiently resolving complaints and completing performance guarantee tests, leading to the projects' success at various significant sites. Energy audits and performance tests conducted for major clients have opened new business avenues, demonstrating the division's commitment to excellence and customer satisfaction.

## HUMAN RESOURCES

At KBL, human capital continues to be the foundation of our success. In line with the Company's long-term business objectives, the HR department embarked on a strategic transformation journey aimed at strengthening its role as an enabler of growth and innovation.

Our major improvement initiatives to enhance employee experience and engagement included revisions to employee policies, an adaptive and engaging work environment, career development, talent management with a focus on succession planning, improvements in infrastructure and employee facilities and employee well-being. Furthermore, HR policies were developed to support the organisation's sustainable growth and contribute to achieving long-term strategic goals resulting in an improvement in the employee engagement score. Skill development remained a central focus for the organisation. Targeted learning modules were developed to address key knowledge gaps across departments and enhance specific skill sets. This proactive approach not only supported talent retention efforts but also aligned with the Company's commitment to continuous improvement.

Our cornerstone initiative, KirloSphere has continued to evolve, playing a pivotal role in shaping a more inclusive, engaging and health-conscious work culture. The KirloFit Club has expanded its reach this year, with increased participation and a wider range of activities encouraging physical wellness and active lifestyles. The KirloMind Club has further deepened its impact by fostering creativity, mindfulness and emotional well-being, offering employees meaningful avenues for self-expression and personal growth. Through KirloConnect, we have strengthened internal communication by introducing new channels and platforms, encouraging transparent, two-way dialogue and a sense of belonging.

This focus on employee development and well-being positioned the organisation for continued success and a competitive edge in the evolving market.

## INFORMATION TECHNOLOGY

The Company has embarked on a journey of digital transformation, adopting a variety of innovative technologies to enhance its operations and deliver superior benefits to the customers.

The adoption of low-code and no-code platforms has enabled the development of applications swiftly and efficiently, reducing development time and costs. The flexibility and speed of implementation have significantly improved agility, allowing it to respond to market demands promptly.

The Company is investing in Generative AI (Gen AI) and Machine Learning (ML) across various functions, including Supply Chain, Finance, Quality and Human Resources. The integration of AI-driven technologies has optimised inventory management, forecasting and logistics, resulting in reduced costs and improved efficiency in the Supply Chain. The Quality Control processes are benefiting from AI's ability to predict defects and streamline inspections. Significant investment has been done in factory automation, AI-enabled SCADA systems and AI-driven testing facilities to enhance production accuracy and efficiency. AI-based business analytics has been adopted to facilitate quick and accurate decision-making, analysis of vast amounts of data in real-time, providing valuable insights for driving strategic planning and operational excellence.

## FINANCIAL REVIEW

- The consolidated revenue from operations increased by 12.3% to ₹ 44,922 million in FY 2024-25 from ₹ 40,012 million in FY 2023-24, driven by robust growth in end-use segments
- Gross profit rose by 13.7% to ₹ 22,944 million in FY 2024-25 from ₹ 20,182 million in FY 2023-24
- EBITDA surged by 17.8% to ₹ 6,810 million in FY 2024-25 from ₹ 5,783 million in FY 2023-24, with the EBITDA margin expanding by 70 bps to 15.2%
- Profit after tax increased by 19.7% to ₹ 4,187 million in FY 2024-25 from ₹ 3,497 million in FY 2023-24, accompanied by a PAT margin expansion of 60 bps to 9.3% in FY 2024-25

### Key Financial Ratios at Standalone Level

(Reasons where variation is more than 25%)

| | Year ended March 31, 2025 | Year ended March 31, 2024 | Variance (%) |
|---|---|---|---|
| Current Ratio | 1.72 | 1.66 | 4% |
| Debt Equity Ratio (Reduction in borrowings along with increase in net worth due to higher profits) | 0.01 | 0.03 | (78%) |
| Debt Service Coverage Ratio (Reduction in borrowings along with higher profits) | 26.03 | 7.13 | 265% |
| Interest Coverage Ratio | 131.77 | 138.29 | (5%) |
| Return on Net Worth (%) | 16.14 | 18.06 | (11%) |
| Inventory Turnover (Number of Times) | 3.10 | 3.18 | (2%) |
| Debtors Turnover (Number of Times) | 6.48 | 6.21 | 4% |
| Operating Profit Margin (%) | 12.40 | 12.60 | (2%) |
| Net-Profit Margin (%) | 8.66 | 8.97 | (3%) |

## RESEARCH AND DEVELOPMENT

The Company's Research and Development (R&D) division continued with the key initiative of developing new and innovative products in FY 2024-25.

Notable among these include the new series of multistage pumps for high-pressure boiler feed water applications. Another key technological development was the successful launch of slurry recirculation pump designed for Flue Gas Desulphurisation (FGD) plants. Canned motor pumps for defence applications were successfully developed and completed in FY 2024-25. The next-generation IoT devices, KirloSmart™ 2.0 and KirloSmart™ 2.1, were launched with enhanced features, including multiple pump monitoring capabilities. New material development for hard metal slurry pumps and monobloc pumps for defence applications progressed well in the year. The R&D team continued developing safety class 1 and 2 pumps, along with high-pressure, high-temperature canned motor pumps. As part of the i-Mission project, the Company integrates user feedback to innovate user-friendly features in existing products. This approach has led to the successful development of prototypes for four different product series – UP, NS, MF and self-priming pumps. Significant design innovations were incorporated in sewage handling pump NS to simplify assembly and manufacturing processes.

To cater to agricultural needs, KBL launched two first-in-India energy-efficient borewell submersible pump series. The 175 mm oil-filled KU7P series was introduced in 20 variants, while the 100 mm LEHR series, developed with Flexi-Drive Technology and available in 40 variants, serves both domestic and agricultural applications, offering customers flexibility in installation orientation, low-voltage operation and ease of repair and maintenance. The Company introduced a single-phase monobloc pump set series KDS with an extended shaft to meet the demands for a reliable product to use in husking and fisheries.

*The successful design and development of a full-scale hydraulic model of the Primary Coolant Pump – a first-of-its-kind achievement in India – underscores KBL's strong R&D and manufacturing capabilities. This milestone represents a significant stride towards the vision of Atmanirbhar Bharat, by delivering 'Designed in India' solutions for critical nuclear applications.*



*Indigenously designed and developed Primary Coolant Pump (PCP) for 700 MWe Pressurised Heavy Water Reactor (PHWR)*

The 'Jalraaj Ultra-1 Max' self-priming regenerative pump model was also introduced to lead the residential segment. The Kirloskarvadi pump testing laboratory has received NABL accreditation, reaffirming the Company's adherence to stringent quality standards and procedures. The Company played a key role in developing and revising various standards, including those of the Hydraulic Institute, the American Petroleum Institute's API 610 standard and several national standards related to pumps and motors through BIS. The R&D team successfully collaborated with leading national institutes such as IIT, BARC, NSTL, NITK, PRPD and ARAI for various research and testing activities.

## RISK MANAGEMENT

The Company's robust risk management framework is compliant with the requirements under Regulation 21 of the SEBI Listing Regulations, 2015. The risk management policy enables the Company to monitor and mitigate the various risks, including internal and external risks. The Company's Board of Directors has constituted a risk management committee tasked with the responsibility to continually monitor various strategic, operational and financial risks. The committee meets at regular intervals to identify the top risks and prioritises those risks. It then formulates adequate mitigation plans to address any foreseeable risks. The committee keeps a close watch on changes in the internal and external environment to check the emergence of any new threats.

Read more about Risk Management on Page 20.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Given the diverse business operations and the wide range of products, it was imperative for the Company to set up and continually review an effective and efficient internal control mechanism. The Company thus established a detailed 'Code of Conduct' as a guide to deal with all its stakeholders. The Company also has in place a whistle-blower policy. Internal controls have been further fine-tuned through proper budgetary controls, clearly defined roles and responsibilities, a schedule of authorities, documented policies and guidelines to enable appropriate decisions, along with an effective review mechanism. There are in-built checks and balances to ensure that the functioning of the business is not unduly affected by controls and that appropriate business ethics are upheld. The internal control mechanism is commensurate with the size and complexity of the business and is aligned with evolving business needs. The Internal Financial Controls (IFC) established by the Company covers all the significant business processes and operations in complete compliance with the Companies Act, 2013. Various internal controls, established at the entity level and process levels, are designed to ensure regulatory compliance and appropriate recording and reporting of financial and operational information. Processes and controls laid down as per IFC are regularly updated to keep pace with the changing business environment. Internal controls are regularly reviewed by the internal audit department. All significant and material observations are periodically reported to the Audit Committee of the Board and necessary action is undertaken. The senior management and the Audit Committee of the Board are periodically apprised of the Company's internal processes with respect to internal controls, statutory compliances and adherence.

## QUALITY ASSURANCE

The First-Time-Right approach was further refined to "Right First Time, Right Every Time". The operational excellence journey further continued with the deepening of process planning tools, e.g., PFMEA, Process Reliability and Sustainable Problem Solving. Knowledge management was promoted for horizontal deployment of best practices across all the plants. The process audit (Gemba) was strengthened by integrating TPM tools and auditor certifications. The structured problem-solving process was initiated to address strategic business concerns. Quick wins through systematic approach gained significant favourable business results. Digitisation projects strengthened the quality ecosystem through enhanced traceability and real-time data analysis. Trainings were carried out within the plants as well as within the value chains. The trainings were primarily intended to provide awareness and practice-ability of quality tools. Quality Month was celebrated with full vigour, witnessing enthusiastic participation across the organisation and from suppliers. The presentation from 'Mumbai Dabbawala' was the centre of attraction. The focus on processes has helped in achieving prestigious awards, including the TPM Excellence, CII Kaizen and the most prestigious Golden Peacock Award.

## SUSTAINABILITY

The Company is committed to sustainability by integrating environmental, social and economic dimensions into its operations. It focused on reducing its environmental impacts through resource conservation, carbon emission reduction, renewable energy adoption and biodiversity conservation. Key initiatives included installing solar and wind power systems, optimising resource use, waste management and implementing green manufacturing practices. Life Cycle Assessments were conducted to monitor and mitigate the environmental impact of products. Short, medium and long-term targets were set to manage energy, water, waste, emissions and biodiversity.

In line with India's 2070 Net Zero carbon emission goal, the Company actively encouraged its value chain partners to adopt green and sustainable practices. Guided by robust ESG (Environmental, Social and Governance) policies, sustainability was embedded into the Company's core business strategy – driving responsible decision-making, ethical governance and social accountability. As part of its ESG commitment, the Company undertook various initiatives focused on employee well-being, health and safety, gender diversity and uplifting communities.

By setting clear sustainability goals and actively engaging with stakeholders, the organisation fostered a culture of environmental stewardship, social equity and corporate accountability. These policies not only drive long-term value creation but also position the Company as a leader in sustainable industrial practices.

## GLOBAL MARKETING

Kirloskar Brothers Limited (KBL) continues to harness cutting-edge digital technologies to enhance marketing efficiency and deepen customer engagement. Recognising the immense potential of digital platforms in expanding reach and creating new business opportunities, the Company has significantly strengthened its social media presence and customer interactions. By seamlessly integrating websites, social media, email and digital campaigns, KBL has developed a more comprehensive understanding of the customer journey, leading to improved marketing activities.

The Company has emphasised on value-driven marketing, particularly with the introduction of energy-efficient and cost-effective retail pump solutions. A strategic blend of digital and traditional marketing approaches has swiftly increased the popularity of these offerings. The focus on KirloSmart™, an IoT-enabled remote monitoring system, along with other energy-efficient pumping solutions, has not only boosted awareness but also fuelled business growth.

Further reinforcing brand trust and recognition, KBL launched its nationwide TV campaign, "Sadiyon Se Bharat Ka Bharosa", highlighting the Company's legacy of reliability and innovation. Additionally, KBL strengthened its brand presence through an associate partnership with the Puneri Paltan, leveraging the growing popularity of Kabaddi to connect with a broader audience.

In line with its commitment to engaging directly with customers, KBL actively participated in over 50 industry events and trade fairs across India and globally. The live demo-stand activations at these events proved to be a game-changer, allowing customers to experience the superior performance of KBL's products compared to competitors, first-hand.

## CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's projections and estimates are forward-looking statements and progressive within the meaning of applicable security laws and regulations. Actual results may vary from those expressed and incidental factors.




*Showcasing cutting-edge innovations for the energy sector at the Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC) 2024*

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT(BRSR)

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

| | | |
|---|---|---|
| 1 | Corporate Identity Number (CIN) of the Listed Entity | L29113PN1920PLC000670 |
| 2 | Name of the Listed Entity | Kirloskar Brothers Limited |
| 3 | Year of incorporation | 1920 |
| 4 | Registered office address | "Yamuna", Survey No. 98 / (3 to 7), Plot No. 3, Baner, Pune – 411045, Maharashtra, India |
| 5 | Corporate address | "Yamuna", Survey No. 98 / (3 to 7), Plot No. 3, Baner, Pune – 411045, Maharashtra, India |
| 6 | E-mail | marketing@kbl.co.in |
| 7 | Telephone | +91 (20) 6721 4444 |
| 8 | Website | www.kirloskarpumps.com |
| 9 | Financial year for which reporting is being done | FY 2024-25 |
| 10 | Name of the Stock Exchange(s) where shares are listed | BSE Limited and National Stock Exchange of India Limited |
| 11 | Paid-up Capital | ₹ 158,817,852 |
| 12 | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Abhijeet Shinde – Assistant General Manager and Head – Corporate Sustainability & Excellence<br>abhijeet.shinde@kbl.co.in<br>+91 (20) 6721 4444 |
| 13 | Reporting boundary | Standalone basis (the reporting boundary for BRSR is limited to performance of Kirloskar Brothers Limited) |
| 14 | Name of assurance provider | M/s. SGS India Private Limited |
| 15 | Type of assurance obtained | Reasonable Assurance for BRSR Core parameters as per SEBI Notification SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023 |

### II. Products / services

**16. Details of business activities (accounting for 90% of the turnover):**

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---|---|---|---|
| 1 | Manufacturing | Manufacture of fluid power equipment | 97.10 |

**17. Products/Services sold by the entity (accounting for 90% of the entity's turnover):**

| S. No. | Product/Service | NIC Code | % of total Turnover contributed |
|---|---|---|---|
| 1 | Manufacture of fluid management solutions including Pumps, Valves, Turbine, PICO and PAT (operates as a turbine in reverse), Auto-prime, Fire-fighting pumps, pumps for Building and Construction, Industry, Water and Irrigation, Marine and Defence, Oil and Gas, and Power sectors | 2812 | 97.10 |

### III. Operations

**18. Number of locations where plants and/or operations/offices of the entity are situated:**

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | 6 | 9 | 15 |
| International | 0 | 0 | 0 |

## 19. Markets served by the entity:

### a. Number of locations

| Locations | Number |
|---|---|
| National (No. of States) | 28 States and 8 Union Territories |
| International (No. of Countries) | 120+ Countries |

### b. What is the contribution of exports as a percentage of the total turnover of the entity?

Contribution of exports - 6.07%

### c. A brief on types of customers

We manufacture pumps, valves, hydro-turbines, and other fluid power equipment, serving diverse customers in sectors such as Building and Construction, Marine, Defence, Nuclear, Water, Irrigation, Power, Oil & Gas, Chemical, Pharmaceutical, and Retail sectors, both directly as well as through distributors, driving our business objective of leading innovative and sustainable solutions for fluid management.

## IV. Employees

### 20. Details as at the end of the Financial Year:

### a. Employees and workers (including differently abled):

| S. No. | Particulars | Total (A) | Male | | Female | | Others | |
|---|---|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) | No. (H) | % (H/ A) |
| **EMPLOYEES** | | | | | | | | |
| 1. | Permanent (D) | 1,539 | 1,428 | 92.79 | 111 | 7.21 | 0 | 0 |
| 2. | Other than Permanent (E) | 153 | 141 | 92.16 | 12 | 7.84 | 0 | 0 |
| 3. | **Total employees (D + E)** | **1,692** | **1,569** | **92.73** | **123** | **7.27** | **0** | **0** |
| **WORKERS** | | | | | | | | |
| 4. | Permanent (F) | 1,067 | 997 | 93.44 | 70 | 6.56 | 0 | 0 |
| 5. | Other than Permanent (G) | 220 | 179 | 81.36 | 41 | 18.64 | 0 | 0 |
| 6. | **Total workers (F + G)** | **1,287** | **1,176** | **91.38** | **111** | **8.62** | **0** | **0** |

### b. Differently abled Employees and workers:

| S. No. | Particulars | Total (A) | Male | | Female | | Others | |
|---|---|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) | No. (H) | % (H/ A) |
| **DIFFERENTLY ABLED EMPLOYEES** | | | | | | | | |
| 1. | Permanent (D) | 1 | 1 | 100 | 0 | 0 | 0 | 0 |
| 2. | Other than Permanent (E) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. | Total Differently abled employees (D+E) | 1 | 1 | 100 | 0 | 0 | 0 | 0 |
| **DIFFERENTLY ABLED WORKERS** | | | | | | | | |
| 4. | Permanent (F) | 3 | 3 | 100 | 0 | 0 | 0 | 0 |
| 5. | Other than Permanent (G) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. | Total Differently abled workers (F+G) | 3 | 3 | 100 | 0 | 0 | 0 | 0 |

### 21. Participation/Inclusion/Representation of women

| | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B / A) |
| Board of Directors | 10 | 3 | 30 |
| Key Management Personnel | 1* | 0 | 0 |

** This excludes Chairman and Managing Director as already covered under Board of Directors*

**22. Turnover rate (%) for permanent employees and workers (Disclose trends for the past 3 years)**

| | FY 2024-25 | | | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 12 | 19 | 13 | 16 | 23 | 16 | 20 | 21 | 20 |
| Permanent Workers | 1 | 6 | 1 | 2 | 2 | 2 | 2 | 0 | 2 |

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

**23. Names of holding / subsidiary / associate companies / joint ventures**

| S. No. | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 1 | Karad Projects and Motors Limited | Subsidiary | 100 | No |
| 2 | Kirloskar Brothers International B.V. | Subsidiary | 100 | No |
| 3 | Kirloskar Corrocoat Private Limited | Subsidiary and Joint Venture | 65 | No |
| 4 | Kirloskar Ebara Pumps Limited | Joint Venture | 45 | No |

*Note- Details of stepdown subsidiaries have been reported in the Integrated Annual Report on Page No. 7*

## VI. CSR Details

**24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)- Yes**

**(ii) Turnover (in ₹)** – ₹ 29,014 mn

**(iii) Net worth (in ₹)** – ₹ 16,625 mn

## VII. Transparency and Disclosures Compliances

**25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

| Stakeholder group from whom the complaint is received | Grievance Redressal Mechanism in place (Yes / No) If yes, then provide web-link for grievance redressal policy ** | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|---|
| | | No. of complaints filed during the year | No. of complaints pending resolution at close of year | Remarks | No. of complaints filed during the year | No. of complaints pending resolution at close of the year | Remarks |
| Communities | Yes** | 0 | 0 | NA | 0 | 0 | NA |
| Investors (other than Shareholders) | Yes** | 0 | 0 | NA | 0 | 0 | NA |
| Shareholders | Yes** | 0 | 0 | NA | 1 | 0 | NA |
| Employees and workers | Yes** | 145 | 13 *** | NA | 67 | 0 | NA |
| Customers | Yes** | 0 | 0 | NA | 0 | 0 | NA |
| Value Chain Partners -Suppliers | Yes** | 0 | 0 | NA | 0 | 0 | NA |
| Value Chain Partners – dealers | Yes** | 0 | 0 | NA | 0 | 0 | NA |
| Business and Governing Bodies | Yes** | 0 | 0 | NA | 0 | 0 | NA |
| Financial Institutes | Yes** | 0 | 0 | NA | 0 | 0 | NA |

**Notes ****

- *Communities, Investors & Shareholders can report their grievances through the email ID (grievance.redressal@kbl.co.in) given on the KBL website*
- *Employee and workers can raise their grievances on Company's intranet through helpdesk*
- *Customers can report their grievance through CRM (Customer Relationship Management) portal and email ID (kblcare@kbl.co.in) given on the KBL website and toll-free number*
- *Suppliers can report their grievances through the email ID provided in the Purchase Order*
- *Dealers can report their grievances during Annual Dealer Meet and Regional Dealer Meets*

- *Business and Governing Bodies can report their grievances through various email ID, letters, online government portals*
- *Financial Institutes can report their grievances to KBL finance team through concerned KBL finance personnel*

****All grievances, except few, received during the reporting year have been resolved successfully in a fair and transparent manner. Open grievances are under evaluation and shall be resolved in FY 2025-26*

## 26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

| S. No | Material Issue Identified | Indicate whether risk or opportunity (R/O) | Rationale for Identifying the Risk / Opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (indicate positive or negative implications) |
|---|---|---|---|---|---|
| 1 | Product Stewardship and Innovation | Opportunity | Product stewardship is an approach towards managing the environmental impact of products across different stages of their lifecycle. It includes product quality, safety, eco-friendliness as well as sustainable product design, innovation, and its overall societal value impact. Product Innovation can help us gain larger market share and achieve sustainable growth. | NA | Positive Implications |
| 2 | Energy Management | Opportunity | Energy Management includes aspects of energy consumption, energy efficiency, and energy intensity in operations. It also involves strategizing the deployment of renewable energy options for cost saving along with greening the business operations to move towards Net Zero. | NA | Positive Implications |
| 3 | Diversity Equity and Inclusion | Opportunity | Our DEI policies and practices are designed and implemented in a way that accommodates people from various backgrounds, making them feel welcome and enabling them to perform at the peak of their abilities in the workplace. | NA | Positive Implications |
| 4 | Emissions | Risk | Emission Management refers to the strategy for reducing the intensity of GHG and other air emissions from an organisation's operations. Emission management is becoming critical with increased monitoring and control from local government as well as due to new norms for export business | Improving energy efficiency, deployment of renewable energy, and focussed emission management | Negative Implications |
| 5 | Health and Safety | Risk | Occupational Health and Safety deals with the provision of a safe and healthy working environment for all employees and workers, including contract workers. Lack of suitable health and safety practices will increase the risk of lost time injuries for our business. | OHS 45001 across all plants, efficient safety controls, employee sensitisation and trainings | Negative Implications |

| S. No | Material Issue Identified | Indicate whether risk or opportunity (R/O) | Rationale for Identifying the Risk / Opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (indicate positive or negative implications) |
|---|---|---|---|---|---|
| 6 | CSR & Local Communities | Opportunity | Supporting community development through CSR and other social initiatives can make a positive difference for the less privileged communities while also bettering the brand image and business reputation of the Company | NA | Positive Implications |
| 7 | Materials | Opportunity | Material management involves improved utilisation of resources and promotes usage of cost effective, low-impact materials such as renewable, recycled, and reclaimed input raw materials. We strive to adopt circularity in our business model. | NA | Positive Implications |
| 8 | Talent Attraction & Retention | Risk | Talent attraction and retention is vital for the superior performance of the Company. We look to foster a conducive and competitive environment in the hopes of attracting and retaining top talent through best-in-class employee welfare and engagement activities. | Higher education & Skill development, career growth opportunities, employee engagement initiatives, rewards & recognitions | Negative Implications |
| 9 | Supply Chain Management | Opportunity | Effective supply chain management is essential for consistent plant productivity, on time delivery, lower operating expenses, and mutual growth along with suppliers. We ensure supply chain sustainability through strong due-diligence, supplier Code of Conduct, supplier quality improvement program and social and environmental compliances for a resilient and uninterrupted supply chain. | NA | Positive Implications |
| 10 | Risk management | Opportunity | Enterprise Risk Management is the process of identifying and managing potential risks including ESG risks within the risk appetite for timely mitigation of the probable impact. | NA | Positive Implications |
| 11 | Compliance | Risk | Compliance addresses the topics of accounting and legal compliance, socio-economic compliance, environmental compliance, and adhering to rules and regulations in all aspects of our business management. | LEGATRIX tool with strong focus and monitoring for effective compliance management | Negative Implications |
| 12 | Marketing & Communications | Opportunity | Marketing and Communication of products and services of a business can facilitate value generation. Proper efforts in marketing & communication may improve reputation, brand image and growth of our organisation. | NA | Positive Implications |

| S. No | Material Issue Identified | Indicate whether risk or opportunity (R/O) | Rationale for Identifying the Risk / Opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (indicate positive or negative implications) |
|---|---|---|---|---|---|
| 13 | Customer Safety & Product Quality | Opportunity | Customer safety and product quality involve design innovation to minimise lifecycle impacts ensuring the safe and sustainable usage of products with reduced environmental and social impacts, true to our brand value. | NA | Positive Implications |
| 14 | Economic Performance | Opportunity | Economic performance involves the contribution of our business to the local, regional, national, and global economy while also creating long-term value for the stakeholders including our shareholders. | NA | Positive Implications |
| 15 | Cyber Security & Digitisation | Risk | Digital transformation is essential for maintaining the highest efficiency in the business and is characterised by faster adoption of new technologies while also ensuring the safety and security of systems that safeguard business and customer information. Lack of efficient systems will affect ease of doing business and increase susceptibility to cyber threats. | Effective data management, stringent security controls and focus on digitisation across all processes | Negative Implications |
| 16 | Market Presence | Opportunity | Market presence refers to the organisation striving to create positive impacts for improving the economic well-being of the stakeholders in the operating communities. | NA | Positive Implications |
| 17 | Business Ethics & Values | Risk | Business Ethics & Values refers to a set of company values that direct the stakeholder behaviour for the benefit of business conduct while also governing the actions to achieve tangible and intangible benefits sustainably for all the stakeholders including shareholders. Non-addressal and non-redressal of governance related risks may impact sustainability of the business. | Robust Code of Conduct with strict adherence to the Code through periodic trainings, audits, and strong leadership oversight. | Negative Implications |
| 18 | Corporate Governance | Risk | Corporate governance is the set of rules, systems, practices, and processes to ensure transparency, and accountability, lack of which may negatively impact the long-term success of our business and ability to safeguard the interests of our stakeholders. | Adherence to ethical business standards, integrity and values through robust corporate governance, risk management, compliance system, and grievance redressal mechanisms. | Negative Implications |
| 19 | Human Capital Development | Opportunity | Human Capital Development reaps benefits through an agile and productive workforce, leading to sustained growth and achieving business objectives | NA | Positive Implications |

| S. No | Material Issue Identified | Indicate whether risk or opportunity (R/O) | Rationale for Identifying the Risk / Opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (indicate positive or negative implications) |
|---|---|---|---|---|---|
| 20 | Biodiversity | Risk | Involves the monitoring and management of business activities resulting in significant impacts to the protected areas or areas with high biodiversity value around the operating locations. It also entails the strategies used by us for the prevention and remediation of activities leading to potential biodiversity loss. | Effective internal systems and extensive plantation drives protecting the natural flora and fauna of the operating ecosystem | Negative Implications |
| 21 | Waste Management | Risk | Waste Management includes the risks related to waste generation and disposal, as well as the associated impacts for enhancing the circularity measures across business operations, leading to social and regulatory impacts for us. | We employ 3R Approach– 'Reduce-Reuse-Recycle' for resource efficiency and mitigating the impacts arising out of unsustainable handling of waste. | Negative Implications |
| 22 | Water & Effluent Management | Risk | Water management refers to the aspects including water withdrawal and consumption, while effluent management refers to the management of discharged water. Potential impacts include health risks and negative community sentiments towards us. | We strive to employ the best water management practices to reduce its overall environmental footprint including Zero liquid discharge. | Negative Implications |
| 23 | Human Rights & Labour Conditions | Risk | Human Rights are non-discriminatory rights inherent to all human beings promoting fair employment. This aspect involves the training of employees and due diligence for operations and value chain, lack of which may lead to social risk for our business. | We have strengthened the due diligence for increased accountability avoiding human rights related risks in operations and value chain by conducting periodic training for promoting fairness in business and ensuring social accountability for the stakeholders. | Negative Implications |
| 24 | Public Policy Advocacy | Opportunity | Refers to a significant alliance between government and regulatory bodies (public-private partnership) lobbying for the greater good of the sectoral benefits and society. We utilise our association with various industry partners for advocating sustainable business practices. | NA | Positive Implications |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

**This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.**

| Disclosure Questions | | | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Policy and management processes | | | | | | | | | | | |
| 1. | a. | Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | | | | | | | | |
| | b. | Has the policy been approved by the Board? (Yes/No) | The Policies have been approved by Chairman and Managing Director on behalf of Board of Directors. | | | | | | | | |
| | c. | Web Link of the Policies, if available | https://www.kirloskarpumps.com/investors/policies/ | | | | | | | | |
| 2. | | Whether the entity has translated the policy into procedures? (Yes / No) | Yes | | | | | | | | |
| 3. | | Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes | | | | | | | | |
| 4. | | Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle | • We are certified for Integrated Management System (IMS) certification comprising of<br>- ISO 9001:2015, Quality Management System<br>- ISO 14001:2015, Environment Management System<br>- ISO 45001:2018, OH&S Management System<br>- ISO 50001:2018, Energy Management System<br>• BIS Approval for Products<br>• BEE Star Rating for Products<br>• FM/UL Certification of Products<br>• CE Marking for products<br>• IS 210 quality and excellence in manufacturing grey iron castings<br>• CII GreenPro Certification for eight types of products<br>• CII GreenCo Certification for four manufacturing plants | | | | | | | | |
| 5. | | Specific commitments, goals, and targets set by the entity with defined timelines, if any | • To enhance renewable energy contribution for KBL group of companies upto 70% by FY 2026-27<br>• Continue development of Borewell Submersible pumps complying with 3-star rating and above as per BEE/BIS standard by 25% over FY 2022-23 in next 5 years<br>• Achieve water neutrality by 2030<br>• Enhance use of recycled material in our in-house processes above 50% and achieve "Zero Waste to Landfill" status for our manufacturing plants by 2030<br>• Reduction in GHG scope 1 & 2 emissions by 40% by FY 2025-26<br>• Sustain zero reportable accident year on year<br>• Enhance female workforce up to 20% by FY 2029-30<br>• Awareness training on ESG and NGRBC principles for 100% employees by 2026<br>• Sustainable sourcing up to 60% by FY 2029-30<br>• Implementation of BRSR CORE KPIs for value chain partners as per business spend by FY 2026-27<br>• ISO 19443:2018 Certification (Quality management systems — Specific requirements for the organisations in the supply chain of the nuclear energy sector supplying products and services Important To Nuclear Safety) by FY 2025-26<br>• GreenCo certification for value chain partners<br>• Double materiality assessment by FY 2025-26<br>• ESG rating for KBL by FY 2025-26 from SEBI authorised ESG rating provider<br>• GreenPro certification for additional products | | | | | | | | |

| Disclosure Questions | P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9 |
|---|---|
| **6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met** | • Signed Power Purchase Agreement (PPA) with M/s. Sunsure Energy for 11 MWp for open access renewable energy<br>• ESG assessment completed for value chain covering 62.93% of business spend exceeding SEBI's mandate<br>• CII GreenPro Eco Label certification received for 4" Oil Filled Submersible Pumps, 4" Water Filled Submersible Pumps, 0.5HP Mini Pump Series and 1.0HP Mini Pump Series<br>• As a part of CII Zero Waste to Landfill certification, Dewas plant achieved "Approaching to Zero Waste to Landfill" certification and Sanand plant achieved "Aspiring to Zero Waste to Landfill" certification<br>• ESG training conducted for our value chain partners<br>• ESG workshops completed for 27 value chain partners (41.79% spend) for ESG and BRSR Core implementation<br>• 35% reduction in Scope 1 emissions as compared to FY 2023-24<br>• 8.76% Female workforce including all women operated manufacturing plant at Kaniyur<br>• Sustainable sourcing up to 43%<br>• 437 BEE Star Rated Products |
| **Governance, leadership, and oversight** | |
| **7. Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)** | Kindly refer page 14 from Integrated Annual Report for message from our Chairman and Managing Director |
| **8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).** | Mr. Sanjay C. Kirloskar - Chairman & Managing Director (CMD) |
| **9. Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability related issues? (Yes / No). If yes, provide details.** | Yes.<br>• We have formed a corporate level Sustainability Committee under the authority of our CMD consisting of non-board members with the Chairmanship of AVP and Head – Corporate Quality Assurance with facilitation provided by Assistant General Manager and Head- Corporate Sustainability and Excellence.<br>• We have also formed plant level sustainability committees that in turn reports to the Corporate Sustainability Committee.<br>• The Corporate Sustainability Committee reports progress of ESG initiatives along with other updates to the Board twice a year. |

**10. Details of Review of NGRBCs by the Company:**

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| Performance against above policies and follow up action | • Our ESG policies are assessed and updated periodically or on a need basis by Corporate Sustainability Committee and Senior Leadership including CMD.<br>• Performance of all policies is being monitored through review of goals and commitments identified against each policy. This is done by the Corporate Sustainability Committee and also by other respective functions through monthly reviews of their functional annual operating plans. The committee findings are also reviewed by CMD. | | | | | | | | | | | | | | | | | |

| | |
|---|---|
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | • We have implemented the Legatrix tool company-wide to ensure regular monitoring of compliance with relevant statutes. In the event of any delay or potential non-compliance, our CMD is promptly notified. This ensures effective monitoring of the Company's compliance activities.<br>• Additionally, the Legal team regularly releases a compliance dashboard that encompasses all applicable compliances across the different company sectors, thereby promoting preparedness among stakeholders.<br>• The compliance certificate from CMD (based on compliance certificates by respective HODs) is placed before the Board on a quarterly basis.<br>• A certificate for compliance with specific laws/Acts, applicable to the Company is also obtained from the external auditors/certifying agencies. |

**11. Has the Company carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/ No), If yes provide name of the agency.**

- M/s. SGS India Private Ltd., Pune has assessed our ESG parameter and BRSR Core and issued a Reasonable Assurance Letter
- IMS audit covering ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 50001:2018 by M/s. DNV GL.
- Cost audit by M/s. Harshad Deshpande and Associates
- Statutory audit by M/s. Sharp & Tannan Associates
- Secretarial audit by M/s. Dinesh Birla & Associates

**12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:**

Not Applicable

## SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURES

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandatory to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

#### ESSENTIAL INDICATORS

**1. Percentage coverage of training and awareness Programmes conducted on any of the principles during the financial year**

| Segment | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact | %age of persons in a respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors (BoD) | 3 | Governance, ESG & BRSR Core | 100 |
| Key Managerial Personnel (KMP) | 3 | Code of Ethics, Governance, ESG & BRSR Core | 100 |
| Employees other than BoD and KMPs | 1000+ | Integrity, ethics, transparency & accountability, Behavioural & Safety, Employee well-being, TPM awareness, POSH, ESG & Sustainability, Waste management, Effective customer service etc. | 100 |
| Workers | | | |

**2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
|---|---|---|---|---|---|
| Penalty/ Fine | Principle 1 | Registrar of Companies Maharashtra, Pune - Adjudicating Officer | 80,000 | Adjudication Order dt. 9 July, 2024 under Section 454(3) read with Section 118 of the Companies Act, 2013 pertaining to levying of penalty on the Company and its Officers for the contravention with respect to discrepancy / omissions relating to signing of attendance register, serial number & page numbering of the attendance register and page numbering of minutes of the Board Meeting and Annual General Meeting. | No |
| Settlement | | | | Nil | |
| Compounding Fee | Principle 1 | Assistant Controller, Legal Metrology, Agra | 50,000 | In view of the notice dated 30-04-2024 received from the Inspector Legal Metrology, Bhiwandi 1 Division regarding an alleged violation under Section 18 (1) of Legal Metrology Act, 2009 read with Rule 6(10) of Legal Metrology (Packaged Commodities) Rules, 2011 and based on KBL's response dated 11-06-2024 to the said notice, the offence has now been compounded, as confirmed by the Compounding Order dt. 26 July 2024. | No |
| | Principle 1 | Regional Director, Western Region, Mumbai, Ministry of Corporate Affairs, Government of India | 4,43,800 | Compounding Order dt. 28 October 2024 under Section 441 read with 205 of the Companies Act, 2013 imposing compounding fee on the former Company Secretary for failure in ensuring compliance with applicable Secretarial Standard-1 with regard to omissions relating to signing of attendance register, serial numbering of meetings and page numbering of the attendance register of the Board Meetings of the Company which were held during the years 2019 & 2020. Company warned to be careful in future. | No |

| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
|---|---|---|---|---|---|
| | Principle 1 | Joint Controller, Legal Metrology, Bhiwandi 1 Division | 50,000 | In view of the notice dated 12-12-2024 received from the Inspector Legal Metrology, Bhiwandi 1, Division regarding an alleged violation under Section 18 (1) of Legal Metrology Act, 2009 read with Rule 6(1)(c), 13(3), 13(5)(ii) of Legal Metrology (Packaged Commodities) Rules, 2011 and Section 36(1) and based on KBL's response dated 16-12-2024 to the said notice, the offence has now been compounded, as confirmed by the Compounding Order dt. 7 January 2025. | No |
| | | | **Non-Monetary** | | |
| Imprisonment | | | Nil | | |
| Punishment | | | | | |

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

   Not applicable as no appeal has been preferred

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.**

   Yes, we have a policy on Anti-Corruption and Anti-Bribery. We are zero-tolerant to bribery and corruption, and we aim to conduct business in a transparent and accountable manner reiterating our stakeholders to adhere to the highest standards of ethics and integrity while discharging official duties. The implementation of the policy imitates establishing internal systems to identify, prevent, report, investigate and enforce disciplinary action relating to any fraud including bribery and corruption.

   Web link- https://www.kirloskarpumps.com/wp-content/uploads/2023/06/Policy-on-Anti-Bribery-Anti-Corruption.pdf

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Directors | 0 | 0 |
| KMPs | 0 | 0 |
| Employees | 0 | 0 |
| Workers | 0 | 0 |

6. **Details of complaints with regard to conflict of interest:**

| | FY 2024-25 | | FY 2023-24 | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | 0 | NA | 0 | NA |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | 0 | NA | 0 | NA |

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

   Not Applicable as there were no such cases of corruption and conflict of interest

**8. Number of days of accounts payable (Accounts payable*360/cost of goods/services procured) in following format:**

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Number of days of account payables | 114 | 116 |

**9. Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

| Parameter | Metrics | | FY 2024-25 | FY 2023-24 |
|---|---|---|---|---|
| Concentration of Purchases | a. | Purchases from trading houses as % of total purchases | 11 | 0.29 |
| | b. | Number of trading houses where purchases are made from | 540 | 5 |
| | c. | Purchases from top 10 trading houses as % of total purchases from trading houses | 38.21 | 100 |
| Concentration of Sales | a. | Sales to dealers/distributors as % of total sales | 75.7 | 68.5 |
| | b. | Number of dealers/distributors to whom sales are made | 1,152 | 1,041 |
| | c. | Sales to top 10 dealers / distributors as % of total sales to dealers/distributors | 24.7 | 24.3 |
| Share of RPTs in (Related party transactions) | a. | Purchases (Purchases with related parties/ Total Purchases) | 21.65 | 20.78 |
| | b. | Sales (Sales to related parties / Total Sales) | 5 | 5.32 |
| | c. | Loans & advances (Loans & advances given to related parties/ total loans & advances) | 100 | 100 |
| | d. | Investments (Investments in related parties / Total investments made) | 40 | 46.52 |

***Trading houses considered in FY 2024-25 are domestic as well as overseas*

## LEADERSHIP INDICATORS

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

| Total number of awareness programmes held | Topics / principles covered under the training | %age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|---|---|
| 11 Training Sessions for Suppliers and Dealers | Nine Principles of NGRBC & ESG Initiatives, ESG assessment of Value Chain Partners. BRSR Core | 63 |

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same**

Yes, we have a Code of Conduct in place for the Board of Directors and Senior Management to identify actual or potential conflicts of interest, which may arise during the course of its business activities. According to the Code of Conduct, the Board is required to scrupulously avoid a 'conflict of interest' with the Company. A conflict of interest exists where the interest of a director or member of senior management conflicts with those of the Company. We have implemented organisational processes and appropriate safeguards to mitigate, prevent and manage conflicts of interest that may arise. The Directors make a declaration every year, affirming compliance with the Code of Conduct.

In addition to provisions of the Companies Act, 2013, the Directors disclose their interest in the form of their other directorships/memberships in other entities either directly or indirectly through their relatives. Such disclosures are being made to the Board annually and from time to time as and when such interest arises. We have established processes to identify the related parties based on the disclosures. If any transactions are conducted with these related parties, the Company strictly adheres to the disclosure requirements and procedures outlined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as well as in the Companies Act, 2013.

Web link: https://www.kirloskarpumps.com/wp-content/uploads/2023/05/Code-of-Conduct-For-Board-Of-Directors-And-Senior-Management-Of-Kirloskar-Brothers-Limited_Revised-2023-1.pdf

## PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

### ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

| | FY 2024-25 | FY 2023-24 | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R&D | 40 | 35 | In addition to the focus on expanding the product range, our R&D initiatives also address upgradation of products to reduce emissions across lifecycle stages and provide solutions for sustainable growth |
| CAPEX | 22 | 31 | In addition to old machine replacement and asset management, Capex expenditure for FY 2024-25 also focused on few other aspects like enhancing operational efficiency, material and energy saving initiatives, digital transformation and few other green/social initiatives across organisation |

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   Yes, we have established a policy on sustainable sourcing, which is also available on our website at - https://www.kirloskarpumps.com/wp-content/uploads/2023/06/Policy-on-Sustainable-Sourcing.pdf.

   We have implemented sustainable sourcing criteria which aligns with Company's commitment to promote local and responsible sourcing practices. Accordingly, we conduct training sessions and also encourage our suppliers to opt for sustainable sourcing practices like use of renewable energy, water & waste management, emission management, Environmental & Energy Management Systems, compliance to human rights, Ethics and Quality, etc.

   b. **If yes, what percentage of inputs were sourced sustainably?**

   43%

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste, and (d) other waste.**

   Almost all of our products are made up of metallic components up to 95% by weight and content negligible amount of plastic or hazardous materials. As a part of End–of–Life treatment of our products, we have established guidelines for our customers with following objectives:

   - To guide our customers on environment friendly and responsible disposal of our products at the end-of-life stage
   - To minimise the impact caused by product disposal on society & environment
   - To reuse the recyclable components as a secondary source of raw material

   Web link:- https://www.kirloskarpumps.com/spares-and-services/end-of-life-treatment-guidelines/

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   Yes, Extended Producer Responsibility (EPR) is applicable to us and we file annual return of plastic waste as per CPCB requirements.

## LEADERSHIP INDICATORS

**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format**

| NIC Code | Name of Product /Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective/ Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/ No) If yes, provide the web-link |
|---|---|---|---|---|---|
| 2812 | Monobloc Pump-set Series *** | 40 | Cradle to Gate | Yes, from CII (2021-22) | No |
| | DBxe End Suction Pump Series | | Cradle to Gate | Yes, from CII (2023-24) | No |
| | LLC™ Horizontal Axially Split Case Pump Series | | Cradle to Gate | Yes, from CII (2023-24) | No |
| | Cast Iron Foundry Castings | | Cradle to Gate | Yes, from CII (2023-24) | No |
| | Alloy Cast Steel Foundry Castings | | Cradle to Gate | Yes, from CII (2023-24) | No |
| | 4" Oil Filled Submersible Pump Series | | Cradle to Gate | Yes, from CII | No |
| | 4" Water Filled Submersible Pump Series | | Cradle to Gate | Yes, from CII | No |
| | 0.5 HP Mini Pump Series | | Cradle to Gate | Yes, from CII | No |
| | 1.0 HP Mini Pump Series | | Cradle to Gate | Yes, from CII | No |

*Note - *** Though LCA study was conducted for a running pump model from our Monobloc pump set series, the report findings apply to the complete series of Monobloc pumps being manufactured at our Dewas plant.*

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same**

| Name of Product / Service | Description of the risk/ Concern | Action Taken |
|---|---|---|
| Monobloc Pump-set Series<br>DBxe End Suction Pump Series<br>LLC™ Split Case Pump Series<br>Cast Iron Foundry<br>Alloy Cast Steel Foundry<br>4" Oil Filled Submersible Pump Series<br>4" Water Filled Submersible Pump Series<br>0.5 HP Mini Pump Series<br>1.0 HP Mini Pump Series | There were no risks identified through LCA study. However, we have taken few actions based on the suggestions reported. | 1. Enhancement of renewable energy- KBL has signed Power Purchase Parity for 11 MWp for open access renewable energy which will enhance renewable energy contribution upto 50%. KBL has taken target to enhance renewable energy consumption upto 70% by FY 2026-27<br>2. Increase of recycle content in foundries<br>3. GreenCo certification for four manufacturing plants helps us to improve overall life-cycle perspective<br>4. End of life treatment guidelines- KBL has published End of Life treatment guidelines to ensure safe and environment friendly disposal of products<br>5. Installation of IGBT panels to improve energy efficiency<br>6. ENCON assessment to identify opportunities of energy conservation<br>7. Scope 1, 2,3 inventorisation and focus on NET ZERO<br>8. Replacement of coke furnace to induction furnace thereby reducing scope 1 emissions by 35% |

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

| Indicate Input material | Recycled or re-used input material to total material | |
|---|---|---|
| | FY 2024-25 | FY 2023-24 |
| Metal | 40 | 38.09 |

*Note : Figures reported above are only specific to foundry operations within our KBL manufacturing plants.*

**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format**

| | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Re-Used | Recycled | Safely Disposed | Re-Used | Recycled | Safely Disposed |
| Plastics (including packaging) | Nil | Nil | Nil | Nil | Nil | Nil |
| E-waste | Nil | Nil | Nil | Nil | Nil | Nil |
| Hazardous waste | Nil | Nil | Nil | Nil | Nil | Nil |
| Other waste (MT) (Metal waste) | Nil | 82 | Nil | Nil | 81.05 | Nil |

**5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Considering spread and transportation involved, it is not feasible to reclaim products at its end-of-life stage. Hence, we have established End-Of-Life treatment guidelines for our customers for safe, responsible, and environment-friendly disposal of our products along with packaging material at its End-Of-Life stage.

However, we do reclaim some of our products that have been replaced with new within warranty period and safely dispose it at our respective manufacturing plants. These reclaimed products are from small pump business and covers metallic components to the extent of around 90-95%.

## PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

### ESSENTIAL INDICATORS

**1. a. Details of measures for the well-being of employees:**

| Category | Total | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | (A) | Number (B) | % (B / A) | Number (C) | % (C / A) | Number (D) | % (D / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 1,428 | 1,428 | 100 | 1,428 | 100 | 0 | 0 | NA | NA | 2 | 0.14 |
| Female | 111 | 111 | 100 | 111 | 100 | 111 | 100 | NA | NA | 3 | 2.70 |
| **Others** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NA | NA | 0 | 0 |
| **Total** | 1,539 | 1,539 | 100 | 1,539 | 100 | 111 | 7.21* | NA | NA | 5 | 0.32 |
| **Other than Permanent employees** | | | | | | | | | | | |
| Male | 141 | 141 | 100 | 141 | 100 | 0 | 0 | NA | NA | 0 | 0 |
| Female | 12 | 12 | 100 | 12 | 100 | 0 | 0 | NA | NA | 0 | 0 |
| Others | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NA | NA | 0 | 0 |
| **Total** | 153 | 153 | 100 | 153 | 100 | 0 | 0 | NA | NA | 0 | 0 |

** Maternity benefits have been provided to 100% eligible female employees*

**b. Details of measures for the well-being of workers:**

| Category | Total (A) | % of workers covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent workers** | | | | | | | | | | | |
| Male | 997 | 997 | 100 | 997 | 100 | 0 | 0 | NA | NA | 0 | 0 |
| Female | 70 | 70 | 100 | 70 | 100 | 70 | 100 | NA | NA | 20 | 28.57 |
| Others | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NA | NA | 0 | 0 |
| **Total** | 1,067 | 1,067 | 100 | 1,067 | 100 | 70 | 6.56* | NA | NA | 20 | 1.87 |
| **Other than Permanent workers** | | | | | | | | | | | |
| Male | 179 | 0 | 0 | 179 | 100 | 0 | 0 | NA | NA | 0 | 0 |
| Female | 41 | 0 | 0 | 41 | 100 | 0 | 0 | NA | NA | 0 | 0 |
| Others | 0 | 0 | 0 | 0 | 0 | 0 | 0 | NA | NA | 0 | 0 |
| **Total** | 220 | 0 | 0 | 220 | 100 | 0 | 0 | NA | NA | 0 | 0 |

**Maternity benefits have been provided to 100% eligible female employees*

**c. Spending on measures towards wellbeing of employees and workers (including permanent and other than permanent) in the following format**

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Cost incurred on well-being measures as a % of total revenue of the company | 0.63 | 0.54 |

**2. Details of retirement benefits, for Current FY and Previous Financial Year.**

| Benefits | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the Authority (Y/N/NA) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/NA) |
| PF | 100 | 100 | Yes | 100 | 100 | Yes |
| Gratuity | 100 | 100 | Yes | 100 | 100 | Yes |
| ESI | 100 | 100 | Yes | 100 | 100 | Yes |
| Others – please specify National Pension Scheme (NPS) | 13.3 | 0 | Yes | 1 | NA | Yes |

**3. Accessibility of workplaces**

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes, differently abled persons need special arrangements in the environment for their mobility and independent functioning. At every premises / office, we have provided facilities at entry & exit points, washrooms, workstations, canteen & special vehicle parking spaces near entry gate. Such employees are given suitable job profile based on their capacity for doing the work. As per the Rights of Persons with Disabilities Act, 2016, our organisation is accessible for differently abled employees and workers, and similar provisions are set across our global footprint.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.**

Yes, we have a policy stating the provision of fair employment and equal opportunities for all our employees and workers without discrimination on any grounds of race, caste, creed, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability, or any other category protected by applicable law.

For information relating to this policy, refer the weblink -
https://www.kirloskarpumps.com/wp-content/uploads/2023/06/Policy-on-Inclusive-Growth-Equatable-Development.pdf

**5. Return to work and Retention rates of permanent employees and workers that took parental leave**

| Gender | Permanent Employees | | Permanent Workers | |
|---|---|---|---|---|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | NA | NA | NA | NA |
| Female | 100 | 100 | 100 | 100 |
| Others | NA | NA | NA | NA |
| **Total** | 100 | 100 | 100 | 100 |

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Yes, we have established robust grievance redressal mechanisms for employees and workers to report their concerns. Our HR function, along with other Functional Heads, diligently assess the nature of grievances and promptly initiate appropriate corrective actions. In addition, employees can report grievances as outlined in the whistle-blower policy on grounds of any unethical behaviour, fraud, or violation of the Company's Code of Conduct. Various grievance reporting channels available for different employee levels are mapped below –

| | |
|---|---|
| **Permanent Workers** | Works Committee, Canteen Committee, Grievance Register by HR, Suggestion box, ICC, Safety Committee |
| **Other than Permanent Workers** | HR function helps to resolve issues if any |
| **Permanent Employees** | Suggestion box, ICC, Grievance Register by HR, Intranet Portal<br>Head of each functions helps to resolve issues if any |
| **Other than Permanent Employees** | HR function helps to resolve issues if any |

**7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:**

| | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B/A) | Total employees / workers in respective category (C) | No. of Employees / workers in respective category, who are part of association(s) or Union (D) | % (D / C) |
| **Total Permanent Employees** | | | | | | |
| Male | 1,428 | 0 | 0 | 1,394 | 0 | 0 |
| Female | 111 | 0 | 0 | 109 | 0 | 0 |
| **Total Permanent Workers** | | | | | | |
| Male | 997 | 932 | 93.48 | 1,037 | 925 | 89.20 |
| Female | 70 | 2 | 2.86 | 59 | 2 | 3.39 |

**8. Details of training given to employees and workers:**

| Category | FY 2024-25 | | | | | FY 2023-24 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and safety measures | | On skill upgradation | | Total (D) | On Health and safety measures | | On skill upgradation | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | | Number ( E ) | % (E/D) | Number (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| Male | 1,569 | 1,569 | 100 | 1,569 | 100 | 1,478 | 1,478 | 100 | 1,478 | 100 |
| Female | 123 | 123 | 100 | 123 | 100 | 116 | 116 | 100 | 116 | 100 |
| **Total** | **1,692** | **1,692** | **100** | **1,692** | **100** | **1,594** | **1,594** | **100** | **1,594** | **100** |
| **Workers** | | | | | | | | | | |
| Male | 1,176 | 1,176 | 100 | 1,176 | 100 | 1,101 | 1,101 | 100 | 1,101 | 100 |
| Female | 111 | 111 | 100 | 111 | 100 | 88 | 88 | 100 | 88 | 100 |
| **Total** | **1,287** | **1,287** | **100** | **1,287** | **100** | **1,189** | **1,189** | **100** | **1,189** | **100** |

**9. Details of performance and career development reviews of employees and worker:**

| Category | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B / A) | Total (C) | No. (D) | % (D / C) |
| **Employees** | | | | | | |
| Male | 1,569 | 1,569 | 100 | 1,478 | 1,478 | 100 |
| Female | 123 | 123 | 100 | 116 | 116 | 100 |
| **Total** | **1,692** | **1,692** | **100** | **1,594** | **1,594** | **100** |
| **Workers** | | | | | | |
| Male | 1,176 | 1,176 | 100 | 1,101 | 1,101 | 100 |
| Female | 111 | 111 | 100 | 88 | 88 | 100 |
| **Total** | **1,287** | **1,287** | **100** | **1,189** | **1,189** | **100** |

**10. Health and safety management system:**

**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?**

Yes. All our manufacturing plants are ISO 45001:2018 certified (Occupational Health and Safety Management System Standard). Our continuous efforts focus on ensuring a safe working environment for all employees and workers. This is achieved through regular audits aimed at identifying and monitoring health & safety-related incidents. We conduct fire drills and mock drills to analyse the effectiveness of internal systems. Employees and workers are sensitised about the precautionary measures on a regular basis through safety trainings.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

We have adopted a systematic Hazard Identification and Risk Assessment (HIRA) approach to regularly identify work-related hazards. Trained professionals conduct regular audits for identifying the potential work-related hazards across operating locations. We identify and implement safety controls for the safe execution of business operations. We have a well-defined work permit system to identify potential hazards on a non-routine basis. Employees and workers are encouraged to report the near miss cases through safety committees and other channels. The safety team analyses the grievance of the employees and takes necessary corrective actions for ensuring the safe working environment.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes. as a part of ISO 45001:2018 Management System certification, we have established procedures and Emergency Evacuation Plan to report the work-related hazards and to remove themselves from risks. We have also implemented 'Safety Yellow Tag System' by which worker can raise the issue using yellow tags available in the shop floor. There is a Safety committee as well through which workmen can report hazards to the management. All workmen are instructed to not to take any risk and are authorised to stop the work if there is any immediate risk to health and safety. Regular review of HIRA is adopted.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, we facilitate the accessibility of non-occupational health services to our workers through medical camps, vaccination drives and medical health check-ups. Our employees can avail financial assistance through medical claims. We also have voluntary health promotion services like health awareness webinars on 'Child Health Programs', 'Healthy Heart Program', etc. We also have an Occupational Health Centre at our manufacturing plants, where nurses with qualified doctor are available where workmen can avail non-occupational medical service.

**11. Details of safety related incidents, in the following format:**

| Safety Incident/Number | Category* | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) | Employees | 0 | 0 |
| (per one million-person hours worked) | Workers | 0 | 0.36 |
| Total recordable work-related injuries | Employees | 0 | 0 |
| | Workers | 0 | 3 |
| No. of fatalities | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| High consequence work-related injury or ill health (excluding fatalities) | Employees | 0 | 0 |
| | Workers | 0 | 0 |

**Including in the contract workforce*

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

We have taken a myriad of initiatives where safety is not just a compliance, it is shared commitment and responsibility for ensuring a safe and healthy workplace. Some of the initiatives are listed below -

1. Compliance to OH&S Management System as per ISO 45001:2018 certification
2. DDS+ Safety perception survey for employees to improve workplace safety
3. Monthly meetings of Safety committee
4. Annual internal safety audits through trained cross-plant safety officers
5. External safety audit from a competent person once in two years
6. Safety yellow tag system for workmen to raise their voices about safety
7. Safety incident tracking system including safety opportunities reporting
8. Safety steward (we call it Suraksha Mitra) concept
9. Hazard identification through the senior management's monthly safety inspection system
10. Change control system to address EHS related issues before implementing the change in process / facility/ machinery
11. Digital system for Monitoring of plant safety performance
12. Theme-based safety drives
13. Safety competitions to increase safety awareness
14. Reward and recognition for Safety related initiatives and achievements
15. Fire drills
16. Periodic safety training

**13. Number of Complaints on the following made by employees and workers:**

| | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 45 | 00 | NA | 40 | 08 | NA |
| Health & Safety | 21 | 00 | NA | 12 | 00 | NA |

**14. Assessments for the year:**

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | 100 |
| Working Conditions | |

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Few of the actions initiated to address safety related concerns are as below -

- Foam flooding system installed at Kirloskarvadi for flammable materials
- Fall arrestor system at Kirloskarvadi plant
- Trainings given to employees and workers on health and safety practices
- Access control system provided at restricted area
- Survey of all fix ladders and action planning for fix life line or modification.
- Various safety related Kaizen implemented at shopfloor
- Based on survey fire proof cans provided at locations where flammable materials are handled.

## LEADERSHIP INDICATORS

**1. Does the entity extend any life insurance or any compensatory package in the event of the death of (A) Employees (B) Workers(Y/N)**

Yes, we extend life insurance coverage for all our employees and permanent workers. In addition to this, Parivar Suraksha Yojana and Benevolent Fund Scheme are also available for our employees and permanent workers.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

We expect our value chain partners to uphold highest standards of business responsibility principles. We conduct periodic audits of key suppliers ensuring the compliance with statutory regulations including applicable statutory deductions like Provident fund and Employees' State Insurance Corporation (ESIC). The same is also ensured during the selection of new suppliers. We have also initiated ESG assessment of our value chain partners to assess and promote ESG compliance and initiatives in specific areas.

**3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

| | Total no. of affected employees/ workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|---|---|---|---|---|
| | FY 2024-25 | FY 2023-24 | FY 2024-25 | FY 2023-24 |
| Employees | 0 | 0 | 0 | 0 |
| Workers | 0 | 0 | 0 | 0 |

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?**

Yes, we continually invest in human capital development which includes skill enhancement that is contemporary while providing employees with a diverse and enriching experience for mutual growth. This enhances the employability of workforce and enables a smooth transition for exploring alternate employment opportunities. In addition, we provide pension benefits and post-retirement medical benefits for qualified staff. Workers are provided with pension benefits as covered under the relevant statute.

**5. Details on assessment of value chain partners:**

We conduct periodic assessments of our value chain partners during which we ensure that they comply with requirements related to Occupational Health & Safety practices and working conditions.

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Health and safety practices | 62.93 |
| Working Conditions | |

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners**

The results of our supplier and dealer assessments have indicated a satisfactory level of compliance with regards to Occupational Health and Safety practices and working conditions. We maintain a zero-tolerance whenever significant deviations are observed from our established standards.

## PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

### ESSENTIAL INDICATORS

**1. Describe the processes for identifying key stakeholder groups of the entity.**

We consider all our stakeholders, either with major or minor impact on our business, important for our sustainable growth. However, we follow our own excellence model that guides us to focus more upon following five stakeholder groups –

1) Customers – To build long-term relationship for continual growth in business
2) Employees – To attract and develop strong people asset for better results and contribution
3) Business and Governing Stakeholders – Ensure continuous support
4) Partners and Suppliers – Build relationship for mutual growth
5) Society – To contribute towards well-being of the society

We actively engage with all our stakeholders and collect their need, expectations, and feedback at appropriate stage to develop our strategy.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

| Arranger as Shareholders Customers Dealers Suppliers Employees, Communities Financial INS Govt. Bodies | Whether identified as Vulnerable & Marginalised Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement Annually/ Half yearly/ Quarterly / others – please specify) | Purpose & scope of engagement including key topics & concerns raised during such engagement |
|---|---|---|---|---|
| Shareholders/ Investors | No | Meetings, analyst/ earnings calls, emails, telecommunication, post/ courier, website of Company, Stock Exchanges, RTA, Newspaper publication | Regular / Ongoing | 1) Periodic information sharing about operations & performance of the Company<br>2) Updates on Company Policies/Codes, payment of dividend & claiming of unpaid/unclaimed dividend, statutory filings & correspondence |
| Customers | No | Customer perception Survey, Business Meetings, Email communications, Training Programs, Webinars, Advertisement | Regular / Ongoing | 1) To collect customer feedback on our products and services<br>2) To market features of our products and update about new products<br>3) Impart training on safe & responsible usage of our products |

| Arranger as Shareholders Customers Dealers Suppliers Employees, Communities Financial INS Govt. Bodies | Whether identified as Vulnerable & Marginalised Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement Annually/ Half yearly/ Quarterly / others – please specify) | Purpose & scope of engagement including key topics & concerns raised during such engagement |
|---|---|---|---|---|
| Suppliers | No | Supplier meets, Business Meetings, Email communications, Training Programs, Webinars, Supplier Quality Improvement Program | Regular / Ongoing | 1) To collect their need and expectations<br>2) To update about our strategies, business plans, new product development & ESG initiatives<br>3) To resolve their concerns related to business and payment if any<br>4) Assess their processes through supplier quality improvement program |
| Dealers and retailers | No | Dealer Meets, Email communications, Leaflets, Presentations, Online & physical meetings, Training programs, Conferences, Dealer portal, KBL website etc. | Regular / Ongoing | 1) To collect their need and expectations<br>2) To update about our strategies, business plans, new product development & ESG initiatives<br>3) To resolve their concerns related to business and payment if any |
| Employees and Workers | No | Employee Engagement Survey, Performance Management reviews, Monthly Reviews, E-mail communications, Mahasabha, Speak-out sessions, Newsletter, website, Tele communication & SMS, various training/awareness programs etc. | Regular / Ongoing | 1) To collect their feedback on growth, work-life balance, and other facilities<br>2) To update about our annual and long-range business plans<br>3) To review the performance on monthly basis<br>4) Collect training needs and impart trainings |
| Financial Institutions | No | Meetings (Virtual/personal), E-mail communications, Newsletter, website, Tele-communication & SMS | Regular / Ongoing | 1) To understand their need & expectations<br>2) To resolve their concerns related to business and payment if any<br>3) To seek continuity in their financial support |

| Arranger as Shareholders Customers Dealers Suppliers Employees, Communities Financial INS Govt. Bodies | Whether identified as Vulnerable & Marginalised Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement Annually/ Half yearly/ Quarterly / others – please specify) | Purpose & scope of engagement including key topics & concerns raised during such engagement |
|---|---|---|---|---|
| Communities | No | Focused Group Interactions, Impact Surveys, Grievance Redressal channels, NGO partners | Need-based | 1) To gather needs and expectations of various components of society<br>2) Contribute in well-being through CSR activities |
| Business and Government Bodies | No | Annual Reports, Compliance Reports, Meetings and discussions by regulatory bodies | Regular, Ongoing | 1) To understand their need & expectations<br>2) To resolve their concerns if any<br>3) To ensure compliance to regulatory requirements |

## LEADERSHIP INDICATORS

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board**

   We have formed a corporate level Sustainability Committee under the authority of our CMD consists of non-board members with the Chairmanship of Associate Vice President and Head – Corporate Quality Assurance with facilitation provided by Assistant General Manager and Head- Corporate Sustainability and Excellence. We have also formed plant level sustainability committees that in turn reports to the corporate sustainability committee. The corporate sustainability committee reports progress of ESG initiatives along with other updates to the Board twice a year.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, we consult our stakeholders once in every three years for identification of impact of material issues on our business. We work collaboratively with all stakeholder groups for the management of identified issues thereby utilising opportunities and mitigating the risks related to environment, social and governance aspects. We also deliberate each material issue based on its impact and identify goals to reduce its impact.

   For more details, refer to Section A (General Disclosures) and Materiality section on Page 24.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

   We take special efforts to help and uplift the underserved and underprivileged groups of society. We work for benefits of women, differently abled, vulnerable, disadvantaged, and marginalised groups and take extra efforts to address their concerns and grievances. Our CSR activities are focused in the areas of education, health and hygiene, environment, disaster management and rural development for above groups.

   During the reporting period, no critical issues were reported by vulnerable / marginalised stakeholder groups.

## PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

### ESSENTIAL INDICATORS

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

| Category | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees / workers covered (B) | % (B/A) | Total (C) | No. of employees /workers covered (D) | % (D/C) |
| **Employees** | | | | | | |
| Permanent | 1,539 | 1,539 | 100 | 1,503 | 1,503 | 100 |
| Other than permanent | 153 | 153 | 100 | 91 | 91 | 100 |
| **Total Employees** | **1,692** | **1,692** | **100** | **1,594** | **1,594** | **100** |
| **Workers** | | | | | | |
| Permanent | 1,067 | 1,067 | 100 | 1,096 | 1,096 | 100 |
| Other than permanent | 220 | 220 | 100 | 93 | 93 | 100 |
| **Total Workers** | **1,287** | **1,287** | **100** | **1,189** | **1,189** | **100** |

2. **Details of minimum wages paid to employees and workers, in the following format:**

| Category | FY 2024-25 | | | | | FY 2023-24 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum wage | | More than Minimum wage | | Total (D) | Equal to minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 1,428 | 0 | 0 | 1,428 | 100 | 1,394 | NA | NA | 1,394 | 100 |
| Female | 111 | 0 | 0 | 111 | 100 | 109 | NA | NA | 109 | 100 |
| **Other than Permanent** | | | | | | | | | | |
| Male | 141 | 0 | 0 | 141 | 100 | 84 | NA | NA | 84 | 100 |
| Female | 12 | 0 | 0 | 12 | 100 | 7 | NA | NA | 7 | 100 |
| **Workers** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 997 | 0 | 0 | 997 | 100 | 1,037 | NA | NA | 1,037 | 100 |
| Female | 70 | 0 | 0 | 70 | 100 | 59 | NA | NA | 59 | 100 |
| **Other than Permanent** | | | | | | | | | | |
| Male | 179 | 0 | 0 | 179 | 100 | 64 | NA | NA | 64 | 100 |
| Female | 41 | 0 | 0 | 41 | 100 | 29 | NA | NA | 29 | 100 |

3. **Details of remuneration/salary/wages, in the following format:**

   a. **Median remuneration/wages:**

| | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD)* | 7 | ₹ 3.58 mn | 3 | ₹ 3.58 mn |
| Key Managerial Personnel (Excluding CMD) | 1 | ₹ 6.08 mn | - | NA |
| Employees other than BoD and KMP | 1,567 | ₹ 1.04 mn | 122 | ₹ 0.85 mn |
| Workers | 1,176 | ₹ 0.90 mn | 111 | ₹ 0.29 mn |

   b. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Gross wages paid to females as % of total wages | 5.36 | 4.96 |

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   Yes, HR Head through the functional heads of the departments / unit heads of the Company is responsible for addressing human right related issues.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   - We have a robust grievance mechanism that helps us to have a stronger and stable workforce. It helps to resolve all concerns and facilitate in communicating people suggestions to the management through different channels.
   - Speak out session are organised giving opportunity to our employees to raise their grievances.
   - Our Whistle Blower Policy help employees to report to the management, instances of any unethical behaviour, actual or suspected fraud or violation of the company's code of conduct.
   - KBL has a Human Rights Policy that emphasises respect for human rights and prohibits child labor, forced labor, and workplace discrimination. This policy is communicated to all employees and is available internally
   - Buddy system helps new employees to learn their jobs and roles in a better way and to make them understand various processes and systems of the organisation.
   - Different committees are formed like safety, canteen, IR, PF, and joint council committee to resolve grievances and also to improve the process.

6. **Number of Complaints on the following made by employees and workers:**

| | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | 0 | 0 | NA | 0 | 0 | NA |
| Discrimination at workplace | 0 | 0 | NA | 0 | 0 | NA |
| Child Labour | 0 | 0 | NA | 0 | 0 | NA |
| Forced Labour/Involuntary Labour | 0 | 0 | NA | 0 | 0 | NA |
| Wages | 0 | 0 | NA | 0 | 0 | NA |
| Other human rights related issues | 0 | 0 | NA | 0 | 0 | NA |

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, in the following format**

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Total Complaints reported under Sexual Harassment of Women at Workplace (prevention, prohibition and Redressal) Act, 2013 (POSH) | 0 | 0 |
| Complaints on POSH as a % of female employees/workers | 0 | 0 |
| Complaints on POSH upheld | 0 | 0 |

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   As part of Whistle-blower Policy and POSH Policy, we protect the identity of the complainant. All such matters are dealt in strict confidence. Also, as part of our Code of Ethics, we do not tolerate any form of retaliation against anyone reporting legitimate concerns. Any efforts of targeting such individuals are strictly dealt with disciplinary action.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

   Yes, we expect our business partners to comply all applicable laws and regulations including human right requirements. For example, pertinent clause in Purchase order - The Supplier shall comply with all statutory and regulatory provisions as are applicable to its establishment, including but not limited to the Factories Act, 1948, the Child Labour (Prohibition and Regulation) Act, 1986 and the applicable Human Right requirements as spelt in KBL Human Right Policy uploaded at https://www.kirloskarpumps.com/investors/policies

**10. Assessments for the year:**

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Child labour | 100 |
| Forced/involuntary labour | 100 |
| Sexual harassment | 100 |
| Discrimination at workplace | 100 |
| Wages | 100 |
| Others – please specify | NA |

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

Not Applicable, as no significant risks/concerns were identified as a part of the assessments undertaken.

## LEADERSHIP INDICATORS

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

We extend our commitment to responsible business practices by integrating fair working conditions and good environmental practices throughout the value chain. We strive to find business partners that share our values concerning human rights, labour standards and health and safety. Labour practices assessment is part of our new evaluation system for suppliers. Suppliers, who fail to comply with labour practices requirement are asked to implement the same.

Our Human Right policy is also extended to our value chain and we ensure compliance by our partners through ESG assessment.

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

The scope and coverage of human rights due diligence is detailed across the indicators of Principle 3 and Principle 5.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, at every premise / office, we have provided facilities at entry & exit points, washrooms, workstations, canteen, and vehicle parking spaces near the entry gate for differently abled visitors.

**4. Details on assessment of value chain partners:**

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Sexual Harassment | 62.93 |
| Discrimination at workplace | |
| Child Labour | |
| Forced Labour/Involuntary Labour | |
| Wages | |
| Others – Statutory Deduc-tions like PF & ESIC | |

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

As per our supplier assessment process, no major non-compliance observed in terms of Occupational Health and Safety practices and working conditions. We do not engage with suppliers if we observe major deviation with respect to above.

## PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

### ESSENTIAL INDICATORS

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| **From renewable sources** | | |
| Total electricity consumption (A) GJ | 24,622.42 | 28,849.87 |
| Total fuel consumption (B) GJ | - | - |
| Energy consumption through other sources (C) GJ | - | - |
| **Total energy consumption renewable sources (A+B+C) GJ** | 24,622.42 | 28,849.87 |
| **From non- renewable sources** | | |
| Total electricity consumption (D) GJ | 1,41,338.80 | 116,795.40 |
| Total fuel consumption (E) GJ | 26,551.42 | 40,798.37 |
| Energy consumption through other sources (F) GJ | - | - |
| **Total energy consumed from non-renewable sources (D+E+F) (GJ)** | 1,67,890.22 | 157,593.77 |
| **Total energy consumed (GJ) (A+B+C+D+E+F)** | 1,92,512.63 | 186,443.64 |
| Energy Intensity in GJ/₹ of turnover | 0.000006635 | 0.0000068542 |
| Energy intensity in GJ per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumption/ Revenue from operations adjusted for PPP) | 0.0000016209 | 0.0000018881 |
| **Energy intensity in GJ per unit of product sold** | 0.14 | 0.15 |
| Energy intensity- optional – the relevant metric may be selected by the entity | Not Applicable | Not Applicable |

*Note: : Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

*Yes, independent Sustainability Assessment and Assurance has been carried out by M/s. SGS India Pvt Ltd., Pune*

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No

**3. Provide details of the following disclosures related to water, in the following format:**

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| **Water withdrawal by source (in Kilolitres)** | | |
| (i) Surface water (open well + river water) | 2,16,899 | 312,819 |
| (ii) Groundwater (bore well) | 36,272 | 37,453 |
| (iii) Third party water (tanker + bottles) | 1,071 | 1,177 |
| (iv) Seawater / desalinated water | NA | NA |
| (v) Others | NA | NA |
| **Total volume of water withdrawal (in Kilolitres) (i + ii + iii + iv + v)** | 2,54,242 | 351,449 |
| **Total volume of water consumption (in Kilolitres)** | 2,54,242 | 351,449 |
| **Water intensity in Kilolitres per rupee of turnover in kl / ₹ of turnover** (Water consumed / turnover) | 0.000008762 | 0.0000129203 |
| **Water intensity in Kilolitres per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total water consumption/ Revenue from operations adjusted for PPP) | 0.00000214 | 0.0000035590 |
| **Water intensity in Kilolitres per unit of product sold** | 0.19 | 0.28 |
| **Water intensity**- optional – the relevant metric may be selected by the entity | Not Applicable | Not Applicable |

*Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

*Yes, independent Sustainability Assessment and Assurance has been carried out by M/s. SGS India Pvt Ltd., Pune*

**4. Provide the following details related to water discharged:**

Our Corporate Office and manufacturing plants have Effluent and/or Sewage treatment plants and water treated in these treatment plants is reused for domestic / industrial purpose.

**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Our Corporate Office and manufacturing plants have facilities to treat wastewater and/or effluent generated during operations through sewage / effluent treatment plants (STP/ETP) and then reused for domestic/industrial purposes.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

| Parameter | Please specify unit | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| NOx | MT/ Year | 1.80 | 1.47 |
| SOx | MT/ Year | 0.72 | 1.04 |
| Particulate Matter (PM) | MT/ Year | 37.50 | 25.11 |
| Persistent organic pollutants (POP) | - | NA | NA |
| Volatile organic compounds (VOC) | MT/ Year | 5.57 | 2.24 |
| Others- Please specify | - | - | - |

*Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. –*

*Yes, independent Sustainability Assessment and Assurance has been carried out by M/s. SGS India Pvt Ltd., Pune*

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

| Parameter | Unit | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| **Total Scope 1 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 2,630.14 | 4,044.89 |
| **Total Scope 2 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 28,542.59 | 22,685.63 |
| **Total Scope 1 and Scope 2 emissions per rupee of turnover in MT / ₹ of turnover** (Total Scope 1 & Scope 2 GHG emissions/ Revenue from operations) | Metric tonnes of CO2 equivalent per ₹ Sale | 0.000001074 | 0.0000009827 |
| **Total scope 1 & 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total Scope 1 & Scope 2 GHG emissions/ Revenue from operations adjusted for PPP) | Metric tonnes of CO2 equivalent per ₹ turnover | 0.0000002624 | 0.0000002707 |
| **Total Scope 1 and Scope 2 emission intensity in terms of physical output** (MT per unit of product sold) | Metric tonnes of CO2 equivalent per product | 0.02 | 0.02 |
| **Total Scope 1 and Scope 2 emission intensity**- optional – the relevant metric may be selected by the entity | Not Applicable | | |

*Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. –*

*Yes, independent Sustainability Assessment and Assurance has been carried out by M/s. SGS India Pvt Ltd., Pune*

**8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Yes, we are working on multiple fronts that shall help us in reducing GHG emission, few of those are listed below -

- GHG scope 1, 2 & 3 emission inventorisation has been completed for all our plants and office locations. KBL has developed and implemented a Climate Change Policy that outlines our commitment to reducing GHG emissions and mitigating climate change. This policy is in line with global frameworks like the Paris Agreement and national/regional regulations regarding climate action.
- 35% reduction in Scope 1 emissions by stopping cupola furnace to induction furnace for foundry operation
- 70% of KBL's electricity consumption is catered through renewable energy sources (Solar and Wind Power)We have installed High-Pressure Molding Line (HPML) for our Cast Iron foundry at Dewas that has resulted in reduction of foundry related emissions
- We have installed induction furnaces at our Kirloskarvadi plant, which has reduced emissions as compared to earlier Cupola furnaces that were using fossil fuel.

- Our Corporate Office is a Platinum rated LEED Certified Green Building which helps us to achieve reduced water consumption, optimised energy efficiency, conservation of natural resources, waste management and providing healthier space for occupants, as compared to a conventional building space
- We have achieved CII GreenCo certification for our four manufacturing plants. This will help us to further drive GHG emission reduction initiatives across products and processes
- Products like the DBxe pump LLC™ series pumps, 4" Oil and Water Filled Submersible Pumpsets and 0.5HP and 1.0 HP Mini Pump Series are GreenPro certified by CII are GreenPro certified
- We have taken various initiatives related to energy saving, green procurement, VA/VE, developing energy efficient and low lifecycle products, etc as part of our ESG initiatives and commitments
- Energy Conservation (ENCON) assessment is conducted through independent assessors across our group companies to promote reduction in specific energy consumption and analyse the opportunities for improvement wherever applicable concept
- Adoption of Miyawaki afforestation in Dewas plant and plantation initiatives in other plants act as carbon sinks and also fosters biodiversity
- KBL has adopted zero-waste practices in its facilities and works towards reducing the amount of waste sent to landfills. This includes improving recycling rates and reducing Scope 3 emissions from waste disposal. Our two plants are certified with Zero Waste to Landfill certification.
- In addition, the company use water-efficient technologies to reduce the energy required for water pumping, thus indirectly lowering emissions associated with water usage

**9. Provide details related to waste management by the entity, in the following format:**

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| **Total Waste generated (in MT)** | | |
| Plastic waste (A) | 18.80 | 12.90 |
| E-waste (B) | 3.85 | 2.59 |
| Bio-medical waste (C) | 0.01 | 0.02 |
| Construction and demolition waste (D) | NA | NA |
| Battery waste (E) | 6.07 | 9.15 |
| Radioactive waste (F) | * | * |
| Other Hazardous waste. Please specify, if any. (G) – Paint sludge, used oil, ETP sludge | 186.58 | 155.85 |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) – Food waste, metal scrap, wooden scrap, burnt sand, corrugated sheets | 47,807.67 | 37,809.57 |
| **Total (A+B + C + D + E + F + G + H)** | **48,022.98** | **37,990.09** |
| **Waste intensity per rupee of turnover in MT / ₹ of turnover** (Total waste generated/Revenue from operations) | 0.000001655 | 0.000001397 |
| **Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total Waste generated / Revenue from operations adjusted for PPP) | 0.0000004043 | 0.0000003848 |
| **Waste intensity per unit of product sold** | 0.0352 | 0.031 |
| **Waste intensity**- optional – the relevant metric may be selected by the entity | Not Applicable | Not Applicable |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in MT) | | |
| Category of waste in MT | | |
| (i) Recycled | 3,984.04 | 3,387.24 |
| (ii) Re-used | 6,607.55 | 9,541.99 |
| (iii) Other recovery operations (Co-processing) | 57.73 | 39.72 |
| **Total** | **10,649.32** | **12,968.95** |
| For each category of waste generated, total waste disposed by nature of disposal method (in MT) | | |
| Category of waste in MT | | |
| (i) Incineration | 38.76 | 46.79 |
| (ii) Landfilling | 11,211.17 | 6,963.48 |
| (iii) Other disposal operations | 26,123.72 | 18,011.23 |
| **Total** | **37,373.65** | **25,021.50** |

**We manage radioactive wastes in line with AERB (Atomic Energy Regulatory Board) rules and dispose it back to original suppliers. The weight of radioactive wastes generated in current year is negligible (50 gm approx.)*

*Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

*Yes, independent Sustainability Assessment and Assurance has been carried out by M/s. SGS India Pvt Ltd., Pune*

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

- We have implemented specific initiatives to promote the principles of the 3R's (Reduce, Reuse, Recycle) for effective waste management. Hazardous waste is regularly disposed of through agencies authorised by the State Pollution Control Board. Our waste generation is well within the limits prescribed under the consent of the State Pollution Control Board (SPCB) or the Central Pollution Control Board (CPCB).

- All our manufacturing plants hold ISO 14001:2015 (Environmental Management System) Standard certification. We have established dedicated procedures that align with ISO requirements and statutory obligations. These systems and processes are designed to minimise hazardous waste generation, and they undergo internal audits twice a year and annual external audit through an authorised agency. By maintaining a sound waste management system, we go beyond mere compliance with state regulations.

- Our waste management approach involves comprehensive monitoring of hazardous and non-hazardous waste generation streams at each plant. Waste is segregated and stored separately in designated waste management sheds. Disposal of waste follows the prescribed conditions set by the State Pollution Control Board. Moreover, organic waste generated in our kitchens are utilised to derive energy.

- We are also in the process of assessing our waste management practices to explore further scope of improvement and as a next step towards achieving Zero Waste to Landfill certification for our plants.

- Dewas plant achieved "Approaching to Zero Waste to Landfill" certification and Sanand plant achieved "Aspiring to Zero Waste to Landfill" certification

Process for Waste management -

(a) Plastics (including packaging) – Procedure in place at all the manufacturing locations as per ISO 14001:2015 certification

(b) E-waste – Corporate guidelines are available for safe disposal of e-waste

(c) Hazardous waste – Procedure in place at all the manufacturing locations as per ISO 14001:2015 certification

(d) Other waste (Metal Waste) – Procedure in place at all the manufacturing locations as per ISO 14001:2015 certification for Metal waste. Most of the metal scrap is recycled in our foundry units

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

Not Applicable

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

This is not applicable for us as none of our plants are located in ecologically sensitives areas.

**13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes, we are complying with all the applicable laws.

## LEADERSHIP INDICATORS

1. **Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):**

   For each facility/plant located in areas of water stress, provide the following information:

   I. Name of the area

   II. Nature of operations

   III. Water withdrawal, consumption and discharge in the following format:

   Not Applicable as we do not have operations in water stress areas.

   *Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

2. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

| Parameter | Unit | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| **Total Scope 3 emissions** (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | Metric Tonnes of $CO_2$ equivalent | 2,08,010.63 | 177,765.70 |
| **Total Scope 3 emissions per rupee of turnover** | Tonnes of $CO_2$ equivalent / ₹ of turnover | 0.00000717 | 0.00000653 |

*Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

- All applicable categories of scope 3 emissions are considered, except category 11, whereas for category 15, investment only in India has been considered.

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

   Not Applicable

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

| Sr. No | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|---|---|---|
| 1 | CII GreenPro Eco Label certification for our pumps and castings | We have conducted Life Cycle Analysis for our 4" Oil and Water Filled Submersible Pumpsets, 0.5 HP and 1.0 HP Mini Pump Series, Cast Iron foundry castings, Alloy Cast Steel Foundry castings, DBxe End Suction Pumps and LLC™ Horizontal Axially Split Case pumps. Various features in our products and processes like use of renewable energy, high efficiency, low maintenance, less reduction in efficiency due to wear & tear in operations has resulted in achieving GreenPro Eco Label Certification from CII for our castings from two foundries and four products as above. http://ciigreenpro.com/ecolabelled-products/categories | GreenPro Eco Label Certification from CII demonstrating our leadership in Product Stewardship and Innovation |
| 2 | High efficiency motor - IE4/ IE5 motors for Monoblock pumps | Energy efficient motor driven monoblock pump. Refer our website for more details at below link - https://www.kirloskarpumps.com/kirloskar-pumps/products/product_type/Monobloc-Pumps/ | Reduced carbon footprints / Energy saving due to higher efficiency |
| 3 | Development of FGD pumps | These pumps are used for flue-gas desulphurisation application in thermal power plants. | Used in power plants to minimise sulphur content in flue gas |
| 4 | Solar pumping system | Pump-set driven by solar energy https://www.kirloskarpumps.com/kirloskar-pumps/product/SOLAR+PUMPING+SYSTEM/ | Zero carbon emission during operation phase |

| Sr. No | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|---|---|---|
| 5 | Micro hydro power generator - PAT/PICO | KBL's Pump as Turbine (PAT) is a unique pumping solution that can be operated in reverse as a turbine for generating micro hydroelectricity (up to 100 kW)<br>PICO pump, like PAT, is designed for meeting energy requirements in industries<br>https://www.kirloskarpumps.com/product/Micro+Hydro+Power+Generator+-+PICO/<br>https://www.kirloskarpumps.com/product/Pump+As+Turbine/ | Generation of clean hydroelectric power |
| 6 | Submersible pumps for desalination industry - CW | Pumping water at high pressure across the membrane<br>https://www.kirloskarpumps.com/kirloskar-pumps/wp-content/uploads/2020/07/KVM-Leaflet.pdf | Import substitution reducing transportation and cost |
| 7 | Products for nuclear industry | We are leading manufacturer of pumping solutions for various critical applications in the nuclear industry | Import substitution reducing transportation and cost |
| 8 | Fire-fighting pumps with FM/UL approval | FM/UL approvals to meet quality norms of The National Fire Protection Association (NFPA)<br>https://www.kirloskarpumps.com/product/FM-approved+and+UL-listed+Fire+Fighting+Pump/ | International approvals have greater reliability when preventing property damage in case of fire |
| 9 | Induction Furnace for CI Foundry | We have replaced our cupola furnaces with induction furnaces, which shall now avoid the use of high GHG emission fossil fuel like coke | Reduction is emission |
| 10 | BEE star rating certification for borewell submersible pumps | Energy efficient borewell submersible pumps meeting BIS specifications and star rating from Bureau of Energy Efficiency<br>https://www.kirloskarpumps.com/kirloskar-pumps/products/market/Submersible-Pumps/ | Energy saving/lower life cycle cost |
| 11 | Development of high-efficient DBxe end suction pump series | Developed Energy efficient end suction DBxe pumps with MEI Norms<br>https://www.kirloskarpumps.com/product/End+Suction+Pump+-+DBxe/ | Energy saving/lower life cycle cost |
| 12 | HPML Technology for Cast Iron foundry at Dewas | We have installed High Pressure Molding Line (HPML) technology for Cast Iron foundry at our Dewas plant. This is expected to improve the accuracy and productivity of castings. This shall also result in around 15% reduction in Specific Energy consumption and 3% reduction in rejection of castings. | Reduction in carbon emission |
| 13 | High efficiency product for process application | Energy efficient End Suction Process Pumps – KPD Series<br>https://www.kirloskarpumps.com/product/End+Suction+Process+Pump+-+KPD/ | Energy saving |

**5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Post-pandemic, we have thoroughly revamped our business continuity plan keeping in mind the uncertainties. We augmented and channelised our HR capabilities to manage & mitigate the impact post the pandemic resulting in proactive actions, long-term planning, supporting employees for hybrid working model, making employee communication as a key for our business. We have ensured all necessary structural changes required to align roles as per people capabilities must be in place for dealing with future uncertainties as a part of new-normal. We utilised People Direct - Learning Management System (LMS) to allow our employees to upgrade and enhance their skills. Our commitment to society is well established and we are frontrunners in responding to the need of communities where we do our business. We are proud that our employees adopted to new normal very quickly and ensured business continuity with great agility and resilience. We are hopeful that with the help of science, discipline, and self-restraint of our employees, we would be able to hold ourselves resiliently against the new unforeseen uncertainties.

We also have a robust "Emergency Preparedness and Response Plan" in place for our manufacturing plants which include procedures for critical locations / sections of the plant covering aspects like possible emergency scenarios such as fire hazards, accident cases, emission of toxic gases, oil spillage, water & land pollution, etc. The plan also lays out preventive measures, response action plans and mock drills to deal with such situations.

Apart from this, we have an "Onsite Emergency Plan" for our project sites. It lays down the Code of Conduct for all personnel in the event of emergency like fire, explosion, and natural calamity. The objective of this plan is to safeguard the life of personnel working in project site and also ensures safety concerning our operational assets ensuring business continuity.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard**

We do not envisage any adverse impact from the activities of our value chain.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Key suppliers & dealers with 62.93 of business share have been assessed for environmental parameters.

## PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

**1. a. Number of affiliations with trade and industry chambers/ associations.**

There are 15 + number of affiliations with trade and industry chambers/ associations

**b.** List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|---|---|---|
| 1 | Hydraulic Institute (HI) | International |
| 2 | Confederation of Indian Industry (CII) | National |
| 3 | Federation of Indian Chambers of Commerce & Industry (FICCI) | National |
| 4 | Indian Pump Manufacturers Association (IPMA) | National |
| 5 | Indian Electrical and Electronics Manufacturers' Association (IEEMA) | National |
| 6 | Indian Foundry Association | National |
| 7 | Central Board of Irrigation and Power (CBIP) | National |
| 8 | Indian Electrical And Electronics Manufacturers' Association (IEEMA) | National |
| 9 | Mahratta Chamber of Commerce & Industries (MCCIA) | State |
| 10 | Indore Management Association | State |

**2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities**

| Name of authority | Brief of the case | Corrective action taken |
|---|---|---|
| None, as we did not receive any adverse orders from regulatory authorities related to anti-competitive conduct | | |

### LEADERSHIP INDICATORS

1. **Details of public policy positions advocated by the entity:**

| S. No. | Public policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify) | Web Link, if available |
|---|---|---|---|---|---|
| 1 | Standard formulations and Amendments in Indian Standards on centrifugal pumps | Updating/amending the standards based on advancement of technology such as energy efficiency through BIS Technical Committee | Yes, after the final draft is approved | - | - |
| 2 | Standards formulations, changes, guide-books | Through Hydraulic Institute (AN-SI/HI) committee meetings | Yes, once documents are published | - | www.pumps.org |
| 3 | Policy related pumps/ pumping systems/scheme | Through IPMA/BEE committee meetings and discussions | Yes, once policy is formulated it is made available in public domain | - | - |
| 4 | Use of Energy efficient products, like LLC™ IE3/IE4/IE5 products | CII conferences/BEE/ National conferences held by Educational Institutes/ Industrial forums | No | - | - |

## PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

### ESSENTIAL INDICATORS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes /No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| Not Applicable | | | | | |

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|---|---|---|---|---|---|---|
| Not Applicable | | | | | | |

3. **Describe the mechanisms to receive and redress grievances of the community.**

We have implemented a well-defined process to receive and address concerns and grievances from the community. At the site level, a committee is formed comprising members from different functions such as administration, security, HR, and other functions. This committee is responsible for receiving concerns, whether in written or verbal form, and diligently working towards their resolution. To ensure a thorough investigation and resolution, joint field visits are conducted, and the concerns are appropriately addressed in a timely manner. Throughout this process, the concerns are documented, recorded, and actively tracked to ensure closure and satisfactory resolution.

In addition, committee members as well as our senior leadership proactively engage with the community as a part of the development work. Throughout the year, a number of informal and formal sessions are conducted which help interactions with the community apart from program specific meetings to facilitate working together. There is a targeted approach for engaging with various sections viz. youth, women, and community leaders.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Directly sourced from MSMEs/ small producers (SME) | 36 | 43 |
| Directly from within India | 96 | 95 |

5. **Job creation in small towns- Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost**

| Location | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Rural | 0.09 | 0.03 |
| Semi-urban | 41.98 | 39.02 |
| Urban | 16.12 | 14.30 |
| Metropolitan | 41.81 | 46.65 |
| Place to be categorised as per RBI Classification System-rural/semi-urban/urban/ metropolitan) | | |

## LEADERSHIP INDICATORS

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

   Not Applicable

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

   We have not undertaken any projects in aspirational districts

| S. No. | State | Aspirational District | Amount spent (In INR) |
|---|---|---|---|
| Not Applicable | | | |

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)**

   Our sustainable sourcing policy encourage local sourcing of goods and services. However, we do not have any preferential procurement policy for purchasing from marginalised/vulnerable suppliers.

   (b) **From which marginalised /vulnerable groups do you procure?**

   Whenever feasible, we procure from socially disadvantaged sections of the society like Karnataka Khadi Gram Udyog, Khadi Gram-udyog Sahakari Bhandar

   (c) **What percentage of total procurement (by value) does it constitute?**

   < 0.01%

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

| S. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|---|---|---|---|---|
| Not Applicable | | | | |

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

| Name of authority | Brief of the Case | Corrective action taken |
|---|---|---|
| Not Applicable | | |

**6. Details of beneficiaries of CSR Projects:**

| S. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalised groups |
|---|---|---|---|
| 1. | Plumbr skill development through WMPSC | 1,500 Plumbers benefited | |
| 2. | Infrastructure and Medical Healthcare Support | Though not evaluated, number of people benefitted from each activity would vary from few hundreds to few thousands | Though not evaluated, % of beneficiaries from vulnerable and marginalised groups would vary for each activity from 20% to 100% |
| 3. | Project in the field of Healthcare and Education through Karve Institute of Social Services | | |
| 4. | Local CSR at plant location in the field of Healthcare, Education and Bio-diversity | | |
| 5. | Prevention of HIV transmission | | |

## PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

### ESSENTIAL INDICATORS

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback**

To enhance customer support, we have established a dedicated customer call centre and a user-friendly online portal. These platforms enable existing customers to conveniently log product and service-related complaints. Depending on the nature of each complaint, appropriate escalation procedures are in place, ensuring that all issues are addressed within specified timeframes. We also have a customer care toll-free number 1800 123 4443 to connect with our technical experts for hassle-free customer service and technical support. Apart from this, we have provided an email ID (kblcare@kbl.co.in) and WhatsApp number (+91 9922710710) to facilitate our customers for resolving service related concerns and feedback. These facilities are available 24*7.

Customers can also scan the QR code on their pumps & pump boxes and they can get all the technical details and specifications of the pump on their smartphone instantly.

**2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

| | As a percentage to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | 20.27 |
| Safe and responsible usage | 100 |
| Recycling and /or safe disposal | We have established separate procedure guiding our customers about end-of-life treatment for our products and same has been uploaded on our website |

**3. Number of consumer complaints in respect of the following:**

| | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at the end of year | Remarks | Received during the year | Pending resolution at the end of year | Remarks |
| Data privacy | 0 | 0 | NA | 0 | 0 | NA |
| Advertising | 0 | 0 | NA | 0 | 0 | NA |
| Cyber security | 0 | 0 | NA | 0 | 0 | NA |
| Delivery of essen-tial services | 0 | 0 | NA | 0 | 0 | NA |
| Restrictive trade practices | 0 | 0 | NA | 0 | 0 | NA |
| Unfair trade prac-tices | 0 | 0 | NA | 0 | 0 | NA |
| Others-Legal | 3 | 0 | All cases re-ported in FY are resolved | 1 | 0 | NA |

4. **Details of instances of product recalls on account of safety issues:**

| | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | 0 | NA |
| Forced recalls | 0 | NA |

5. **Does the entity have a framework /policy on cyber security and risks related to data privacy? (Yes/No) if available, provide a web-link to the policy.**

   Yes, we have internal guideline document on cyber security and data privacy and same has been uploaded on our Company's intranet for internal reference.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/ services.**

   None, as no such major issue has been observed by us.

7. **Provide the following information relating to data breaches**

   a. Number of instances of data breaches along – Nil

   b. Percentage of data breaches involving personally identifiable information of Customers- Nil

   c. Impact, if any, of the data breaches- Nil

**LEADERSHIP INDICATORS**

1. **Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Information related to all the products and services provided by us are available on our website, https://www.kirloskarpumps.com/. Technical and service-related information about the products is also available in hard print in the form of brochures, flyers, manuals etc.

   We actively use various social media and digital platforms to disseminate information about our products and services. We have introduced an effective and faster medium where customers / stakeholders can call our toll-free number 1800 123 4443 and connect with the experts for hassle-free customer service and technical support.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.**

   The Installation and Operation Manual (IOM) containing details of our products is provided to all customers during delivery of product. Also, customers are informed and educated on the safe and responsible usage of the products.

   We provide Augmented reality/Virtual reality trainings to educate our customer and stakeholders. We also conduct customer meets and exhibitions to inform and educate our customers about safe & responsible usage of our products.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Not applicable, as we are not in the business of providing essential services.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/no/not Applicable) If yes, provide details in brief. Did your entity carry out any survey about consumer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/ No)**

   Yes, we provide information relating to products over and above mandatory requirements wherever relevant for safe and responsible usage of our products.

   We regularly undertake Customer Perception Survey (CPS) to know customer satisfaction level with respect to our brand, manufacturing capabilities, products, and services. This survey is generally conducted biennial across all business verticals and prompt improvement measures are implemented against feedback received.

# BOARD'S REPORT

TO THE MEMBERS

Your Directors present the 105th Board Report and the Audited Financial Statements of the Company for the Financial Year ended March 31, 2025 together with the reports of the Auditors thereon.

## FINANCIAL RESULTS

The financial results of the Company for the Financial Year 2024-25 as compared with the previous Financial Year are as under:

(₹ Million)

| | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| Revenue from operations | **29,014** | 27,201 |
| Other income | **408** | 359 |
| Total | **29,422** | 27,560 |
| Profit before tax | **3,473** | 3,225 |
| Tax expense | **852** | 791 |
| Profit for the period | **2,621** | 2,434 |
| Other comprehensive income | **(41)** | (72) |
| Surplus in Profit & Loss Account brought forward from previous year | **8,157** | 6,152 |
| Dividend | **(476)** | (357) |
| Available surplus | **10,261** | 8,157 |

## DIVIDEND

The Board of Directors have recommended a Dividend of ₹ 7/- per equity share i.e. @ 350% of face value of ₹ 2/- each, for the Financial Year 2024-25 (₹ 6/- per equity share as Dividend for the Financial Year 2023-24) as per the Dividend Distribution Policy.

The total outflow towards dividend recommended for the Financial Year 2024-25 will be ₹ 555.86 Million as against ₹ 476.45 Million for the previous financial year.

Your Company has formulated a policy for Dividend Distribution which is disclosed on the website of the Company and can be accessed at https://www.kirloskarpumps.com/wp-content/uploads/2025/02/Dividend-Distribution-Policy.pdf

## OPERATIONS OF THE COMPANY

The revenue from operations for the year under review is ₹ 29,014 Million, which represents an increase of 6.7% as compared to the previous financial year.

The Financial Year 2024–25 was marked by steady economic recovery and renewed market confidence. Leveraging this positive momentum, the Company strengthened its operational efficiency and customer focus, enabling the delivery of superior products and services tailored to evolving market needs.

In FY 2024–25, Water Resource Management secured significant orders across Madhya Pradesh, Maharashtra, Uttarakhand, Uttar Pradesh, and Jammu & Kashmir, notably under the Jal Jeevan Mission (JJM) for multi-stage, split-case, and vertical turbine pumps. With IoT-based solutions gaining traction under Atal Mission for Rejuvenation and Urban Transformation (AMRUT 2.0) and JJM, the Company is poised to make IoT a project standard, while also exploring solar hybrid systems and energy-efficient pump replacements. The Irrigation segment recorded impressive wins from Narmada Valley Development Authority (NVDA) and the Uttar Pradesh Irrigation Department, with replacement sales contributing 23%. In Power, the Company reinforced its leadership with key orders in nuclear, thermal, and hydro projects, including India's first Pump-as-Turbine order. Thermal power saw strong inflows from supercritical projects in Chhattisgarh and Uttar Pradesh, along with flue gas desulphurisation pump supplies. The Valves business continued to earn large repeat orders in irrigation, backed by growing Maintenance, Repair and Operations (MRO) demand and export breakthroughs in the Middle East. Building & Construction achieved 23% sales growth through major supplies to projects like Worli redevelopment, Patna Metro Phase 1, and Pepsico Assam, supported by a strong industry presence and internal training initiatives. The Industry segment saw robust demand from Steel, Coal, Mining, and Chemicals, with Chemicals contributing 25% to segment sales. In Oil & Gas, the Company deepened its "Make in India" commitment with indigenised STPs for IOCL, HPCL, and BPCL, while Marine & Defence delivered fully localised pumps and firefighting systems under "Atmanirbhar Bharat." The Small Pump Business maintained steady year-on-year growth through product expansion, entry into new markets, network strengthening, and digital transformation, meeting rising demand for energy-efficient and eco-friendly solutions.

In FY 2024–25, the Company's R&D division sustained its focus on innovation and application-driven product development, introducing new multistage pumps for high-pressure boiler feed applications and slurry recirculation pumps for FGD plants. Key milestones included the development of canned motor pumps for defence, the launch of advanced IoT-based KirloSmart 2.0 and 2.1 systems, and material advancements for slurry and monobloc pumps. As part of the i-Mission project, user-driven enhancements led to prototypes for four product series, alongside design optimisations in sewage handling pumps. Addressing market needs, KBL launched India's first energy-efficient borewell submersible pump series and expanded its residential and agricultural product offerings.

In FY 2024–25, the Customer Service and Spares (CSS) function delivered strong results. The Small and Medium Pump Division (SMPD) achieved 13% sales growth through proactive services, energy audits, and a robust nationwide service network. The Engineered Service Division (ESD) for Large Pump Division (LPD) grew by 12%, driven by customer recovery from non-OEM providers, quick complaint resolution, and successful performance guarantee tests and energy audits, further strengthening the Company's service leadership.

The Company has further enhanced the capabilities of its channel partners to ensure faster product delivery and improved service responsiveness. In pursuit of this objective, six Authorised Pump set Original Equipment Manufacturer (APOEM) facilities have been established across the country, significantly reducing delivery timelines and strengthening customer support.

During the year, the Company's flagship manufacturing facility at Kirloskarvadi celebrated 115 years of its establishment, marking a significant milestone in the Company's industrial legacy. The plant's adoption of Total Productive Maintenance (TPM) has notably enhanced operational efficiency, equipment reliability, and employee engagement, reaffirming its status as a world-class manufacturing hub. The Dewas Plant reinforced its commitment to innovation and customer satisfaction by launching 18 new pump variants and commissioning automation for pump performance testing, further strengthening its manufacturing capabilities. The Kaniyur Plant introduced two new pump models, achieving a record dispatch volume for FY 2024-25, while maintaining steady progress in TPM implementation. Similarly, the Sanand Plant expanded its portfolio with the launch of 49 new models and continued its focus on TPM-driven operational excellence.

KBL's Corporate Social Responsibility (CSR) initiatives are closely aligned with the Company's operational strengths, community needs, and national priorities, in adherence to Schedule VII of the Companies Act, 2013. Anchored in the United Nations Sustainable Development Goals (SDGs), our CSR efforts focus on four key areas: education, healthcare, skill development, and biodiversity conservation.

In education, we introduced activity-based learning, STEM modules, and digital tools in Zilla Parishad schools and ICDS centres across Maharashtra to strengthen foundational literacy and equip children with essential skills.

In healthcare, we enhanced Primary Health Centres in underserved areas by providing infrastructure upgrades to improve access to and quality of care.

Our skill development programme certified over 1500 plumbers across eight states through the Water Management and Plumbing Skill Council.

These initiatives reflect KBL's continued commitment to responsible corporate citizenship, sustainable development, and long-term value creation for society.

## AWARDS AND RECOGNITION

The Company earned several prestigious awards and recognitions, including the Golden Peacock National Quality Award 2025, Excellence in Consistent TPM from JIPM, multiple accolades from the Quality Circle Forum of India, and significant acknowledgements for energy conservation and waste management initiatives under the CII Zero Waste to Landfill guidelines, further affirming the Company's pursuit of manufacturing excellence and sustainability leadership.

Furthermore, SPP Pumps, our group company, won the esteemed Manufacturer of the Year Award in Great Britain for the third consecutive year. These achievements speak volumes about SPP Pump's relentless pursuit of excellence.

Together, these achievements underscore the Company's innovative strength, competitive leadership, and position as a frontrunner in the global pump manufacturing industry.

**There were no material changes or commitments to report that affected the Company's financial position that occurred between the end of the Financial Year and the date of this report.**

## TRANSFER TO RESERVE

The Board has decided to retain the entire amount of profit for the Financial Year 2024-25 and not to transfer any amount to general reserve.

## STATUTORY DISCLOSURES

### 1. SHARE CAPITAL

The Paid-up Equity Share Capital of the Company as on March 31, 2025 was ₹ 158.82 Million comprising of 79,408,926 equity shares of ₹ 2/- each. The Company does not have any shares with differential voting rights or sweat equity.

### 2. ANNUAL RETURN

As per provisions of Section 92(3) read with Section 134 of the Companies Act, 2013 ('the Act'), the Annual Return of the Company is placed on the website of the Company at https://www.kirloskarpumps.com/investors/shareholders-meetings/

### 3. NUMBER OF MEETINGS OF THE BOARD

During the Financial Year under review, 6 (Six) Board meetings were held, the details of which are appearing in the Report on Corporate Governance.

### 4. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Act, the Board of Directors to the best of its knowledge and ability confirm that:

(a) in preparation of the annual accounts, the applicable accounting standards have been followed.

(b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period.

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

(d) they have prepared the annual accounts on a going concern basis.

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

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

## 5. INDEPENDENT DIRECTORS' DECLARATION

All Independent Directors of the Company have given declaration under Section 149(7) of the Act, that they meet the criteria laid down in Section 149(6) of the Act.

## 6. DISCLOSURE REQUIRED UNDER SECTION 134(3)(e)

The Board has adopted a Board Diversity Policy which sets the criterion for appointment as well as continuance of Directors, at the time of re-appointment of a director in the Company. As per the policy, the Board has an optimum combination of members with appropriate balance of skill, experience, background, gender and other qualities as required by the directors for the effective functioning of the Board.

The Nomination and Remuneration Committee recommends remuneration of the Directors, subject to overall limits set under the Act, as outlined in the Remuneration Policy and other applicable statutes. As per the policy, the Executive Directors are entitled to a fixed salary, commission based on performance evaluation and other non-monetary benefits. In case of Non-Executive Directors, apart from receiving sitting fees, they are entitled to commission on the basis of criterion as per the policy.

The Remuneration Policy is available on the website of the Company at https://www.kirloskarpumps.com/wp-content/uploads/2023/01/Remuneration-Policy.pdf. The salient features of this policy are as follows:

- **Philosophy:** The Company strongly believes that the system of Corporate Governance protects the interest of all stakeholders by inculcating transparent business operations and accountability from management towards fulfilling the consistently high standards of Corporate Governance in all facets of the Company's operations.
- **Objective:** Transparent process of determining remuneration at the Board and Senior Management level and appropriate balance between the elements comprising the remuneration.
- **Coverage:** The policy covers remuneration to Executive, Non-Executive Directors, Key Managerial Personnel and Senior Management Personnel.

## 7. REPORT OF AUDITORS

During the Financial Year under review, there are no qualifications, adverse remarks, or disclaimers made by the Statutory Auditor on the financial statements of the Company and by the Secretarial Auditor in his Secretarial Audit Report, which is annexed herewith as **Annexure V**. There are no cases of fraud detected and reported by the Auditor under Section 143(12) during the Financial Year.

M/s. Sharp & Tannan Associates, Chartered Accountants (Firm Registration No. 109983W) have been appointed as Statutory Auditors of the Company for the second term of 5 consecutive years by the shareholders with effect from the conclusion of 102nd Annual General Meeting till the conclusion of 107th Annual General Meeting.

M/s. Dinesh Birla & Associates (C.P. No. 13029 and Peer Review No. 1668), Practicing Company Secretary has been appointed as Secretarial Auditors of the Company for the Financial Year 2024-25. In terms of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations, 2015'), the Board of Directors has recommended appointment of M/s. Dinesh Birla & Associates as Secretarial Auditors for a term of 5 consecutive years with effect from the conclusion of 105th Annual General Meeting i.e. from the Financial Year 2025-26 till the conclusion of 110th Annual General Meeting i.e. till the Financial Year 2029-2030. He has confirmed his eligibility and necessary certificates as required under the Act and Listing Regulations have been received. His appointment for the term is subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting.

M/s. Harshad S. Deshpande & Associates, (Firm Registration No. 00378) have been appointed as the Cost Auditors, as per Section 148 of the Act, read with applicable rules made thereunder, for the Financial Year 2025-26. Their remuneration is subject to ratification by the Members at the ensuing Annual General Meeting.

## 8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of loans, guarantees or investments under Section 186 of the Act, are available under Note no. 5, 7, 35E and 36 of notes to accounts, attached to the Standalone Financial Statements.

The full particulars are available in the Register maintained under Section 186 of the Act, which is available for inspection during business hours on all working days (except Saturday and Sunday).

## 9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, the Company sold its entire equity shareholding i.e. 41,700 equity shares of ₹ 10,000/- each held in The Kolhapur Steel Limited, a non-material wholly-owned subsidiary, to Karad Projects and Motors Limited, a material wholly-owned subsidiary, at a value of ₹ 108 Million. The transaction was considered to be not in ordinary course of business. The same was entered at an arm's length price based on indepedant valuation after obtaining necessary approvals.

Except as mentioned above, all contracts / arrangements / transactions entered by the Company during the Financial Year 2024-25 with the related parties were in the ordinary course of business and at arm's length basis. There are no transactions required to be disclosed in Form AOC-2 (**Annexure IV**). During the Financial Year, the Company has not entered into contracts / arrangements / transactions with the related parties which could be considered material in accordance with the Company's 'Policy on Related Party Transactions'. The said policy is available on the website of the Company.

Further, attention is drawn to Note no. 35 of the Standalone Financial Statements of the Company for details of related party transactions.

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

Details of energy conservation, technology absorption, research and development and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act, read with the applicable rules, are given as an **Annexure I** to this Report.

## 11. RISK MANAGEMENT

The Risk Management Committee of the Company meets at regular intervals and identifies the top risks and prioritises those risks. Particulars of the Committee and salient features of the Risk Management Policy of the Company are given in the Report on Corporate Governance. The Risk Management Policy, inter alia, includes identification of major risks and also those risks which in the opinion of the Board may threaten the existence of the Company.

## 12. CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

The Company has a CSR Policy as per the requirements of the Act and the same is available on the website of the Company.

The key drivers of this policy are as follows:

- The Company believes that serving society is a primary purpose.
- Perceivable improvement in attitude, culture and values amongst employees and community.
- Conservation of natural resources and commitment to Green Environment.
- Developing business processes which are environmentally and socially sustainable.

The details of CSR Policy of the Company and the status of implementation of CSR activities are covered in the Corporate Social Responsibility Report in the required format is given as **Annexure II** to this report.

## 13. BOARD EVALUATION

The Board has formulated a Board Evaluation Policy for evaluation of individual Directors as well as the entire Board and Committees thereof. The evaluation framework is divided into parameters based on various performance criteria. The evaluation process for the Financial Year ended on March 31, 2025 has been carried out.

As a part of the evaluation process, the Directors submitted their feedback regarding the evaluation of the Board, of its Committees and other individual Directors of the Company for the Financial Year 2024-25, through an online platform. The performance evaluation of the Non-Independent Directors and the Board as a whole, was carried out by the Independent Directors. The Performance evaluation of the Chairman and the Managing Director was also carried out by the Independent Directors, considering the views of the Executive and Non-Executive Directors. The performance evaluation of the Joint Managing Director of the Company was carried out by the Independent Directors. The results of the said evaluation were shared with the Board, Chairman of the respective Committees and individual directors. The results showed high level of commitment and engagement of the Board and its various committees.

In compliance with the requirements under Schedule IV of the Act, read with Regulation 25(3) of the SEBI Listing Regulations, 2015, a meeting of Independent Directors was held on March 29, 2025 primarily to

discuss the matters mentioned under the said Schedule. The feedback of the said meeting was shared with the Board of the Company.

## 14. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Following are the highlights of performance of subsidiaries, associate and joint venture companies and their contribution to the overall performance of the Company during the period under review:

### i. Kirloskar Brothers International B.V. (consolidated)

The revenue for the year under review is ₹ 15,260 Million which is 21.30% more as compared to the previous year. This constitutes 33.97% of consolidated revenue of your Company.

### ii. Karad Projects and Motors Limited

The revenue for the year under review is ₹ 5,743 Million which is 13.4% more as compared to the previous year. This constitutes 12.78% of consolidated revenue of your Company.

### iii. Kirloskar Corrocoat Private Limited

The revenue for the year under review is ₹ 601 Million which is 48.40% more as compared to the previous year. This constitutes 1.34% of consolidated revenue of your Company.

### iv. The Kolhapur Steel Limited

The revenue for the year under review is ₹ 276 Million which is 48.30% lower as compared to the previous year. This constitutes 0.61% of consolidated revenue of your Company.

### v. Kirloskar Ebara Pumps Limited (Joint Venture)

The revenue for the year under review is ₹ 3,568 Million which is 18.42% more as compared to the previous year.

The financial position of the subsidiaries and joint venture companies is given in AOC-1, in this Integrated Annual Report.

## 15. OTHER STATUTORY DISCLOSURES AS REQUIRED UNDER RULE 8(5) OF THE COMPANIES (ACCOUNTS) RULES, 2014

(i) Financial summary/highlights are included in the Report.

(ii) There was no change in the nature of business during the year under review.

(iii) Details of Directors are given in the Report of Corporate Governance, forming part of this Integrated Annual Report.

- Mr. Alok Kirloskar (DIN 05324745) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.
- Mr. Pradyumna Vyas (DIN: 02359563) was appointed as an Additional Director in the category of Independent Director, with effect from May 14, 2025. The Board recommends his appointment as an Independent Director of the Company, for a term of 5 years w.e.f. May 14, 2025 at the ensuing Annual General Meeting of the Company.
- Mr. Sanjay Kirloskar (DIN: 00007885) was re-appointed as the Managing Director of the Company, with effect from November 19, 2025, upto March 21, 2027. The Board recommends his re-appointment at the ensuing Annual General Meeting of the Company.
- Details of the Key Managerial Personnel (KMP) of the Company and changes therein during the year under review, are as under:

| | |
|---|---|
| Mr. Sanjay Kirloskar | - Chairman and Managing Director |
| Mr. Devang Trivedi | - Company Secretary |
| Mr. Chittaranjan Mate | - Chief Financial Officer - upto May 14, 2024 |
| Mr. Ravish Mittal | - Chief Financial Officer - from May 15, 2024 to February 28, 2025. |

Mr. Bhavesh Chheda has been appointed as Chief Financial Officer (CFO) and KMP with effect from May 14, 2025.

(iv) During the year, Rotaserve Mosambique, a step-down foreign subsidiary of the Company (i.e. subsidiary of SPP Pumps International Proprietary Ltd.) has been dissolved and hence ceased to be a subsidiary of the Company with effect from July 5, 2024.

(v) The Company, on October 1, 2024, has sold its entire stake in its non-material wholly owned subsidiary viz. 'The Kolhapur Steel Limited' (TKSL) to a material wholly owned subsidiary viz. Karad Project and Motors limited (KPML) for ₹ 108 Million based on independant valuation. Accordingly, TKSL has ceased to be a wholly owned subsidiary of the Company and it has become a wholly owned subsidiary of KPML and thus a step-down subsidiary of the Company.

(vi) During the year, the Company has invested ₹ 39.582 Million and acquired 37.52% equity stake in the paid-up equity share capital of Sunsure Solarpark Nineteen Private Limited (Sunsure Solarpark), for purchase of solar power through open/group captive scheme. Accordingly, Sunsure Solarpark has become an Associate Company of Kirloskar Brothers Limited.

**Material Subsidiaries**

Regulation 16 of the SEBI Listing Regulations, 2015 defines a 'material subsidiary' to mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Under this definition, Karad Projects & Motors Limited, Karad, Maharashtra ('KPML'), incorporated on 2nd April, 2001, an Unlisted Indian Subsidiary and SPP Pumps Limited ('SPP'), UK, incorporated on 21st July, 2003, an Unlisted Foreign Subsidiary, are material subsidiaries of the Company.

The subsidiaries of the Company function independently, under the supervision and control of the Board of Directors of respective companies. The minutes of Board Meetings of subsidiaries of the Company are placed before the Board of Directors of the Company for their review, at every quarterly Meeting.

In addition to the above, Regulation 24 of the SEBI Listing Regulations, 2015 requires that at least one Independent Director on the Board of Directors of the listed entity shall be a Director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not. For this provision, material subsidiary means a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. However, there is no such subsidiary which falls under this definition of unlisted material subsidiary for the financial year ended March 31, 2025.

M/s. Sharp & Tannan Associates, Chartered Accountants, Mumbai, are the statutory auditors of KPML. Saffery LLP, Chartered Accountants, UK, are the statutory auditors of SPP.

The other requirements as prescribed under Regulation 24 of the SEBI Listing Regulations, 2015 for Subsidiary Companies have been complied with.

**Secretarial Audit of Material Unlisted Indian Subsidiary**

KPML, a material subsidiary of the Company carried out Secretarial Audit for the Financial Year 2024-25 pursuant to Section 204 of the Act and Regulation 24A of the SEBI Listing Regulations, 2015. The Secretarial Audit Report of KPML submitted by Mr. Abhijit Dakhawe, Practicing Company Secretary is attached as **Annexure VI** to this Report, and it does not contain any qualification, reservation or adverse remark or disclaimer.

(vii) **Details relating to Deposits:**

The Company has neither accepted nor renewed matured deposits since January 2003 and there were no deposits accepted by the Company as covered under Chapter V of the Act read with Rules made thereunder.

(viii) The details of Deposit which are not in compliance with the requirement of the Chapter V of the Act – NA.

(ix) No significant and material orders were passed by the regulators or court or tribunals impacting the going concern status and Company's operations in future.

(x) **Details in respect of adequacy of internal financial controls with reference to the financial statements:**

The Company has adequate internal financial control systems in place. The control systems are regularly reviewed by the external auditors and their reports are presented to the Audit Committee.

The Company has an Internal Audit Charter specifying mission, scope of work, independence, accountability, responsibility and authority of Internal Audit Department. The internal audit reports are placed before the Audit Committee meeting along with management response.

(xi) Your Company is required to maintain the cost records as required under Section 148(1) of the Act and accordingly, such accounts and records are maintained by the Company for the Financial Year ended on March 31, 2025.

(xii) The details of application made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the Financial Year – Nil.

(xiii) The details of the difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reason thereof - Nil

(xiv) **Other disclosures required under the Companies Act, 2013 as may be applicable:**

- Composition of the Audit Committee has been disclosed in Corporate Governance Report. All the recommendations of the Audit Committee were accepted by the Board.
- Establishment of Vigil Mechanism: The Company has already in place a 'Whistle Blower Policy' as a Vigil Mechanism since 2008. The details of which are reported in Corporate Governance Report.
- Disclosure as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as **Annexure III**. Details of employees required pursuant to Rule 5(2) of the said rules, will be provided on request, by the Company Secretary.

(xv) **Other Disclosure:**

- The Company has filed a suit against Kirloskar Proprietary Limited (KPL) relating to the use, assignment and ownership of the trademark "Kirloskar". The Company has made appropriate pleadings in the said Suit as advised by the Legal Advisors of KBL and has inter-alia, challenged the unlawful termination and sought declaration, injunction and other appropriate relief/s. KPL subsequently has withdrawn the termination letters with effect from March 3, 2020.
- The Company has, without prejudice to its rights and contentions, including those in the pending proceedings, in compliance with the directions of the Order dated 05.12.2023 of the Hon'ble Commercial Court, Pune, deposited the claimed Royalty amount with the Court from the quarter ended October 2018 onwards until 3rd quarter of FY 2024-25. Pending dispute, the Hon'ble Commercial Court, has directed its treasury to invest the said deposited royalty amount in a Nationalised bank for a fixed term of three years.
- In July 2024, KPL once again communicated its intent to terminate the Trademark License/ User Agreement vide its communication dated July 11, 2024. Being aggrieved by the same, KBL had filed an Interim Application in the Suit inter alia challenging such communication. The Hon'ble Pune District Court, vide its Order dated January 9, 2025, was pleased to allow KBL's Interim Application and stayed the effect and operation of the termination letter dated July 11, 2024. The Hon'ble Court further restrained KPL from taking any steps to terminate the Trademark License/User Agreements, pending the hearing and final disposal of the above Suit.
- KPL has filed an Appeal on February 9, 2025 before Hon'ble Bombay High Court challenging the said Order dated January 9, 2025.
- In terms of requirement under Regulation 30A(2) of the SEBI Listing Regulations, 2015, details of the agreements, are available on the website of the Company at https://www.kirloskarpumps.com/investors/regulation-30a-disclosures/.

## 16. CASH FLOW

Cash flow statement for the Financial Year ended on March 31, 2025 forms part of the Financial Statements attached to this report.

## 17. SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating efficiently.

## SAFETY, HEALTH AND ENVIRONMENT

**Safety and Health**

- Reporting of unsafe acts, unsafe conditions and near miss prevents future accidents. It not only fosters a culture of safety but increases accountability among employees. Reporting of these safety opportunities helps organisations to identify areas where improvements can be made and create a safer work environment for employees. 2.6 per staff safety opportunities (unsafe conditions etc.) were reported in the year 2024-25.
- Corrective And Preventive Actions (CAPA) are crucial for accident prevention by addressing existing problems and proactively mitigating future risks. Corrective actions, taken after an incident, focus on fixing the immediate issue and preventing it from recurring, while preventive actions aim to eliminate the root cause of potential problems before they escalate, potentially leading to accidents. The Company has complied with more than 98% of CAPA in the year 2024-25.
- The Company has reviewed internal audit check sheet and made it more comprehensive and going beyond the requirements mentioned in IS14489. All manufacturing plants of the Company are audited by cross plant safety auditors. Major findings were communicated as non-compliances and minor findings were communicated as area for improvement.
- Employees with the knowledge and skills to identify hazards, implement safety procedures, and handle emergencies effectively, ultimately fostering a safer workplace. The Company has provided more than

3.5-man hours safety training per employee in the year 2024-25.

- Behaviour Based Safety (BBS) proactively addresses the human element in workplace safety, reducing unsafe behaviour by correcting it and reinforcing safe practices. By focusing on what people do, not just what's wrong, BBS fosters a safer and more engaged workforce resulting improved safety culture. More than 7,000 BBS checks were carried out in the year 2024-25, which then analysed and used to improve safety at workplace.
- Year 2024-25 is Reportable accident free for the Company. A good achievement and outcome of efforts taken by all employees towards improvement of safety culture.
- The target is not only to have zero reportable accident but also to have zero injury. Small injuries are the indication of safety performance. Control over small injuries leads to less chance of any big injury. There is 24% reduction in first aid injuries in the year 2024-25 as compared to year 2023-24.

## Environment and Energy

Through its Sustainability Policy, the Company is dedicated to achieving excellence in sustainable performance by integrating economic, environmental, and social dimensions. In line with this commitment, the Company pursues a variety of initiatives aimed at minimising its environmental footprint. These initiatives include the conservation of natural resources, reduction of resource use and carbon emissions, development of products with a low ecological footprint, promotion of energy-efficient and renewable energy solutions, conservation of biodiversity, and active engagement with stakeholders and communities to advance sustainability practices.

The Company proudly contributes to nation-building by aligning with key national initiatives such as the 'Make in India' vision and the 'Swachh Bharat Mission.' As a pioneer in sustainable practices, the Company established the first LEED Platinum-certified green building in Pune. We continue to nurture sustainability through:

- GreenCo-certified plants,
- Zero Waste to Landfill certifications,
- Focused water conservation projects,
- Biodiversity assessments,
- Implementation of Zero Liquid Discharge units, and
- Development of GreenPro-certified products.

Through these efforts, the Company is paving the way for a greener, more sustainable future while strengthening commitment to environmental stewardship and responsible growth. This all highlights commitment to producing and distributing eco-friendly products providing valuable insights into the environmental impact of company's manufacturing processes. Following this, the Company has initiated assessments on a broader range of products to further reduce greenhouse gas (GHG) emissions.

In alignment with commitment to conserving fossil fuels and increasing reliance on renewable energy, the Company has signed 'Third party Open Access Power Purchase Agreement' with Sunsure Solarpark Nineteen Pvt. Ltd. for 13.5 MWp solar power. This clean energy source will provide nearly 70% of the electricity needs at its manufacturing facilities, reducing $CO_2$ emissions significantly. This green energy initiative complements the 4 MW of wind power and 1.5 MW Solar power generated at Kirloskarvadi plant.

The Company is committed to the Integrated Management System (IMS) certification that complies with ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 & ISO 50001:2018 standards. Through this IMS certification, it promotes a positive culture to create safe, healthy and environment-friendly workplace. The Company acknowledges the global concern on climate change and hence recognises energy as one of the most important resources used.

The Company is deeply committed to addressing climate change and aligning its operations with global sustainability initiatives. Climate change mitigation is integrated into core business strategy, and the Company has undertaken decisive steps to reduce greenhouse gas (GHG) emissions across all areas of its operations.

A major milestone in this journey has been the adoption of the GHG Protocol Standard, a globally recognised framework for measuring and managing GHG emissions. Building on this, KBL has developed and implemented a comprehensive Climate Change Policy that reinforces its commitment to reducing emissions and mitigating the impacts of climate change. This policy is aligned with international frameworks such as the Paris Agreement and complies with national and regional climate action regulations.

The Company's climate strategies include:

- Setting clear targets for reducing carbon footprint, energy consumption, and waste generation over the next decade.
- Pursuing an ambitious goal to achieve Operational Net Zero by 2040 and Overall Net Zero by 2047, ahead of India's national commitment to achieving carbon neutrality by 2070.

Through these initiatives, the Company is proactively contributing to a more sustainable future while supporting India's broader environmental goals.

## REPORTS ON MANAGEMENT DISCUSSION AND ANALYSIS, CORPORATE GOVERNANCE

Pursuant to the SEBI Listing Regulations 2015, Management Discussion and Analysis Report, Report on Corporate Governance, Auditor's Certificate on Corporate Governance, Certificate pursuant to Schedule V read with Regulation 34(3) and the declaration by the Chairman and Managing Director regarding affirmations for compliance with the Company's Code of Conduct are annexed to this report.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Your Company has been reporting its sustainability performance for the past 15 years. Further, the Company started presenting Integrated Annual Report since 2018-19. The Annual Report for the Financial Year 2024-25 is the 7th Integrated Annual Report of the Company. Pursuant to the provisions of Regulation 34(2)(f) of the SEBI Listing Regulations, 2015, the Business Responsibility and Sustainability Report for the Financial Year 2024-25 is annexed to this report.

## DISCLOSURE UNDER THE "SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013. For the Financial Year ended on March 31, 2025, it is reported as under:

| | | |
|---|---|---|
| 1 | No. of complaints received in the year | Nil |
| 2 | No. of complaints disposed-off in the year | NA |
| 3 | Cases pending for more than 90 days | NA |
| 4 | No. of workshops and awareness programmes conducted in the year | 73 |
| 5 | Nature of action by employer or District Officer, if any | NA |

## ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the support and co-operation extended by the banks and financial institutions. Your Directors would also like to record their appreciation for the persistent efforts by the employees of the Company and wish to express their gratitude to the Members for their continued trust and support.

For and on behalf of the Board of Directors,

**Sanjay C. Kirloskar**
Chairman & Managing Director
DIN 00007885

Pune: 14th May, 2025

# Annexure I

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

### A) CONSERVATION OF ENERGY:

#### (i) Steps taken or impact on conservation of energy

- Third party Open Access Power Purchase Agreement with M/s. Sunsure Solarpark Nineteen Pvt. Ltd. for 13.5 MWp solar power leading to generation of 1,74,37,500 solar units.
- 240 Metal halide/CFL lights/sodium vapour lamp/ high ratings LED lamps replaced with LED lamps at manufacturing plants (Total yearly saving 86,510 kWh and cost saving/year - ₹ 9,72,500/-).
- Optimisation in compressor capacity utilisation by relocating compressors at Kirloskarvadi plant (Total yearly saving 1,37,280 kWh and cost saving/year - ₹ 15,58,128/-).
- Load enhancement from 6.5 MVA to 10 MVA resulted into saving in diesel consumption and thereby cost saving/year - ₹ 1,54,22,400/- .
- Reduced daily energy consumption of the ETP-STP Plant from 90 kWh/Day to 70 kWh/Day (Total yearly saving 2,400 kWh and cost saving / year - ₹ 24,000/-).
- Due to reduction in Specific Energy Consumption of Significant Energy Users equipment by undertaking various energy conservation initiatives at Kaniyur Plant, energy saving achieved of 2,03,223 kWh resulting into cost saving /year - ₹ 1,47,197.
- Second Servo Press installed at Kaniyur plant resulting into cost saving / year - ₹ 8,49,385/-.
- Getting tariff rebate by optimum operation of melting activity at foundaries in night shift thereby saving of ₹ 2.90 Million annually.
- Replacement of diesel based Ladle with PNG fired Ladle preheater, resulting into a saving of ₹ 0.78 Million.
- Installation of Variable Frequency Drive at dust collector at HPML Sand plant led to a saving of ₹ 0.77 Million.
- ARPA Line Cooling Tower motor converted from 7.5HP to 5HP, resulted into a saving of ₹ 0.15 Million.
- Replacement of wall mounting fan with HVLS Fan generated savings of 2,964 kWh units and ₹ 38,000/- annually.

#### (ii) Steps taken by the Company for utilising alternate sources of energy

- Third party Open Access Power Purchase Agreement with M/s. Sunsure Solarpark Nineteen Pvt. Ltd. for 13.5 MWp solar power leading to generation of 1,74,37,500 solar units.
- Approximately 70% of KBL's electricity consumption is met through renewable energy sources, primarily solar and wind, amounting to a total of 17.77 MW.
- Enhancing renewable energy contribution for the group companies from existing 23% to around 70% by FY 2025-26.
- Development of hydro-turbine gensets like PICO, PAT which act as a Micro Hydro Power Generator when operated in reverse direction as a turbine for generating electricity. It is designed for meeting energy requirements in industries.
- Using solar energy for streetlights.
- Maximum usage of natural light during daytime on shop floor through sky light sheets.
- Use of solar water heater for washing & utensil cleaning.
- Diesel replaced by PNG CED coating plant & ladle preheater.
- Kirloskarvadi plant has established biogas plant where food waste is converted into energy which is used in the canteen.

#### (iii) The capital investment on energy conservation

| Particulars | Amount (₹ Million) |
|---|---|
| Load enhancement from 6.5 MVA to 10 MVA at Kirloskarvadi plant | 50.00 |
| Third party Open Access Power Purchase Agreement with M/s. Sunsure Solarpark Nineteen Pvt. Ltd. for 13.5 MWp solar power | 39.58 |
| Metal halide lamp replaced with LED lamps at manufacturing plants | 2.10 |
| Old AC replaced with new star rated ACs at manufacturing plants | 1.75 |
| Second Servo Press installation done at Kaniyur plant | 0.90 |
| Installation of VFD at dust collector at HPML Sand plant | 0.50 |
| Replaced Diesel based Ladle to PNG fired Ladle preheater | 0.47 |
| Replacement of Wall mounting fan with HVLS Fan | 0.34 |
| Installation of harmonics Panel for Induction Furnace | 0.24 |
| CED washing machine upgradation in-house with AMC technical support | 0.10 |
| **Total** | **95.98** |

## B) TECHNOLOGY ABSORPTION:

### i) Efforts made towards technology absorption

- The Company's Research and Development (R&D) division continued with key initiatives for developing new and innovative products in FY 24-25. These include RKBx series of multistage pumps for high pressure boiler feed water applications.
- Technological development initiative of Slurry recirculation pump for Fluidized gas desulphurisation (FGD) plants was completed and site trials are started.
- Development of canned motor pumps for defence application and completed in the year.
- Next generation IoT devices KirloSmart 2.0 & KirloSmart 2.1 are released for Sales with added feature of multiple pump monitoring. New development for hard metal slurry pumps and mono block pumps for defence application progressed well during the year.
- In order to maintain technological edge in nuclear applications, R&D team continued development of Safety class 1 and 2 pumps and high pressure and temperature canned motor pumps.
- The Company adapts a mechanism of integrating user feedback to innovate user friendly features in existing products through i-mission project. This year witnessed successful completion of developing prototypes for four different product series viz. UP/NS/MF & Self priming pumps in i-mission project. Significant design innovations are incorporated in sewage handling pumps NS to simplify assembly and manufacturing processes. Four design patents are filed for innovative features developed in this year.
- To address agricultural market requirements, first-in-India, an energy-efficient series of 175 mm oil filled borewell submersible pump – KU7P was launched in 20 variants. Similarly, first-in-India with Flexi-Drive Technology, completed development of 100 mm LEHR series of borewell submersible pump in 40 variants, for domestic and agricultural application. This provides flexibility to the customers in orientation of installation, low voltage operations and repair/maintenance.
- To meet the demands for a reliable product to use in husking and fisheries, the Company introduced KDS Single Phase Monobloc Pump Set series with Extended Shaft.
- To lead the domestic market, the Company also introduced the Jalraaj Ultra-1 Max self-priming regenerative pump model.

### ii) Benefits derived like product improvement, cost reduction, product development or import substitution

- Most efficient pumps in the market.
- Competitive edge with Ultra-premium efficiency products.
- Reduction in product development time and cost.
- Capability enhancement / range extension to meet customer requirements.
- Addressing export market.
- Import substitution.

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

| | |
|---|---|
| Details of technology imported | Silicon Carbide coating for Flue-gas Desulfurization pump |
| Year of import | 2024 |
| Whether the technology been fully absorbed | Yes |
| If not fully absorbed, area where absorption has not taken place, and the reason thereof | NA |

### iv) Expenditure incurred on Research and Development

| | (₹ Million) |
|---|---|
| Revenue expenditure | 277.56 |
| Capital Expenditure | 30.92 |
| **TOTAL** | **308.48** |

## C) FOREIGN EXCHANGE EARNINGS AND OUTGO

| | (₹ Million) |
|---|---|
| Foreign Exchange earned in terms of actual inflows during the year | 1,695.25 |
| Foreign Exchange outgo during the year in terms of actual outflows | 833.08 |

# Annexure II

## ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

   Kirloskar Brothers Limited enjoys a legacy of over a century of making a positive difference in the area of socio–economic development of the less privileged communities and other stakeholders, by being a responsible business house through adoption of appropriate business processes and strategies and by carrying out various initiatives towards its social obligations for the society in the vicinity of all its manufacturing locations. The activities are carried out by the Company and its implementing agencies.

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1. | Mr. Vivek Pendharkar | Chairman | 2 | 2 |
| 2. | Mr. Sanjay C. Kirloskar | Member | 2 | 2 |
| 3. | Ms. Rama Kirloskar | Member | 2 | 2 |
| 4. | Ms. Rekha Sethi | Member | 2 | 2 |

3. Provide the web-link where following are disclosed on the website of the Company:

   **Composition of CSR committee:**

   https://www.kirloskarpumps.com/composition-of-various-committes-of-board/

   **CSR Policy:**

   https://www.kirloskarpumps.com/wp-content/uploads/2025/06/CSR-Policy.pdf

   **CSR projects approved by the board:**

   https://www.kirloskarpumps.com/wp-content/uploads/2025/02/Revised-Annual-Action-Plan-2024-25-1.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

   Not applicable. As the average CSR obligation of the Company, in the three immediately preceding financial years, is less than ₹ 10 Crores.

| | | | |
|---|---|---|---|
| 5. | (a) | Average net profit of the company as per Section 135(5) of the Companies Act, 2013 ('the Act') | ₹ 2,12,21,20,112 |
| | (b) | Two percent of average net profit of the Company as per Section 135(5) of the Act | ₹ 4,24,42,402 |
| | (c) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years | Nil |
| | (d) | Amount required to be set off for the financial year, if any | Nil |
| | (e) | Total CSR obligation for the financial year (5b + 5c – 5d) | ₹ 4,24,42,402 |
| 6. | (a) | Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Project) | ₹ 4,30,13,022 |
| | (b) | Amount spent in Administrative Overheads | Nil |
| | (c) | Amount spent on Impact Assessment, if applicable | Nil |
| | (d) | Total amount spent for the Financial Year [(a)+(b)+(c)] | ₹ 4,30,13,022 |

(e) CSR amount spent or unspent for the financial year

| Total Amount Spent for the Financial Year (in ₹) | Amount Unspent (in ₹) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per sub section 6 of Section 135 | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub section 5 of Section 135 | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 2,37,98,022 | 1,92,15,000 | 28th April 2025 | NA | Nil | NA |

(f) Excess amount for set off, if any

| Sl. No. | Particulars | Amount (in ₹) |
|---|---|---|
| i. | Two percent of average net profit of the Company as per Section 135(5) | 4,24,42,402 |
| ii. | Total amount spent for the Financial Year | 4,30,13,022 |
| iii. | Excess amount spent for the Financial Year [(ii)-(i)] | 5,70,620 |
| iv. | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | Nil |
| v. | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | 5,70,620 |

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

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹) | Amount Spent in the Financial Year (in ₹) | Amount transferred to a fund as specified under Schedule VII as per second proviso to Sub-Section (5) of section 135, if any | | Amount remaining to be spent in succeeding Financial Years (in ₹) | Deficiency, if any |
|---|---|---|---|---|---|---|---|---|
| | | | | | Amount (in ₹) | Date of transfer | | |
| 1 | FY - 1 | | | | | | | |
| 2 | FY - 2 | | | Nil | | | | |
| 3 | FY - 3 | | | | | | | |

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

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

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

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

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

Sd/-
**Sanjay C. Kirloskar**
Member
(DIN 00007885)

Sd/-
**Vivek Pendharkar**
Chairman CSR Committee
(DIN 02791043)

# Annexure III

**Disclosure as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014**

| | | |
|---|---|---|
| (i) | The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year | See table below |
| (ii) | The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year | See table below |
| (iii) | The percentage increase in the median remuneration of employees in the Financial Year | 0.98% |
| (iv) | The number of permanent employees on the rolls of the Company | As on March 31, 2025<br>Staff – 1,692<br>Workmen – 1,287 |
| (v) | Average percentile increase already made in the salaries of 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 | Average percentile increase in the salary of employees (other than Key Managerial Personnel) for the financial year 2024-25, as compared to Financial Year 2023-24 is 8.42% (including performance-based incentive).<br><br>Refer abovementioned point no.(ii) for comparison with the percentile increase in the managerial remuneration. |
| (vi) | Affirmation that the remuneration is as per the remuneration policy of the Company | Yes |

| Name of Director / Key Managerial Personnel | Designation | Ratio to Median remuneration (times) | Increase / (Decrease) % |
|---|---|---|---|
| Mr. Sanjay Kirloskar | Chairman and Managing Director | 111.13 | 18.61 |
| Ms. Rama Kirloskar | Joint Managing Director | 107.04 | 20.54 |
| Mr. Alok Kirloskar | Non-Executive Director | 3.51 | 6.84 |
| Mr. M.S. Unnikrishnan | Independent Director | 4.10 | 1.39 |
| Mr. Shobinder Duggal | Independent Director | 4.02 | 8.33 |
| Mr. Shrinivas Dempo | Independent Director | 3.59 | 6.67 |
| Ms. Ramni Nirula | Independent Director | 4.02 | 8.33 |
| Mr. Vivek Pendharkar | Independent Director | 3.59 | 9.40 |
| Ms. Rekha Sethi | Independent Director | 3.76 | 8.94 |
| Mr. Vinayak Deshpande | Independent Director | 4.02 | * |
| Mr. Chittaranjan Mate | Chief Financial Officer | NA | * |
| Mr. Ravish Mittal | Chief Financial Officer | NA | * |
| Mr. Devang Trivedi | Company Secretary | NA | 10.84 |

*Notes:*

*1) The aforesaid details are calculated on the basis of remuneration for the Financial Year 2024-25.*

*2) Remuneration to Non-Executive Directors include sitting fees paid during the Financial Year 2024-25.*

*3) The median remuneration of employees of the Company for the Financial Year 2024-25 is ₹ 8,90,351.*

*4) * The % increase in remuneration is provided only for those Directors and Key Managerial Personnel who have drawn remuneration from the Company for the entire Financial Year 2023-24 and 2024-25. The ratio to median remuneration is provided only for those Directors who have drawn remuneration from the Company for the entire Financial Year 2024-25.*

*5) Mr. Chittaranjan Mate ceased to be Chief Financial Officer of the Company w.e.f. May 14, 2024.*

*Mr. Ravish Mittal was Chief Financial Officer of the Company from May 15, 2024 to February 28, 2025.*

# Annexure IV

## Form No. AOC-2

[Pursuant to clause (h) of sub section (3) of Section 134 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:

| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts / arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Justification for entering into such contracts or arrangements or transactions | Date(s) of approval by the Board | Amount paid as advances, if any | Date on which the resolution was passed in general meeting as required under first proviso to Section |
|---|---|---|---|---|---|---|---|
| - NIL - | | | | | | | |

### 2. Details of material contracts or arrangement or transactions at arm's length basis:

| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts / arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board | Amount paid as advances, if any |
|---|---|---|---|---|---|
| - NIL - | | | | | |

Please refer Note No. 35 of the Standalone Financial Statements of the Company.

# Annexure V

## FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

### (For the Financial Year ended 31st March, 2025)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members of
**M/s Kirloskar Brothers Limited**
CIN: L29113PN1920PLC000670,
Yamuna, S No.98/3 – 7, Plot No. 3
Baner, Pune – 411 045.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kirloskar Brothers 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 authorised 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, 2025 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 **Kirloskar Brothers Limited** ("The Company") for the financial year ended on 31st March, 2025 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 the 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

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

d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

e. 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)**

f. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**

g. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(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 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**I further report that:**

As on 31st March 2025, 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 composition of the Board of Directors during the period under review was in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings including Committees thereof, along with 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.

**I further report that** during the audit period, there was no other event/action having major bearing on affairs of the Company.

For **Dinesh Birla & Associates**
Company Secretaries

**Dinesh Birla**
Proprietor
FCS: 7658, CP No. : 13029
PRC No. : 1668/2022
UDIN: F007658G000336681

Place: Pune
Date: 14 May, 2025

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 Members of
**M/s. Kirloskar Brothers Limited**
CIN: L29113PN1920PLC000670,
Yamuna, S No.98/3 – 7, Plot No. 3
Baner, Pune – 411 045.

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. I have not verified the correctness and appropriateness of financial records, Accounting Standards and Books of Accounts of the Company.

6. 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

**Dinesh Birla**
Proprietor
FCS: 7658, CP No. : 13029
PRC No. : 1668/2022
UDIN: F007658G000336681

Place: Pune
Date: 14 May, 2025

# Annexure VI

## FORM NO. MR-3

### Secretarial Audit Report

### For the Financial Year Ended 31.03.2025

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March 2025** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder (during the year under review not applicable to the Company);

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (during the year under review not applicable to the Company, as the shares of the company are not in dematerialised form);

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (during the year under review not applicable to the Company as the Company does not have any foreign direct investment, overseas direct investment and external commercial borrowings);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (during the year under review not applicable to the Company as the Company is an unlisted company);

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (during the year under review not applicable to the Company as the Company is an unlisted company);

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (during the year under review not applicable to the Company as the Company is an unlisted company and not proposing to get its securities listed);

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (during the year under review not applicable to the Company as the Company is an unlisted company);

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (during the year under review not applicable to the Company as the Company is an unlisted company);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client (during the year under review not applicable to the Company as the Company is not availing services of Registrars to an Issue and Share Transfer Agents);

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (during the year under review not applicable to the Company as the Company has not done delisting of shares);

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (during the year under review not applicable to the Company as the Company is an unlisted company); and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (during the year under review not applicable to the Company as the Company is an unlisted company).

(vi) As informed to me, no other law(s) is applicable specifically to the Company.

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

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

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

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

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

### I further report that

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

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

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

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

I further report that during the audit period:

a) The Kolhapur Steel Limited (TKSL) became subsidiary of the Company. The Company entered into Share Purchase Agreement with Kirloskar Brother Limited for acquisition of 100% equity share capital of TKSL.

b) The Board of Directors approved scheme of amalgamation of The Kolhapur Steel Limited (Transferor Company) with the Company (Transferee Company) and their respective Shareholders in its meeting held on October 15, 2024. The appointed date fixed for this scheme of amalgamation is October 3, 2024.

c) The Company in its Extraordinary General Meeting held on August 16, 2024 altered the Objects clause of the Memorandum of Association by including objects relating to the business undertaken by The Kolhapur Steel Limited.

d) The Registered Office of the Company was shifted from Plot No. B-67/68, MIDC, Karad Industrial Area, Tasawade, Karad 415109 to Yamuna, Survey No. 98/(3 to 7), Plot No. 3, Baner, Pune 411045 with effect from November 1, 2024 by obtaining approval of shareholder's in their Extraordinary General Meeting held on October 15, 2024.

**Abhijit Dakhawe**
Company Secretary
FCS # 6126, CP # 4474
PR No. 5690/2024
UDIN: F006126G000160445

Place: Pune
Date: 22-APR-2025

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

# Annexure to the Secretarial Audit Report

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

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

1. Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Abhijit Dakhawe**
Company Secretary
FCS # 6126, CP # 4474
PR No. 5690/2024
UDIN: F006126G000160445

Place: Pune
Date: 22-APR-2025

# REPORT ON CORPORATE GOVERNANCE

## 1. THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company strongly believes that the system of Corporate Governance protects the interest of all the stakeholders by inculcating transparent business operations and accountability from management towards fulfilling consistently the high standard of Corporate Governance in all facets of the Company's operations.

## 2. BOARD OF DIRECTORS:

As on March 31, 2025, there were 10 (Ten) Directors on the Board, comprising of Managing Director, Joint Managing Director and 8 (Eight) (80.00%) Non-Executive Directors of whom, 7 (Seven) (70.00%) were Independent Directors. There were 3 (Three) Woman Directors including 2 (Two) Independent Directors.

The Board's composition is an optimal complement of independent professionals having an in-depth knowledge of business.

During the year under review, 6 (Six) Board meetings were held on the following dates:

May 14, 2024, August 02, 2024, October 29, 2024, December 14-15, 2024, February 12, 2025 and March 10, 2025.

According to the provisions of Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015'), none of the Directors on the Board hold the office of director, including an alternate directorship, if any, in more than 7 listed entities at the same time.

None of the Directors are holding directorship in more than 7 listed entities or holding membership of committees of the Board in more than 10 committees or chairpersonship of more than 5 committees across all listed entities in which he/she is a Director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2025 have been made by the Directors.

The above limits are determined as follows:

a. The limit of the committees on which a director is serving in all public limited companies, whether listed or not, are included and all other companies including private limited companies, foreign companies and companies formed under Section 8 of the Companies Act, 2013, are excluded.

b. For the purpose of determination of the limit, chairpersonship and membership of only Audit Committee and Stakeholders' Relationship Committee, are considered.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations, 2015 read with Section 149(6) of the Companies Act, 2013 ('the Act'). The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations, 2015 read with Section 149(6) and 150 of the Act read with relevant rules thereunder.

The Chairman and Managing Director and Joint Managing Director of the Company served as an Independent Director in one listed company each, during the year.

None of the Directors except Mr. Sanjay C. Kirloskar, Mr. Alok Kirloskar (son of Mr. Sanjay C. Kirloskar) and Ms. Rama Kirloskar (daughter of Mr. Sanjay C. Kirloskar), are related to each other.

The details of Directors, their Directorship/Committee positions, attendance etc. are furnished in the Table below:

| Name of Director | Designation / Category of Directorship@ | Board Meetings attended | Attendance at last AGM | No. of other Directorships held* | No. of Committees of which Member / Chairperson in other Companies | Names of the listed Companies where the person is director | Category of directorship in other listed companies@ |
|---|---|---|---|---|---|---|---|
| Mr. Sanjay Kirloskar | CMD (P) | 6 | Present | 4 | 1/1 | DCM Shriram Industries Limited | INED |
| Ms. Rama Kirloskar | JMD (P) | 6 | Present | 4 | 0/0 | KPT Industries Limited | INED |
| Mr. Alok Kirloskar | NED (P) | 6 | Present | 15 | 0/0 | -- | -- |
| Mr. M.S. Unnikrishnan | INED | 5 | Present | 5 | 1/0 | 1) KEC International Limited | INED |
| | | | | | | 2) Greaves Cotton Limited | INED |
| Mr. Shobinder Duggal | INED | 6 | Present | 4 | 2/4 | 1) SBI Life Insurance Company Limited | INED |
| | | | | | | 2) PI Industries Limited | INED |
| | | | | | | 3) Sanofi Consumer Healthcare Limited | INED |
| | | | | | | 4) ABB India Limited | INED |
| Mr. Shrinivas Dempo | INED | 5 | Present | 14 | 1/0 | 1) Automobile Corporation of Goa Limited | INED |
| | | | | | | 2) Hindustan Foods Limited | NED |
| | | | | | | 3) Goa Carbon Limited | NED |
| Ms. Ramni Nirula | INED | 6 | Present | 6 | 0/0 | 1) Usha Martin Limited | INED |
| | | | | | | 2) HEG Limited | INED |
| Mr. Vivek Pendharkar | INED | 6 | Present | 0 | 0/0 | -- | -- |
| Ms. Rekha Sethi | INED | 6 | Present | 4 | 3/0 | 1) Samvardhana Motherson International Limited | INED |
| | | | | | | 2) Spencer's Retail Limited | INED |
| | | | | | | 3) Firstsource Solutions Limited | INED |
| Mr. Vinayak Deshpande | INED | 6 | NA | 4 | 1/3 | 1) Voltas Limited | NED |
| | | | | | | 2) Praj Industries Limited | INED |

*@CMD – Chairman and Managing Director, JMD - Joint Managing Director, NED – Non-Executive Director, INED – Independent Non-Executive Director and P – Promoter.*

**Directorships and committee positions in private and public limited companies, foreign companies are included in the above table excluding Kirloskar Brothers Limited and Section 8 Companies.*

*All the relevant information suggested under Schedule II of the SEBI Listing Regulations, 2015 is furnished to the Board from time to time.*

During the year under review, a separate meeting of the Independent Directors was held on March 29, 2025. The Independent Directors, inter-alia, reviewed the performance of Non-independent directors, Chairman of the Company and the Board as a whole including Committees thereof. The suggestions received from Independent Directors were discussed at the subsequent meeting of the Board of Directors.

Statement showing number of Equity Shares of ₹ 2/- each of the Company, held by the Non-Executive Directors as on March 31, 2025:

| Non-Executive Directors | No. of Shares | % of Paid up Capital |
|---|---|---|
| Mr. Alok Kirloskar | 6,187 | 0.01 |
| Mr. M.S. Unnikrishnan | 0 | 0.00 |
| Mr. Shobinder Duggal | 0 | 0.00 |
| Mr. Shrinivas Dempo | 0 | 0.00 |
| Ms. Ramni Nirula | 0 | 0.00 |
| Mr. Vivek Pendharkar | 0 | 0.00 |
| Ms. Rekha Sethi | 0 | 0.00 |
| Mr. Vinayak Deshpande | 0 | 0.00 |

The details of familiarisation programme imparted to the Directors is available at https://www.kirloskarpumps.com/investors/familiarisation-programme-for-independent-directors/

**The List of core skills/expertise/competencies identified by the Board as required in the context of its business(es) and sector(s) for the Company to function effectively and those actually available with the Board:**

The Board has formulated a policy on Board Skill Matrix of the Company. In terms of the said policy, the Board of the Company comprising of directors who collectively, have the skills, knowledge and experience to effectively govern and direct the organisation as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board. The list of core skills/expertise/competencies identified and collectively possessed by the Board are as under:

- Governance skills (that is, skills directly relevant in performing the Board's key functions);
- Industry skills (that is, skills relevant to the industry or sector in which the organisation predominantly operates); and
- Personal attributes or qualities that are generally considered desirable to be an effective director.

| Personnel Details | | | Committee@ | | | | | Areas of expertise | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Name | Director since | NED/EXE/ INED | Audit | NRC | SRC | CSR | RMC | Strategy | Policy | Finance | Legal Framework | IT | Exec. Mgmt. | Commercial | International |
| Mr. Sanjay Kirloskar | 1985 | EXE | - | Yes | Yes | Yes | - | Yes | - | - | - | - | Yes | - | Yes |
| Mr. Alok Kirloskar | 2012 | NED | - | - | Yes | - | - | Yes | - | - | - | - | Yes | - | Yes |
| Ms. Rama Kirloskar | 2017 | EXE | - | - | - | Yes | Yes | Yes | - | - | - | Yes | Yes | - | - |
| Mr. M.S. Unnikrishnan | 2020 | INED | Yes | Yes | - | - | Yes | Yes | Yes | Yes | Yes | - | Yes | Yes | Yes |
| Mr. Shobinder Duggal | 2021 | INED | Yes | - | - | - | - | Yes | - | Yes | - | - | Yes | Yes | Yes |
| Mr. Shrinivas Dempo | 2021 | INED | - | Yes | Yes | - | - | Yes | - | - | - | - | Yes | - | Yes |
| Ms. Ramni Nirula | 2021 | INED | Yes | - | - | - | - | - | - | Yes | - | - | Yes | Yes | - |
| Mr. Vivek Pendharkar | 2021 | INED | - | - | - | Yes | - | Yes | - | - | - | Yes | Yes | - | Yes |
| Ms. Rekha Sethi | 2021 | INED | - | Yes | - | Yes | - | Yes | - | - | - | - | Yes | - | Yes |
| Mr. Vinayak Deshpande | 2023 | INED | Yes | Yes | Yes | - | - | Yes | - | Yes | Yes | - | Yes | Yes | Yes |

*EXE- Executive Director, NED – Non-Executive Director, INED – Independent Non-Executive Director.*

@ NRC - Nomination and Remuneration Committee, SRC – Stakeholders' Relationship Committee, CSR - Corporate Social Responsibility Committee, RMC - Risk Management Committee.

## Confirmation from the Board on Independent Directors:

In the opinion of the Board, the Independent Directors fulfil the conditions specified in SEBI Listing Regulations, 2015 and are independent of the management.

## Resignation of Independent Director:

None of the Independent Directors have resigned during the Financial Year ended at March 31, 2025.

## 3. AUDIT COMMITTEE:

The Audit Committee is constituted in compliance with the requirements under Regulation 18 of the SEBI Listing Regulations, 2015 read with Section 177 of the Act.

The terms of reference of the Audit Committee include the matters specified in Schedule II (Part C) of the SEBI Listing Regulations, 2015. The terms of reference of the Audit Committee of the Company include the following:

A)
- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment, remuneration and terms of appointment of auditors of the Company.
- Approving payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the management, the annual financial statements and auditors' report thereto before submission to the Board for approval, with particular reference to:
  a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act.
  b. Changes, if any, in the accounting policies & practices and reasons for the same.
  c. Major accounting entries involving estimates based on exercise of judgement by management.
  d. Significant adjustments made in the financial statements arising out of audit findings.
  e. Compliance with listing and other legal requirements relating to financial statements.
  f. Qualification in draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditor into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower Mechanism.
- Approval for appointment of CFO (i.e. the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

- Carrying out any other function as is mentioned in the terms of reference of the Committee by the Board and to carry out investigation in relation to the items specified above.
- To review the following information:
  1) management discussion and analysis of financial condition and results of operations.
  2) statement of significant related party transactions (as defined by the audit committee), submitted by the management.
  3) management letters / letters of internal control weaknesses issued by the statutory auditors.
  4) internal audit reports relating to internal control weaknesses.
  5) the appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the audit committee.
  6) statement of deviations:
     (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s).
     (b) Annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice.

B)
- Power to investigate any activity within its terms of reference.
- Power to seek information from any employee.
- Power to obtain outside legal or other professional advice.
- Power to secure attendance of outsiders with relevant expertise, if considered necessary.

Mr. Shobinder Duggal - Chairman and Mr. M. S. Unnikrishnan, Ms. Ramni Nirula and Mr. Vinayak Deshpande were the Members of the Committee as on March 31, 2025.

Mr. Shobinder Duggal is a Non-Executive Independent Director and was present at the AGM of the Company held for the Financial Year 2023-24 as the Chairman of the Committee.

The Committee was re-constituted on May 14, 2025 with the induction of Mr. Pradyumna Vyas, Additional Director (Independent) as a member of the Committee.

During the year, 7 (Seven) meetings of Audit Committee were held on May 13, 2024, July 18, 2024, August 01, 2024, October 28, 2024, January 21, 2025, February 11, 2025 and March 31, 2025.

**Attendance at Audit Committee meetings:**

| Member's Name | No. of Meetings attended | Member's Name | No. of Meetings attended |
|---|---|---|---|
| Mr. Shobinder Duggal | 7 | Mr. Vinayak Deshpande | 5 |
| Mr. M.S. Unnikrishnan | 6 | Ms. Ramni Nirula | 7 |

All the recommendations of the Audit Committee were accepted by the Board.

## 4. NOMINATION AND REMUNERATION COMMITTEE (NRC):

The NRC is constituted in compliance with the requirements under Regulation 19 of the SEBI Listing Regulations, 2015 read with Section 178 of the Act.

The terms of reference of the Committee are as follows:

- Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes.
- To identify and nominate for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- To evaluate the balance of skills, knowledge, experience and diversity of the person to be appointed on the Board and in the light of this evaluation prepare a description of the role and capabilities for a particular appointment.
- To make recommendations to the Board concerning suitable candidates for the role of Senior Independent Director.

- To formulate policy relating to the remuneration of the Directors and Key Managerial Personnel.
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Devising a policy on diversity of Board of Directors.
- 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 of Directors their appointment and removal.
- To recommend to the Board, whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors.

Mr. Shrinivas Dempo - Chairman and Mr. M. S. Unnikrishnan, Mr. Sanjay Kirloskar, Ms. Rekha Sethi and Mr. Vinayak Deshpande were the Members of the Committee as on March 31, 2025.

Mr. Shrinivas Dempo is a Non-Executive Independent Director. He was present at the AGM of the Company for the Financial Year 2023-24.

During the year, 2 (two) meetings of NRC were held on May 13, 2024 and March 10, 2025.

### Attendance at NRC meetings:

| Member's Name | No. of Meetings attended | Member's Name | No. of Meetings attended |
|---|---|---|---|
| Mr. Shrinivas Dempo | 2 | Ms. Rekha Sethi | 2 |
| Mr. M.S. Unnikrishnan | 1 | Mr. Vinayak Deshpande | 1 |
| Mr. Sanjay Kirloskar | 2 | | |

### Criteria for performance evaluation of Independent Directors:

As required under Regulation 19 (4) & Schedule II Part D of the SEBI Listing Regulations, 2015 and in terms of the Act, the criteria for performance evaluation of the Independent Directors and Board of Directors have been laid down in the 'Board Evaluation Policy' formulated by the Company. This policy prescribes criteria for evaluation of the performance of the Board, including its committees and individual directors. Evaluation criteria include ethical conduct, objectivity, value addition, participation, attendance and various other qualitative as well as quantitative parameters which have had an impact on the Board process becoming more and more effective.

## 5. REMUNERATION TO DIRECTORS:

Remuneration Policy has been formulated for the Directors, Key Managerial Personnel (KMP) and Senior Management Personnel. The major objectives of the Policy are transparent process of determining remuneration at Board and Senior Management level of the Company which would strengthen confidence of stakeholders in the Company and its management and help in creation of long-term value for them and appropriate balance between the elements comprising the remuneration so as to attract potentially high performing candidates for critical positions in the Company for attaining continual growth in business. The revisions in the remunerations of the KMP and Senior Management Personnel will be made as per the terms of the Policy.

- There are no pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.
- The payments made to the Executive Directors have been reviewed by the NRC from time to time and approved by the Board of Directors.
- All elements of remuneration package for all Directors have been provided in the statement hereinafter.
- The salient features and a link on the website of the Company regarding the Remuneration Policy of the Directors, KMP and Senior Management has been included in this Annual Report.
- Except whatever is stated in the statement, there is no other fixed component or performance linked incentives to any Director.

### Criteria of making payment to Non-Executive Directors:

Non-Executive Directors have been paid sitting fees for attending Board / Committee meetings. On recommendation of NRC, the Board approves the payment of commission to Non-Executive Directors.

The Company does not have any employee stock options scheme.

### Details of remuneration paid to Directors for the Financial Year 2024-25 are as under:

(₹ Million)

| Name of Director | Sitting Fees | Commission/ Bonus on Profits | Salary | Contribution to Statutory Funds | Perquisites | Others | Total |
|---|---|---|---|---|---|---|---|
| **Executive Directors** | | | | | | | |
| Mr. Sanjay Kirloskar | - | 77.00 | 9.00 | 3.18 | 9.77 | - | 98.95 |
| Ms. Rama Kirloskar | - | 83.00 | 6.00 | 3.15 | 3.16 | - | 95.31 |
| **Non–Executive Directors** | | | | | | | |
| Mr. Alok Kirloskar | 0.53 | 2.60 | - | - | - | - | 3.13 |
| Mr. M.S. Unnikrishnan | 1.05 | 2.60 | - | - | - | - | 3.65 |
| Mr. Shobinder Duggal | 0.98 | 2.60 | - | - | - | - | 3.58 |
| Mr. Shrinivas Dempo | 0.60 | 2.60 | - | - | - | - | 3.20 |
| Ms. Ramni Nirula | 0.98 | 2.60 | - | - | - | - | 3.58 |
| Mr. Vivek Pendharkar | 0.60 | 2.60 | - | | - | - | 3.20 |
| Ms. Rekha Sethi | 0.75 | 2.60 | - | - | - | - | 3.35 |
| Mr. Vinayak Deshpande | 0.98 | 2.60 | - | - | - | - | 3.58 |

*Figures are rounded off to the next figure.*

The Board of Directors of the Company decides the remuneration of Directors on the basis of recommendation from NRC subject to the overall limits provided under the Act, rules made thereunder and as per the SEBI Listing Regulations, 2015 including any amendments, modifications and re-enactments thereto and compliance of related provisions provided therein.

### Directors' Service Contract Details:

| Executive Director | Service Contract and Period | Severance Fees |
|---|---|---|
| Mr. Sanjay C. Kirloskar | Agreement dt.03.02.2021<br>Period: 19.11.2020 to 18.11.2025 | Three years or unexpired period, whichever is less. |
| Ms. Rama Kirloskar | Agreement dt.09.09.2021<br>Period: 03.08.2021 to 02.08.2026 | |

## 6. PARTICULARS OF DIRECTORS TO BE APPOINTED/RE-APPOINTED AT THE ENSUING ANNUAL GENERAL MEETING

Details of directors who are to be appointed / re-appointed at the ensuing Annual General Meeting are included in the Notice for the 105th Annual General Meeting.

## 7. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC):

The SRC is constituted in compliance with the requirements under Regulation 20 of the SEBI Listing Regulations, 2015 read with Section 178 of the Act.

The terms of reference of the Committee are as follows:

- Specifically looks into the mechanism of redressal of grievances of shareholders.
- Looks into the redressal of investors' complaints relating to transfer / transmission of shares, non-receipt of Annual Reports, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- Considers and resolves the grievances of security holders of the Company.
- Approves transmission of shares held in physical mode beyond threshold limit of 1500 shares of ₹2/- each without the succession certificate, probate, letter of administration or Court Decree, subject to the fulfilment of other conditions as may be deemed necessary.
- Considers the issue of duplicate share certificates under the Common Seal of the Company in terms of the requirements of the Companies (Share Capital and Debenture) Rules, 2014.
- Review of measures taken for effective exercise of voting rights by the shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the R&T Agent.
- Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual report / statutory notices by the shareholders of the Company.

The Committee consists of Mr. Shrinivas Dempo – Chairman and Mr. Sanjay Kirloskar, Mr. Alok Kirloskar and Mr. Vinayak Deshpande as Members.

Mr. Shrinivas Dempo is a Non-Executive Independent Director. He was present at the AGM of the Company for the Financial Year 2023-24.

During the year, 1 (one) SRC meeting was held on May 13, 2024.

### Attendance at SRC meeting:

| Member's Name | No. of Meeting(s) attended | Member's Name | No. of Meeting(s) attended |
|---|---|---|---|
| Mr. Shrinivas Dempo | 1 | Mr. Vinayak Deshpande | 1 |
| Mr. Alok Kirloskar | 1 | Mr. Sanjay Kirloskar | 1 |

The Company Secretary is designated as a "Compliance Officer" who oversees the redressal of the investors' grievances.

### Name and designation of Compliance Officer:

Mr. Devang Trivedi, Company Secretary
Associate Vice President and Head – Corporate Secretarial

The Company has always valued its relationship with its stakeholders. This philosophy has been extended to investors' relationship. The Company's Secretarial department is continuously monitoring the complaints / grievances of the investors and is always taking efforts to reduce the response time in resolving the complaints / grievances.

### Details of Shareholders' complaints received:

No complaints were received during the year ended March 31, 2025.

With reference to Regulation 13 of the SEBI Listing Regulations, 2015, the Company is registered on the SCORES platform, which enables handling of Investor Complaints electronically.

The Company has also designated an exclusive e-mail id grievance.redressal@kbl.co.in for investors to register their grievances, if any. This helps the Company to resolve investors' grievances, immediately. The Company has displayed the said e-mail id on its website.

The 'Frequently Asked Questions' (FAQs) by the shareholders along with the requisite formats are placed under the Investors Section of the website of the Company at https://www.kirloskarpumps.com/investors/faq-to-shareholders/

The shareholders are requested to give their feedback through the 'feedback form', which is available in the FAQs to Shareholders on the website of the Company.

The shareholders may also use "**iConnect**" portal of the Company's Registrar and Transfer Agent (RTA) at https://iconnect.bigshareonline.com/Account/Login for efficient communication of their complaints, requests and tracking the same on real-time.

## 8. RISK MANAGEMENT COMMITTEE (RMC):

The RMC is constituted in compliance with the requirements under Regulation 21 of the SEBI Listing Regulations, 2015.

The terms of reference of the Committee are as under:

- To formulate a detailed Risk Management Policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of Risk Management Systems.
- To periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Mr. Chittaranjan M. Mate ceased to be a Member of the Committee w.e.f. October 29, 2024. Mr. Ravish Mittal, Chief Financial Officer (CFO) was appointed as a Member of the Committee w.e.f. October 29, 2024 and ceased to be a member on February 28, 2025, due to resignation as CFO of the Company. Consequently, the Committee was re-constituted and inducted Mr. Sunil Nair, Vice President and Head - Procurement & Strategic Projects, as a Member of the Committee with effect from March 01, 2025.

The Committee comprises Mr. M. S. Unnikrishnan - Chairman, Ms. Rama Kirloskar and Mr. Sunil Nair being the Members as on March 31, 2025. The Committee was further re-constituted on May 14, 2025 comprising of Mr. M. S. Unnikrishnan - Chairman, Ms. Rama Kirloskar, Mr. Vinayak Deshpande and Mr. Bhavesh Chheda as Members.

The Committee, inter-alia, reviews the business risk including strategic, operational, financial, sustainability (particularly, ESG related risks), information, cyber security and compliance risks and approves its mitigation plans and monitors effectiveness thereof. The Company has an Enterprise Risk Management framework to identify emerging risk, assign ownership and assessing and monitoring of controls.

Chief Internal Auditor, who also functions as Chief Risk Officer, is a permanent invitee for the Committee meetings. Members of Senior Management team also attend the meetings depending on the agenda.

During the year, 2 (Two) RMC meetings were held on June 11, 2024 and December 06, 2024.

**Attendance at RMC meetings:**

| Member's Name | No. of Meetings attended | Member's Name | No. of Meetings attended |
|---|---|---|---|
| Mr. M. S. Unnikrishnan | 2 | Ms. Rama Kirloskar | 2 |
| Mr. Chittaranjan Mate* | 1 | Mr. Sunil Nair# | NA |
| Mr. Ravish Mittal** | 1 | | |

** Ceased to be a Member since October 29, 2024.*

*** Appointed as a Member w.e.f. October 29, 2024 and ceased to be a Member on February 28, 2025.*

*# Appointed as a Member w.e.f. March 01, 2025 and ceased to be a Member on May 14, 2025.*

## 9. GENERAL MEETINGS:

**Details of last three Annual General Meetings held:**

i) **102nd Annual General Meeting** (Virtual AGM was held pursuant to MCA circulars)
August 10, 2022: 11.00 A.M.
Yamuna, Survey No.98(3-7),
Baner, Pune - 411 045.
No special resolution was passed at this meeting.

ii) **103rd Annual General Meeting** (Virtual AGM was held pursuant to MCA circulars)
August 01, 2023: 02.00 P.M.
Yamuna, Survey No.98(3-7),
Baner, Pune - 411 045.
No special resolution was passed at this meeting.

iii) **104th Annual General Meeting** (Virtual AGM was held pursuant to MCA circulars)
August 02, 2024: 02.00 P. M.
Yamuna, Survey No.98(3-7),
Baner, Pune - 411 045.
No special resolution was passed at this meeting.

**Postal Ballot** No: resolution passed through postal ballot during the previous year.

No Special Resolution(s) requiring a postal ballot is being proposed at the ensuing AGM of the Company.

## 10. MEANS OF COMMUNICATION:

- The Company promptly discloses information and other events as required under the SEBI Listing Regulations, 2015. The Company disseminates such information through various channels of communications like online portal of the Stock Exchanges, Press Releases, Annual Reports and by placing relevant information on its website.
- Quarterly, half-yearly and annual financial results are displayed on the Company's website 'www.kirloskarpumps.com' immediately after its submission to the Stock Exchanges. The Company's website also displays official news releases.
- The financial results are published in the newspapers viz. Financial Express and Loksatta.
- Presentations for analysts are uploaded on the Company's website and also disclosed to the stock exchanges prior to such analysts meet.
- Communication sent to shareholders for registering their PAN, KYC & Nomination details, for claiming unclaimed dividends of seven years lying unclaimed with the Company and transfer of dividend/shares to Investor Education & Protection Fund A/c.
- Green Initiatives - In compliance with the provisions of Section 20 of the Act and as a continuing endeavour towards the 'Go Green' initiative, the Company proposes to send all correspondence/communications through email to those shareholders who have registered their email id with their depository participants/Company's RTA.

## 11. GENERAL SHAREHOLDERS INFORMATION:

105th Annual General Meeting (through VC/OVAM)

| | | |
|---|---|---|
| Day & Date | : | Friday, August 01, 2025 |
| Time | : | 2.00 P.M. (IST) |
| Deemed Venue | : | Registered Office at "Yamuna" Survey No. 98 (3 to 7), Plot No.3, Baner, Pune – 411 045. |
| Financial Year | : | 1st April to 31st March |
| Record Date for dividend | : | July 25, 2025 |
| Dividend payment date | : | August 30, 2025 |
| Corporate Identification No.(CIN) | : | L29113PN1920PLC000670 |
| Listing on Stock Exchanges | : | Company's equity shares are listed on BSE Limited and National Stock Exchange of India Limited, Mumbai. |
| ISIN | : | INE732A01036 |

**Addresses of stock exchanges:**

| **BSE Limited** | **National Stock Exchange of India Limited** |
|---|---|
| Phiroze Jeejeebhoy Towers, | Exchange Plaza, Plot No. C/1, G Block |
| Dalal Street, Mumbai – 400 001. | Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051. |
| Tel. No. (022) 2272 1233/34 | Tel. No. (022) 2659 8100/8114 |
| Fax No. (022) 2272 1919 | Fax No. (022) 2659 8120 |

The Annual Listing Fees have been paid to both BSE Limited and National Stock Exchange of India Limited (NSE).

### Registrar and Transfer Agent (RTA):

M/s. Bigshare Services Private Limited has been appointed as RTA of the Company.

Share transmission, issuance of duplicate share certificates, dematerialisation of shares, dividend payment and all other investor related activities are attended and processed at the office of the RTA at the following address:

### M/s. Bigshare Services Private Limited

(Unit: Kirloskar Brothers Limited),
Office No. S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai – 400 093
Email id: investor@bigshareonline.com
Tel.: 022-62638200 / 08069219060 / 08069219061

### Share transfer system:

Pursuant to Regulation 40 of SEBI Listing Regulations, 2015 as amended, the shares held in dematerialised (demat) form only can be transferred.

Out of total paid-up share capital, 98.5% share capital is held in demat form with National Securities Depository Limited and Central Depository Services (India) Limited, the Depositories as on March 31, 2025.

The Company has established connectivity with both the Depositories through its RTA, M/s. Bigshare Services Private Limited.

Shareholders are advised to notify to the Company or RTA, any change of address and Bank details, immediately.

### Dematerialisation of equity shares and liquidity as on 31st March, 2025:

| Equity shares | Number of shares | % of total shares |
|---|---|---|
| Held in dematerialised form in NSDL | 7,48,49,223 | 94.26 |
| Held in dematerialised form in CDSL | 34,11,343 | 4.29 |
| Physical | 11,48,360 | 1.45 |
| **Total** | **7,94,08,926** | **100.00** |

**Distribution of Shareholding as on March 31, 2025:**

| Nominal value of shares (In ₹) From | To | Number of holders | % to total holders | Total face value (In ₹) | % to total face value |
|---|---|---|---|---|---|
| 1 | 5000 | 72,183 | 98.68 | 1,13,01,664 | 7.12 |
| 5001 | 10000 | 508 | 0.69 | 35,54,616 | 2.24 |
| 10001 | 20000 | 223 | 0.30 | 31,12,480 | 1.96 |
| 20001 | 30000 | 63 | 0.09 | 15,49,972 | 0.98 |
| 30001 | 40000 | 46 | 0.06 | 16,29,252 | 1.02 |
| 40001 | 50000 | 20 | 0.03 | 9,03,630 | 0.57 |
| 50001 | 100000 | 49 | 0.07 | 34,95,484 | 2.20 |
| 100001 and above | | 59 | 0.08 | 13,32,70,754 | 83.91 |
| **TOTAL** | | **73,151** | **100.00** | **15,88,17,852** | **100.00** |

**Outstanding GDRs / ADRs / warrants or any convertible instruments etc.:**

As of date, the Company has not issued these types of Securities.

**Foreign Exchange and Commodity Risk:**

During the Financial Year 2024-25, the Company has managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposure are disclosed in Note No. 40D to the Financial Statements.

The Company manages financial risks emanating from commodity price movements through various tools such as price variation clauses embedded in the contracts with customers, price increases for made to stock products, bulk procurement etc., if required.

**Plant locations:**

| | |
|---|---|
| **1. Kirloskarvadi**<br>Dist. Sangli – 416 308 Maharashtra.<br>Tel. No. (02346) 222301 | **2. Dewas**<br>Station Road,<br>Dewas- 455 001, Madhya Pradesh.<br>Tel. No. (07272) 227397 |
| **3. Shirwal**<br>Gate No. 117, Shindevadi,<br>Tal. Khandala,<br>Dist. Satara – 412 801, Maharashtra.<br>Tel. No. (02169) 244360 | **4. Kondhapuri**<br>Gat No. 252/2 + 254/2, Kondhapuri,<br>Tal. Shirur, Dist. Pune – 412 208,<br>Maharashtra.<br>Tel. No. (02137) 240041, 240025, 240047 |
| **5. Kaniyur Village**<br>S.F. No. 324/1, Moperipalayam Road,<br>Thattampudur, Kaniyur Village,<br>Karumathampatti – PO,<br>Coimbatore – 641 659, Tamil Nadu.<br>Tel. No. 08111018180 | **6. Sanand**<br>254/1, Chharodi Village, Sanand,<br>Ahmedabad-Viramgam Highway,<br>Ahmedabad – 382 170, Gujarat.<br>Tel. No. (02717) 273310 |

**Address for correspondence / Investor contacts:**

| Company Address (Registered Office) | Registrar and Transfer Agent |
|---|---|
| Secretarial Department,<br>Kirloskar Brothers Limited,<br>"Yamuna", Survey No. 98 (3 to 7), Plot<br>No. 3, Baner, Pune – 411 045.<br>Tel. No. (020) 2721 1030, (020) 6721 1030<br>Fax No. (020) 2721 1136<br>E-mail : grievance.redressal@kbl.co.in | Bigshare Services Private Limited,<br>Office No S6-2, 6th Floor, Pinnacle Business Park, Next<br>to Ahura Centre, Mahakali Caves Road, Andheri (East)<br>Mumbai – 400 093.<br>Tel.: 022-62638200 / 08069219060 / 08069219061<br>Fax No.: 022-6263 8299<br>Email id: investor@bigshareonline.com |

**Depositories for equity shares:**

| National Securities Depository Limited | Central Depository Services (India) Ltd. |
|---|---|
| Trade World – A Wing, 4th & 5th Floor,<br>Kamala Mills Compound, Lower Parel,<br>Mumbai – 400 013.<br>Tel. No. (022) 4886 7000 | Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg,<br>Lower Parel, Mumbai - 400 013.<br>Tel. No. (022) 2305 8640 |

**Credit Rating obtained by the entity along with revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds whether in India or abroad:**

The Company received Credit rating of "CRISIL A1+(CRISIL A one plus rating)" on ₹100 Crore Commercial Paper programme / short term bank loan facilities and the rating of "CRISIL AA/Stable" for long term bank loan facilities.

## 12. OTHER DISCLOSURES:

i. There were no materially significant transactions entered into by the Company with its promoters, directors or their relatives or with the management, subsidiaries etc. during the year which have potential conflict with the interests of the Company at large.

ii. The details of transactions of the Company with persons, entities belonging to the promoter/promoter group which hold 10% or more shareholding in the Company:

The details of transactions with Mr. Sanjay Kirloskar and Mrs. Pratima Kirloskar, during the Financial Year 2024-25 are provided in Note No. 35 to the Financial Statements attached to the Board's Report. A dividend amounting to ₹113.93 Million was paid to Kirloskar Industries Limited during the Financial Year 2024-25.

iii. The details of material subsidiaries of the Company and their statutory auditors are provided in the Board's Report.

iv. Loans and advances by Company / subsidiaries in entities where Directors are interested - Nil

v. There is no non-compliance by the Company, no penalties and strictures imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets, during the last three years, except a delay in submission of RPT for period ended March 31, 2022 within stipulated time under Regulation 23 of the SEBI Listing Regulations, 2015. The BSE and NSE had levied fine of ₹45,000/- each for deviation of compliance of Regulation 23 of the SEBI Listing Regulations, 2015, which the Company had paid.

vi. a. Whistle Blower Policy:

The Whistle Blower Policy ('the Policy') inter alia provides a mechanism for employees of the Company and other persons dealing with the Company to approach the Chief Ethics Counsellor / the Chairperson of the Audit Committee or other channels set out in the Policy to report any instance of illegal or unethical behaviour or violation of the Company's code of conduct. Thus, any employee / stakeholder has access to the Audit Committee. During the year, no personnel has been denied access to the audit committee.

The Policy has been communicated to all the employees of the Company and other persons dealing with the Company, through circular/display on the Notice Board/ display on the Intranet and through training programmes from time to time. The Policy has also been uploaded on the Company's website.

b. Policy for prevention of sexual harassment at work:

The Company has also in place and implemented a policy for prevention of sexual harassment at work. This provides a mechanism to prevent or deter the commission of acts of sexual harassment or inappropriate behaviour at work and to ensure that all employees are treated with respect and dignity. Under the said policy, the procedures for the resolution, settlement or prosecution of acts or instances of sexual harassment have also been provided for.

Disclosure under the 'Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013':

In terms of Section 22 of the above-mentioned Act, read with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, during the year ended on March 31, 2025, the status of complaint(s) is as follows:

1. No. of Complaints received in the year: Nil
2. No. of Complaints disposed off in the year: NA
3. Cases pending for more than 90 days: NA
4. No. of workshops and awareness programmes conducted in the year: 73
5. Nature of action by employer or District Officer, if any: NA

c. Code of Ethics:

The Company released its 'Code of Ethics' on March 10, 2019. This is one of the most important documents of the Company and a guide to ethical behaviour for personnel with the Company.

vii. The Board has adopted certain policies viz. 'Code of Conduct for Board of Directors and Senior Management', 'Corporate Disclosure Policy' (amended on February 12, 2025), 'Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to Regulate, Monitor and Report Trading by Insider of Kirloskar Brothers Limited' under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (amended on May 14, 2025).

viii. **Web links for following on** www.kirloskarpumps.com**:**

a) Familiarisation programme of Independent Directors:

https://www.kirloskarpumps.com/investors/familiarisation-programme-for-independent-directors/

b) Policy for determining 'material' subsidiaries:

https://www.kirloskarpumps.com/wp-content/uploads/2020/01/Policy_Material-Subsidiary-Company.pdf

c) Policy on dealing with related party transactions:

The Policy was amended on February 12, 2025 in line with the amendments to the SEBI Listing Regulations, 2015. A link to access the said Policy is given below:

https://www.kirloskarpumps.com/wp-content/uploads/2025/02/Related-Party-Transactions-Policy.pdf

d) Enterprise Risk Management Policy:

The Policy was amended on February 12, 2025 subsequent to review by RMC. A link to access the said Policy is given below:

https://www.kirloskarpumps.com/wp-content/uploads/2025/02/Enterprise-Risk-Management-Policy.pdf

e) Corporate Disclosure Policy:

The Policy was amended on February 12, 2025 in line with the amendments to the SEBI Listing Regulations, 2015. A link to access the said Policy is given below:

https://www.kirloskarpumps.com/wp-content/uploads/2025/02/Corporate-Disclosure-Policy.pdf

ix. **Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

The Company has not raised any fund through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

x. **Separate meeting of Independent Directors:**

Independent Directors of the Company met on March 29, 2025 to review and discuss on the matters required under SEBI Listing Regulations, 2015.

xi. **Payment of consolidated fees to the Statutory Auditor:**

The Company has paid fees of ₹11.24 Million on consolidated basis to Statutory Auditor M/s. Sharp and Tannan Associates Chartered Accountants, Mumbai (Firm Registration No.109983W) during the Financial Year ended on March 31, 2025.

xii. The particulars of senior management as on date and the changes therein since the close of the previous financial year:

| Name | Designation |
|---|---|
| Mr. Vikas Agarwal | Vice President and Head Water, Irrigation & Power Sector |
| Mr. Supriyo Bhowmik | Vice President & Head – Engineered Service Division & Customer Support & Services (Service & Spares) |
| Mr. Suman Chakraborty | Vice President & Head – SPB Sales |
| Mr. Kiran Gosavi | Vice President & Head – Research and Development |
| Mr. Ashok Jade | Global CIO (CIC) |
| Mr. Sudhir Mali | Vice President & Head – R&D – Small Pump Business |
| Mr. Sunil Nair | Vice President & Head – Procurement & Strategic Projects |
| Mr. Shingo Nakamura | Vice President & Head – Total Quality & Productivity Maintenance (TQPM) |
| Mr. Devang Trivedi | Company Secretary |
| Mr. Amit Oswal | General Manager & Head – Legal (w.e.f. March 13, 2025) |
| Mr. Gangappan B. | Vice President – Manufacturing, Kirloskarvadi Plant (w.e.f. May 14, 2025) |
| Mr. Bhavesh Chheda | Chief Financial Officer (w.e.f. May 14, 2025) |
| Mr. Ravish Mittal | Chief Financial Officer & Vice President – Finance (ceased w.e.f. February 28, 2025) |
| Mr. Chittaranjan Mate | Chief Financial Officer & Sr. Vice President – Finance (ceased w.e.f. May 14, 2024) |
| Mr. Vinay Bhatt | Vice President & Head – Kirloskarvadi Operations (ceased w.e.f. January 03, 2025) |
| Mr. Subodh Karmarkar | Head – Corporate Legal (ceased w.e.f. March 12, 2025) |

xiii. All mandatory requirements of the SEBI Listing Regulations, 2015 have been complied with by the Company

The extent of adoption of non-mandatory requirements is given hereunder:

**Discretionary requirements as per Schedule II Part E:**

1. **The Board:**

The Company has an Executive Chairman and the office with required facilities is provided and maintained at the Company's expenses for use by the Chairman.

2. **Shareholders' Rights:**

The quarterly, half-yearly and annual financial results are published in the English and Vernacular newspapers and are also displayed on the Company's website. The Company has started sharing the financial results to shareholders who have registered their email addresses with the Company after filing of the same with stock exchanges.

3. **Modified Opinion in Audit Report:**

The Company is already in the regime of financial statements with unmodified audit opinion.

4. **Reporting of Internal Auditor:**

The Internal Auditor's reports are presented to the Audit Committee, on a regular periodical basis.

## DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

To the members of **KIRLOSKAR BROTHERS LIMITED**

Pursuant to Regulation 34 (3) read with Schedule V Para D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015), I hereby declare that all Board members and Senior Management Personnel are aware of the provisions of the Code of Conduct laid down by the Board. All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct.

For **Kirloskar Brothers Limited**

**Sanjay C. Kirloskar**
Chairman and Managing Director
DIN: 00007885

Pune: May 14, 2025

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

[Pursuant to Clause E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors
**M/s. Kirloskar Brothers Limited**
CIN: L29113PN1920PLC000670
'Yamuna', S. No. 98 (3-7), Plot No. 3,
Baner, Pune - 411045

I have examined the compliance of conditions of corporate governance by **Kirloskar Brothers Limited** (CIN L29113PN1920PLC000670), for the year ended on 31st March, 2025, under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance with conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to us and the representations made by the Directors and Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchanges.

I further 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.

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For **Dinesh Birla & Associates**
Company Secretaries

**Dinesh Birla**
Proprietor
FCS: 7658, CP No. : 13029
Peer Review Certificate No. : 1668/2022
UDIN: F007658G000336745

Place: Pune
Date: 14 May, 2025

## 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 Board of Directors
**M/s. Kirloskar Brothers Limited**
CIN: L29113PN1920PLC000670,
Yamuna, S No.98/3 – 7, Plot No.3 Baner,
Pune – 411 045.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kirloskar Brothers Limited having CIN L29113PN1920PLC000670 and having registered office at Yamuna, S. No. 98/3 – 7, Plot No.3, Baner, Pune 411045 (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 March 31, 2025 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 Director | DIN | Designation |
|---|---|---|---|
| 1 | Mr. Sanjay Chandrakant Kirloskar | 00007885 | Managing Director |
| 2 | Mr. Alok Sanjay Kirloskar | 05324745 | Non-Executive Director |
| 3 | Ms. Rama Sanjay Kirloskar | 07474724 | Jt. Managing Director |
| 4 | Mr. Mangalath Unnikrishnan | 01460245 | Independent Director |
| 5 | Ms. Ramni Nirula | 00015330 | Independent Director |
| 6 | Mr. Shobinder Duggal | 00039580 | Independent Director |
| 7 | Mr. Shrinivas Vasudeva Dempo | 00043413 | Independent Director |
| 8 | Mr. Vivek Sharad Pendharkar | 02791043 | Independent Director |
| 9 | Ms. Rekha Sethi | 06809515 | Independent Director |
| 10 | Mr. Vinayak Kashinath Deshpande | 00036827 | Independent Director |

Ensuring the eligibility 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

**Dinesh Birla**
Proprietor
FCS: 7658, CP No. : 13029
Peer Review Certificate No. : 1668/2022
UDIN: F007658G000336723

Place: Pune
Date: 14 May, 2025

# INDEPENDENT AUDITOR'S REPORT

To the members of **KIRLOSKAR BROTHERS LIMITED**

Report on the audit of the standalone financial statements

## OPINION

We have audited the accompanying standalone financial statements of **Kirloskar Brothers Limited** (hereinafter referred as "the Company"), which comprise the balance sheet as at 31 March 2025, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year ended on that date and notes to the standalone financial statements, including a summary of material accounting policies and significant accounting policies, and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (hereinafter referred as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (hereinafter referred as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31 March 2025, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

## BASIS FOR OPINION

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

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

## KEY AUDIT MATTER

Key audit matters 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 taken as a whole, in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the key audit matter as described below:

### Accounting treatment for customer contracts where performance obligations are satisfied over time

**Description of key audit matter:**

Revenue amounting to ₹ 681 million reported in the Company's standalone financial statements pertains to customer specific long-term contracts and the same are required to satisfy the recognition and measurement criteria as enunciated in IND AS 115, 'Revenue from Contracts with Customers'. In case of these contracts the revenue is recognised over time and is based on a percentage completion method (POC) for each of such contracts. The stage of project completion is determined based on a ratio of project costs actually incurred till the period / year end to the planned / estimated total cost to complete the said project. This necessarily involves estimations and certain assumptions to be made by the management in determining the total planned costs and an appropriate allocation of costs actually incurred on each project. This inherently creates certain uncertainties and results in complexities in accounting treatment wherein incorrect assumptions and estimates can lead to revenue being recognised in incorrect accounting periods thereby impacting the results. In addition, in POC method revenue recognition and respective collections do not follow a linear trend irrespective of stage completion determined by the company. Collections do depend on satisfaction of certain other performance obligations as laid down in the respective project agreements. Consequently, those amounts that remain as receivables whose due dates for payments depend on other conditions give rise to certain receivables that are due and others not due for payment, requiring the Company to adopt a differential accounting classification and treatment. While assessing the contractual obligations as at any period close, change orders and / or cancellations are required to be considered by the Company to adopt an appropriate accounting treatment for revenues already recognised, valuation of work in progress and respective receivables. Considering these factors, in the context of our audit this matter was of significance and hence a key audit matter (Refer note 30 to the standalone financial statements).

**Description of Auditor's response:**

With a view to verify the alignment of the Company's project accounting system with the actual progress of the project and its status at any period close, we designed our audit procedures related to this area to obtain an understanding of project acceptance and execution process and the related accounting controls including verification of compliance with IND AS 115 – 'Revenue from contracts with customers'.

These included inter-alia, reading through the material contracts and formation of a standard checklist to note the terms and conditions and considerations required to be taken note of for appropriate financial accounting till a project is finally executed and closed. We discussed with the management the risks associated with the project execution to understand requirement of any specific recognition of financial accounting considerations and developed requisite key controls requiring audit attention and review. The Company has automated through its accounting software the method of calculating the percentage of completion method which we have verified on test basis. We reviewed planned costs, their latest estimates, rationale for revision in estimates based on information shared by the management in our discussions, approvals to such revisions in the estimates and compared them with latest costs to complete, related mathematical accuracy and, on a sample, basis validated resulting recognition of revenue. We discussed with management the status of amount receivable and have verified the evidence supporting the recoverability in sample cases. We verified the calculations of expected credit loss provisions and corroborated with specific management discussions on major projects.

## INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## MANAGEMENT'S AND BOARD OF DIRECTOR'S RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

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

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

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our

opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

E. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the central government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143 (3) of the Act and based on our audit, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;

   e) On the basis of the written representations received from the directors as on 31 March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of section 164 (2) of the Act;

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

   g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is

in accordance with the provisions of section 197 of the Act; and

h) With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its standalone financial statements - refer note 28 to the standalone financial statements.

ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable loses, if any, on long term contracts including derivative contracts - refer note 38 to the standalone financial statements.

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

iv. Reporting on rule 11(e):

(a) The Management has represented that, to the best of its knowledge and belief, as stated in note no. 47 C (2), no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as stated in note no. 47 C (3), no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The dividend for the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination which included test checks, except for instances mentioned below, the Company, in respect of financial year commencing on 1 April 2024, has used accounting software for maintaining its books of account which have a feature of recording audit trail (Edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further during our audit, we did not come across any instance of audit trial feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention, other than the consequential impact of exceptions mentioned below:

(a) In respect of an accounting software – the audit trail feature at database level was enabled from the 01 January 2025.

(b) In respect of Human Resource Management System (HRMS) – based on Service Organisation Control Type 2 report ('SOC report'), the audit trail feature at application level was enabled from 19 December 2024. – Refer note 47 B to the Standalone financial statements

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

**CA Pramod Bhise**
Partner
Membership no.(F) 047751
UDIN: 25047751BMKXAP9963
Pune, 14 May 2025

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

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

(i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment have been physically verified by the management at regular intervals based on the programme of verification in a phased manner which in our opinion is reasonable. No material discrepancies were noticed during such physical verification conducted by the Company during the year.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) The Company has neither revalued its Property, Plant and Equipment (including Right of Use assets) nor intangible assets during the year. Accordingly, reporting under paragraph 3(i)(d) of the Order is not applicable.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under paragraph 3(i)(e) of the Order is not applicable.

(ii) (a) Physical verification of inventory, except goods-in-transit has been conducted at reasonable intervals by the management and in our opinion the coverage and procedure of such verification is appropriate. Discrepancies noticed on physical verification were less than 10% in the aggregate for each class of inventory and the same have been properly dealt with in the books of account.

(b) During the year, 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. The management of the Company has provided us the quarterly returns/ statements, which they have represented to us have been filed by the Company with such banks or financial institutions. These quarterly returns/ statements are in agreement or have been reconciled with the books of account.

(iii) The Company has not provided any security or granted any secured loans or secured or unsecured advances in the nature of loans, to companies, firms, limited liability partnerships or any other parties during the year. The Company has made investment or provided guarantee to companies & and has not made investment or provided guarantee to firms, limited liability partnerships or any other parties during the year.

(a) During the year, the Company has provided guarantee to its subsidiaries and other than subsidiaries (direct and indirect). Details of guarantees provided are as follows (also refer note 35E for details):

| Particulars | Guarantees | |
|---|---|---|
| | Provided during the year* | Balance outstanding as at 31 Mar 2025 |
| Aggregate amount during the year | | |
| - Subsidiaries | ₹ 526.30 Mn. | ₹ 1,509.10 Mn |
| - Other than Subsidiaries | ₹ 693.93 Mn. | ₹ 3,193.94 Mn. |

** Excludes cancelled during the year [refer note no. 35C (14) and (15)].*

(b) The unsecured loan given to The Kolhapur Steel Limited (TKSL) in FY 2008-09 was under an order from Board for Industrial and Financial Reconstruction (BIFR), without any specific agreed terms for charge of interest and repayment. Unsecured loan given to TKSL during FY 19-20 is with specified terms and conditions.

Considering the above-mentioned facts and materiality of the amounts, in our opinion the terms and conditions of all loans and advances in the nature of loans and guarantees provided, investment made are prima facie, not prejudicial to the Company's interest.

(c) Schedule of repayment of principal and payment of interest has been stipulated for loan given to TKSL during the financial year 2019-20 and repayments/ receipts are regular.

(d) No amount is overdue for more than ninety days. Accordingly, the reporting under para 3(iii)d is not applicable.

(e) No loan or advance in the nature of loan granted has fallen due during the year. Accordingly, the reporting under para 3(iii)(e) is not applicable.

(f) The unsecured loan given to TKSL in FY 2008-09 was under an Order from Board for Industrial and Financial Reconstruction (BIFR), without any specific agreed terms for charge of interest and repayment, details are as follows.

| Particulars of loans given to TKSL | Reference | Amt. in ₹ Mn. |
|---|---|---|
| Aggregate amount of loans/ advances in nature of loans to related party (other than promoters) | | |
| - Repayable on demand (A) | | - |
| - Agreement does not specify any terms or period of repayment (B) | | 9.41 |
| **Total (A+B)** | **C= A+B** | **9.41** |
| Loans granted during the year | | - |
| Percentage of loans/ advances in nature of loans to the total loans outstanding | | 23% |
| Note: Advance against purchases is not considered as advance in the nature of loan. | | |

(iv) The Company has complied with provisions of sections 185 and 186 in respect of grants of loans, making investments and providing guarantees and securities, as applicable.

(v) The Company has not accepted deposits or deemed deposits to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed there under, are applicable. Accordingly, reporting under para 3(v) is not applicable.

(vi) The Central Government has specified maintenance of cost records under section 148(1) of the Act. We have broadly reviewed these records relating to materials, labour and other items of cost maintained by the Company and are of the opinion that, prima facie; the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of records with a view to determine whether they are accurate and complete.

(vii) In respect of statutory dues:

(a) The Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and any other statutory dues, as applicable, to the appropriate authorities. On test basis, there are no arrears of statutory dues outstanding as on the last day of the financial year concerned for a period of more than six months from the date, they became payable except as follows.

Statement of Arrears of Statutory Dues Outstanding for More than Six Months

| Name of the Statute | Nature of the Dues | Amount in (₹) | Period to which the amount relates | Due Date | Date of Payment | Remarks, if any |
|---|---|---|---|---|---|---|
| Employees provident fund organisation India | Provident fund | 1,07,687 | April 2024 to September 2024 | Various | - | Mismatched of data as per aadhar database of some employees maintained online at UIDAI. |
| Goods & services taxes | GST (RCM) | 12,600 | May 2024 | 20 June 2024 | - | GST RCM not included in GSTR 3B |
| Goods & services taxes | GST (RCM) | 16,326 | August 2024 | 20 September 2024 | - | GST RCM not included in GSTR 3B |

(b) The details of statutory dues referred to in sub- paragraph (a) above which have not been deposited with the concerned authorities as on 31 March, 2025, on account of dispute are given below:

| Name of Statute | Nature of dues | Amount involved ₹ Million | Amount unpaid ₹ Million | Period to which amount Relates | Forum where Dispute is Pending |
|---|---|---|---|---|---|
| Local Sales Tax of Various States | LST, GST, Sales Tax, CST, VAT, WCT (including interest, penalty etc. if any) | 119.45 | 119.45 | 2008-09, 2009-10, 2010-11 & 2013-14 | C.T.O., Telangana |
| | | 2.06 | 2.06 | 2003-04, 2009-10, 2010-11 | Commissioner of Appeal |
| | | 3.18 | 3.18 | 2016-17, 2017-18 | Commissioner of Appeal, Jharkhand |
| | | 40.37 | 40.37 | 2013-14 | Tribunal Maharashtra |
| Chapter V of Finance Act, 1994 | (Tax including interest, penalty etc. if any) | 95.73 | 95.73 | 2004-08 | CESTAT |
| | | 1.14 | 1.14 | 2012-13 | Superintendent |
| | | 902.52 | 902.52 | 2012-13 | Supreme Court |
| Central Excise Act, 1944 | (Tax including interest, penalty etc. if any) | 1.05 | 1.05 | 2003-04 | CESTAT |
| | | 6.36 | 6.36 | 2013-17 | DGGI |
| | | 0.14 | 0.14 | 1996-97 | Deputy Commissioner |
| | | 6.06 | 6.06 | 2015-16 & 2017 | Assistant commissioner |
| | | 10.62 | 10.62 | 2017-18 | High court |
| The Income Tax Act, 1961 | (Tax including interest, penalty etc. if any) | 119.08 | 119.08 | 2017-18, 2018-19 | CIT (Appeals), Pune |
| **Total** | | **1,307.76** | **1,307.76** | | |

(viii) The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income tax act, 1961 as income during the year. Accordingly, reporting under para 3(viii) is not applicable.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Accordingly, reporting under para 3(ix)(a) is not applicable.

(b) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender. Accordingly, reporting under para 3(ix)(b) is not applicable.

(c) No additional term loans availed by the Company during the year, Accordingly, reporting under para 3(ix)(c) is not applicable.

(d) Funds raised on short term basis have not been utilised for long term purposes. Accordingly, reporting under para 3(ix)(d) is not applicable.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, reporting under para 3(ix)(e) is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, reporting under para 3(ix)(f) is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting on para 3(x)(a) is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting on para 3(x)(b) is not applicable.

(xi) (a) No fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have considered whistle blower complaints received by the company during the year.

(xii) The Company is not a Nidhi Company. Accordingly, reporting on para 3(xii) of the order is not applicable.

(xiii) All transactions with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable, and the details have been disclosed in the financial statements as required by the applicable Ind AS.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports issued during the year and pertaining to the year under audit.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, reporting on para 3(xv) of the order is not applicable.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting on para 3(xvi)(a) is not applicable.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, reporting on para 3(xvi)(b) is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting on para 3(xvi)(c) of the order is not applicable.

(d) The group does not have CIC as part of the group. Accordingly, reporting on para 3(xvi)(d) of the order is not applicable.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, reporting on para 3(xvii) of the order is not applicable.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting on para 3(xviii) of the order is not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There is no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects which required a transfer to a Fund specified in Schedule VII to the companies Act in compliance with second proviso to sub section (5) of section 135 of the Act. Accordingly, reporting on para 3(xx)(a) of the order is not applicable.

(b) The Company has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) under sub-section (5) of Section 135 of the Act, in respect of ongoing projects, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act

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

**CA Pramod Bhise**
Partner
Membership no.(F) 047751
UDIN: 25047751BMKXAP9963
Pune, 14 May 2025

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

## REPORT ON THE INTERNAL FINANCIAL CONTROLS [UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")]

### OPINION

We have audited the internal financial controls over financial reporting of **Kirloskar Brothers Limited** (hereinafter referred as "the Company") as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2025, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (hereinafter referred as "the guidance note") issued by the Institute of Chartered Accountants of India (hereinafter referred as "ICAI").

### MANAGEMENTS AND BOARD OF DIRECTORS RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

### AUDITOR'S RESPONSIBILITY

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

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

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

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

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

**CA Pramod Bhise**
Partner
Membership no.(F) 047751
UDIN: 25047751BMKXAP9963
Pune, 14 May 2025

# BALANCE SHEET

AS AT 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| Particulars | Note No. | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3A | 4,196.689 | 4,169.426 |
| Capital work-in-progress | 44C | 283.919 | 236.842 |
| Investment property | 4 | 5.020 | 5.020 |
| Other intangible assets | 3A | 58.996 | 29.140 |
| Right to use assets | 3B | 131.164 | 96.748 |
| Financial assets | | | |
| Investments | 5 | 4,444.997 | 2,975.416 |
| Trade receivables | 6 | 367.920 | 258.206 |
| Loans | 7 | - | 31.528 |
| Other financial assets | 8 | 63.237 | 89.693 |
| Deferred tax assets (net) | 19 | 622.438 | 479.609 |
| Other non-current assets | 9 | 712.519 | 662.805 |
| **Total non-current assets** | | **10,886.899** | **9,034.433** |
| **Current assets** | | | |
| Inventories | 10 | 5,105.021 | 4,918.322 |
| Financial assets | | | |
| Investments | 5 | 2,920.414 | 2,292.212 |
| Trade receivables | 6 | 3,884.232 | 4,442.664 |
| Cash and cash equivalents | 11 A | 924.369 | 1,516.701 |
| Other bank balances | 11 B | 39.512 | 32.130 |
| Loans | 7 | 40.942 | 59.514 |
| Other financial assets | 8 | 953.262 | 882.578 |
| Other current assets | 9 | 2,505.750 | 2,393.851 |
| **Total current assets** | | **16,373.502** | **16,537.972** |
| **TOTAL ASSETS** | | **27,260.401** | **25,572.405** |
| **EQUITY AND LIABILITIES** | | | |
| Equity | | | |
| Equity share capital | 12 | 158.818 | 158.818 |
| Other equity | 13 | 16,466.660 | 14,363.385 |
| **Total equity** | | **16,625.478** | **14,522.203** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Lease liabilities | 46 | 81.889 | 44.432 |
| Trade payables | 15 | 74.923 | 79.148 |
| Provisions | 17 | 200.805 | 257.170 |
| Other non-current liabilities | 18 | 738.339 | 689.611 |
| **Total non-current liabilities** | | **1,095.956** | **1,070.361** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 14 | 94.072 | 391.257 |
| Lease liabilities | 46 | 56.468 | 59.405 |
| Trade payables | | | |
| - Micro, small and medium enterprises | 15 | 661.446 | 944.327 |
| - Others | 15 | 4,008.860 | 4,064.544 |
| Other financial liabilities | 16 | 1,095.199 | 971.966 |
| Other current liabilities | 18 | 3,083.562 | 3,046.652 |
| Provisions | 17 | 539.360 | 501.690 |
| **Total current liabilities** | | **9,538.967** | **9,979.841** |
| **Total liabilities** | | **10,634.923** | **11,050.202** |
| **TOTAL EQUITY AND LIABILITIES** | | **27,260.401** | **25,572.405** |
| Corporate information | 1 | | |
| Material accounting policies | 2 | | |
| See accompanying notes to financial statements | 3 - 47 | | |

The accompanying notes 1 to 47 form an integral part of the financial statements

**As per our report of even date attached**

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

**Pramod Bhise**
Partner
Membership No: (F) - 047751

Pune : 14 May 2025

For and on behalf of the Board of Directors

**Sanjay Kirloskar**
Chairman and Managing Director
DIN: 00007885

**Rama Kirloskar**
Joint Managing Director
DIN: 07474724

**Bhavesh Chheda**
Chief Financial Officer

Pune : 14 May 2025

**Devang Trivedi**
Company Secretary

Pune : 14 May 2025

# STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| Particulars | Note No. | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 20 | 29,013.914 | 27,201.250 |
| Other income | 21 | 407.818 | 358.629 |
| **Total income** | | **29,421.732** | **27,559.879** |
| **Expenses** | | | |
| Cost of raw materials consumed | 22 A | 14,552.564 | 14,079.109 |
| Purchases of stock-in-trade | | 1,101.124 | 1,145.246 |
| Changes in inventories of finished goods, stock -in- trade and work-in-progress | 22 B | (129.408) | (432.974) |
| Employee benefits expense | 23 | 3,533.138 | 3,431.294 |
| Finance costs | 24 | 50.997 | 58.085 |
| Depreciation and amortisation expense | 25 | 584.107 | 490.682 |
| Other expenses | 26 | 6,363.942 | 5,556.492 |
| **Total expenses** | | **26,056.464** | **24,327.934** |
| Profit before exceptional items and tax | | 3,365.268 | 3,231.945 |
| Less : Exceptional items | 5 | (107.646) | 6.900 |
| **Profit before tax** | | **3,472.914** | **3,225.045** |
| **Tax expenses** | 19 | | |
| (1) Current tax | | 948.918 | 790.756 |
| (2) Deferred tax | | (142.829) | 0.154 |
| (3) Short provision of earlier years | | 45.713 | - |
| **Total tax expenses** | | **851.802** | **790.910** |
| **Profit after tax for the year** | | **2,621.112** | **2,434.135** |
| **Other comprehensive income** | 27 | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurement gains and (losses) on post employment benefits | | (55.301) | (95.587) |
| Income tax relating to remeasurement gains and losses | | 13.918 | 24.056 |
| **Items that will be reclassified to profit or loss** | | - | - |
| Income tax relating to items that will be reclassified to profit or loss | | - | - |
| **Other comprehensive income** | | **(41.383)** | **(71.531)** |
| **Total comprehensive income for the year (comprising of profit for the year and other comprehensive income for the year)** | | **2,579.729** | **2,362.604** |
| **Earnings per equity share (₹)** | 32 | | |
| (1) Basic | | 33.01 | 30.65 |
| (2) Diluted | | 33.01 | 30.65 |
| Corporate information | 1 | | |
| Material accounting policies | 2 | | |
| See accompanying notes to financial statements | 3 - 47 | | |

The accompanying notes 1 to 47 form an integral part of the financial statements

**As per our report of even date attached**

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

**Pramod Bhise**
Partner
Membership No: (F) - 047751

Pune : 14 May 2025

For and on behalf of the Board of Directors

**Sanjay Kirloskar**
Chairman and Managing Director
DIN: 00007885

**Rama Kirloskar**
Joint Managing Director
DIN: 07474724

**Bhavesh Chheda**
Chief Financial Officer

Pune : 14 May 2025

**Devang Trivedi**
Company Secretary

Pune : 14 May 2025

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| | Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| **A** | **Cash flow from operating activities** | | |
| | Profit before tax | 3,472.914 | 3,225.045 |
| | Adjustments for :- | | |
| 1 | Depreciation / amortisation including on right of use | 584.107 | 490.682 |
| 2 | (Profit) /loss on sale / write-off of fixed assets | (5.200) | 0.699 |
| 3 | Bad debts written off | 4.598 | 313.787 |
| 4 | Advances, deposits and claims written off | 0.026 | 0.172 |
| 5 | Liquidated damages | 44.133 | 73.021 |
| 6 | Provision for loss on long term contracts | (2.170) | 2.377 |
| 7 | Provision slow-non moving inventory | 24.944 | (24.410) |
| 8 | Provision for doubtful debts, advances and claims | 410.514 | (66.177) |
| 9 | Interest income | (194.822) | (70.346) |
| 10 | Dividend income | (38.575) | (174.267) |
| 11 | Interest expenses | 50.997 | 58.085 |
| 12 | Unrealized exchange (gain)/ loss - others | 56.831 | 50.865 |
| 13 | Profit on sale of mutual funds | (108.300) | (67.173) |
| 14 | Impairment of investment | (107.646) | 6.900 |
| | **Operating profit before working capital changes** | **4,192.351** | **3,819.260** |
| | Adjustments for :- | | |
| 1 | (Increase)/ decrease in inventories | (211.643) | (500.131) |
| 2 | (Increase)/ decrease in trade receivables | (57.689) | (1,004.255) |
| 3 | (Increase)/ decrease in financial assets | 4.945 | (19.048) |
| 4 | (Increase)/ decrease in non-financial assets | (133.389) | 135.350 |
| 5 | Increase/ (decrease) in trade payable | (335.493) | 470.709 |
| 6 | Increase/ (decrease) in financial liabilities | 109.848 | (192.684) |
| 7 | Increase/ (decrease) in non-financial liabilities | 85.638 | 139.622 |
| 8 | Increase/ (decrease) in provisions | (52.568) | (20.971) |
| | **Cash generated from operations** | **3,602.000** | **2,827.852** |
| 9 | Income tax (paid ) / refunded (net) | (1,008.937) | (714.549) |
| | **Net cash from operating activities** | **2,593.063** | **2,113.303** |
| **B** | **Cash flow from investing activities** | | |
| 1 | Purchase of fixed assets | (631.881) | (834.795) |
| 2 | Sale of fixed assets | 6.788 | 5.386 |
| 3 | Investment in associate company | (39.581) | - |
| 4 | Investment in subsidiary company | 107.646 | (6.900) |
| 5 | Investment in mutual funds and deposits with NBFC | (18,089.908) | (11,041.835) |
| 6 | Sale of investment in mutual funds and deposits with NBFC | 16,140.006 | 10,754.396 |
| 7 | Interest received | 135.765 | 69.719 |
| 8 | Dividend received | 38.575 | 174.267 |
| 9 | Repayment of loans from subsidiaries | 50.100 | 50.100 |
| | **Net cash from/ (used in) investment activities** | **(2,282.490)** | **(829.662)** |

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| Particulars | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| C | **Cash flow from financing activities** | | |
| 1 | Proceeds from borrowing | 94.072 | 391.257 |
| 2 | Repayment of borrowings | (391.257) | (1,151.363) |
| 3 | Interest paid | (30.738) | (42.371) |
| 4 | Payment of dividend and tax thereon | (472.522) | (356.662) |
| 5 | Lease payment | (68.732) | (59.573) |
| | **Net cash used in financing activities** | **(869.177)** | **(1,218.712)** |
| a | Unrealized exchange gain / (loss) in cash and cash equivalents | (33.728) | (32.594) |
| b | Net increase / (decrease) in cash and cash equivalents (A+B+C) | (558.604) | 64.929 |
| c | Cash & cash equivalents at beginning of year | 1,516.701 | 1,484.366 |
| d | Cash & cash equivalents at end of year (refer note 11A) | 924.369 | 1,516.701 |

*Note :- The above statements of cash flow has been prepared using the "indirect method" as per Ind AS 7.*
*There are no reconciliation items in relation to financing activities for which disclosure is required as per Ind AS 7.*
*Refer note 43 for cash outflow on account of corporate social responsibility.*

**As per our report of even date attached**

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

**Pramod Bhise**
Partner
Membership No: (F) - 047751

Pune : 14 May 2025

For and on behalf of the Board of Directors

**Sanjay Kirloskar**
Chairman and Managing Director
DIN: 00007885

**Bhavesh Chheda**
Chief Financial Officer

Pune : 14 May 2025

**Rama Kirloskar**
Joint Managing Director
DIN: 07474724

**Devang Trivedi**
Company Secretary

Pune : 14 May 2025

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## A. EQUITY SHARE CAPITAL

| Particulars | Amt (₹ in Mn) |
|---|---|
| Balance as at 1 April 2023 | 158.818 |
| Changes in equity share capital during the year | - |
| Balance as at 31 March 2024 | 158.818 |
| Changes in equity share capital during the year | - |
| **Balance as at 31 March 2025** | 158.818 |

## B. OTHER EQUITY

| | Reserves and Surplus | | | | | Total |
|---|---|---|---|---|---|---|
| | Capital Reserve | Capital Redemption reserve | Securities Premium | General Reserve | Retained Earnings | |
| Balance as at 1 April 2023 | 0.172 | 4.000 | 414.604 | 5,787.407 | 6,151.938 | 12,358.121 |
| Profit for the year | - | - | - | - | 2,434.135 | 2,434.135 |
| Other comprehensive income | - | - | - | - | (71.531) | (71.531) |
| Dividend | - | - | - | - | (357.340) | (357.340) |
| Balance as at 31 March 2024 | 0.172 | 4.000 | 414.604 | 5,787.407 | 8,157.202 | 14,363.385 |
| Profit for the year | - | - | - | - | 2,621.112 | 2,621.112 |
| Other comprehensive income | - | - | - | - | (41.383) | (41.383) |
| Dividend | - | - | - | - | (476.454) | (476.454) |
| **Balance as at 31 March 2025** | **0.172** | **4.000** | **414.604** | **5,787.407** | **10,260.477** | **16,466.660** |

**There are no adjustments on account of prior period errors or due to changes in accounting policies.*

**As per our report of even date attached**

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

**Pramod Bhise**
Partner
Membership No: (F) - 047751

Pune : 14 May 2025

For and on behalf of the Board of Directors

**Sanjay Kirloskar**
Chairman and Managing Director
DIN: 00007885

**Rama Kirloskar**
Joint Managing Director
DIN: 07474724

**Bhavesh Chheda**
Chief Financial Officer

Pune : 14 May 2025

**Devang Trivedi**
Company Secretary

Pune : 14 May 2025

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

## MATERIAL ACCOUNTING POLICIES

Amount in Million ₹ except otherwise stated

## 1. CORPORATE INFORMATION

Kirloskar Brothers Limited ("KBL" or "the Company") is a public limited company domiciled in India and incorporated under the provisions of the Indian Companies Act. KBL is engaged in providing fluid management solutions globally. The core products of the company are Engineered Pumps, Industrial Pumps, Agriculture and Domestic Pumps, Valves, and Hydro turbines.

## 2. MATERIAL ACCOUNTING POLICIES

### 2.1 Basis of preparation

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

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

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

The financial statements have been approved for issue by the Board of Directors at it's meeting held on 14 May 2025.

### 2.2 Basis of measurement

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

| Items | Measurement basis |
|---|---|
| Financial instruments – FVTPL | Fair value |
| Financial instruments through other comprehensive income | Fair value |
| Defined benefit plan – plan assets | Fair value |

### 2.3 Current or non-current classification

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

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

### 2.4 Functional and presentation currency

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

### 2.5 Use of judgements, estimates and assumptions

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

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

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

#### Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of defined benefit obligation – The cost of the defined benefit gratuity and pension plan, and the present value of the gratuity/pension obligation are determined using actuarial valuations. An actuarial

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FOR THE YEAR ENDED 31ST MARCH 2025

valuation involves making various assumptions that may differ from actual developments in the future. (Refer note – 34)

- Estimation of leave encashment provision - The cost of the leave encashment and the present value of the leave encashment obligation are determined using actuarial valuations. (Refer note 38)
- Estimation for provision of variable pay – Provision for variable pay is determined based on performance indicator as per annual operating plan.
- Estimation for provision of slow and non-moving inventory – Provision for slow and non-moving inventory is determined based on age-wise analysis of inventory.
- Impairment of receivables - The impairment provisions for financial receivables disclosed are based on assumptions about risk of default and expected credit loss. (Refer note 40)
- Decommissioning liability – Initial estimate of dismantling and restoration liability requires significant judgement about cost inflation index and other factors. (Refer note 38)
- Provision for warranty claims – Provision is recognised based on the key assumptions about likelihood and magnitude of an outflow of resources. (Refer note 38)
- Estimation of provision for loss on long term contract – The provision is recognised when the estimated cost exceeds the estimated revenue for constructions contracts as per Ind AS 115. (Refer note 38)
- Recognition of deferred tax asset – Availability of future taxable profit against which deductible temporary differences can be utilized
- Revenue recognition – Variable consideration such as discounts, rebates is recognized considering historical trend of payout as adjusted for any amendment in rebate scheme.

## 2.6 Inventories

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

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

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

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

## 2.7 Cash and cash equivalents

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

## 2.8 Statement of Cash Flows

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

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

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

## 2.9 Property, plant and equipment (PPE)

### Measurement

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

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

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

Own manufactured PPE is capitalized at cost including an appropriate share of overheads. Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalized as a part of the cost of the PPE.

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

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

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

### Subsequent costs

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

### Disposal

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

### Depreciation

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

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

Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

useful lives of each part of an item of PPE as prescribed in Schedule II of the Companies Act 2013 except in the case of patterns as mentioned below where the management based on the technical evaluation have estimated the life to be lower than the life prescribed in schedule II.

Patterns – Useful life 1-7 Years

Life of assets considered as per schedule II -

| Particulars | Life |
|---|---|
| Building | 60 Years |
| Factory Building | 30 Years |
| Plant and Equipment | 3-22 Years |
| Furniture and Fixtures | 10 Years |
| Vehicles | 8 Years |
| Office equipment | 5 Years |
| Railway Siding | 15 Years |

## 2.10 Investment property

Investment property is a property, being land or building or part of it, (including those under construction) that is held to earn rental income or for capital appreciation or both but not held for sale in ordinary course of business, use in manufacturing or rendering services or for administrative purposes.

Upon initial recognition, investment property is measured and reported at cost, including transaction costs. The cost of investment property includes its purchase price and directly attributable expenditure, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and accumulated impairment loss, if any. The estimated useful life and residual values are reviewed at each financial year end and the effect of any change in the estimates of useful life/ residual value is accounted on prospective basis. Investment property in the form of land is not depreciated.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

The fair value of investment property is disclosed in the note no. 5. Fair value is determined by an independent valuer.

## 2.11 Intangible assets

### Recognition and measurement

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

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

Intangible assets with indefinite useful lives (Goodwill) are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

### Subsequent measurement

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

### Amortisation

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Computer software is amortised over the period of three years.

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

**Research and development costs**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss.

During the period of development, the asset is tested for impairment annually.

## 2.12 Interest in joint operations

The company as joint operator recognizes in relation to its interest in a joint operation, it's share in the assets/ liabilities held / incurred jointly with the other parties of the joint arrangements. Revenue is recognised for it's share of revenue from the sale of output by the joint operator. Expenses are recognised for it's share of expenses incurred jointly with the other parties of the joint arrangements..

## 2.13 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised in the cost of that asset. Qualifying assets are those assets which necessarily takes a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are expensed in the period in which they are incurred.

## 2.14 Revenue recognition

Company recognizes revenue from contracts with customers when it satisfies a performance obligation.

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

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

**Sale of goods**

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

**Customer loyalty programs**

The Company allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programs is deferred, and is recognized as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The deferred revenue is included in contract liabilities.

**Rendering of services**

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

**Construction Contracts**

Contract revenue includes initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

Contract revenue and contract cost arising from fixed price contract are recognized in accordance with the percentage completion method (POC).

The stage of completion is measured with reference to cost incurred to date as a percentage of total estimated cost of each contract. Until such time (50% of project cost in case of civil projects outside India and 25% of project cost in case of other projects) where the outcome of the contract cannot be ascertained reliably, the Company recognizes revenue equal to actual cost.

Full provision is made for any loss estimated on a contract in the year in which it is first foreseen.

Where the Company is involved in providing operation and maintenance services under a single construction contract, then the consideration is allocated on a relative stand-alone price basis between various obligations of a contract.

For contracts where progress billing exceeds the aggregate of contract costs incurred to-date and recognized profits (or recognized losses, as the case may be), the surplus is shown as the unearned revenue.

For contracts where the aggregate of contract costs incurred to-date and recognized profits (or recognized losses, as the case may be) exceed progress billing, the deficit is shown as the unbilled revenue. Unbilled revenue is shown as part of other non-financial assets as the contractual right for consideration is dependant on completion of contractual milestones.

Amounts received before the related work is performed are disclosed in the Balance Sheet as a liability towards advance received. Amounts billed for work performed but yet to be paid by the customer are disclosed in the Balance Sheet as trade receivables.

The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of other asset and is reclassified as trade receivables when it becomes due for payment

## 2.15 Other operating / Non- operating income

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

Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realization

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

Grants that compensate the company for expenses incurred are recognised in profit and loss account as other income on systematic basis, in the periods in which the expenses are recognised unless the conditions for receiving the grants are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

## 2.16 Foreign currencies transactions

**Transactions and balances**

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

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

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

## 2.17 Employee benefits

**Short-term employee benefits**

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

are recognized in the period in which the employee renders the related service.

**Post-employment benefits**

**Defined contribution plans**

The Company's superannuation scheme, state governed provident fund scheme related to Dewas, Kaniyur, Sanand factories and employee state insurance scheme are defined contribution plans. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

**Defined Benefit Plans**

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

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

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are 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 recognise the obligation on net basis.

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.

The Company pays contribution to a recognized provident fund trust in respect of above-mentioned PF schemes.

**Other long-term employee benefit**

Compensated absences liabilities mean, the liabilities for earned leave that are not expected to be settled wholly within twelve months after the end of the reporting period in which the employee 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. 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. Re-measurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss.

## 2.18 Income taxes

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

**Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years.

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 were 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 certain criteria are met and such offsetting is legally enforceable.

**Deferred tax**

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

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

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

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

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

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

## 2.19 Provisions

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

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

**Warranty provisions**

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

**Provision for decommissioning and site restoration**

The Company has a legal obligation for decommissioning of windmills and restoring the site back to its original condition. Decommissioning and restoration costs are measured initially at its best estimate using expected value method. The present value of initial estimates is provided as a liability and corresponding amount is capitalised as a part of the windmill. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

**Contingent liabilities**

Contingent liability is disclosed when,

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

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

## 2.20 Leases

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

**Company as a Lessee**

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

**Initial Measurement**

**Right to use asset**

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

# NOTES TO THE FINANCIAL STATEMENTS

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

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

**Lease liability**

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

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

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

**Subsequent measurement**

**Right to use assets**

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

**Lease Liability**

Subsequently the Company measures the lease liability by:

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

**Company as a 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.

# NOTES TO THE FINANCIAL STATEMENTS

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## 2.21 Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are 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.

## 2.22 Fair value measurement

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

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

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

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

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

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

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

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

## 2.23 Financial instruments

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

**Financial assets**

**Initial recognition and measurement**

All financial assets except trade receivables are recognized initially at fair value plus or minus the

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

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

Subsequent measurement

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

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

Financial assets are subsequently measured at amortised cost if,

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

**Derecognition**

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

**Impairment of financial asset**

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

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

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

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

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

**Financial liabilities**

**Initial recognition and measurement**

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

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

**Financial guarantee contracts**

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

**Derecognition**

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

**Offsetting of financial instruments**

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

**Derivative financial instruments**

**Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

## 2.24 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares (if any).

## 2.25 Segment reporting

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

The board of directors of the company assesses the financial performance and position of the company and makes strategic decisions. The Board of Directors which are identified as CODM consist of Managing Directors, Chief Financial Officer and other Independent Directors.

Company operates in single reporting segment of 'Fluid Machinery and Systems'

## 2.26 Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified Ind AS 117 - Insurance Contracts and amendments to Ind As 116 – Leases , relating to sale and lease back transactions, applicable from April 1, 2024. The Company has assessed that there is no significant impact on its financial statements.

On May 9, 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after April 1, 2025. The Company is currently assessing the probable impact of these amendments on its financial statements

## NOTE 3A: PROPERTY, PLANT AND EQUIPMENT

(Amounts in Million ₹)

| | Property, plant and equipment | | | | | | | | | Intangible Assets | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Land free hold | Land lease hold | Buildings | Plant & equipment | Furniture & fixtures | Office equipment | Vehicles | Railway siding | Total | Computer software | Sales tax deferral rights | Total |
| **Gross Block** | | | | | | | | | | | | |
| As at 1 April 2023 | 425.049 | 75.157 | 1,933.741 | 5,857.748 | 146.434 | 79.866 | 106.103 | 1.528 | 8,625.626 | 324.083 | 31.730 | 355.813 |
| Additions | - | - | 340.902 | 954.829 | 12.115 | 36.994 | 24.139 | - | 1,368.979 | 13.745 | - | 13.745 |
| Disposals | - | - | - | (103.613) | (1.569) | (0.292) | (13.503) | - | (118.977) | - | - | - |
| As at 31 March 2024 | 425.049 | 75.157 | 2,274.643 | 6,708.964 | 156.980 | 116.568 | 116.739 | 1.528 | 9,875.628 | 337.828 | 31.730 | 369.558 |
| Additions | 16.685 | - | 38.342 | 403.006 | 8.992 | 12.999 | 47.407 | - | 527.431 | 57.373 | - | 57.373 |
| Disposals | - | - | - | (158.173) | (2.519) | (1.570) | (24.097) | - | (186.359) | - | - | - |
| **As at 31 March 2025** | **441.734** | **75.157** | **2,312.985** | **6,953.797** | **163.453** | **127.997** | **140.049** | **1.528** | **10,216.700** | **395.201** | **31.730** | **426.931** |
| **Depreciation/ Amortisation** | | | | | | | | | | | | |
| As at 1 April 2023 | - | 8.643 | 579.991 | 4,556.378 | 132.428 | 45.542 | 76.548 | 1.528 | 5,401.058 | 288.226 | 31.730 | 319.956 |
| Charge for the year | - | 1.003 | 54.762 | 337.481 | 4.357 | 12.367 | 8.066 | - | 418.036 | 20.462 | - | 20.462 |
| Depreciation on disposal | - | - | - | (102.874) | (1.569) | (0.207) | (8.242) | - | (112.892) | - | - | - |
| As at 31 March 2024 | - | 9.646 | 634.753 | 4,790.985 | 135.216 | 57.702 | 76.372 | 1.528 | 5,706.202 | 308.688 | 31.730 | 340.418 |
| Charge for the year | - | 1.003 | 58.733 | 408.485 | 4.517 | 16.425 | 9.417 | - | 498.580 | 27.517 | - | 27.517 |
| Depreciation on disposal | - | - | - | (156.625) | (2.519) | (1.570) | (24.057) | - | (184.771) | - | - | - |
| **As at 31 March 2025** | **-** | **10.649** | **693.486** | **5,042.845** | **137.214** | **72.557** | **61.732** | **1.528** | **6,020.011** | **336.205** | **31.730** | **367.935** |
| **Net block** | | | | | | | | | | | | |
| As at 1 April 2023 | 425.049 | 66.514 | 1,353.750 | 1,301.370 | 14.006 | 34.324 | 29.555 | - | 3,224.568 | 35.857 | - | 35.857 |
| As at 31 March 2024 | 425.049 | 65.511 | 1,639.890 | 1,917.979 | 21.764 | 58.866 | 40.367 | - | 4,169.426 | 29.140 | - | 29.140 |
| **As at 31 March 2025** | **441.734** | **64.508** | **1,619.499** | **1,910.952** | **26.239** | **55.440** | **78.317** | **-** | **4,196.689** | **58.996** | **-** | **58.996** |

***Notes:***

*a) During the year no provision envisaged for impairment loss.*

*b) Refer note no 29 for estimated amount of contract remaining to be executed on capital account.*

*c) Company has not revalued any property, plant and equipment during the FY 2024-25 and FY 2023-24*

*d) All title deeds of immovable properties are held in the name of company*

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 3B : RIGHT TO USE ASSETS

| Particulars | Amt |
|---|---|
| **Opening balance as at 1 April 2023** | 89.710 |
| Net addition / (deletion )during the year | 59.222 |
| Depreciation | (52.184) |
| **Balance as at 31 March 2024** | **96.748** |
| **Net addition / (deletion )during the year** | **92.426** |
| **Depreciation** | **(58.010)** |
| **Balance as at 31 March 2025** | **131.164** |

## NOTE 4 : INVESTMENT PROPERTY

| Particulars | Amt |
|---|---|
| **Land** | |
| **Gross Block** | |
| **As at 1 April 2023** | 5.020 |
| Additions | - |
| Disposals | - |
| **As at 31 March 2024** | **5.020** |
| Additions | - |
| Disposals | - |
| **As at 31 March 2025** | **5.020** |
| | |
| **Depreciation and Impairment** | |
| **As at 1 April 2023** | **-** |
| Charge for the year | - |
| Depreciation on disposals | - |
| **As at 31 March 2024** | **-** |
| Charge for the year | - |
| Depreciation on disposals | |
| **As at 31 March 2025** | **-** |
| **Net block** | |
| **As at 1 April 2023** | **5.020** |
| **As at 31 March 2024** | **5.020** |
| **As at 31 March 2025** | **5.020** |

### Fair Value

The Company obtains independent valuations for its investment property. The valuation model considers current prices in active market.

The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

Fair value as at 31 March 2023 was ₹ 60.717 and there is no material movement in fair value in FY 24-25.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 5 : FINANCIAL ASSETS: INVESTMENTS

| Particulars | | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| I | **Long term investments** | | |
| | **Trade Investments** | | |
| | Investment in Equity and Preference instruments | 3,014.997 | 2,975.416 |
| | Other long term investment in mutual funds and corporate FDs | 1,430.000 | 0.000 |
| | | **4,444.997** | **2,975.416** |
| II | **Current investments** | | |
| | Investments in fixed deposit | 1,500.000 | 800.200 |
| | Investments in mutual funds | 1,420.414 | 1,492.012 |
| | | **2,920.414** | **2,292.212** |
| | **Total** | **7,365.411** | **5,267.628** |

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Aggregate amount of quoted investments | 1,620.414 | 1,492.012 |
| Aggregate amount of unquoted investments | 5,744.997 | 3,775.616 |

| Sr No | Particulars | Face Value | Partly Paid / Fully paid | Extent of holding (%) | | No. of Shares / Units | | Amount in Million ₹ | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2025 | As at 31 March 2024 |
| **Non-current investments** | | | | | | | | | |
| **(1)** | **Investments at fair value through Other comprehensive income** | | | | | | | | |
| | **Investment in Structured Entities** | | | | | | | | |
| | Kirloskar Proprietary Limited * | ₹ 100 | Fully Paid | - | - | 2 | 2 | - | - |
| | Sunsure Solarpark Nineteen Private Limited (Associate)** | ₹ 10 | Fully Paid | 37.52% | - | 31,020 | - | 39.582 | - |
| **(2)** | **Investment in equity shares (unquoted) accounted at cost** | | | | | | | | |
| **a** | **Investment in Joint venture** | | | | | | | | |
| 1 | Kirloskar Ebara Pumps Limited | ₹ 10 | Fully Paid | 45% | 45% | 225,000 | 225,000 | 2.747 | 2.747 |
| **b** | **Investment in Subsidiaries** | | | | | | | | |
| 1 | The Kolhapur Steel Limited *** | ₹ 10000/ 10000 | Fully Paid | 0% | 100.0% | - | 34,200 | 0.000 | 425.790 |
| 2 | Kirloskar Corrocoat Private Limited | ₹ 10 | Fully Paid | 65% | 65% | 3,250,000 | 3,250,000 | 94.000 | 94.000 |
| 3 | Kirloskar Brothers International B V | Euro 100 | Fully Paid | 100% | 100% | 236,851 | 236,851 | 1,398.025 | 1,398.025 |
| 4 | Karad Projects & Motors Ltd. | ₹ 10 | Fully Paid | 100% | 100% | 13,952,450 | 13,952,450 | 1,480.643 | 1,480.643 |
| **(3)** | **Investment in 6% non cumulative convertible preference shares (unquoted) accounted at cost** | | | | | | | | |
| 1 | The Kolhapur Steel Limited*** | ₹ 1 | Fully Paid | 0% | 100% | - | 75,000,000 | - | 75.000 |
| | Provision for impairment of investment | | | | | | | 0.000 | (500.789) |
| | **Total investment in equity and preference shares of subsidiaries and joint venture** | | | | | | | **3,014.997** | **2,975.416** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| Sr No | Particulars | Face Value | Partly Paid / Fully paid | Extent of holding (%) | | No. of Shares / Units | | Amount in Million ₹ | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2025 | As at 31 March 2024 |
| (4) | **Investments at amortised cost** | | | | | | | | |
| | Investment in fixed deposit with financial institutions - (Int rate - 7.25% to 8.15%) | | | | | | | 1,230.000 | - |
| (5) | **Investments at fair value through profit and loss** | | | | | | | | |
| | Investment in mutual funds | | | | | | | 200.000 | - |
| | **Total non-current investment** | | | | | | | **4,444.997** | **2,975.416** |
| **Current investments** | | | | | | | | | |
| (6) | **Investments at amortised cost** | | | | | | | | |
| | Investment in fixed deposit with financial institutions - (Int rate - 7.25% to 8.15%) | | | | | | | 1,500.000 | 800.200 |
| (7) | **Investments at fair value through profit and loss** | | | | | | | | |
| | Investment in mutual funds | | | | | | | 1,420.414 | 1,492.012 |
| | **Total current investment** | | | | | | | **2,920.414** | **2,292.212** |

** The investment in unquoted equity shares is ₹ 200/- and therefore not seen in the above table.*

*** In FY 24-25, Company has invested ₹ 39.582 Mn in Sunsure Solar Nineteen Private Limited for purchase of solar power through open access. The Company does not have significant influence on SSNPL as it does not participate in the management and / or financial decisions of SSNPL. As such its financials are not included in the Consolidated Financial Statements of the Company and investment in SSNPL are carried at FVTOCI.*

*"*** Company had purchased minority stakeholder's stake in 'The Kolhapur Steel Limited' (TKSL) for ₹ 6.9 Mn in FY 23-24. Consequent to this, TKSL had become wholly owned subsidiary of KBL in FY 23-24.Company had made provision for investment in the subsidiary company viz. 'The Kolhapur Steel Limited'. This provision had treated and disclosed as an exceptional item in FY 23-24.*

*Further, In FY 24-25, the Company has sold its entire stake in TKSL to other wholly owned subsidiary viz. Karad Project and Motors limited (KPML) for ₹ 107.646 Mn. Transaction was based on 'Fair Valuation' as carried out by an independent valuer. As the investment in shares of TKSL had been fully impaired over the years, the entire consideration has resulted in a gain of ₹ 107.646 Mn which has been disclosed as an exceptional item in FY 24-25.*

*All subsidiaries, joint venture and associate companies are incorporated and have place of business as India except, the Kirloskar Brothers International B.V. is incorporated and has place of business as Netherland.*

*Refer note 39 for determination of fair value.*

## NOTE 6 : FINANCIAL ASSETS: TRADE RECEIVABLES

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Non-current** | | |
| Unsecured, considered good | 367.920 | 258.206 |
| Trade Receivables with significant increase in credit risk for credit impaired | 1,625.091 | 1,217.555 |
| | **1,993.011** | **1,475.761** |
| Less : Allowance for expected credit loss | 1,625.091 | 1,217.555 |
| | **367.920** | **258.206** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Current** | | |
| Unsecured, considered good | | |
| From related parties (Refer note 35) | 1,315.141 | 1,312.166 |
| Others | 2,569.091 | 3,130.498 |
| | **3,884.232** | **4,442.664** |
| **Total trade receivables** | **4,252.152** | **4,700.870** |

*Trade receivables are non-interest bearing and are generally on terms of 1 to 90 days. Refer note 44 (A) for ageing and 40 (A) for movement in loss allowance.*

*No trade or other receivables (Except from related parties) are due from directors or other officers of the Company either severally or jointly with any other person. Nor any receivable (except from related parties) from firms or private companies in which any director is a partner, a director or a member, respectively.*

## NOTE 7 : FINANCIAL ASSETS: LOANS

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Non-current** | | |
| **Loans to related parties (Refer note 36)** | | |
| Unsecured, considered good | - | 31.528 |
| | **-** | **31.528** |
| **Current** | | |
| **Loans to related parties (Refer note 36)** | | |
| Unsecured, considered good | 40.942 | 59.514 |
| | **40.942** | **59.514** |
| **Total loans** | **40.942** | **91.042** |

## NOTE 8 : FINANCIAL ASSETS: OTHER FINANCIAL ASSETS

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Non-current** | | |
| (a) **Claims receivable** | | |
| Unsecured, considered good | | |
| Other Miscellaneous Claim | 8.547 | 0.593 |
| Claims receivable with significant increase in credit risk for credit impaired | 19.361 | 19.361 |
| | **27.908** | **19.954** |
| Less : Allowance for expected credit loss | 19.361 | 19.361 |
| | **8.547** | **0.593** |
| (b) **Fixed deposits with the original and remaining maturity of more than 12 months** | 3.097 | 28.318 |
| (c) **Security deposits** | | |
| Unsecured, considered good | 51.593 | 60.782 |
| Security deposits with significant increase in credit risk for credit impaired | 15.064 | 12.588 |
| | **66.657** | **73.370** |
| Less : Allowance for expected credit loss | 15.064 | 12.588 |
| | **51.593** | **60.782** |
| | **63.237** | **89.693** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Current** | | |
| (a) **Claims receivable** | | |
| Unsecured, considered good | 7.610 | 14.423 |
| (b) **Interest accrued** | 87.227 | 28.170 |
| (c) **Security deposits** | 772.446 | 779.985 |
| Unsecured, considered good | | |
| (d) **Fixed deposits with the original maturity of more than 12 months but remaining maturity of less than 12 months** | 85.979 | 60.000 |
| | **953.262** | **882.578** |
| **Total other financial asset** | **1,016.499** | **972.271** |

## NOTE 9 : OTHER ASSETS

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Non-current** | | |
| (a) **Advances to supplier of capital goods** | 146.084 | 158.646 |
| (b) **Advances to supplier and others** | | |
| Unsecured, considered good | 272.253 | 239.251 |
| Advances with significant increase in credit risk for credit impaired | 71.925 | 71.878 |
| | **344.178** | **311.129** |
| Less : Allowance for expected credit loss | 71.925 | 71.878 |
| | **272.253** | **239.251** |
| (c) **Prepaid expenses** | 20.157 | 17.516 |
| (d) **Retention (Net of provision)** | 179.988 | 181.579 |
| (e) **Advance income tax (Net of provision)** | 94.037 | 65.813 |
| | **712.519** | **662.805** |
| **Current** | | |
| (a) **Advances to supplier and others** | | |
| Unsecured, considered good | | |
| Advances to related parties | 81.830 | 97.633 |
| Others | 237.956 | 130.928 |
| | **319.786** | **228.561** |
| (b) **Prepaid expenses** | 145.235 | 142.845 |
| (c) **Unbilled Revenue for project related work** | 16.433 | 164.122 |
| (d) **Retention** | 1,179.977 | 1,141.288 |
| (e) **Balances with government authorities** | 844.319 | 717.035 |
| | **2,505.750** | **2,393.851** |
| **Total other assets** | **3,218.269** | **3,056.656** |

There were no advances (except from related parties) due by directors or officers of the Holding company or any of them severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a member.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 10 : INVENTORIES

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| (a) Raw Materials * | 1,164.018 | 1,211.693 |
| (b) Work-in-progress | 1,796.005 | 1,698.783 |
| (c) Finished goods | 1,420.547 | 1,443.157 |
| (d) Stock-in-trade | 468.307 | 413.511 |
| (e) Stores and spares | 256.144 | 151.178 |
| (Mode of valuation refer note 2.6 ) | | |
| **Total inventories** | **5,105.021** | **4,918.322** |

** Include goods in transit - ₹ 68.20 Mn (PY 2023-24 : ₹39.09 Mn)*

### Amounts recognised in profit or loss

Write-down/(back) of inventories to net realizable value/ any loss due to it's obsolete nature (net of reversal) amounted to (₹ 24.099 Mn) (PY 2023-24: ₹24.097 Mn) These were recognised as expenses during the year.

## NOTE 11 A : CASH AND CASH EQUIVALENTS

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **(a) Balances with bank** | | |
| In current account | 681.896 | 328.973 |
| In EEFC accounts | 241.055 | 146.137 |
| Fixed deposits with original maturity of less than 3 months | - | 1,040.431 |
| **(b) Cash on hand** | 1.418 | 1.160 |
| **Total cash and cash equivalents** | **924.369** | **1,516.701** |

## NOTE 11 B : OTHER BANK BALANCES

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **(a) Earmarked balances with bank** | | |
| Unpaid dividend accounts | 16.665 | 12.733 |
| (b) Margin money | 22.847 | 19.397 |
| **Total other bank balances** | **39.512** | **32.130** |

## NOTE 12: EQUITY SHARE CAPITAL

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Authorised** | | |
| 250,000,000 ( 250,000,000 ) equity shares of ₹2/- each (₹2/-) each | 500.000 | 500.000 |
| **Issued, subscribed & fully paid up** | | |
| 79,408,926 (79,408,926) equity shares of ₹2/- each (₹2/-) each | 158.818 | 158.818 |
| **Total equity share capital** | **158.818** | **158.818** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## (a) Terms/ rights attached to equity shares

The Company has only one class of equity shares, having face value of ₹ 2/- per share. Each holder of equity share is entitled to 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.

For the year ended 31 March 2025 the board of directors have proposed final dividend of ₹ 7 (2024: ₹ 6) per share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

## (b) Reconciliation of share capital

| Particulars | As at 31 March 2025 Number | As at 31 March 2025 Amount (Million ₹) | As at 31 March 2024 Number | As at 31 March 2024 Amount (Million ₹) |
|---|---|---|---|---|
| Shares outstanding at the beginning of the year | 79,408,926 | 158.818 | 79,408,926 | 158.818 |
| Shares Issued during the year under ESOS | - | - | - | - |
| Shares outstanding at the end of the year | 79,408,926 | 158.818 | 79,408,926 | 158.818 |

## (c) Details of shareholder holding more than 5% shares

| Particulars | As at 31 March 2025 No. of Shares | As at 31 March 2025 % of Holding | As at 31 March 2024 No. of Shares | As at 31 March 2024 % of Holding |
|---|---|---|---|---|
| Kirloskar Industries Limited | 18,988,038 | 23.91% | 18,988,038 | 23.91% |
| Mr. Sanjay Chandrakant Kirloskar * | 17,847,465 | 22.48% | 17,847,465 | 22.48% |
| Mrs. Pratima Sanjay Kirloskar | 13,849,488 | 17.44% | 13,849,488 | 17.44% |
| Nippon Life India Trustee Ltd. (A/C Nippon India Small Cap Fund) | 4,505,646 | 5.67% | 4,384,076 | 5.52% |

## (d) Details of shares held by promoters

| Particulars | As at 31 March 2025 No. of Shares | As at 31 March 2025 % of Holding | As at 31 March 2024 No. of Shares | As at 31 March 2024 % of Holding |
|---|---|---|---|---|
| Mr. Sanjay Chandrakant Kirloskar * | 17,847,465 | 22.48% | 17,847,465 | 22.48% |
| Mr. Rahul Chandrakant Kirloskar | 404,501 | 0.51% | 404,501 | 0.51% |
| Mr. Atul Chandrakant Kirloskar | 466,499 | 0.59% | 466,499 | 0.59% |
| Ms. Jyotsna Gautam Kulkarni | 441,805 | 0.56% | 441,805 | 0.56% |
| Ms. Geetanjali Vikram Kirloskar | 2625 | 0.00% | 2625 | 0.00% |

*There is no change in shares held by promoters' during the FY 2024-25 and 2023-24. Details of shares held by promoter's group are available on Company's website.*

** includes 1,761,919 (PY: 1,761,919), 2% (PY: 2%) shares held in the capacity of a trustee.*

*For the period of five years immediately preceding the date as at which the balance sheet is prepared, no shares are*

*i. allotted as fully paid up pursuant to contracts without payment being received in cash*

*ii. allotted as fully paid shares by way of bonus shares*

*iii. bought back.*

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 13: OTHER EQUITY

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **(a) Capital reserve** | 0.172 | 0.172 |
| **(b) Capital redemption reserve** | 4.000 | 4.000 |
| **(c) Securities premium** | 414.604 | 414.604 |
| **(d) General reserves** | 5,787.407 | 5,787.407 |
| **(e) Retained Earnings** | | |
| Opening balance | 8,157.202 | 6,151.938 |
| Add : Total comprehensive income for the year | 2,579.729 | 2,362.604 |
| Balance available for appropriation | **10,736.931** | **8,514.542** |
| Less : Appropriations : | | |
| Final and interim dividend | 476.454 | 357.340 |
| **Closing balance** | **8,157.202** | **6,151.938** |
| **Total other equity** | **10,260.477** | **8,157.202** |

### Capital reserve:

The company had recognised profit or loss on purchase, sale, issue or forfeiture/ cancellation of own equity instrument to capital reserve.

### Capital redemption reserve:

The Company had recognised capital redemption reserve on redemption of preference shares from its retained earnings as per the then applicable provisions of Companies Act, 1956.

### Securities premium :

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

### General reserve:

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

### Retained earnings:

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 14 : FINANCIAL LIABILITIES: BORROWINGS

| Particulars | | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| | **Current** | | |
| | **Secured** | | |
| **1)** | **Loans repayable on demand from bank** | | |
| (i) | Cash / export credit facilities | 94.072 | 391.257 |
| | (Loan o/s as at 31 March 25, consists of bill discounting. PY includes bill discounted and export packing credit loans: Loans carrying interest @ 7.00% to 8.00% per annum and secured against the inventory and receivables) | | |
| | **Total secured loan - Current** | **94.072** | **391.257** |
| | **Total current borrowings** | 94.072 | 391.257 |
| | **Total borrowings** | **94.072** | **391.257** |

1. The quarterly returns or statements filed by the Company for working capital limits whenever availed with such banks and financial institutions are in agreement with the books of account of the Company

2. The Company has utilized loans for the specific purpose for which same are availed.

3. The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

4. The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

## NOTE 15 : FINANCIAL LIABILITIES: TRADE PAYABLES

| Particulars | | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| | **Non-current** | | |
| (a) | Total outstanding dues of creditors other than micro, small and medium enterprises | 74.923 | 79.148 |
| | | **74.923** | **79.148** |
| | **Current** | | |
| (a) | Total outstanding dues of micro, small and medium enterprises (refer note 42) | 661.446 | 944.327 |
| (b) | Total outstanding dues of creditors other than micro, small and medium enterprises | | |
| | To related parties (Refer note 35) | 1,045.189 | 1,152.866 |
| | Others | 2,963.671 | 2,911.678 |
| | **Total** | **4,670.306** | **5,008.871** |
| | **Total trade payables** | **4,745.229** | **5,088.019** |

**Terms and conditions of the above financial liabilities:**

Trade payables are non-interest bearing and are normally settled on 60-day terms except dues to micro and small enterprises which are settled in 45 days or contractual term whichever is earlier. Refer note 44(B) for ageing.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 16: OTHER FINANCIAL LIABILITIES

| Particulars | | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| | **Current** | | |
| (a) | **Unclaimed dividends** | 16.665 | 12.733 |
| | Investor Education & Protection fund (will be credited as and when due). | | |
| (b) | **Others** | | |
| | Trade deposits | 151.904 | 149.814 |
| | Interest accrued | 44.303 | 34.850 |
| | Salary and reimbursements | 477.089 | 403.969 |
| | Payables on account of purchases of fixed assets | 26.343 | 29.321 |
| | Provision for expenses | 374.211 | 328.785 |
| | Financial guarantee contracts with bank for subsidiaries | 4.684 | 11.499 |
| | Forward contract liability | - | 0.995 |
| | | **1,078.534** | **959.233** |
| | | **1,095.199** | **971.966** |
| | **Total other financial liabilities** | **1,095.199** | **971.966** |

**Terms and conditions of the above financial liabilities:**

1) Other payables are non-interest bearing.

2) For explanations on the Company's credit risk management processes, (refer note 40)

## NOTE 17: PROVISIONS

| Particulars | | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| | **Non-current** | | |
| | **Provisions for employee benefits** | | |
| (a) | Compensated absences (refer note 38) | 127.451 | 191.719 |
| (b) | Pension scheme (refer note 34) | 21.373 | 21.823 |
| | | **148.824** | **213.542** |
| | **Other provisions (refer note 38)** | | |
| (a) | Provision for product warranty | 40.716 | 33.216 |
| (b) | Provision for decommissioning and restoration costs | 11.265 | 10.412 |
| | | **51.981** | **43.628** |
| | | **200.805** | **257.170** |
| | **Current** | | |
| | **Provisions for employee benefits** | | |
| (a) | Compensated absences (refer note 38) | 192.397 | 211.582 |
| (b) | Gratuity and provident fund (refer note 34) | 85.071 | 5.186 |
| | | **277.468** | **216.768** |
| | **Other provisions (refer note 38)** | | |
| (a) | Provision for product warranty | 250.276 | 271.135 |
| (b) | Provision for loss on long term contracts | 11.616 | 13.787 |
| | | **261.892** | **284.922** |
| | | **539.360** | **501.690** |
| | **Total provisions** | **740.165** | **758.860** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 18: OTHER LIABILITIES

| Particulars | | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| | **Non-current** | | |
| (a) | Unearned Revenue for project related contract work | 201.216 | 156.797 |
| (b) | Advances from customer | 537.123 | 532.814 |
| | | **738.339** | **689.611** |
| | **Current** | | |
| (a) | Unearned Revenue for project related contract work | 1,673.428 | 1,449.432 |
| (b) | Advances from customer | 1,265.884 | 1,440.229 |
| (c) | Contribution to provident fund and superannuation fund | 1.285 | 5.035 |
| (d) | Statutory dues | 104.400 | 90.588 |
| (e) | Deferred revenue | 38.565 | 61.368 |
| | | **3,083.562** | **3,046.652** |
| | **Total other non-financial liabilities** | **3,821.901** | **3,736.263** |

## NOTE 19 : INCOME TAX

**(1) The major components of income tax expense for the year ended 31 March 2025 and 31 March 2024 are:**

**(a) Statement of profit and loss**

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| **Current income tax:** | | |
| Current income tax charge | 948.918 | 790.756 |
| Adjustments in respect of income tax of previous year | 45.713 | - |
| **Deferred tax:** | | |
| Relating to origination and reversal of temporary differences | (142.829) | 0.154 |
| **Income tax expense reported in the statement of profit and loss** | **851.802** | **790.910** |

**(b) Statement of other comprehensive income (OCI)**

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

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Income tax charged/ (credited) to OCI | (13.918) | (24.056) |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

**(2) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31 March 2025 and 31 March 2024:**

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| **Accounting profit before tax** | **3,472.914** | **3,225.045** |
| **At India's statutory income tax rate of 25.168% (a)** | **874.063** | **811.679** |
| **Adjustments for -** | | |
| Dividend / adjustment for deduction in respect of certain inter-corporate dividends u/s 80 M of income tax act | 38.575 | 174.267 |
| Permanent differences (Includes Int to MSME, donation, fine, penalties, gain of sale of investment, provision for impairment etc) | 231.507 | (91.745) |
| **Subtotal (b)** | **270.082** | **82.522** |
| Tax impact of above adjustments | 67.974 | 20.769 |
| Short provision for earlier years | (45.713) | - |
| **Total (c)** | **22.261** | **20.769** |
| **Tax expenses at effective rate (a - c)** | **851.802** | **790.910** |
| **Tax expenses recorded in books** | **851.802** | **790.910** |

**(3) Movement in deferred tax**

**(a) Balance sheet**

| Deferred tax relates to the following: DTL/ (DTA) | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Property, plant and equipment (Depreciation) | 56.051 | 75.032 |
| Employee benefits | (127.513) | (124.909) |
| Provision for doubtful debts and advances | (551.439) | (430.230) |
| Others - (DTA)/DTL | 0.463 | 0.498 |
| | **(622.438)** | **(479.609)** |
| **Net deferred tax liabilities/(assets)** | **(622.438)** | **(479.609)** |

| Reflected in balance sheet as | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Deferred tax asset | 678.952 | 555.139 |
| Deferred tax liability | 56.514 | 75.530 |
| **Net deferred tax asset** | **622.438** | **479.609** |

**(b) Statement of profit and loss**

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Property, plant and equipment (Depreciation) | (18.981) | 4.142 |
| Employee benefits - compensated absences | (2.604) | (22.744) |
| Provision for doubtful debts and advances | (121.209) | 19.212 |
| Others | (0.035) | (0.456) |
| **Deferred tax expense/(income)** | **(142.829)** | **0.154** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

### (4) Movement in Current tax

#### (a) Balance sheet

| Reflected in balance sheet as | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Non- current advance tax | 94.037 | 65.813 |

#### (b) Statement of profit and loss and other comprehensive income

| Movement in current tax | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Current tax (asset)/ liability as at beginning of year | (65.813) | (117.964) |
| Add: Additional provision during the year - Statement of Profit and loss account | 994.631 | 790.756 |
| Add/ (Less): Additional provision during the year - Other comprehensive income | (13.918) | (24.056) |
| Less: Current tax paid during the year (Net of refund received for previous year and adjustment for TDS receivable for previous years ) | (1,008.937) | (714.549) |
| **Non Current tax (asset)/ liability as at end of year** | **(94.037)** | **(65.813)** |

## NOTE 20: REVENUE FROM OPERATIONS

| Particulars | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| (a) | **Revenue from projects and products** (Refer note 30 for the construction contract revenue) | 28,276.725 | 26,475.651 |
| (b) | **Revenue from services** | 363.149 | 410.218 |
| | | **28,639.874** | **26,885.869** |
| (c) | **Other operating revenues** (majorly includes scrap sales and exports benefits) | 374.040 | 315.381 |
| | **Total** | **29,013.914** | **27,201.250** |

## NOTE 21: OTHER INCOME

| Particulars | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| (a) | **Interest Income** | | |
| | From customers and others | 225.074 | 93.127 |
| (b) | **Unwinding of deferred liability** | 8.756 | 10.983 |
| (c) | **Profit on sale of mutual fund investment** | 108.300 | 67.173 |
| (d) | **Dividend income from subsidiary and joint venture companies** | 38.575 | 174.267 |
| (e) | **Foreign exchange difference (net)** | 0.270 | 4.140 |
| (f) | **Other non-operating income** | 26.843 | 8.939 |
| | **Total** | **407.818** | **358.629** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 22: COST OF RAW MATERIALS CONSUMED, CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK -IN- TRADE AND WORK-IN-PROGRESS

| Particulars | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| (A) | **Cost of raw material consumed** | **14,552.564** | **14,079.109** |
| (B) | **Changes in inventories of finished goods, work-in-progress and stock-in-trade** | | |
| | **Opening Stock (refer note 10)** | | |
| | Finished goods | 1,443.157 | 1,101.240 |
| | Work-in- progress | 1,698.783 | 1,708.990 |
| | Stock in trade | 413.511 | 312.247 |
| | | **3,555.451** | **3,122.477** |
| | **Closing Stock (refer note 10)** | | |
| | Finished goods | 1,420.547 | 1,443.157 |
| | Work-in- progress | 1,796.005 | 1,698.783 |
| | Stock in trade | 468.307 | 413.511 |
| | | **3,684.859** | **3,555.451** |
| | **Total change in inventories** | **(129.408)** | **(432.974)** |

## NOTE 23: EMPLOYEE BENEFITS EXPENSE

| Particulars | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| (a) | **Salaries, wages and bonus** | 3,126.232 | 3,079.384 |
| (b) | **Defined contribution plans** | | |
| | Contribution to provident fund, superannuation fund and ESIC | 63.238 | 59.138 |
| (c) | **Defined benefit plans** | | |
| | Gratuity, Provident fund and Pension | 160.047 | 145.419 |
| (d) | **Welfare expenses** | 183.621 | 147.353 |
| | **Total** | **3,533.138** | **3,431.294** |

## NOTE 24: FINANCE COSTS

| Particulars | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| **(a)** | **Interest expense** | 25.926 | 23.541 |
| **(b)** | **Other borrowing costs** (includes bank guarantee commission, LC charges, loan processing charges) | 25.071 | 34.544 |
| | **Total** | **50.997** | **58.085** |

## NOTE 25: DEPRECIATION AND AMORTISATION EXPENSE

| Particulars | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| (a) | Depreciation on property, plant and equipment | 498.580 | 418.036 |
| (b) | Amortisation of intangible assets | 27.517 | 20.462 |
| (c) | Amortisation of right to use assets (Lease) | 58.010 | 52.184 |
| | **Total** | **584.107** | **490.682** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 26: OTHER EXPENSES

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Stores and spares consumed | 1,220.170 | 1,133.776 |
| Processing charges | 637.731 | 577.327 |
| Power and fuel | 482.156 | 434.658 |
| Repairs and maintenance | | |
| Plant and machinery | 170.335 | 179.868 |
| Buildings | 45.301 | 40.825 |
| Other | 56.817 | 46.194 |
| Rent | 43.950 | 38.443 |
| Rates and taxes | 34.374 | 30.008 |
| Travelling and conveyance | 276.870 | 268.096 |
| Communication expenses | 64.504 | 61.013 |
| Insurance | 32.005 | 30.777 |
| Directors' sitting fees | 6.450 | 6.000 |
| Royalties and fees * | 70.792 | 66.477 |
| Freight and forwarding charges | 335.397 | 311.891 |
| Brokerage and commission | 22.549 | 52.842 |
| Advertisements and publicity | 329.102 | 182.670 |
| Provision for product warranty | 242.756 | 228.383 |
| Loss on sale/disposal of fixed assets | - | 1.169 |
| Provision for doubtful debts, advances and claims | 410.514 | (59.369) |
| Bad debts written off | 4.598 | 313.787 |
| Advances, deposits and claims written off | 0.026 | 0.386 |
| Auditor's remuneration (refer note 31) | 9.109 | 8.898 |
| Professional, consultancy and legal expenses | 668.932 | 550.594 |
| Security services | 61.275 | 57.662 |
| Computer services | 395.475 | 307.361 |
| Non-executive directors remuneration | 20.800 | 19.000 |
| Stationery and Printing | 11.916 | 9.782 |
| Training course expenses | 9.430 | 8.134 |
| Outside labour charges | 508.481 | 452.128 |
| Corporate social responsibility expenses (refer note 43) | 43.013 | 32.187 |
| Other miscellaneous expenses | 149.114 | 165.525 |
| **Total** | **6,363.942** | **5,556.492** |

* As specified in the note given in the Board's Report in respect of legal proceedings pending against KPL, the company has in the interim, without prejudice to all its rights and contentions, including those in the pending proceedings, in compliance with the directions of the Order dated 05.12.2023 of the Hon'ble Commercial Court, Pune, KBL has deposited the claimed royalty amount with the Court from the quarter ended October 2018 onwards until 3rd quarter of FY 2024-25. Pending dispute, the Hon'ble Commercial Court, has directed its treasury to invest the said deposited royalty amount in a Nationalized bank for a fixed term of three years.

## NOTE 27: OTHER COMPREHENSIVE INCOME

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| **Items that will not be reclassified to profit or loss** | | |
| Remeasurements gains and losses on post employments benefits | (55.301) | (95.587) |
| Tax on remeasurements gains and losses | 13.918 | 24.056 |
| **Total** | **(41.383)** | **(71.531)** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 28 : CONTINGENT LIABILITIES

| Particulars | | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| **a)** | **Claims against the company not acknowledged as debt** | | |
| i) | Legal cases (Matter Subjudice) | 79.500 | 199.009 |
| b) | **Other money for which the company is contingently liable for (Matter Subjudice)** | | |
| i) | Central excise, service tax and GST | 1,023.623 | 1,031.144 |
| ii) | Sales tax | 165.066 | 171.413 |
| iii) | Income tax | 119.080 | 119.080 |
| iv) | Labour matters | 45.494 | 47.711 |
| | **Total** | **1,432.763** | **1,568.357** |

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

## NOTE 29 : COMMITMENTS

| Particulars | | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| a) | Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) | 794.535 | 755.893 |
| b) | Letters of credit outstanding | 865.753 | 653.436 |

## NOTE 30 : ADDITIONAL DISCLOSURES AS REQUIRED BY IND AS 115 'REVENUE FROM CONTRACTS WITH CUSTOMERS'

### A) Additional details in relation to contracts satisfied over the period

| Particulars | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| a) | Contract revenue recognised as revenue for the year | 681.434 | 618.211 |
| b) | Advances received | 925.522 | 1,034.743 |
| c) | Amount of retentions | 1,359.965 | 1,322.867 |
| d) | **Unbilled revenue for project related contract work** | | |
| | Contract costs incurred | 3,559.057 | 4,210.682 |
| | Recognised profits less recognised losses | 552.187 | 629.986 |
| | Less: Progress billing | 4,051.662 | 4,635.722 |
| | Less: Provision for gross amount due from customer | 43.148 | 40.824 |
| | **Unbilled revenue for project related contract work** | **16.434** | **164.122** |
| | | | |
| e) | **Unearned revenue for project related contract work** | | |
| | Contract costs incurred | 25,310.310 | 24,796.071 |
| | Recognised profits less recognised losses | 4,573.533 | 4,659.498 |
| | Less: Progress billing | 31,758.488 | 31,061.798 |
| | **Unearned revenue for project related contract work** | **(1,874.645)** | **(1,606.229)** |

Movement in unbilled and unearned revenue is due to difference in revenue recognition as compared to progress billings.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## B) Disaggregation of revenue from sale of products / services

| Particulars | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| a) | Within India | 26,900.854 | 25,139.456 |
| b) | Outside India | 1,739.020 | 1,746.413 |
| | **Total** | **28,639.874** | **26,885.869** |

## C) Reconciliation of revenue from sale of products / services with the contracted price

| Particulars | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| a) | Contracted price | 29,062.269 | 27,324.262 |
| | Less - trade discounts, volume rebates, late delivery charges etc | 422.395 | 438.393 |
| | **Total** | **28,639.874** | **26,885.869** |

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| **Opening contracted price of orders as at start of the year** | **48,593.938** | **54,767.803** |
| Add - Fresh orders/change orders received (net) including exchange rate movement | 322.240 | 290.975 |
| Less- Orders completed during year | (3,144.240) | (6,464.840) |
| **Closing contracted price of orders as at the end of the year** | **45,771.938** | **48,593.938** |
| a. Revenue out of orders completed during the year | 6.230 | 4.070 |
| b. Revenue out of orders under execution at the end of the year (I) | 675.204 | 614.141 |
| **Total Revenue recognised during the year** | **681.434** | **618.211** |
| Revenue recognised upto previous year (from orders pending completion at the end of the year) (II) | 33,855.512 | 36,375.604 |
| Balance revenue to be recognised in future (III) | 11,241.222 | 11,604.193 |
| **Closing contracted price of orders as at the end of the year (I+II+III)** | **45,771.938** | **48,593.938** |

## D) Cost to obtain the contract

Amount recognised as asset as at 31st March 2025 is Nil (PY: Nil)

Amount of amortisation recognised in the statement of profit and loss during the year is Nil (PY: Nil)

## E) Performance Obligation

Information about the Company's performance obligations are summarised below:

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31st March are, as follows

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Balance revenue to be recognised in future | | |
| Revenue to be recognised within 1 year | 754.974 | 1,476.220 |
| Revenue to be recognised after 1 year | 10,486.248 | 10,127.973 |
| **Total** | **11,241.222** | **11,604.193** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 31: REMUNERATION TO AUDITORS

| Particulars | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| a) | Audit fees | 5.600 | 5.600 |
| b) | Limited review fees | 2.400 | 2.400 |
| c) | Certification services | 0.400 | 0.450 |
| d) | Expenses reimbursed | 0.709 | 0.448 |
| | **Total** | **9.109** | **8.898** |

## NOTE 32 : EARNING PER SHARE (BASIC AND DILUTED)

| Particulars | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| a) | Profit before tax | 3,472.914 | 3,225.045 |
| | Less : Tax expenses | 851.802 | 790.910 |
| | Profit after tax | 2,621.112 | 2,434.135 |
| b) | Weighted average number of equity shares used as denominator | 79,408,926 | 79,408,926 |
| **c)** | **Basic and diluted earning per share of nominal value of ₹ 2/- each** | **33.01** | **30.65** |

## NOTE 33: EXPENDITURE ON RESEARCH & DEVELOPMENT ACTIVITIES

| Particulars | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| a) | Revenue expenditure | 277.556 | 284.790 |
| b) | Capital expenditure | 30.921 | 4.789 |
| | **Total** | **308.477** | **289.579** |

## NOTE 34 : EMPLOYEE BENEFITS

### i. Defined Contribution Plans:

Amount of ₹63.238 Mn (PY - ₹ 59.138 Mn.) is recognised as an expense towards defined contribution plan and included in Employees benefits expense (Note-23 in the Profit and Loss Statement.)

### ii. Defined Benefit Plans:

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

| Particulars | As at 31 March 2025 | | As at 31 March 2024 | |
|---|---|---|---|---|
| | Gratuity Plan (Funded) | Provident Fund (Funded) | Gratuity Plan (Funded) | Provident Fund (Funded) |
| Amount to be recognised in Balance Sheet | | | | |
| Present Value of Defined Benefit Obligation | 787.243 | 2,112.519 | 726.235 | 2,050.830 |
| Less: Fair Value of Plan Assets | 715.623 | 2,099.068 | 698.914 | 2,072.965 |
| **Amount to be recognised as liability or (asset)** | **71.620** | **13.451** | **27.321** | **(22.135)** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

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

| Particulars | | 2024-25 | | 2023-24 | |
|---|---|---|---|---|---|
| | | Gratuity Plan (Funded) | Provident Fund (Funded) | Gratuity Plan (Funded) | Provident Fund (Funded) |
| 1 | Current Service Cost | 55.285 | 79.028 | 47.274 | 72.687 |
| 2 | Acquisition (gain)/ loss | - | - | - | - |
| 3 | Past Service Cost | - | - | - | - |
| 4 | Net Interest (income)/expenses | 1.077 | (9.405) | 0.003 | (10.131) |
| 5 | Actuarial Losses/(Gains) | - | - | - | - |
| 6 | Curtailment (Gain)/ loss | - | - | - | - |
| 7 | Settlement (Gain)/loss | - | - | - | - |
| 8 | Others (Transfer In / (Out)) | 0.621 | - | - | - |
| | **Net periodic benefit cost recognised in the statement of profit & loss- (Employee benefit expenses - Note 23)** | **56.983** | **69.623** | **47.276** | **62.556** |

**c) The amounts recognised in the statement of other comprehensive income (OCI) : Funded Plan**

| Particulars | | 2024-25 | | 2023-24 | |
|---|---|---|---|---|---|
| | | Gratuity Plan (Funded) | Provident Fund (Funded) | Gratuity Plan (Funded) | Provident Fund (Funded) |
| 1 | Opening amount recognised in OCI outside profit and loss account | - | - | - | - |
| 2 | Remeasurements for the year - Obligation (Gain)/ loss | 18.435 | (44.756) | 77.607 | 24.672 |
| 3 | Remeasurement for the year - Plan assets (Gain) / Loss | (6.736) | 87.043 | (3.666) | (4.122) |
| 4 | Total Remeasurements Cost / (Credit ) for the year recognised in OCI | 11.699 | 42.287 | 73.941 | 20.550 |
| 5 | Less: Accumulated balances transferred to retained earnings | 11.699 | 42.287 | 73.941 | 20.550 |
| | **Closing balances (remeasurement (gain)/loss recognised OCI** | **-** | **-** | **-** | **-** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

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

| Particulars | | As at 31 March 2025 | | As at 31 March 2024 | |
|---|---|---|---|---|---|
| | | Gratuity Plan (Funded) | Provident Fund (Funded) | Gratuity Plan (Funded) | Provident Fund (Funded) |
| 1 | Balance of the present value of Defined benefit Obligation at the beginning period | 726.235 | 2,050.830 | 606.971 | 1,834.826 |
| 2 | Acquisition adjustment | - | - | - | - |
| 3 | Transfer in/ (out) | 0.962 | (0.739) | - | (6.113) |
| 4 | Interest expenses | 50.013 | 138.619 | 43.113 | 130.570 |
| 5 | Past Service Cost | - | - | - | - |
| 6 | Current Service Cost | 55.285 | 79.028 | 47.274 | 72.687 |
| 7 | Curtailment Cost / (credit) | - | - | - | - |
| 8 | Settlement Cost/ (credit) | - | - | - | - |
| 9 | Benefits paid | (63.687) | (251.127) | (48.730) | (140.720) |
| 10 | Employee Contribution | - | 140.664 | - | 134.908 |
| 11 | Remeasurements on obligation - (Gain) / Loss | 18.435 | (44.756) | 77.607 | 24.672 |
| | **Present value of obligation as at the end of the period** | **787.243** | **2,112.519** | **726.235** | **2,050.830** |

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

| Particulars | | As at 31 March 2025 | | As at 31 March 2024 | |
|---|---|---|---|---|---|
| | | Gratuity Plan (Funded) | Provident Fund (Funded) | Gratuity Plan (Funded) | Provident Fund (Funded) |
| 1 | Fair value of the plan assets as at beginning of the period | 698.914 | 2,072.965 | 512.558 | 1,868.485 |
| 2 | Acquisition adjustment | - | - | - | - |
| 3 | Transfer in/(out) | 0.341 | (0.739) | - | (6.113) |
| 4 | Interest income | 48.937 | 148.024 | 43.110 | 140.701 |
| 5 | Contributions | 25.044 | 216.988 | 186.126 | 206.490 |
| 6 | Benefits paid | (63.687) | (251.127) | (46.106) | (140.720) |
| 7 | Mortality Charges and Taxes | (0.661) | - | (0.441) | - |
| 8 | Remeasurement Gain / (Loss) | 6.735 | (87.043) | 3.666 | 4.122 |
| | **Fair value of plan assets as at the end of the period** | **715.623** | **2,099.068** | **698.914** | **2,072.965** |

**f) Net interest (Income) /expenses: Funded Plan**

| Particulars | | 2024-25 | | 2023-24 | |
|---|---|---|---|---|---|
| | | Gratuity Plan (Funded) | Provident Fund (Funded) | Gratuity Plan (Funded) | Provident Fund (Funded) |
| 1 | Interest ( Income) / Expense – Obligation | 50.013 | 138.619 | 43.113 | 130.570 |
| 2 | Interest (Income) / Expense – Plan assets | (48.937) | (148.024) | (43.110) | (140.701) |
| **3** | **Net Interest (Income) / Expense for the year** | **1.076** | **(9.405)** | **0.003** | **(10.131)** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

**g) The broad categories of plan assets as a percentage of total plan assets of Employee's Gratuity Scheme are as under:**

Majority of plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. Company has also invested part of it's fund with private life insurance company ICICI prudential.

**The broad categories of plan assets as a percentage of total plan assets of Employee's Providend fund Scheme are as under:**

Plan assets for providend fund includes investment in various government securities and corporate deposits and mutual funds.

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

| Particulars | As at 31 March 2025 | | As at 31 March 2024 | |
|---|---|---|---|---|
| | Gratuity Plan (Funded) | Provident Fund (Funded) | Gratuity Plan (Funded) | Provident Fund (Funded) |
| Defined Benefit Obligation | 787.243 | 2,112.519 | 726.235 | 2,050.830 |
| Plan Assets | 715.623 | 2,099.068 | 698.914 | 2,072.965 |
| **Surplus/(Deficit)** | **(71.620)** | **(13.451)** | **(27.321)** | **22.135** |

**i) The amounts recognised in Balance Sheet are as follows: Non-Funded Plan**

| Particulars | | As at 31 March 2025 Pension Scheme (Non-Funded) | As at 31 March 2024 Pension Scheme (Non- Funded) |
|---|---|---|---|
| A. | Amount to be recognised in Balance Sheet | | |
| | Present Value of Defined Benefit Obligation | 21.373 | 21.823 |
| | Less: Fair Value of Plan Assets | - | - |
| | Amount to be recognised as liability or (asset) | 21.373 | 21.823 |
| B. | Amounts reflected in the Balance Sheet | | |
| | Liabilities | 21.373 | 21.823 |
| | Assets | - | - |
| | **Net Liability/(Assets)** | **21.373** | **21.823** |

**j) The amounts recognised in the Profit and Loss Statement are as follows: Non Funded Plan**

| Particulars | | As at 31 March 2025 Pension Scheme (Non-Funded) | As at 31 March 2024 Pension Scheme (Non- Funded) |
|---|---|---|---|
| 1 | Current Service Cost | - | - |
| 2 | Acquisition (gain)/ loss | - | - |
| 3 | Past Service Cost | - | - |
| 3 | Net Interest (income)/expenses | 1.455 | 1.558 |
| 5 | Actuarial Losses/(Gains) | - | - |
| 6 | Curtailment (Gain)/ loss | - | - |
| 7 | Settlement (Gain)/loss | - | - |
| 8 | Others | - | - |
| | **Net periodic benefit cost recognised in the statement of profit & loss- (Employee benefit expenses - Note 23)** | **1.455** | **1.558** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

**k) The amounts recognised in the statement of other comprehensive income (OCI) : Non Funded Plan**

| Particulars | | As at 31 March 2025 Pension Scheme (Non-Funded) | As at 31 March 2024 Pension Scheme (Non- Funded) |
|---|---|---|---|
| 1 | Opening amount recognised in OCI outside profit and loss account | - | - |
| 2 | Remeasurements for the year - Obligation (Gain)/loss | 1.315 | 1.096 |
| 3 | Remeasurement for the year - Plan assets (Gain) / Loss | - | - |
| 4 | Total Remeasurements Cost / (Credit ) for the year recognised in OCI | 1.315 | 1.096 |
| 5 | Less: Accumulated balances transferred to retained earnings | 1.315 | 1.096 |
| | **Closing balances (remeasurement (gain)/loss recognised OCI** | **-** | **-** |

**l) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows: Non Funded Plan**

| Particulars | | As at 31 March 2025 Pension Scheme (Non-Funded) | As at 31 March 2024 Pension Scheme (Non- Funded) |
|---|---|---|---|
| 1 | Balance of the present value of | 21.823 | 22.372 |
| | Defined benefit Obligation as at beginning of the period | | |
| 2 | Acquisition adjustment | - | - |
| 3 | Transfer in/ (out) | - | - |
| 4 | Interest expenses | 1.455 | 1.558 |
| 5 | Past Service Cost | - | - |
| 6 | Current Service Cost | - | - |
| 7 | Curtailment Cost / (credit) | - | - |
| 8 | Settlement Cost/ (credit) | - | - |
| 9 | Benefits paid | (3.221) | (3.203) |
| 10 | Remeasurements on obligation - (Gain) / Loss | 1.315 | 1.096 |
| | **Present value of obligation as at the end of the period** | **21.373** | **21.823** |

**m) Net interest (Income) /expenses Non Funded Plan**

| Particulars | | Pension Scheme (Non-Funded) 2024-25 | Pension Scheme (Non- Funded) 2023-24 |
|---|---|---|---|
| 1 | Interest ( Income) / Expense – Obligation | 1.455 | 1.558 |
| 2 | Interest (Income) / Expense – Plan assets | - | - |
| **3** | **Net Interest (Income) / Expense for the year** | **1.455** | **1.558** |

**n) The amounts pertaining to defined benefit plans are as follows:Non Funded Plan**

| Particulars | Pension Scheme (Non-Funded) 2024-25 | Pension Scheme (Non- Funded) 2023-24 |
|---|---|---|
| Defined Benefit Obligation | 21.373 | 21.823 |
| Plan Assets | - | - |
| **Surplus/(Deficit)** | **(21.373)** | **(21.823)** |

**Basis used to determine the overall expected return:**

The net interest approach effectively assumes an expected rate of return on plan assets equal to the beginning of the year Discount Rate. Expected return of 7.2% (PY 7.4%) has been used for the valuation purpose.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

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

1 Discount rate as at 31-03-2025 - 6.7% (PY- 7.2%)

2 Expected return on plan assets as at 31-03-2025- 7.2%( PY- 7.4%)

3 Salary growth rate : For Gratuity Scheme - 8% to 10% (PY - 10%). Impact for change in accounting estimate along with other remeasuremnt impact is recognised in other comprehensive income.

4 Attrition rate: For gratuity scheme the attrition rate is taken at 8% to 10% (PY - 11%)

5 The estimates of future salary increase considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

6 Weighted average duration of the Gratuity plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 8.97 years and for Pension plan 6.2 years.

**p) General descriptions of defined plans:**

**1 Gratuity Plan:**

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

**2 Company's Pension Plan:**

The company operates a Pension Scheme for specified ex-employees wherein the beneficiaries are entitled to defined monthly pension.

**q) The Company expects to fund ₹ 71.620 Mn (P.Y ₹ 27.230 Mn) towards its gratuity plan in the year 2025-26**

**r) Sensitivity analysis**

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation(PVO). Sensitivity analysis is done by varying (increasing/ decreasing) one parameter at a time and studying its impact

One percentage point change in actuarial assumptions would have the following effects on the defined benefit obligation

| Change in assumption | | Effect on Gratuity obligation | |
|---|---|---|---|
| | | As at 31 March 2025 | As at 31 March 2024 |
| 1 | **Discount rate** | | |
| | Increase by 1% to 7.7% (PY - 8.2%) | 738.105 | 692.183 |
| | Decrease by 1% to 5.7% (PY- 6.2%) | 843.078 | 763.858 |
| 2 | **Salary increase rate** | | |
| | Increase by 1% to 11% (PY- 11%) | 834.051 | 756.327 |
| | Decrease by 1% to 9% (PY- 9%) | 745.030 | 698.371 |
| 3 | **Withdrawal rate** | | |
| | Increase by 1% to 12.0% (PY - 12%) | 779.958 | 722.090 |
| | Decrease by 1% to 10.0% (PY - 10%) | 795.358 | 730.763 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

Half percentage point change in actuarial assumptions would have the following effects on the defined benefit obligation

| Change in assumption | | Effect on Provident Fund obligation | |
|---|---|---|---|
| | | As at 31 March 2025 | As at 31 March 2024 |
| 1 | **Discount rate** | | |
| | Increase by 0.5% to 7.2% (PY- 7.7%) | 2,090.589 | 2,031.472 |
| | Decrease by 0.5% to 6.2% (PY- 6.7%) | 2,135.903 | 2,071.133 |
| 2 | **Interest rate** | | |
| | Increase by 0.50% to 8.75% (PY- 8.75%) | 2,140.154 | 2,070.158 |
| | Decrease by 0.50% to 7.75% (PY - 7.75%) | 2,084.906 | 2,031.502 |

One percentage point change in actuarial assumptions would have the following effects on the defined benefit obligation

| Change in assumption | | Effect on Pension Obligation | |
|---|---|---|---|
| | | As at 31 March 2025 | As at 31 March 2024 |
| 1 | **Discount rate** | | |
| | Increase by 1% to 7.8% (PY - 8.2%) | 20.391 | 20.796 |
| | Decrease by 1% to 5.8% (PY- 6.2%) | 22.448 | 22.950 |

## NOTE 35 :RELATED PARTY DISCLOSURES

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

| Sr. No. | Name of the related party | Nature of relationship |
|---|---|---|
| 1 | Karad Projects and Motors Limited | Subsidiary Company |
| 2 | Kirloskar Corrocoat Private Limited | Subsidiary Company |
| 3 | Kirloskar Brothers International BV | Subsidiary Company |
| 4 | The Kolhapur Steel Limited | Subsidiary of Karad Projects and Motors Limited (from 01 Oct 2024) |
| 5 | SPP Pumps Limited | Subsidiary of Kirloskar Brothers International B.V. |
| 6 | Kirloskar Brothers(Thailand) Limited | Subsidiary of Kirloskar Brothers International B.V. |
| 7 | SPP Pumps (MENA) LLC | Subsidiary of Kirloskar Brothers International B.V. |
| 8 | Kirloskar Pompen BV | Subsidiary of Kirloskar Brothers International B.V. |
| 9 | Micawber 784 Proprietary Limited | Subsidiary of Kirloskar Brothers International B.V. |
| 10 | SPP Pumps International Proprietary Limited | Subsidiary of Kirloskar Brothers International B.V. |
| 11 | Rotaserve Limited | Subsidiary of Kirloskar Brothers International B.V. |
| 12 | SPP Pumps France S.A.S | Subsidiary of SPP Pumps Limited |
| 13 | SPP Pumps Inc | Subsidiary of SPP Pumps Limited |
| 14 | SPP Pumps South Africa Proprietary Limited | Subsidiary of SPP Pumps International Proprietary Limited |
| 15 | Braybar Pumps Proprietary Limited | Subsidiary of SPP Pumps International Proprietary Limited |
| 16 | Rodelta Pumps International BV | Subsidiary of Kirloskar Brothers International B.V. |
| 17 | Rotaserve BV | Subsidiary of Kirloskar Pompen BV |
| 18 | SPP Pumps Real Estate LLC | Subsidiary of SPP Pumps Inc |
| 19 | SyncroFlo Inc. | Subsidiary of SPP Pumps Inc |
| 20 | SPP Pumps (Asia) Ltd | Subsidiary of Kirloskar Brothers (Thailand) Ltd |
| 21 | SPP Pumps (Singapore) Ltd | Subsidiary of Kirloskar Brothers (Thailand) Ltd |
| 22 | Rotaserve Mozambique* | Subsidiary of SPP Pumps International Proprietary Limited |
| 23 | Kirloskar Ebara Pumps Limited | Joint venture of Kirloskar Brothers Limited |
| 24 | Sunsure Solarpark Nineteen Private Limited | Associate of Kirloskar Brothers Limited (From 7 February 2025) |

**Rotaserve Mozambique a step-down subsidiary of the Company has been dissolved and hence ceased to be a subsidiary of the Company with effect from 5 July 2024*

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Amount in Million ₹ except otherwise stated

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

| Sr. No. | Name of the related party | Nature of relationship |
|---|---|---|
| 1) | Subsidiary Companies | Karad Projects and Motors Limited |
| | | The Kolhapur Steel Limited |
| | | Kirloskar Corrocoat Private Limited |
| | | SPP Pumps Limited |
| | | SPP Pumps Inc. |
| | | Kirloskar Pompen B.V |
| | | Kirloskar Brothers (Thailand) Limited |
| | | Rodelta Pumps International BV |
| | | SPP Pumps International Proprietary Limited |
| | | SyncroFlo Inc. |
| | | Rotaserve B.V. |
| | | SPP Pumps (MENA) LLC |
| | | Braybar Pumps Proprietary Limited |
| 2) | Joint Venture | Kirloskar Ebara Pumps Limited |
| 3) | Associate | Sunsure Solarpark Nineteen Private Limited |
| 4) | Key Management Personnel | Mr. Sanjay Kirloskar |
| | | Mr. Alok Kirloskar |
| | | Ms. Rama Kirloskar |
| | | Mr. M S Unnikrishnan |
| | | Ms. Rekha Sethi |
| | | Mr. Vivek Pendharkar |
| | | Mr. Shobinder Duggal |
| | | Mr. Shrinivas Dempo |
| | | Ms. Ramni Nirula |
| | | Mr. Vinayak Deshpande |
| | | Mr. Chittaranjan Mate (Upto 14 May 2024)** |
| | | Mr. Ravish Mittal (From 15 May 2024 to 28 February 2025)** |
| | | Mr. Devang Trivedi |
| 5) | Close Members of family of Key Management Personnel | Mrs. Pratima Kirloskar (wife of Mr. Sanjay Kirloskar) |
| 6) | Post Employment Benefit Plans | Kirloskar Brothers Ltd Employees Prov. Fund For Engg.Factory |
| | | Kirloskar Brothers Ltd Staff Members Prov. Fund |
| | | Kirloskar Brothers Limited,Kirloskarvadi Employee Gratuity Fund |
| | | Kirloskar Brothers Executive Staff Superannuation fund |

*** As required under section 203 of the Companies Act, 2013, the Company has appointed a Chief Financial Officer (CFO) Mr. Bhavesh Chheda with the effect from 14 May, 2025 in place of the then CFO. Mr. Ravish Mittal, who resigned from the position of CFO of the Company with effect from the closing hours of 28 February, 2025.*

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## (C) Disclosure of related parties transactions

* Major parties denote entities who account for 10% or more of the aggregate for that category of transaction.

The above transactions have been entered at arms length price.

| Sr No | Nature of transaction/relationship/major parties | 2024-25 | | 2023-24 | |
|---|---|---|---|---|---|
| | | Amount | Amount | Amount | Amount |
| 1 | **Purchase of goods (*)** | **4,621.386** | | **4,229.180** | |
| | **Subsidiary/Fellow subsidiary Companies** | | | | |
| | Karad Projects and Motors Limited | | 4,469.949 | | 3,937.309 |
| 2 | **Sale of goods/contract revenue (*)** | **1,225.279** | | **1,429.672** | |
| | **Subsidiary/Fellow subsidiary Companies** | | | | |
| | SPP Pumps Limited | | 310.400 | | 356.808 |
| | Kirloskar Brothers (Thailand) Ltd. | | 188.203 | | 355.088 |
| | SPP Pumps Inc. | | 262.406 | | 261.120 |
| | The Kolhapur Steel Limited | | 121.955 | | 220.316 |
| | Kirloskar Pompen B.V. | | 166.534 | | 117.598 |
| 3 | **Rendering Services (*)** | **137.034** | | **140.352** | |
| | **Subsidiary/Fellow subsidiary Companies/Joint venture** | | | | |
| | Kirloskar Ebara Pumps Limited | | 50.058 | | 44.923 |
| | SPP Pumps Limited | | 39.770 | | 42.021 |
| 4 | **Receiving Services (*)** | **116.592** | | **92.870** | |
| | **Subsidiary/Fellow subsidiary Companies/Joint Venture** | | | | |
| | Rodelta Pumps International BV | | 42.264 | | 50.700 |
| | Kirloskar Ebara Pumps Limited | | 39.181 | | 23.036 |
| | Karad Projects and Motors Limited | | 20.658 | | 8.468 |
| | **Close Members of family of Key Management Personnel** | | | | |
| | Mrs Pratima Kirloskar | | 7.319 | | 6.941 |
| 5 | **Interest Received** | **5.336** | | **9.586** | |
| | The Kolhapur Steel Limited | | 5.336 | | 9.586 |
| 6 | **Dividend Paid** | **190.219** | | **142.664** | |
| | **Key Management Personnel** | | | | |
| | Mr. Sanjay Kirloskar (**) | | 107.085 | | 80.314 |
| | Mr. Alok Kirloskar | | 0.037 | | 0.028 |
| | **Close Members of family of Key Management Personnel** | | | | |
| | Mrs. Pratima Kirloskar | | 83.097 | | 62.323 |
| 7 | **Dividend Received** | **38.575** | | **174.267** | |
| | **Subsidiary/Fellow subsidiary Companies/Joint Venture** | | | | |
| | Karad Projects and Motors Limited | | - | | 156.267 |
| | Kirloskar Ebara Pumps Limited | | 13.500 | | 18.000 |
| | Kirloskar Corrocoat Pvt Ltd. | | 1.950 | | - |
| | Kirloskar Brothers International B.V. | | 23.125 | | - |

*(**) Includes dividend received in capacity of trustee of ₹ 10.572 Mn. (PY- ₹ 7.929 Mn.)*

*Purchases and sales reported are net of discounts, returns etc.*

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| Sr No | Nature of transaction/relationship/major parties | 2024-25 | | 2023-24 | |
|---|---|---|---|---|---|
| | | Amount | Amount | Amount | Amount |
| 8 | **Remuneration Paid** | **239.103** | | **206.162** | |
| | **Key Management Personnel** | | | | |
| | **Short Term Employee Benefit** | | | | |
| | Mr. Sanjay Kirloskar | | 95.768 | | 80.241 |
| | Ms. Rama Kirloskar | | 92.156 | | 78.080 |
| | Mr. Chittaranjan Mate | | 1.125 | | 12.023 |
| | Mr. Devang Trivedi | | 5.591 | | 5.044 |
| | Mr. Ravish Mittal | | 9.372 | | - |
| | **Commission on profits** | | | | |
| | Mr. Alok Kirloskar | | 2.600 | | 2.400 |
| | Mr. M S Unnikrishnan | | 2.600 | | 2.400 |
| | Mr. Shobinder Duggal | | 2.600 | | 2.400 |
| | Mr. Shrinivas Dempo | | 2.600 | | 2.400 |
| | Ms. Ramni Nirula | | 2.600 | | 2.400 |
| | Mr. Amitava Mukherjee | | - | | 0.600 |
| | Mr. Vivek Pendharkar | | 2.600 | | 2.400 |
| | Ms. Rekha Sethi | | 2.600 | | 2.400 |
| | Mr. Vinayak Deshpande | | 2.600 | | 1.600 |
| | **Key Management Personnel** | | | | |
| | **Sitting Fees** | | | | |
| | Mr. Alok Kirloskar | | 0.525 | | 0.525 |
| | Mr. M S Unnikrishnan | | 1.050 | | 1.200 |
| | Mr. Shobinder Duggal | | 0.975 | | 0.900 |
| | Mr. Shrinivas Dempo | | 0.600 | | 0.600 |
| | Ms. Ramni Nirula | | 0.975 | | 0.900 |
| | Mr. Amitava Mukherjee | | - | | 0.225 |
| | Mr. Vivek Pendharkar | | 0.600 | | 0.525 |
| | Ms. Rekha Sethi | | 0.750 | | 0.675 |
| | Mr. Vinayak Deshpande | | 0.975 | | 0.450 |
| | **Post Employment Benefit** | | | | |
| | Mr. Sanjay Kirloskar | | 3.180 | | 3.180 |
| | Ms. Rama Kirloskar | | 3.150 | | 0.987 |
| | Mr. Chittaranjan Mate | | 0.141 | | 1.158 |
| | Mr. Devang Trivedi | | 0.498 | | 0.449 |
| | Mr. Ravish Mittal | | 0.872 | | - |
| 9 | **Reimbursement Received (*)** | **14.137** | | **8.176** | |
| | **Subsidiary/ Fellow Subsidiary Company/Joint Venture** | | | | |
| | Kirloskar Ebara Pumps Limited | | 9.565 | | 4.223 |
| | SPP Pumps Limited | | 3.819 | | 1.301 |
| | Kirloskar Brothers (Thailand) Ltd. | | 0.396 | | 1.628 |
| 10 | **Reimbursement Paid (*)** | **1.215** | | **0.283** | |
| | **Subsidiary/ Fellow Subsidiary Company** | | | | |
| | Kirloskar Pompen B.V. | | - | | 0.121 |
| | Rodelta Pumps International BV | | 0.291 | | 0.099 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| Sr No | Nature of transaction/relationship/major parties | 2024-25 Amount | 2024-25 Amount | 2023-24 Amount | 2023-24 Amount |
|---|---|---|---|---|---|
| **11** | **Advance given to vendors/ adjusted against customers** | **56.797** | | **95.324** | |
| | **i) Business advance** | | | | |
| | **Subsidiary/ Fellow Subsidiary Company** | | | | |
| | The Kolhapur Steel Limited | | 54.641 | | 90.562 |
| | Karad Projects and Motors Ltd | | 1.670 | | 3.389 |
| | Kirloskar Brothers (Thailand) Ltd. | | 0.134 | | 0.188 |
| | Kirloskar Pompen B.V. | | - | | 0.979 |
| | Rotaserve B.V. | | - | | 0.152 |
| | SPP Pumps Limited | | 0.352 | | 0.054 |
| | **ii) Capital Advance** | **-** | | **137.000** | |
| | **Subsidiary/ Fellow Subsidiary Company** | | | | |
| | The Kolhapur Steel Limited | | - | | 137.000 |
| **12** | **Advance received from customers / adjusted against vendors (Business advance)** | **33.849** | | **133.356** | |
| | Subsidiary/ Fellow Subsidiary Company | | | | |
| | The Kolhapur Steel Limited | | 29.552 | | 129.813 |
| | Karad Projects and Motors Ltd | | 3.811 | | 2.508 |
| | Kirloskar Brothers (Thailand) Ltd. | | 0.134 | | 0.056 |
| | Kirloskar Pompen B.V. | | - | | 0.979 |
| | SPP Pumps Limited | | 0.352 | | - |
| **13** | **Contribution Paid for Post Employment Benefit Plan** | **103.702** | | **260.748** | |
| | Provident Fund | | 76.696 | | 72.723 |
| | Superannuation Trust | | 1.962 | | 1.899 |
| | Gratuity | | 25.044 | | 186.126 |
| **14** | **Corporate Guarantees Given** | **526.296** | | **2,426.084** | |
| | SPP Pumps Limited | | - | | 1,431.985 |
| | Kirloskar Brothers(Thailand) Limited | | 314.506 | | 375.183 |
| | Kirloskar Pompen B.V. | | 211.790 | | 378.916 |
| | Kirloskar Corrocoat Pvt Ltd. | | - | | 240.000 |
| **15** | **Corporate Guarantees Cancelled** | **2,833.073** | | **3,556.387** | |
| | SPP Pumps Ltd. - UK | | 1,505.112 | | 2,341.763 |
| | SPP Pumps Ltd. - UK | | - | | 369.765 |
| | Kirloskar Pompen B.V. | | 386.747 | | 654.859 |
| | SPP Pumps International Proprietary Limited | | 122.229 | | - |
| | Kirloskar Brothers (Thailand) Ltd. | | 564.135 | | - |
| | Kirloskar Corrocoat Pvt Ltd. | | 254.850 | | 190.000 |
| **16** | **Purchase of Investment** | **39.582** | | **6.900** | |
| | Sunsure Solarpark Nineteen Private Limited | | 39.582 | | - |
| | The Kolhapur Steel Ltd | | - | | 6.900 |
| **17** | **Sale of Investment** | **107.646** | | **-** | |
| | Karad Projects and Motors Limited (Sale of investment in The Kolhapur Steel Ltd) | | 107.646 | | - |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## (D) Amount due to/from related parties

| Sr No | Nature of transaction/relationship/major parties | 31 March 2025 | | 31 March 2024 | |
|---|---|---|---|---|---|
| | | Amount | Amount | Amount | Amount |
| 1 | **Accounts receivable** | | | | |
| | **Subsidiary/Fellow subsidiary Companies/Joint Venture** | **1,315.141** | | **1,312.164** | |
| | SPP Pumps Ltd. | | 58.661 | | 72.113 |
| | Kirloskar Brothers (Thailand) Ltd. | | 37.654 | | 207.662 |
| | SPP Pumps (MENA) L.L.C. | | 0.681 | | 5.741 |
| | Braybar Pumps Proprietary Limited | | - | | 0.006 |
| | SPP Pumps Inc. | | 74.207 | | 42.644 |
| | Kirloskar Ebara Pumps Limited | | 31.221 | | 53.676 |
| | SyncroFlo Inc. | | 0.032 | | - |
| | Rodelta Pumps International BV | | 1.725 | | 9.982 |
| | The Kolhapur Steel Ltd | | 1,029.377 | | 865.285 |
| | SPP Pumps International Proprietary Limited | | 37.047 | | 21.025 |
| | Kirloskar Brothers Pompen BV | | 32.214 | | 32.719 |
| | Rotaserve B.V. | | 1.553 | | 1.311 |
| | Karad Projects and Motors Limited | | 7.551 | | - |
| | Kirloskar Corrocoat Pvt Ltd. | | 3.218 | | - |
| | **Advance/ loan receivable** | 40.942 | | 91.042 | |
| | The Kolhapur Steel Ltd | | 40.942 | | 91.042 |
| 2 | **Accounts payable** | | | | |
| (a) | **Subsidiary/Fellow subsidiary Companies/Joint Venture** | **1,045.189** | | **1,152.866** | |
| | Karad Projects and Motors Limited | | 1,015.404 | | 1,057.860 |
| | Kirloskar Corrocoat Pvt Ltd. | | 1.604 | | 5.005 |
| | Rodelta Pumps International BV | | 2.028 | | 4.628 |
| | SPP Pumps Ltd. | | - | | 5.033 |
| | Kirloskar Brothers (Thailand) Ltd. | | 0.045 | | 0.086 |
| | SPP Pumps Inc. | | 1.588 | | 0.241 |
| | Kirloskar Brothers Pompen BV | | - | | 0.121 |
| | Rotaserve B.V. | | 0.671 | | 0.671 |
| | Kirloskar Ebara Pumps Limited | | 22.940 | | 78.312 |
| | Braybar Pumps Proprietary Limited | | 0.909 | | 0.909 |
| (b) | **Key Management Personnel (#)** | **180.800** | | **147.000** | |
| | Mr. Sanjay Kirloskar | | 77.000 | | 59.000 |
| | Mr. Alok Kirloskar | | 2.600 | | 2.400 |
| | Ms. Rama Kirloskar | | 83.000 | | 69.000 |
| | Mr. M S Unnikrishnan | | 2.600 | | 2.400 |
| | Mr. Amitava Mukherjee | | - | | 0.600 |
| | Ms. Rekha Sethi | | 2.600 | | 2.400 |
| | Ms. Ramni Nirula | | 2.600 | | 2.400 |
| | Mr. Shrinivas Dempo | | 2.600 | | 2.400 |
| | Mr. Shobinder Duggal | | 2.600 | | 2.400 |
| | Mr. Vivek Pendharkar | | 2.600 | | 2.400 |
| | Mr. Vinayak Deshpande | | 2.600 | | 1.600 |

*(#) Commission to Chairman- Managing Director and Non-Executive Directors is approved in board meeting held on 14th May 2025. Payment will be made in the year 2025-26.*

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

**(E) Corporate Guarantees/ Standby Letter of Credit:**

**Below mentioned guarantees/ SBLC have been provided by the company to banks on behalf of subsidiary companies for availing financial facilities.**

| Sr No | Particulars | 31 March 2025 Amount | 31 March 2024 Amount |
|---|---|---|---|
| 1 | By the company to ICICI Bank Ltd. on behalf of Kirloskar Pompen B.V. (CY : EURO NIL , PY : EURO 4,200,000) | - | 378.916 |
| 2 | By the company to ICICI Bank Ltd. on behalf of The Kolhapur Steel Limited. | 185.500 | 185.500 |
| 3 | By the company to ICICI Bank Ltd. on behalf of SPP Pumps Ltd. (CY : GBP NIL , PY : GBP 13,600,000 ) | - | 1,431.985 |
| 4 | By the company to ICICI Bank Ltd. on behalf of The Kirloskar Corrocoat Private Limited. | - | 240.000 |
| 5 | By the company to Sinhan Bank Ltd. on behalf of The Kirloskar Corrocoat Private Limited. | - | 14.850 |
| 6 | By the company to Axis Bank on behalf of SPP Pumps International Proprietary Limited (CY : USD NIL , PY : USD 14,30,000) | - | 119.225 |
| 7 | By the company to Axis Bank on behalf of Kirloskar Brothers (Thailand) Ltd. (CY : USD NIL , PY : USD 66,00,000) | - | 550.268 |
| 8 | By the company to Citi Bank on behalf of Kirloskar Pompen B.V. (CY : USD 1,000,000 , PY : USD 1,000,000) | 85.475 | 83.374 |
| 9 | By the company to Citi Bank on behalf of Kirloskar Brothers (Thailand) Ltd. (CY : USD 5,500,000 , PY : USD 5,500,000) | 470.113 | 458.557 |
| 10 | By the company to ICICI Bank Ltd. on behalf of Rodelta pumps International B.V. (CY : EURO 2,625,000 , PY : EURO 2,625,000) | 241.717 | 236.822 |
| 11 | By the company to ICICI Bank Ltd. on behalf of Kirloskar Pompen B.V. (CY : EURO 23,00,000 , PY : EURO NIL) | 211.790 | - |
| 12 | By the company to HSBC Bank Ltd. on behalf of Kirloskar Brothers (Thailand) Ltd. (CY : THB 125,000,000, PY : THB NIL) | 314.506 | - |
| | | **1,509.101** | **3,699.497** |

## NOTE 36 : DISCLOSURE PURSUANT TO SCHEDULE V READ WITH REGULATIONS 34(3) AND 53(F) OF THE SEBI(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 :

**A Loans and advances in the nature of loans for working capital requirements :**

| Name of the Company | Balance as at | | Maximum outstanding | |
|---|---|---|---|---|
| | 31 March 2025 | 31 March 2024 | 31 March 2025 | 31 March 2024 |
| **To Subsidiary Companies** | | | | |
| The Kolhapur Steel Limited * | 40.942 | 91.042 | 91.042 | 141.142 |

** Consists of ₹ 9.410 Mn unsecured loan given under order from Board for Industrial and Financial Reconstructions (BIFR) in 2008-09 without any specific agreed terms for charge of interest and repayment. Balance loan of ₹ 31.532 Mn with interest rate of 8.5% and other specified terms and conditions.*

**B Loans and advances in the nature of loans to firms/companies in which directors are interested: NIL**

**C Investment by the loanee (borrower) in the shares of the Company or subsidiary of the Company : NIL**

*Note:- Loans to employees under various schemes of the company (such as housing loan, furniture loan, education loan etc.) have been considered to be outside the purview of this disclosure requirements.*

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 37 : JOINT VENTURE AND JOINTLY CONTROLLED OPERATIONS

### a) List of Joint Venture

| Sr No | Name of the Joint Venture | Description | Ownership Interest | Country of Incorporation |
|---|---|---|---|---|
| 1 | Kirloskar Ebara Pumps Limited | Jointly controlled entity | 45% | India |

### b) Financial Interest in Jointly controlled entities

| Sr. No | Name of the Joint Venture | Summarized financial information | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|---|
| 1 | Kirloskar Ebara Pumps Limited | Assets | 3,216.137 | 4,000.504 |
| | | Liabilities | 769.907 | 1,856.865 |
| | | | **2024-25** | **2023-24** |
| | | Income | 3,687.439 | 3,105.635 |
| | | Expenses (including tax expenses) | 3,348.544 | 2,880.097 |
| | | Profit after tax | 338.895 | 225.538 |
| | | Other comprehensive income | (6.304) | (8.053) |
| | | **Total comprehensive income** | **332.591** | **217.485** |

### c) Contingent liabilities, if any, incurred in relation to interest in Joint Ventures: Nil (PY: Nil)

### d) Capital commitments , if any , in relation to interest in Joint Ventures : ₹ 7.671 Million (PY: ₹ 7.177 Million)

### e) List of Jointly controlled operations :

| Sr No | Name of the Jointly controlled operation | Description | Ownership Interest | Country of Incorporation |
|---|---|---|---|---|
| 1 | HCC - KBL * | Jointly controlled operations | N A | India |
| 2 | KBL – MCCL | Jointly controlled operations | N A | India |
| 3 | KCCPL – IHP – BRC – TAIPPL – KBL JV * | Jointly controlled operations | N A | India |
| 4 | IVRCL – KBL JV | Jointly controlled operations | N A | India |
| 5 | Maytas – KBL JV | Jointly controlled operations | N A | India |
| 6 | Larsen & Toubro – KBL JV | Jointly controlled operations | N A | India |
| 7 | KBL-MEIL-KCCPL JV | Jointly controlled operations | N A | India |
| 8 | KBL – PLR JV | Jointly controlled operations | N A | India |
| 9 | KBL – Koya – VA Tech JV | Jointly controlled operations | N A | India |
| 10 | KBL – PIL Consortium | Jointly controlled operations | N A | India |
| 11 | Larsen & Toubro – KBL – Maytas JV | Jointly controlled operations | N A | India |
| 12 | IVRCL – KBL – MEIL JV | Jointly controlled operations | N A | India |
| 13 | Pioneer – Avantica – ZVS – KBL JV | Jointly controlled operations | N A | India |
| 14 | AMR – Maytas – KBL – WEG JV * | Jointly controlled operations | N A | India |
| 15 | Indu – Shrinivasa Constructions – KBL – WEG JV | Jointly controlled operations | N A | India |
| 16 | MEIL – KBL – IVRCL JV | Jointly controlled operations | N A | India |
| 17 | MEIL – Maytas – KBL JV | Jointly controlled operations | N A | India |
| 18 | KCCPL – TAIPPL – KBL JV | Jointly controlled operations | N A | India |
| 19 | KBL-SPML JV | Jointly controlled operations | N A | India |
| 20 | MEIL - KBL JV * | Jointly controlled operations | N A | India |
| 21 | MAYTAS – MEIL – KBL JV | Jointly controlled operations | N A | India |
| 22 | Gondwana - KBL JV | Jointly controlled operations | N A | India |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| Sr No | Name of the Jointly controlled operation | Description | Ownership Interest | Country of Incorporation |
|---|---|---|---|---|
| 23 | MEIL -PRASAD-KBL CONSORTIUM | Jointly controlled operations | N A | India |
| 24 | JCPL - MEIL - KBL CONSORTIUM | Jointly controlled operations | N A | India |
| 25 | KBL -PTIL UJV | Jointly controlled operations | N A | India |
| 26 | KBL - RATNA - JOINT VENTURE | Jointly controlled operations | N A | India |
| 27 | MEIL-KBL-WEG CONSORTIUM | Jointly controlled operations | N A | India |
| 28 | MEIL-KBL- ( KDWSP ) JV | Jointly controlled operations | N A | India |
| 29 | KBL and TCIPL JOINT VENTURE | Jointly controlled operations | N A | India |
| 30 | ACPL & KBL JV * | Jointly controlled operations | N A | India |
| 31 | ITD CEMENTATION INDIA LIMITED JV | Jointly controlled operations | N A | India |
| 32 | GSJ - KBL JV | Jointly controlled operations | N A | India |
| 33 | JBL-KBL-GSJ JV | Jointly controlled operations | N A | India |

*Kirloskar Brothers Ltd. JV is dissolved as per the dissolution deed executed on 4th July 2024*

** These JVs are operationally and financially closed, however formal dissolution of JV is in progress*

## NOTE 38 : DETAILS OF PROVISIONS AND MOVEMENTS IN EACH CLASS OF PROVISIONS

| Particulars | Provision for compensated absences | Provision for product warranty | Provision for decommissioning and restoration cost | Provision for loss on long term contracts |
|---|---|---|---|---|
| **Carrying amount as at 1 April 2023** | 289.086 | 308.751 | 9.621 | 11.409 |
| Add: Provision during the year 2023-24 (net of excess/ short provision of earlier year) | 147.545 | 228.383 | - | 4.179 |
| Add: Unwinding of discounts | - | 25.792 | 0.791 | - |
| Less: Amount utilized during the year 2023-24 | (33.330) | (258.575) | - | (1.801) |
| **Carrying amount as at 31 March 2024** | **403.301** | **304.351** | **10.412** | **13.787** |
| Add: Provision during the year 2024-25 (net of excess/ short provision of earlier year) | 55.440 | 242.756 | - | 0.570 |
| Add: Unwinding of discounts | - | 6.071 | 0.853 | - |
| Less: Amount utilized during the year 2024-25 | (138.893) | (262.186) | - | (2.741) |
| **Carrying amount as at 31 March 2025** | **319.848** | **290.992** | **11.265** | **11.616** |
| **Non-current provision** | 127.451 | 40.716 | 11.265 | - |
| **Current provision** | 192.397 | 250.276 | - | 11.616 |

### Compensated absences

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

### Provision for warranty

Provision for warranty is made for estimated warranty claims in respect of products sold, which are under warranty at the end of the reporting period. These claims are expected to be settled as per schedule of warranty i.e. upto18 months. Management records the provision based on the historical warranty claims information and any recent trends that may suggest future claims could differ historical amount.

### Provision for decommissioning and restoration cost

A provision has been recognised for decommissioning and restoration costs associated with windmills on lease hold land. The company is committed to restore the site at the end of useful life of windmills.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

### Provision for long term contract

A provision is made for the expected loss of the projects, where the estimated cost is more than the estimated revenue. Changes in estimated cost and estimated revenue are assessed by the management at the end of reporting period based on the price variation received/ given, change in the scope of project and revision of estimates regarding date of completion, expected costs to be incurred, changes in external circumstances such as applicable tax rates etc.

## NOTE 39 : FAIR VALUE MEASUREMENTS

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

The Company has not performed a fair valuation of its investment in unquoted ordinary shares which are classified as FVTOCI (refer Note 5), as the Company believes that impact of change on account of fair value is insignificant.

| Sr. No | Particulars | Carrying value | |
|---|---|---|---|
| | | As at 31 March 2025 | As at 31 March 2024 |
| | **Financial Asset** | | |
| a) | **Levelled at Level 1** | | |
| | **Carried at fair value through profit and loss** | | |
| | Investment in mutual funds | 1,620.414 | 1,492.012 |
| b) | **Carried at amortized cost** | | |
| | Investment in long fixed deposits with financial institution | 2,730.000 | 800.200 |
| | Trade receivables | 4,252.152 | 4,700.870 |
| | Advances to subsidiaries | 40.942 | 91.042 |
| | Other financial assets | 1,016.499 | 972.271 |
| | Cash and cash equivalent | 924.369 | 1,516.701 |
| | Other bank balances | 39.512 | 32.130 |
| c) | **Levelled at Level 3** | | |
| | Investments in unquoted equity shares (FVTOCI) * | 39.582 | 0.000 |
| | **Financial Liabilities** | | |
| a) | **Levelled at Level 2** | | |
| | **Carried at fair value through Profit and loss (FVTPL)** | | |
| | Forward contract liability | - | 0.995 |
| b) | **Carried at amortized cost** | | |
| | Non-current borrowings | - | - |
| | Current borrowings | 94.072 | 391.257 |
| | Trade payables | 4,745.229 | 5,088.019 |
| | Other current financial liabilities | 1,090.515 | 959.472 |
| | Lease liability | 138.357 | 103.837 |
| c) | **Financial guarantee contracts** | 4.684 | 11.499 |

*Exclude Group Company investments ₹ 2,975.416 Mn. (Previous Year ₹ 2,975.416 Mn.) measured at cost. (Refer Note 5).*

## NOTE 40: FINANCIAL RISK MANAGEMENT POLICY AND OBJECTIVES

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

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

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Credit risk | Cash and cash equivalents, trade receivables, financial assets measured at amortised cost, corporate guarantees issued to group companies | Aging analysis, External credit rating (wherever available) | Diversification of bank deposits, credit limits and letters of credit |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market risk- Interest rate risk | Long term borrowings at variable rate | Sensitivity Analysis | Mixed portfolio of fixed and variable interest rate loans |
| Market risk -Foreign Currency Risk | Recognised financial assets and liabilities not denominated in Indian rupee (₹) | Sensitivity Analysis | Management follows established risk management policies, including use of derivatives like foreign exchange forward contracts, where the economic conditions match the company's policy. |

The company's risk management is carried out by management, under policies approved by the board of directors. Company's treasury identifies, evaluates and hedges financial risks in close cooperation with the company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, and investment of excess liquidity. No major change in assumptions and methods used for risk assessments is made during the year.

## (A) Credit Risk

Credit risk in case of the Company arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

### Credit risk management

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

(i) Actual or expected significant adverse changes in business,

(ii) Actual or expected significant changes in the operating results of the counterparty,

(iii) Financial or economic conditions that are expected to cause a significant change to counterparty's ability to meet its obligations,

(iv) Significant increases in credit risk on other financial instruments of the same counterparty,

(v) Significant changes in the value of collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

The company provides for expected credit loss in case of trade receivables, claims receivable as and security deposits when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company etc.

For the security deposits and claims receivable, provision for expected loss is made considering 12 months expected credit loss. Provision for lifetime credit loss is made if there is significant increase in credit risk for such financial assets.

In respect of trade receivable, company uses the simplified approach for the provision for expected loss. The lifetime expected loss provision is recognised based on the provision matrix as decided by the management, based on the historical experience of recoverability. The company categorizes a receivable for provision for doubtful debts/write off when a debtor fails to make contractual payments greater than 1 year past due in case product business and 4 years past due in case of project business. In addition to this company also provides the expected loss based on the overdue number of days for receivables as per the provision matrix. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

### Provision for expected credit loss

Financial assets for which loss allowance is measured using Expected Credit Losses (ECL) model as per Ind AS 109,

| Exposure to Risk | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Trade Receivables | 5,877.243 | 5,918.425 |
| Less : Expected Loss | 1,625.091 | 1,217.555 |
| | **4,252.152** | **4,700.870** |
| Security Deposits | 839.103 | 853.355 |
| Less : Expected Loss | 15.064 | 12.588 |
| | **824.039** | **840.767** |
| Claims Receivable | 35.518 | 34.377 |
| Less : Expected Loss | 19.361 | 19.361 |
| | **16.157** | **15.016** |

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

| Exposure to Risk | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Trade Receivables** | | |
| Neither past due nor impaired | 2,530.302 | 2,624.678 |
| Past due but not impaired | | |
| Less than 180 days | 534.636 | 723.772 |
| 181 - 365 days | 226.653 | 403.495 |
| More than 365 days | 960.561 | 948.925 |
| **Total** | **4,252.152** | **4,700.870** |

### Reconciliation of loss provision

| | Trade receivables | Others |
|---|---|---|
| Loss allowance as at 1 April 2023 | 1,152.466 | 23.436 |
| Changes in loss allowance* | 65.089 | 8.513 |
| Loss allowance as at 31 March 2024 | 1,217.555 | 31.949 |
| Changes in loss allowance* | 407.536 | 2.476 |
| **Loss allowance as at 31 March 2025** | **1,625.091** | **34.425** |

** Movement in loss allowance is primarily on account of additional ECL provision based on ageing.*

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is carried out in accordance with practice and limits set by the company. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

| Exposure to Risk | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Interest bearing borrowings** | | |
| On demand | 94.072 | 91.257 |
| Less than 180 days | - | 300.000 |
| 181 - 365 days | - | - |
| More than 365 days | - | - |
| **Total** | **94.072** | **391.257** |
| **Other financial liabilities** | | |
| On demand | 168.569 | 162.547 |
| Less than 180 days | 924.288 | 803.670 |
| 181 - 365 days | 2.342 | 5.749 |
| More than 365 days | - | - |
| **Total** | **1,095.199** | **971.966** |
| **Lease liability** | | |
| On demand | - | - |
| Less than 180 days | 28.234 | 29.703 |
| 181 - 365 days | 28.234 | 29.702 |
| More than 365 days | 81.889 | 44.432 |
| **Total** | **138.357** | **103.837** |
| **Trade & other payables** | | |
| Not due | 2,741.594 | 3,173.080 |
| Less than 180 days | 817.785 | 743.315 |
| 181 - 365 days | 169.906 | 233.944 |
| More than 365 days | 1,015.944 | 937.680 |
| **Total** | **4,745.229** | **5,088.019** |

**The company has access to following undrawn fund based facilities at the end of the reporting year** (Interest rates 6% - 9%)

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Expiring within one year | 1,905.928 | 1,610.000 |
| Expiring beyond one year | - | - |

## C) Market risk - Interest rate risk

The company's exposure to the risk of changes in market interest rates relates to borrowings with floating interest rates. To manage the risk, company has created balance portfolio of fixed and variable interest rate borrowings.

Change of 0.5%, in the base rates will have effect of ₹ 0.47 Mn on the company's profitability.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## (D) Foreign Currency Risk

The company is exposed to foreign exchange risk mainly through its sales to overseas customers and purchases from overseas suppliers in various foreign currencies.

The company evaluates exchange rate exposure arising from foreign currency transactions and the company follows established risk management policies, including use of natural hedge between receivables and payables, use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk, where the economic conditions match the company's policy.

### Foreign currency exposure :

| Financial Assets | Currency | Amount in Foreign Currency (Mn) | | Amount in ₹ (Mn) | |
|---|---|---|---|---|---|
| | | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2025 | As at 31 March 2024 |
| Trade Receivables | EUR | 0.499 | 0.562 | 45.984 | 50.560 |
| | GBP | 0.153 | 0.249 | 16.939 | 26.173 |
| | ZAR | 0.002 | 1.728 | 0.009 | 7.606 |
| | USD | 3.165 | 8.351 | 270.526 | 696.499 |
| Bank Accounts | EGP | 1.008 | 0.327 | 1.704 | 0.576 |
| | EUR | 0.816 | 0.466 | 75.111 | 41.887 |
| | GBP | 0.390 | 0.191 | 43.176 | 20.071 |
| | USD | 1.916 | 1.423 | 163.793 | 118.677 |
| Other Deposits | EGP | 0.083 | 0.083 | 0.141 | 0.147 |
| | USD | - | 0.003 | - | 0.225 |
| Amount Due from Employees | USD | 0.010 | 0.030 | 0.821 | 2.506 |

| Financial Liabilities | Currency | Amount in Foreign Currency (Mn) | | Amount in ₹ (Mn) | |
|---|---|---|---|---|---|
| | | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2025 | As at 31 March 2024 |
| Trade Payables | EGP | 0.731 | 0.731 | 1.235 | 1.287 |
| | EUR | 0.387 | 0.388 | 35.594 | 34.911 |
| | GBP | 0.001 | 0.052 | 0.156 | 5.501 |
| | USD | 1.870 | 2.966 | 159.879 | 247.350 |
| | JPY | 12.639 | 13.324 | 7.175 | 7.337 |
| | VND | 14,555.307 | 15,649.974 | 48.641 | 53.210 |
| | XOF | 149.102 | 149.102 | 20.874 | 20.308 |
| | ZAR | 0.190 | 0.190 | 0.897 | 0.838 |
| | SGD | - | 0.003 | - | 0.154 |
| Amount Due to Employees | USD | - | 0.011 | - | 0.921 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

### Currency wise net exposure (assets - liabilities)

| Particulars | Amount in Foreign Currency (Mn) | | Amount in ₹ (Mn) | |
|---|---|---|---|---|
| | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2025 | As at 31 March 2024 |
| EGP | 0.360 | (0.404) | 0.610 | (0.711) |
| EUR | 0.928 | 0.640 | 85.501 | 57.537 |
| GBP | 0.542 | 0.387 | 59.959 | 40.743 |
| USD | 3.221 | 6.830 | 275.261 | 569.637 |
| JPY | (12.639) | (13.324) | (7.175) | (7.337) |
| VND | (14,555.307) | (15,649.974) | (48.641) | (53.210) |
| XOF | (149.102) | (149.102) | (20.874) | (20.308) |
| SGD | - | (0.003) | - | (0.154) |
| ZAR | (0.188) | 1.537 | (0.888) | 6.768 |
| **Total** | | | **343.753** | **592.965** |

### Sensitivity Analysis

| Currency | Amount in ₹ (Mn) | | Sensitivity % (*) (2024-25) | Sensitivity % (*) (2023-24) |
|---|---|---|---|---|
| | 2024-25 | 2023-24 | | |
| EGP | 0.610 | (0.711) | 17.45% | 12.68% |
| EUR | 85.501 | 57.537 | 2.12% | 3.03% |
| GBP | 59.959 | 40.743 | 3.39% | 3.09% |
| USD | 275.261 | 569.637 | 2.61% | 3.91% |
| JPY | (7.175) | (7.337) | 4.01% | 2.18% |
| VND | (48.641) | (53.210) | 1.95% | 2.96% |
| XOF | (20.874) | (20.308) | 3.26% | 3.81% |
| SGD | - | (0.154) | 3.95% | 3.80% |
| ZAR | (0.888) | 6.768 | 2.70% | 1.25% |
| **Total** | **343.753** | **592.965** | | |

| Currency | Impact on profit (strengthen) | | Impact on profit (weakening) | |
|---|---|---|---|---|
| | 2024-25 | 2023-24 | 2024-25 | 2023-24 |
| EGP | (0.106) | 0.090 | 0.106 | (0.090) |
| EUR | (1.813) | (1.743) | 1.813 | 1.743 |
| GBP | (2.033) | (1.259) | 2.033 | 1.259 |
| USD | (7.184) | (22.273) | 7.184 | 22.273 |
| JPY | 0.288 | 0.160 | (0.288) | (0.160) |
| VND | 0.948 | 1.575 | (0.948) | (1.575) |
| XOF | 0.680 | 0.774 | (0.680) | (0.774) |
| SGD | - | 0.006 | - | (0.006) |
| ZAR | 0.024 | (0.085) | (0.024) | 0.085 |
| **Total** | **(9.196)** | **(22.755)** | **9.196** | **22.755** |

(EGP- Egyptian Pound, EUR- Euro, GBP - Great Britain Pound, , USD - US Dollar,JPY - Japanese Yen VND- Vietnamese Dong, XOF- CFA Franc (Senegal), SGD - Singapore dollar , THB - Thai Bhat, ZAR - Zuid-Afrikaanse Rand (South Africa))

** Sensitivity % are derived based on variation in the exchange rates over the period of last 5 years.*

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 41: CAPITAL MANAGEMENT

### a) Risk management

The company's objectives when managing capital are to

- safeguard it's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, change debt. Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents, current investment and other bank balances) divided by Total 'equity' plus net debt.

The company's strategy is to maintain a gearing ratio within 30%. The gearing ratios were as follows:

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Loans and borrowings (Including current maturities of long term debt) | 94.072 | 391.257 |
| Less: Cash and cash equivalents (Including other bank balances) | 963.881 | 1,548.831 |
| Less: current investment | 2,920.414 | 2,292.212 |
| **Net debt** | **(3,790.223)** | **(3,449.786)** |

Gearing ratio is not applicable as net debt of company is negative.

### b) Dividend

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Equity Shares | | |
| (i) Interim dividend for the year | Nil | Nil |
| (ii) Dividends not recognised at the end of the reporting year | 555.862 | 476.454 |

Since year end the directors have recommended the payment of a final dividend of ₹ 7.0 per fully paid equity share (31 March 2024 - ₹ 6.0). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

## NOTE 42 : DISCLOSURE IN RESPECT OF MICRO, SMALL AND MEDIUM ENTERPRISES

**The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at 31 March 2025. The disclosure pursuant to the said Act is as under:**

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Total outstanding amount in respect of micro, small and medium enterprises including capex creditors | 661.446 | 944.327 |
| **Other disclosures in respect of micro and small enterprises** | | |
| Principal amount due and remaining unpaid | 42.256 | 31.943 |
| Interest due on above and unpaid interest | 1.025 | 0.603 |
| Interest paid | - | - |
| Payment made beyond appointment day | 1,605.699 | 1,242.585 |
| Interest due and payable for the period of delay | 9.837 | 7.674 |
| Interest accrued and remaining unpaid (excluding interest accrued for earlier years) | 10.862 | 8.277 |
| Amount of further interest remaining due and payable in succeeding years | 10.862 | 8.277 |

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

Delay in payment is mainly on account of quality issues.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 43 : CORPORATE SOCIAL RESPONSIBILITY EXPENDITURES

(a) Amount required to be spent by the Company during the current year is ₹ 42.442 Mn (PY - ₹ 31.967 Mn)

(b) Amount spent by the Company during the current year is ₹ 23.798 Mn (PY - ₹ 32.187 Mn) and a provision for ₹ 19.215 Mn is accounted for in current year towards ongoing projects pursuant to provisions of Sec 135(5) of The Companies Act,2013.

There is no shortfall as per provision of Sec 135 of The Companies Act 2013 either at the beginning or end of year.

The company as per its policy on Corporate Social Responsibility (CSR) and recommendation and approval of the CSR committee and Board has contributed ₹ 15 Mn towards projects on Education and Health undertaken by implementing agency, ₹ 4 Mn towards Medical Support, ₹ 4.8 Mn towards Skill Development and balance towards other miscellaneous eligible activities.

The company has not spent any amount towards construction or acquisition of asset.

The provision of ₹ 19.215 Mn accounted towards ongoing projects which would be used for the purpose of Education and health, Medical Support and Skill development

Refer board report for detailed disclosure.

## NOTE 44 A : TRADE RECEIVABLES AGEING

**Trade receivables as at 31 March 2025**

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Undisputed trade receivable** | | | | | | | |
| Considered good | 2,530.302 | 534.636 | 204.433 | 488.636 | 259.657 | 233.899 | 4,251.563 |
| Which have significant increase in credit risk | - | - | 22.220 | 125.393 | 173.218 | 1,179.204 | 1,500.035 |
| Credit impaired | | | | | | | |
| **Total undisputed trade receivables (a)** | **2,530.302** | **534.636** | **226.653** | **614.029** | **432.875** | **1,413.103** | **5,751.598** |
| Disputed trade receivables | | | | | | | |
| Considered good | - | - | - | 0.017 | - | 0.572 | 0.589 |
| Which have significant increase in credit risk | - | - | - | 0.070 | 18.900 | 106.086 | 125.056 |
| Credit impaired | - | - | - | - | - | - | - |
| **Total Disputed trade receivables (b)** | **-** | **-** | **-** | **0.087** | **18.900** | **106.658** | **125.645** |
| **Total trade receivables (a+b)** | **2,530.302** | **534.636** | **226.653** | **614.116** | **451.775** | **1,519.761** | **5,877.243** |
| Provision for increase in significant risk and credit impaired | | | | | | | 1,625.091 |
| Net trade receivables | | | | | | | 4,252.152 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

### Trade receivables as at 31 March 2024

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Undisputed trade receivable** | | | | | | | |
| Considered good | 2,623.207 | 723.558 | 379.601 | 372.866 | 299.200 | 283.554 | 4,681.986 |
| Which have significant increase in credit risk | - | - | 23.849 | 118.421 | 105.349 | 872.850 | 1,120.469 |
| Credit impaired | | | | | | | |
| **Total undisputed trade receivables (a)** | **2,623.207** | **723.558** | **403.450** | **491.287** | **404.549** | **1,156.404** | **5,802.455** |
| **Disputed trade receivables** | | | | | | | |
| Considered good | 1.471 | 0.214 | 0.034 | - | - | 17.165 | 18.884 |
| Which have significant increase in credit risk | - | - | 0.011 | 0.367 | 58.270 | 38.438 | 97.086 |
| Credit impaired | - | - | - | - | - | - | - |
| **Total Disputed trade receivables (b)** | **1.471** | **0.214** | **0.045** | **0.367** | **58.270** | **55.603** | **115.970** |
| **Total trade receivables (a+b)** | **2,624.678** | **723.772** | **403.495** | **491.654** | **462.819** | **1,212.007** | **5,918.425** |
| Provision for increase in significant risk and credit impaired | | | | | | | 1,217.555 |
| Net trade receivables | | | | | | | 4,700.870 |

### Note 44 B : Trade payables ageing

| Particulars | Year | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| 1. MSME - Non disputed | **2025** | **569.411** | **59.832** | **3.789** | **6.120** | **6.645** | **15.649** | **661.446** |
| | 2024 | 846.624 | 54.427 | 4.778 | 13.050 | 3.973 | 21.475 | 944.327 |
| 2. MSME - disputed | **2025** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | 2024 | - | - | - | - | - | - | - |
| 3. Others - Non disputed | **2025** | **2,172.183** | **757.881** | **166.112** | **98.835** | **44.973** | **828.003** | **4,067.987** |
| | 2024 | 2,326.384 | 688.888 | 229.166 | 51.239 | 230.908 | 604.524 | 4,131.109 |
| 4. Others - disputed | **2025** | **-** | **0.072** | **0.005** | **-** | **-** | **15.719** | **15.796** |
| | 2024 | 0.072 | - | - | - | - | 12.511 | 12.583 |

Unearned revenue is not considered in above table being in nature of non-financial liability and disclosed in note 18.

### Note 44 C : Capital work- in- progress

| Particulars | Year | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| Projects in progress | **2025** | **225.518** | **24.249** | **30.980** | **3.172** | **283.919** |
| | 2024 | 120.475 | 75.492 | 37.100 | 3.775 | 236.842 |
| Projects temporarily suspended | **2025** | **-** | **-** | **-** | **-** | **-** |
| | 2024 | - | - | - | - | - |

Following projects which were expected to be completed by March 25, got delayed and now expected to get completed as per following table.

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| Automation projects | 8.482 | - | - | - | 8.482 |
| Expansion of manufacturing plant and Load enhancement | 56.236 | - | - | - | 56.236 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 45: SEGMENT REPORTING

Company operates in single reporting segment of 'Fluid Machinery and Systems'. Information in respect of other disclosures as required by 'Ind AS 108- Operating Segments' is given in consolidated financial statements.

## NOTE 46: DISCLOSURE IN RESPECT OF IND AS 116, 'LEASES'

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Opening right-to-use asset | 96.748 | 89.710 |
| Net addition / (deletion )during the year (Non-cash items) | 92.426 | 59.222 |
| Depreciation charged during the year | (58.010) | (52.184) |
| **Closing right-to-use asset** | **131.164** | **96.748** |

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Opening lease liability | 103.837 | 94.563 |
| Net addition / (deletion )during the year (Non-cash items) | 92.426 | 59.222 |
| Finance cost | 10.826 | 9.625 |
| Lease payments including lease termination | (68.732) | (59.573) |
| **Closing lease liability** | **138.357** | **103.837** |
| **Non-Current** | **81.889** | **44.432** |
| **Current** | **56.468** | **59.405** |

**The expenses relating to payments not included in the measurement of lease liability and recognised as expense in the Statement of Profit and Loss during the year as follows:**

1. Low value leases - ₹ 2.989 Mn (PY : ₹ 2.319 Mn)
2. Short-term leases - ₹ 40.960 Mn (PY: ₹ 36.123 Mn)

### Where the company is a lessee

1. The company has taken on lease various assets such as plant & equipments and buildings. Generally, leases are renewed only on mutual consent and at a prevalent market price.
2. Details with respect to right-to-use assets:

| Class of Asset | Year | Depreciation for the year | Additions during the year | Carrying Amount |
|---|---|---|---|---|
| 1. Plant & Equipments | **2025** | **8.330** | **31.841** | **43.801** |
| | 2024 | 6.661 | 13.554 | 20.290 |
| 2. Buildings | **2025** | **49.680** | **60.585** | **87.363** |
| | 2024 | 45.523 | 45.669 | 76.458 |

### Undiscounted Contractual maturities of lease payments

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Less than one year | 66.526 | 57.293 |
| Between 1-2 years | 50.533 | 35.368 |
| More than 2 years | 39.784 | 24.110 |

1. Short term leases and leases for low value assets are continued to be accounted for as rent expenses.
2. Total cash outflow for lease arrangements during the year is ₹ 112.682 Mn (PY 2023-24 - ₹ 98.016 Mn) including expenses on low value assets and short term lease.
3. Company has not entered into any sublease arrangements.

## NOTE 47 A: RATIO ANALYSIS

(Amounts in Million ₹)

| Particulars | Year ended 31 March 2025 | | | | Year ended 31 March 2024 | | | | Absolute |
|---|---|---|---|---|---|---|---|---|---|
| (Reasons where variation is more than 25%) | Numerator | Denominator | % | Days | Numerator | Denominator | % | Days | Variance (%) |
| **Current Ratio** | | | | | | | | | |
| [ Current assets / Current Liability ] | 16,373.502 | 9,538.967 | 1.716 | | 16,537.972 | 9,979.841 | 1.657 | | 3.561% |
| **Debt-Equity Ratio** | | | | | | | | | |
| [Debt/Equity] | 94.072 | 16,625.478 | 0.006 | | 391.257 | 14,522.203 | 0.027 | | 77.778% |
| (Reduction in borrowings along with increase in net worth due to higher profits) | | | | | | | | | |
| **Debt Service Coverage Ratio** | | | | | | | | | |
| [(PBID+ Exceptional items) /(Interest+ Principal repayment due in next year)] | 3,123.499 | 119.998 | 26.030 | | 2955.258 | 414.798 | 7.125 | | 265.333% |
| (Reduction in borrowings along with higher profits) | | | | | | | | | |
| **Return on Equity Ratio** | | | | | | | | | |
| [(PAT + exceptional items)/(Total op. Equity+Total cl. Equity)/2] | 2,513.466 | 15,573.841 | 16.139% | | 2441.035 | 13,519.571 | 18.056% | | 10.617% |
| **Inventory Turnover** | | | | | | | | | |
| [Consumption /(op. Inventory+cl. Inventory)/2] | 15,524.280 | 5,011.672 | 3.098 | 118 | 14,791.381 | 4,656.052 | 3.177 | 115 | 2.487% |
| **Trade Receivables Turnover** | | | | | | | | | |
| [Revenue from operations / (op. receivable+cl. receivables)/2] | 29,013.914 | 4,476.511 | 6.481 | 56 | 27,201.250 | 4,382.105 | 6.207 | 59 | 4.414% |
| **Trade Payable Turnover** | | | | | | | | | |
| [Purchases/(op.payables+cl. payables)] | 15,710.979 | 4,916.624 | 3.195 | 114 | 15,315.922 | 4,857.337 | 3.153 | 116 | 1.332% |
| **Net Capital Turnover ratio** | | | | | | | | | |
| [Revenue from operations/ working capital] | 29,013.914 | 6,834.535 | 4.245 | | 27,201.250 | 6,498.131 | 4.186 | | 1.409% |
| **Net profit Ratio** | | | | | | | | | |
| [PAT before exceptional items/Revenue from operations] | 2,513.466 | 29,013.914 | 8.663% | | 2,441.035 | 27,201.250 | 8.974% | | 3.466% |
| **Return on Capital Employed** | | | | | | | | | |
| [PBIT before exceptional items/Total capital employed (NW-DTA+debt+DTL)] | 3,391.194 | 16,097.112 | 21.067% | | 3,255.486 | 14,433.851 | 22.555% | | 6.597% |
| **Return on Investment (quoted)** | | | | | | | | | |
| [ROI=(Income received on FD+ MF)/ (Average outside investment)] | 290.189 | 3,930.226 | 7.384% | | 123.873 | 3,122.409 | 3.967% | | 86.136% |
| (Higher investment returns were driven by improved market conditions and stronger asset performance) | | | | | | | | | |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 47 B: AUDIT TRAIL

The audit trail feature at database level was enabled at Enterprise Resource Planning System (SAP) from the 01 Jan 2025.

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

The Company uses services of third-party service provider (ADP India Private Limited) for payroll processing. Based on Service Organisation Control Type 2 report ('SOC report'), the audit trail feature at application level was enabled at the Human Resource Management System (HRMS) from 19 Dec 2024. Further, outsourced vendor is ISO 9001:2013 and ISO 27001:2013 certified. Rule A.12.4, of ISO 27001:2013 requires, maintaining the audit trail of all events / logs including the changes in payroll products – user access controls, change management, etc. Auditors of third-party service provider had verified these controls and issue certificate for ISO standards.

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

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

## NOTE 47 C: OTHERS

1. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.)
2. The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
3. 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.
4. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
5. No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
6. Company has not entered any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956
7. Company has not made any contribution to the political parties during FY 2024-25. (PY: NIL)
8. Previous year's figure have been regrouped, wherever required.

For and on behalf of the Board of Directors

**Sanjay Kirloskar**
Chairman and Managing Director
DIN: 00007885

**Rama Kirloskar**
Joint Managing Director
DIN: 07474724

**Bhavesh Chheda**
Chief Financial Officer

Pune : 14 May 2025

**Devang Trivedi**
Company Secretary

Pune : 14 May 2025

# AOC-1

## PART "A": SUBSIDIARIES

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Venture**

(₹ in Million)

| Sr. No | Name of the Subsidiary Company | Date of acquisition | Reporting period | Reporting Currency | Relevant Exchange Rate ( BS / PL) | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities | Investment | Turnover | Profit before Taxation | Provision for Taxation | Profit after Taxation | Proposed Dividend | Country | % of Holding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Karad Projects and Motors Ltd. | 9-Sep-06 | 1-Apr-24 to 31-March-25 | ₹ | 1 / 1 | 139.525 | 2,595.681 | 3,586.258 | 851.052 | 603.380 | 5,743.167 | 567.859 | 192.219 | 375.640 | | India | 100.00 |
| 2 | The Kolhapur Steel Ltd. | 2-Aug-08 | 1-Apr-24 to 31-March-25 | ₹ | 1 / 1 | 417.000 | (1,453.464) | 570.574 | 1,607.037 | 9.019 | 275.728 | (196.337) | 0.632 | (196.969) | - | India | 100.00 |
| 3 | Kirloskar Corrocoat Pvt. Ltd. | 12-Nov-09 | 1-Apr-24 to 31-March-25 | ₹ | 1 / 1 | 50.000 | 193.992 | 376.125 | 132.134 | 84.607 | 601.241 | 131.866 | 32.866 | 99.000 | - | India | 65.00 |
| 4 | Kirloskar Brothers International B V | 30-Aug-07 | 1-Apr-24 to 31-March-25 | Euro | 92.4 / 91.14 | 2,188.397 | (166.980) | 2,116.399 | 94.983 | 1,451.472 | 0.000 | 543.216 | 0.000 | 543.216 | - | The Netherlands | 100.00 |
| 5 | SPP Pumps Ltd. | 15-Feb-10 | 1-Apr-24 to 31-March-25 | GBP | 110.61 / 109.05 | 331.817 | 2,091.937 | 4,255.521 | 1,831.768 | 31.690 | 7,586.994 | 1,073.255 | 230.181 | 843.074 | - | U K | 100.00 |
| 6 | Kirloskar Brothers(Thailand) Ltd. | 1-Jan-11 | 1-Apr-24 to 31-March-25 | Baht | 2.52 / 2.55 | 160.218 | (152.965) | 694.273 | 687.020 | 95.252 | 1,267.077 | (10.168) | (3.172) | (6.996) | - | Thailand | 100.00 |
| 7 | SPP Pumps (MENA) L.L.C. | 13-Sep-11 | 1-Apr-24 to 31-March-25 | EGP | 1.69 / 1.71 | 49.164 | (61.082) | 48.162 | 60.079 | 0.000 | 46.195 | (0.552) | 2.078 | (2.630) | - | Egypt | 100.00 |
| 8 | Kirloskar Pompen B.V | 10-Apr-08 | 1-Apr-24 to 31-March-25 | Euro | 92.4 / 91.14 | 92.396 | (50.689) | 184.163 | 142.456 | 2.310 | 335.421 | 38.868 | 0.000 | 38.868 | - | The Netherlands | 100.00 |
| 9 | Micawber 784 (Proprietary) Ltd. | 29-Oct-09 | 1-Apr-24 to 31-March-25 | Rand | 4.65 / 4.68 | 0.000 | 60.534 | 154.359 | 93.824 | 0.000 | 0.000 | 10.127 | 2.798 | 7.328 | - | South Africa | 100.00 |
| 10 | SPP Pumps International (PTY) Limited | 3-Dec-13 | 1-Apr-24 to 31-March-25 | Rand | 4.65 / 4.68 | 0.001 | 109.929 | 255.605 | 145.675 | 97.611 | 410.136 | 59.328 | 13.310 | 46.018 | - | South Africa | 100.00 |
| 11 | SPP Pumps France S A S | 11-Jun-13 | 1-Apr-24 to 31-March-25 | Euro | 92.4 / 91.14 | 25.713 | (6.181) | 48.899 | 29.366 | 0.000 | 173.678 | 11.686 | 0.000 | 11.686 | - | France | 100.00 |
| 12 | SPP Pumps Inc | 17-Jul-15 | 1-Apr-24 to 31-March-25 | USD | 85.43 / 86.61 | 330.911 | 530.426 | 1,414.387 | 553.049 | 199.389 | 3,433.383 | 538.745 | 72.837 | 465.908 | - | U S A | 100.00 |
| 13 | SPP Pumps South Africa (Proprietary) Ltd. | 24-Oct-14 | 1-Apr-24 to 31-March-25 | Rand | 4.65 / 4.68 | 0.001 | 16.190 | 29.050 | 12.859 | 0.000 | 256.183 | 7.394 | 0.831 | 6.563 | - | South Africa | 100.00 |
| 14 | Braybar Pumps (PTY) Ltd. | 13-Oct-14 | 1-Apr-24 to 31-March-25 | Rand | 4.65 / 4.68 | 0.000 | 76.915 | 88.889 | 11.973 | 0.000 | 271.486 | 25.263 | 7.020 | 18.244 | - | South Africa | 100.00 |
| 15 | Rodelta Pumps International BV | 14-Jul-15 | 1-Apr-24 to 31-March-25 | Euro | 92.4 / 91.14 | 1.663 | (213.982) | 195.392 | 407.711 | 0.000 | 393.544 | (56.135) | 0.000 | (56.135) | - | The Netherlands | 100.00 |
| 16 | Rotaserve B.V. | 4-Jan-16 | 1-Apr-24 to 31-March-25 | Euro | 92.4 / 91.14 | 2.310 | 59.512 | 86.758 | 24.937 | 0.000 | 78.870 | 1.671 | 0.000 | 1.671 | - | The Netherlands | 100.00 |

(₹ in Million)

| Sr. No | Name of the Subsidiary Company | Date of acquisition | Reporting period | Reporting Currency | Relevant Exchange Rate ( BS / PL) | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities | Investment | Turnover | Profit before Taxation | Provision for Taxation | Profit after Taxation | Proposed Dividend | Country | % of Holding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 17 | SPP Pumps Real Estate LLC | 16-Aug-12 | 1-Apr-24 to 31-March-25 | USD | 85.43 / 86.61 | 109.359 | 48.462 | 631.457 | 473.636 | 0.000 | 0.000 | 9.082 | 0.000 | 9.082 | - | U S A | 100.00 |
| 18 | Syncroflow Inc. | 28-Feb-14 | 1-Apr-24 to 31-March-25 | USD | 85.43 / 86.61 | 106.225 | 438.219 | 859.967 | 315.523 | 0.000 | 1,846.417 | 283.964 | 80.407 | 203.557 | - | U S A | 100.00 |
| 19 | SPP Pumps (Asia) Ltd. | 27-May-16 | 1-Apr-24 to 31-March-25 | Baht | 2.52 / 2.55 | 5.034 | (22.111) | 83.007 | 100.083 | 0.065 | 189.512 | (5.846) | 0.176 | (6.023) | - | Thailand | 100.00 |
| 20 | SPP Pumps (Singapore) Pte Ltd. | 29-Jun-16 | 1-Apr-24 to 31-March-25 | SGD | 63.43 / 63.98 | 100.886 | (74.068) | 146.247 | 119.429 | 0.000 | 298.939 | (5.249) | 0.000 | (5.249) | - | Singapore | 100.00 |

In FY 24-25, the Company has sold its entire stake in its wholly owned subsidiary viz. 'The Kolhapur Steel Limited' (TKSL) to other wholly owned subsidiary viz. Karad Project and Motors limited (KPML) for ₹ 107.646 Mn. Transaction was based on 'Fair Valuation' as carried out by an independent valuer.

Details of Rotaserve Limited is not provided as yet to commence operations

## PART "B": ASSOCIATES AND JOINT VENTURES

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Venture**

(₹ in Million)

| | Name of Associates/Joint Ventures | Kirloskar Ebara Pumps Limited |
|---|---|---|
| 1. | Latest audited Balance Sheet Date | 31st March 2025 |
| 2. | Shares of Associate/Joint Ventures held by the company on the year end | |
| | No. | 225,000 |
| | Amount of Investment in Associates/Joint Venture | 2.75 |
| | Extend of Holding % | 45% |
| 3. | Date of acquisition of shares | 27th January 1988 |
| 4. | Description of how there is significant influence | It is Jointly Controlled entity |
| 5. | Reason why the associate/joint venture is not consolidated | consolidated to the extend of 45% |
| 6. | Networth attributable to Shareholding as per latest audited Balance Sheet | 1,100.80 |
| 7. | Profit / Loss for the year | |
| | (i) Considered in Consolidation | 152.50 |
| | (ii) Not Considered in Consolidation | 186.39 |
| 8. | Total comprehensive income for the year | |
| | (i) Considered in Consolidation | 149.67 |
| | (ii) Not Considered in Consolidation | 182.92 |

# INDEPENDENT AUDITOR'S REPORT

To the members of **KIRLOSKAR BROTHERS LIMITED**

Report on the audit of the consolidated financial statements

## OPINION

We have audited the accompanying consolidated financial statements of **Kirloskar Brothers Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which includes Group's share of profit/ loss in its associates and its joint-ventures, which comprise the consolidated balance sheet as at 31 March 2025, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes to consolidated financial statements, including a summary of material accounting policies and significant accounting policies, and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on financial statements (separate/consolidated) of subsidiaries including associates and joint-ventures as was audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including and Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, of consolidated state of affairs (financial position) of the Group including its associates and joint-ventures as at 31 March 2025, the consolidated profit (financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year then ended.

## 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 Act. 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 including associates and joint-ventures 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditors referred to in "Other matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements taken as a whole, in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the key audit matter relevant for the consolidated financial statements as described below:

### Accounting treatment for customer contracts where performance obligations are satisfied over time

**Description of key audit matter:**

Revenue amounting to ₹ 681 million reported in the Company's standalone financial statements pertains to customer specific long-term contracts and the same are required to satisfy the recognition and measurement criteria as enunciated in IND AS 115, 'Revenue from Contracts with Customers'. In case of these contracts the revenue is recognised over time and is based on a percentage completion method (POC) for each of such contracts. The stage of project completion is determined based on a ratio of project costs actually incurred till the period / year end to the planned / estimated total cost to complete the said project. This necessarily involves estimations and certain assumptions to be made by the management in determining the total planned costs and an appropriate allocation of costs actually incurred on each project. This inherently creates certain uncertainties and results in complexities in accounting treatment wherein incorrect assumptions and estimates can lead to revenue being recognised in incorrect accounting periods thereby impacting the results. In addition, in POC method revenue recognition and respective collections do not follow a linear trend irrespective of stage completion determined by the Company. Collections do depend on satisfaction of certain other performance obligations as laid down in the respective project agreements. Consequently, those amounts that remain as receivables whose due dates for payments depend on other conditions give rise to certain receivables that are due and others not due for payment, requiring the Company to adopt a differential accounting classification and treatment. While assessing the contractual obligations as at any period close, change orders and / or cancellations are required

to be considered by the Company to adopt an appropriate accounting treatment for revenues already recognised, valuation of work in progress and respective receivables. Considering these factors, in the context of our audit this matter was of significance and hence a key audit matter (Refer note 30 to the consolidated financial statements).

**Description of Auditor's response:**

With a view to verify the alignment of the Company's project accounting system with the actual progress of the project and its status at any period close, we designed our audit procedures related to this area to obtain an understanding of project acceptance and execution process and the related accounting controls including verification of compliance with IND AS 115 – 'Revenue from contracts with customers'. These included inter-alia, reading through the material contracts and formation of a standard checklist to note the terms and conditions and considerations required to be taken note of for appropriate financial accounting till a project is finally executed and closed. We discussed with the management the risks associated with the project execution to understand requirement of any specific recognition of financial accounting considerations and developed requisite key controls requiring audit attention and review. The Company has automated through its accounting software the method of calculating the percentage of completion method which we have verified on test basis. We reviewed planned costs, their latest estimates, rationale for revision in estimates based on information shared by the management in our discussions, approvals to such revisions in the estimates and compared them with latest costs to complete, related mathematical accuracy and, on a sample, basis validated resulting recognition of revenue. We discussed with management the status of amount receivable and have verified the evidence supporting the recoverability in sample cases. We verified the calculations of expected credit loss provisions and corroborated with specific management discussions on major projects.

## INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Management and Board of Directors are responsible for the preparation of other information. The other information comprises the Board's report and management discussion and analysis included in the Holding Company's annual 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 and based on the work done/ audit reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## MANAGEMENT'S AND BOARD OF DIRECTOR'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation and presentation of these consolidated financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint-ventures in accordance with the accounting principles generally accepted in India, including the Ind AS. The respective management and Board of Directors of the companies included in the consolidated financial statements are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements/consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group including its Associates and joint-ventures are responsible for assessing the ability of each Company 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 respective Board of Directors of the companies included in the Group including its associates and joint-ventures are responsible for overseeing the financial reporting process of each Company.

## 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 skepticism throughout the audit. We also:

A. 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.

B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

D. Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statement and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group including its associates and joint-ventures to cease to continue as a going concern.

E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group including its associates and joint-ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of 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 financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

## OTHER MATTERS

A. The Statement includes the Ind AS financial statements of one domestic subsidiary, whose Ind AS financial statements reflect total assets of ₹ 377 million as at 31 March 2025; as well as the total revenue of ₹ 601 million, total comprehensive income of ₹ 99 million and net cash outflow of ₹ 6 million, for the year ended 31 March 2025. The Statement also includes the Group's share of profit of ₹ 153 million for the year ended 31 March 2025, in respect of a joint venture. These Ind AS financial statements have been audited by their respective independent auditor whose audit report has been furnished to us by the Holding Company's management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the entity, is based solely on the reports of such other auditor and the procedures performed by us are as stated in paragraph above.

B. The Statement includes the consolidated Ind AS financial statements of one foreign subsidiary, whose consolidated Ind AS financial statements reflects total assets of ₹ 9,203 million as at 31 March 2025, total revenue of ₹ 15,260 million, total profit after tax (net) of ₹ 1,092 million, total comprehensive income of ₹ 1,108 million, net cash inflow of ₹ 1,164 million, for the year ended 31 March 2025. These consolidated Ind AS financial statements have been reviewed by other auditor whose special purpose audit report has been furnished to us, and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the report of such other auditor and the procedures performed by us as stated in paragraph above.

Consolidated Ind AS financial statements as mentioned in above paragraph contains eighteen step-down foreign subsidiaries. These components follow different reporting date being 31 December. Their financial statements have been audited by their respective auditors for the year ended 31 December 2024. Respective management of these components have prepared financial information for the period from 01 January 2025 to 31 March 2025 only for the purpose of consolidation with the Ultimate Holding Company.

- Financial information of fifteen foreign subsidiaries has been prepared by the respective Company's management for the period from 01 January 2025 to 31 March 2025 only for the purpose of consolidation with the Ultimate Holding Company. It reflects total assets of ₹ 4,948 million as at 31 March 2025; as well as the total revenue of ₹ 2,021 million, total comprehensive income of ₹ (35) million and net cash inflow of ₹ 448 million for the said period.

- Financial information of one foreign subsidiary for the period from 01 January 2025 to 31 March 2025 has been reviewed by their respective auditor and has issued a limited review report on which we have placed our reliance. It reflects total assets of ₹ 4,255 million as at 31 March 2025; as well as the total revenue of ₹ 1,745 million, total comprehensive income of ₹ 295 million and net cash outflow of ₹ 408 million for the said period.

- According to the information and explanations given to us by the Holding Company's management, two foreign subsidiaries are non-operative and their financial information of total assets as at 31 December 2024 and 31 March 2025, total revenue, total comprehensive income and net cash inflow/ outflow for the year/period then ended are not material to the group.

C. These step-down subsidiaries are located outside India and their separate/consolidated financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by local auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of these step-down subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. These conversion adjustments made by the Holding Company's management have been reviewed by other auditor.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the other matter paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by section 143 (3) of the Act, based on our audit and on the consideration of reports of other auditors on financial statements (separate/consolidated) of such companies as audited by them and as mentioned in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 and the reports of other auditors.

C. The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated cash flow statement and consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

D. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

E. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of subsidiary companies including associates and joint-ventures which are companies incorporated in India, none of the directors of the subsidiary companies, associates and joint-ventures which are companies incorporated in India, is disqualified as on 31 March 2025 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 Group including its associates and joint-ventures which are companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting.

G. With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group including associates and joint-ventures, which are companies incorporated in India, where applicable, to its directors during the year is in accordance with the provisions of section 197 of the Act.

H. With respect to the other matters to be included in the 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 the impact of pending litigations as at 31 March 2025 on the consolidated financial position of the Group including its associates and joint-ventures (refer note 28 to the consolidated financial statements);

ii. the Group including associates and joint-ventures have made provision in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable loses, if any, on long term contracts including derivative contracts (refer note 38 to the consolidated financial statements);

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group including its associates and joint-ventures, which are companies incorporated in India.

iv. Reporting on rule 11(e):

(a) The Management has represented that, to the best of its knowledge and belief, as stated in note no. 48 B (5) no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as stated in note no. 48 B (6) no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate

Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The dividend for the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

vi. Based on examination which included test checks, except for the instances mentioned below, the Group (i.e. the companies incorporated in India whose financial statements have been audited under the Act either by us or by their respective auditor) have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the respective software. Further, during the course of audit (carried out by us or their respective auditors) we did not come across any instance of audit trail feature being tampered with or the period where audit trail is enabled and operated. Furthermore, the audit trail has been preserved by the Group as per the statutory requirements for record retention (other than the consequential impact of exceptions given below):

(a) In respect of consolidation software – at the Holding Company, the audit trail feature was not enabled at the database level to log any direct data changes.

(b) In respect of an accounting software – at the Holding Company, one subsidiary and a joint venture, the audit trail feature at database level was enabled from 01 January 2025. Further, in case of two subsidiaries the audit trail feature at database level was not enabled. Furthermore, in respect of one of the above subsidiary, maintenance of register for property, plant and equipment and inventory valuation of WIP is maintained in MS excel wherein it does not have audit trail feature.

(c) In respect of Human Resource Management System (HRMS) – at the Holding Company and a joint venture, based on Service Organisation Control Type 2 report ('SOC report'), the audit trail feature at application level was enabled from 19 Dec 2024. Further, in case of three subsidiaries, SOC Report was received after the board meeting dates. – Refer note 48 A to the consolidated financial statements

2. With respect to the matters specified in clause (xxi) of paragraph (3) and paragraph (4) of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the statutory auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Holding Company, we report that in respect of those companies where audits have been completed under section 143 of the Act, there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements, however we draw attention to note 48(b) of the consolidated financial statements.

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

**CA Pramod Bhise**
Partner
Membership no.(F) 047751
UDIN: 25047751BMKXAQ5561
Pune, 14 May 2025

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

### REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

### OPINION

We have audited the Internal Financial Controls over Financial Reporting of **Kirloskar Brothers Limited** (hereinafter referred as "the Holding Company"), its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint-ventures, which are companies incorporated in India, as of 31 March 2025 in conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors referred to in other matters paragraph below, the Group including its associates and joint-ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI').

### MANAGEMENT'S AND BOARD OF DIRECTOR'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Company's Management and Board of Directors of the of the Holding Company and its subsidiary companies, associates and joint-ventures, 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 respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Group's including its associates and joint-ventures, which are companies incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, associates and joint-ventures, which are companies incorporated in India, 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 Group's including its associates and joint-ventures which are companies incorporated in India, internal financial controls system over financial reporting.

### OTHER MATTERS

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three subsidiaries and a joint-venture, which are companies incorporated in India, is solely based on corresponding reports of the auditors of such Companies.

## MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

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

**CA Pramod Bhise**
Partner
Membership no.(F) 047751
UDIN: 25047751BMKXAQ5561
Pune, 14 May 2025

# CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| Particulars | Note No. | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 5,907.966 | 5,787.026 |
| Capital work-in-progress | 44C | 337.206 | 319.687 |
| Investment property | 5 | 5.020 | 5.020 |
| Goodwill | 3 | 83.525 | 143.848 |
| Other intangible assets | 3 | 79.103 | 41.471 |
| Intangibles under development | | - | - |
| Right to use assets | 4 | 476.308 | 366.404 |
| Financial assets | | | |
| Investments accounted using equity method | 6 | 1,100.803 | 964.638 |
| Investments | 6 | 1,578.606 | 150.005 |
| Trade receivables | 7 | 875.087 | 607.540 |
| Other financial assets | 8 | 120.290 | 116.645 |
| Deferred tax assets (net) | 19 | 366.845 | 276.844 |
| Other non-current assets | 9 | 588.193 | 543.071 |
| **Total non-current assets** | | **11,518.952** | **9,322.199** |
| **Current assets** | | | |
| Inventories | 10 | 8,536.719 | 8,522.866 |
| Financial assets | | | |
| Current investment | 6 | 3,508.396 | 2,982.760 |
| Trade receivables | 7 | 4,925.434 | 5,243.915 |
| Cash and cash equivalents | 11 A | 3,231.293 | 2,659.065 |
| Other bank balances | 11 B | 255.529 | 268.905 |
| Other financial assets | 8 | 1,148.389 | 1,020.865 |
| Current tax assets | 19 | 74.063 | 52.632 |
| Other current assets | 9 | 3,456.293 | 3,173.894 |
| **Total current assets** | | **25,136.116** | **23,924.902** |
| **TOTAL ASSETS** | | **36,655.068** | **33,247.101** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 12 | 158.818 | 158.818 |
| Other equity | 13 | 20,769.722 | 17,030.665 |
| Equity attributable to owners of parents | | **20,928.540** | **17,189.483** |
| Non-controlling interest | | 85.396 | 51.298 |
| **Total equity** | | **21,013.936** | **17,240.781** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 14 | 692.070 | 645.758 |
| Lease liabilities | 46 | 196.826 | 116.166 |
| Trade payables | 15 | 83.145 | 83.232 |
| Other financial liabilities | 16 | 44.024 | 54.847 |
| Provisions | 17 | 311.400 | 370.048 |
| Other non-current liabilities | 18 | 738.339 | 689.611 |
| **Total non-current liabilities** | | **2,065.804** | **1,959.662** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 14 | 618.347 | 903.352 |
| Lease liabilities | 46 | 308.102 | 257.992 |
| Trade payables | | | |
| - Micro, small and medium enterprises | 15 | 830.847 | 1,090.041 |
| - Others | 15 | 5,205.507 | 5,540.538 |
| Other financial liabilities | 16 | 1,844.393 | 1,665.837 |
| Current tax liability | 19 | 90.789 | 51.524 |
| Other current liabilities | 18 | 3,847.694 | 3,761.449 |
| Provisions | 17 | 829.649 | 775.925 |
| **Total current liabilities** | | **13,575.328** | **14,046.658** |
| **Total liabilities** | | **15,641.132** | **16,006.320** |
| **TOTAL EQUITY AND LIABILITIES** | | **36,655.068** | **33,247.101** |
| Corporate information | 1 | | |
| Material accounting policies | 2 | | |
| See accompanying notes to financial statements | 3 - 48 | | |

The accompanying notes 1 to 48 form an integral part of the financial statements

**As per our report of even date attached**

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

**Pramod Bhise**
Partner
Membership No: (F) - 047751

Pune : 14 May 2025

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

**Sanjay Kirloskar**
Chairman and Managing Director
DIN: 00007885

**Rama Kirloskar**
Joint Managing Director
DIN: 07474724

**Bhavesh Chheda**
Chief Financial Officer

Pune : 14 May 2025

**Devang Trivedi**
Company Secretary

Pune : 14 May 2025

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| Particulars | Note No. | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| Revenue from operations | 20 | 44,922.432 | 40,011.992 |
| Other income | 21 | 718.759 | 586.154 |
| **Total Income** | | **45,641.191** | **40,598.146** |
| **Expenses** | | | |
| Cost of raw materials consumed | 22 A | 20,476.735 | 19,288.045 |
| Purchases of stock-in-trade | | 1,616.927 | 1,485.839 |
| Changes in inventories of finished goods, stock-in -trade and work-in-progress | 22 B | (116.337) | (943.509) |
| Employee benefits expense | 23 | 7,078.530 | 6,726.712 |
| Finance costs | 24 | 248.568 | 258.246 |
| Depreciation and amortisation expense | 25 | 893.614 | 784.448 |
| Other expenses | 26 | 9,774.812 | 8,258.448 |
| **Total expenses** | | **39,972.849** | **35,858.229** |
| Profit/(loss)before exceptional items and tax | | 5,668.342 | 4,739.917 |
| Less: Exceptional items | 27B | 77.829 | (65.697) |
| **Profit before tax** | | **5,590.513** | **4,805.614** |
| **Tax expenses** | 19 | | |
| (1) Current tax | | 1,559.455 | 1,338.426 |
| (2) Deferred tax | | (51.325) | 74.440 |
| (3) (Excess)/ Short provision of earlier years | | 47.959 | (2.555) |
| **Total Tax expenses** | | **1,556.089** | **1,410.311** |
| **Profit after tax but before share in profit of joint venture company for the year** | | 4,034.424 | 3,395.303 |
| **Share in profit of joint venture company** | | 152.503 | 101.492 |
| **Profit for the year** | | **4,186.927** | **3,496.795** |
| **Attributable to** | | | |
| Non-controlling interest | | 34.650 | 15.450 |
| Equity holder's of parent | | **4,152.277** | **3,481.345** |
| **Other Comprehensive Income** | 27A | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurement gains and (losses) on post employment benefits | | (56.540) | (98.142) |
| Income tax relating to remeasurement gains and losses | | 14.230 | 24.699 |
| Share in other comprehensive income of joint venture company | | (2.837) | (3.624) |
| **Items that will be reclassified to profit or loss** | | | |
| Cash flow hedge | | 19.404 | 1.611 |
| Gains/ losses on currency translation for foreign subsidiaries | | 88.854 | 110.865 |
| **Other Comprehensive Income** | | **63.111** | **35.409** |
| **Total Comprehensive Income for the year (Comprising of net profit after tax and other comprehensive income for the year)** | | **4,250.038** | **3,532.204** |
| **Attributable to** | | . | |
| Non-controlling interest | | 34.526 | 15.350 |
| Equity holder's of parent | | 4,215.511 | 3,516.854 |
| **Earnings per equity share (₹)** | 32 | | |
| (1) Basic | | 52.29 | 43.84 |
| (2) Diluted | | 52.29 | 43.84 |
| Corporate information | 1 | | |
| Material accounting policies | 2 | | |
| See accompanying notes to financial statements | 3-48 | | |

The accompanying notes 1 to 48 form an integral part of the financial statements

**As per our report of even date attached**

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

**Pramod Bhise**
Partner
Membership No: (F) - 047751

Pune : 14 May 2025

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

**Sanjay Kirloskar**
Chairman and Managing Director
DIN: 00007885

**Rama Kirloskar**
Joint Managing Director
DIN: 07474724

**Bhavesh Chheda**
Chief Financial Officer

Pune : 14 May 2025

**Devang Trivedi**
Company Secretary

Pune : 14 May 2025

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| | Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| **A** | **Cash flows from Operating Activities** | | |
| | Net Profit before taxation and extraordinary items | 5,590.513 | 4,805.614 |
| | Adjustments for :- | | |
| 1 | Depreciation / Amortisation | 893.614 | 784.448 |
| 2 | (Profit)/ Loss on sale of Fixed Assets | (5.705) | (1.462) |
| 3 | Bad debts written off | 24.453 | 316.288 |
| 4 | Advances, deposits and claims written off | 0.167 | 0.386 |
| 5 | Provision for loss on long term contracts | 20.705 | 10.109 |
| 6 | Provision for doubtful debts, advances and claims | 263.924 | (198.090) |
| 7 | Interest Income | (356.610) | (182.269) |
| 8 | Interest Expenses | 136.051 | 143.404 |
| 9 | Excess provision written back | (85.707) | (133.758) |
| 10 | Unrealized exchange ( gain)/ Loss | 11.861 | 72.938 |
| 11 | Profit on sale of mutual funds | (124.912) | (72.766) |
| | Impairment of goodwill | 61.382 | - |
| | **Operating Profit Before Working capital changes** | **6,429.736** | **5,544.842** |
| | Adjustments for :- | | |
| 1 | (Increase)/ decrease in inventories | (13.853) | (1,383.234) |
| 2 | (Increase)/ decrease in trade receivables | (237.444) | (511.067) |
| 3 | (Increase)/ decrease in financial assets | (65.369) | 138.775 |
| 4 | (Increase)/ decrease in non-financial assets | (299.209) | 284.371 |
| 5 | Increase/ (decrease) in trade payable | (594.313) | 615.245 |
| 6 | Increase/ (decrease) in financial liabilities | 184.831 | 170.282 |
| 7 | Increase/ (decrease) in non-financial liabilities | 134.973 | 350.005 |
| 8 | Increase/ (decrease) in provisions | (82.170) | (250.096) |
| | **Cash Generated from Operations** | **5,457.182** | **4,959.123** |
| 9 | Income Tax (Paid ) / Refunded | (1,601.942) | (1,263.653) |
| | **Net Cash from Operating Activities** | **3,855.240** | **3,695.470** |
| **B** | **Cash flows from Investing Activities** | | |
| 1 | Purchase of Fixed Assets | (895.768) | (1,115.668) |
| 2 | Sale of Fixed Assets | 9.499 | 8.219 |
| 3 | Investment in mutual funds and deposits with NBFC | (19,678.240) | (12,617.537) |
| 4 | Sale of investment in mutual funds and deposits with NBFC | 17,897.512 | 11,844.988 |
| 5 | Interest Received | 304.020 | 154.461 |
| 6 | Dividend received | 13.500 | 18.000 |
| 7 | Investment in associate company | (48.601) | - |
| | **Net Cash from Investment Activities** | **(2,398.078)** | **(1,707.537)** |
| **C** | **Cash Flows from Financing Activities** | | |
| 1 | Proceeds from borrowing | 626.444 | 865.137 |
| 2 | Repayment of borrowings | (865.137) | (1,843.901) |
| 3 | Interest Paid | (42.495) | (116.792) |
| 4 | Dividend and tax on dividend paid | (472.522) | (356.662) |
| 5 | Lease payment (refer note 46) | (164.961) | (140.541) |
| | **Net Cash used in Financing Activities** | **(918.671)** | **(1,592.759)** |

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| Particulars | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| a | Net Increase in Cash and Cash Equivalents (A+B+C) | 538.491 | 395.175 |
| b | Cash & Cash Equivalents at beginning of year | 2,659.065 | 2,212.847 |
| c | Unrealized Exchange Gain / (Loss) in cash and cash equivalents | 33.737 | 51.043 |
| d | Cash & Cash Equivalents at end of year (refer note 11A) (a+b+c) | 3,231.293 | 2,659.065 |

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

*There are no reconciliation items in relation to financing activities for which disclosure is required as per Ind AS 7.*

*Refer note 43 for cash outflow on account of corporate social responsibility.*

**As per our report of even date attached**

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

**Pramod Bhise**
Partner
Membership No: (F) - 047751

Pune : 14 May 2025

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

**Sanjay Kirloskar**
Chairman and Managing Director
DIN: 00007885

**Rama Kirloskar**
Joint Managing Director
DIN: 07474724

**Bhavesh Chheda**
Chief Financial Officer

Pune : 14 May 2025

**Devang Trivedi**
Company Secretary

Pune : 14 May 2025

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## A. EQUITY SHARE CAPITAL

| Particulars | Amount (in Mn) |
|---|---|
| Balance as at 1 April 2023 | 158.818 |
| Changes in equity share capital during the year | - |
| Balance as at 31 March 2024 | 158.818 |
| Changes in equity share capital during the year | - |
| **Balance as at 31 March 2025** | 158.818 |

## B. OTHER EQUITY*

| | Reserves and Surplus and items of OCI | | | | | | | Total Reserves and Surplus | Non-Controlling interest | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Capital redemption reserve | Securities Premium | General reserve | Foreign currency translation reserve | Effective portion of cash flow hedges | Retained Earnings | | | |
| Balance as at 1 April 2023 | 5.237 | 9.237 | 414.700 | 6,334.597 | 427.810 | 42.927 | 6,645.455 | 13,879.963 | 34.037 | 13,914.000 |
| Profit for the year | - | - | - | - | - | - | 3,481.345 | 3,481.345 | 15.450 | 3,496.795 |
| Other comprehensive income | - | - | - | - | 110.865 | 1.611 | (76.967) | 35.509 | (0.100) | 35.409 |
| Dividends and tax thereof | - | - | - | - | - | - | (357.340) | (357.340) | - | (357.340) |
| Changes in non-controlling interest | | | 0.006 | 0.033 | | | (8.851) | (8.812) | 1.911 | (6.901) |
| Balance as at 31 March 2024 | 5.237 | 9.237 | 414.706 | 6,334.630 | 538.675 | 44.538 | 9,683.642 | 17,030.665 | 51.298 | 17,081.963 |
| Profit for the year | - | - | - | - | - | - | 4,152.277 | 4,152.277 | 34.650 | 4,186.927 |
| Other comprehensive income | - | - | - | - | 88.854 | 19.404 | (45.024) | 63.234 | (0.124) | 63.110 |
| Dividends and tax thereof | - | - | - | - | - | - | (476.454) | (476.454) | (1.050) | (477.504) |
| Changes in non-controlling interest | - | - | - | - | - | - | - | - | 0.622 | 0.622 |
| **Balance as at 31 March 2025** | **5.237** | **9.237** | **414.706** | **6,334.630** | **627.529** | **63.942** | **13,314.441** | **20,769.722** | **85.396** | **20,855.118** |

** There are no adjustments on account of prior period errors or due to changes in accounting policies.*

**As per our report of even date attached**

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

**Pramod Bhise**
Partner
Membership No: (F) - 047751

Pune : 14 May 2025

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

**Sanjay Kirloskar**
Chairman and Managing Director
DIN: 00007885

**Bhavesh Chheda**
Chief Financial Officer

Pune : 14 May 2025

**Rama Kirloskar**
Joint Managing Director
DIN: 07474724

**Devang Trivedi**
Company Secretary

Pune : 14 May 2025

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## 1. CORPORATE INFORMATION

Kirloskar Brothers Limited ("KBL") is a public limited Company domiciled in India and incorporated under the provisions of the Indian Companies Act. KBL, its Subsidiaries and Joint Ventures ("Group") are engaged in providing fluid management solutions globally. The core products of the company are Engineered Pumps, Industrial Pumps, Agriculture and Domestic Pumps, Valves, and Hydro turbines.

## 2. MATERIAL ACCOUNTING POLICIES

### 2.1 Basis of preparation

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

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

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

The financial statements have been approved for issue by the Board of Directors at it's meeting held on 14 May 2025.

### 2.2 Basis of consolidation and equity accounting

#### i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The consolidated financial statements relate to Kirloskar Brothers Limited (KBL) and its majority owned subsidiary companies, consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions and the unrealized profit /losses on intra-group transactions, and are presented to the extent possible, in the manner as the Company's independent financial statements.

The names of the subsidiary companies, country of incorporation, and proportion of ownership interest considered in the consolidated financial statements are:

| Name of the Company | Country of Incorporation | Proportion of ownership Interest of KBL |
|---|---|---|
| Karad Projects and Motors Limited (KPML) | India | 100% |
| The Kolhapur Steel Limited (TKSL) | India | 100% |
| Kirloskar Corrocoat Private Limited (KCPL) | India | 65% |
| Kirloskar Brothers International B V | The Netherlands | 100% |
| SPP Pumps Limited | United Kingdom | 100% |
| Kirloskar Brothers(Thailand) Limited | Thailand | 100% |
| SPP Pumps (MENA) LLC | Egypt | 100% |
| Kirloskar Pompen B.V | The Netherlands | 100% |
| Micawber 784 (Pty) Limited | South Africa | 100% |
| SPP Pumps International (Pty) Limited | South Africa | 100% |
| SPP Pumps France S A S | France | 100% |
| SPP Pumps Inc. | USA | 100% |
| SPP Pumps (South Africa) (Pty) | South Africa | 100% |
| Braybar Pumps (Pty) Limited | South Africa | 100% |
| Rodelta Pumps International BV | The Netherlands | 100% |
| Rotaserve B.V. | The Netherlands | 100% |
| SPP Pumps Real Estate LLC | U S A | 100% |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

| Name of the Company | Country of Incorporation | Proportion of ownership Interest of KBL |
|---|---|---|
| SyncroFlo Inc. | U S A | 100% |
| SPP Pumps (Asia) Ltd | Thailand | 100% |
| SPP Pumps (Singapore) Pte. Ltd. | Singapore | 100% |
| Rotaserve Limited | United Kingdom | 100% |
| Rotaserve Mozambique (Ceased to exist from 5 July 2024) | South Africa | 100% |

Reporting date for Indian subsidiaries and joint venture is 31 March and that to for foreign subsidiaries is 31 December, which is as per the local laws in the respective countries of incorporation. However, in order to have uniform accounting policies management drawn financials of 3 months ended 31 March 2025 are also consolidated. Accordingly, consolidated financials ended 31 March 2025, considers results for foreign subsidiaries for 12 months ended March 2025 only.

The excess of cost to the company of its investment in the subsidiary company over the parents' portion of equity is recognised in the consolidated financial statements as goodwill. The excess of company's share of equity of the subsidiary company over the cost of acquisition is treated as capital reserve.

**ii) Non-controlling interests (NCI)**

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

**iii) Loss on control**

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date when the control is lost. Any resulting gain or loss is recognised in profit or loss.

**iv) Equity accounted investees**

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Company has accounted 'Investment in Associate and joint venture' under the equity method as per Ind AS 28, whereby the investment is initially recorded at cost, identifying any goodwill/ capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Company's share of net assets of the associates/ Joint Venture.

The excess of cost to the Company of its investment in the joint venture/ associates entity is set off against the adjusted carrying amount of the investment. Distributions received from the joint venture/ associates reduce the carrying amount of the investment.

The consolidated statement of profit and loss reflects the Company's share of the results of the operations of the joint venture company.

Unrealized profits and losses resulting from transactions between the joint venture /associates and the Company are eliminated to the extent of Company's interest in the joint venture/associates.

The names of the associates and joint ventures entities, country of incorporation, and proportion of ownership interest considered in the consolidated financial statements are:

| Name of the Company | Country of Incorporation | Proportion of ownership Interest of KBL |
|---|---|---|
| Kirloskar Ebara Pumps Ltd. | India | 45% |

**v) Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

## 2.3 Basis of measurement

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

| Items | Measurement basis |
|---|---|
| Financial instruments at fair value through profit or loss | Fair value |
| Financial instruments though other comprehensive income | Fair value |
| Defined benefit plan – plan assets | Fair value |

## 2.4 Current or non-current classification

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

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

## 2.5 Functional and presentation currency

Functional currency of KBL, KPML, TKSL and KCPL is Indian currency. The functional currency of other foreign subsidiaries is their respective local currency. These financial statements are presented in Indian Rupees (₹).

All financial information is presented in ₹ rounded off to three decimal places, except share and per share data, unless otherwise stated.

## 2.6 Use of judgements, estimates and assumptions

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

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

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

### Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of defined benefit obligation – The cost of the defined benefit gratuity and pension plan, and the present value of the gratuity/ pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. (Refer note – 34)
- Estimation of leave encashment provision - The cost of the leave encashment and the present value of the leave encashment obligation are determined using actuarial valuations. (Refer note 38)
- Estimation of provision for variable pay – Provision for variable pay is determined based on performance indicators as per annual operating plan.
- Estimation of provision for slow and non-moving inventory – Provision for slow and non- moving inventory is determined based on age-wise analysis of inventory.
- Impairment of goodwill – The group estimates the value in use of a cash generating unit (CGU) based on the future cash flows after considering the current economic conditions and trends, estimated future operating results and growth

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

rate. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGU's represent the weighted average cost of capital based on historical market returns of comparable companies.

- Impairment of receivables - The impairment provisions for financial receivables disclosed are based on assumptions about risk of default and expected credit loss (Refer note 40)
- Decommissioning liability – Initial estimate of dismantling and restoration liability requires significant judgement about cost inflation index and other factors. (Refer note 38)
- Provision for warranty claims – Provision is recognised based on the key assumptions about likelihood and magnitude of an outflow of resources. (Refer note 38)
- Estimation of provision for loss on long term contract – The provision is recognised when the estimated cost exceeds the estimated revenue for constructions contracts as per Ind AS 115. (Refer note 38)
- Recognition of deferred tax asset – Availability of future taxable profit against which deductible temporary differences can be utilized
- Revenue recognition – Variable consideration such as discounts, rebates is recognized considering historical trend of payout as adjusted for any amendment in rebate scheme.

## 2.7 Inventories

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

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

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

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

## 2.8 Cash and cash equivalents

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

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

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

## 2.9 Statement of Cash Flows

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

(1) changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

(2) non-cash items such as depreciation, provisions, unrealized foreign currency gains and losses; and

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

(3) all other items for which the cash effects are investing or financing cash flows.

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

## 2.10 Property, plant and equipment (PPE)

### Measurement

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

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

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

Own manufactured PPE is capitalized at cost including an appropriate share of overheads. Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalized as a part of the cost of the PPE.

Borrowing costs directly attributable to the construction or acquisition of a qualifying asset up to completion or acquisition are capitalized as part of the cost. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

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.

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under “Other non-current assets”.

### Subsequent costs

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

### Disposal

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

### Depreciation

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

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

Depreciation is recognised in the statement of profit and loss generally on a straight-line basis over the estimated useful lives of each part of an item of PPE and in some cases based on the technical evaluation made by the management.

## 2.11 Investment property

Investment property is a property, being land or building or part of it, (including those under construction) that is held to earn rental income or for capital appreciation

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

or both but not held for sale in ordinary course of business, use in manufacturing or rendering services or for administrative purposes.

Upon initial recognition, investment property is measured and reported at cost, including transaction costs. The cost of investment property includes its purchase price and directly attributable expenditure, if any. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and accumulated impairment loss, if any. The estimated useful life and residual values are reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Investment property in the form of land is not depreciated. Investment properties in the form of building are stated at cost less accumulated depreciation on straight line basis, calculated as per provisions of Schedule II to Companies Act, 2013.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

The fair value of investment property is disclosed in the note 5. Fair value is determined by an independent valuer.

## 2.12 Goodwill and intangible assets

**Recognition and measurement**

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less impairment losses. Goodwill is allocated to the CGUs for the purpose of impairment testing. The allocation is made to those CGUs or group of CGUs that are expected to benefit from the business combination in which goodwill arose.

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

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

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level.

**Subsequent measurement**

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

**Amortisation**

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

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

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

**Research and development costs –**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss.

During the period of development, the asset is tested for impairment annually.

## 2.13 Interest in joint operations

The Company as joint operator recognizes in relation to its interest in a joint operation, it's share in the assets/ liabilities held / incurred jointly with the other parties of the joint arrangements. Revenue is recognised for its share of revenue from the sale of output by the joint operator. Expenses are recognised for its share of expenses incurred jointly with the other parties of the joint arrangements.

## 2.14 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized in the cost of that asset. Qualifying assets are those assets which necessarily takes a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are expensed in the period in which they are incurred.

## 2.15 Revenue recognition

Group recognizes revenue from contracts with customers when it satisfies a performance obligation.

Revenue is measured at transaction price i.e. Consideration to which group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and after considering effect of variable consideration, significant financing component, if any.

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

### Sale of goods

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

### Customer loyalty programs

Group allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programs is deferred, and is recognized as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The deferred revenue is included in contract liabilities.

### Rendering of services

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

### Construction Contracts

Contract revenue includes initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

Contract revenue and contract cost arising from fixed price contract are recognized in accordance with the percentage completion method (POC). The stage of completion is measured with reference to cost incurred to date as a percentage of total estimated cost of each contract. Until such time (25% of Project Cost) where the

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

outcome of the contract cannot be ascertained reliably, the Group recognizes revenue equal to actual cost.

Full provision is made for any loss estimated on a contract in the year in which it is first foreseen.

Where the group is involved in providing operation and maintenance services under a single construction contract, then the consideration is allocated on a relative stand-alone price basis between various obligations of a contract.

For contracts where progress billing exceeds the aggregate of contract costs incurred to-date and recognized profits (or recognized losses, as the case may be), the surplus is shown as unearned revenue.

For contracts where the aggregate of contract costs incurred to-date and recognized profits (or recognized losses, as the case may be) exceed progress billing, the deficit is shown as the unbilled revenue. Unbilled revenue is shown as part of other non-financial assets as the contractual right for consideration is dependent on completion of contractual milestones.

Amounts received before the related work is performed are disclosed in the Balance Sheet as a liability towards advance received. Amounts billed for work performed but yet to be paid by the customer are disclosed in the Balance Sheet as trade receivables.

The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of other asset and is reclassified as trade receivables when it becomes due for payment.

## 2.16 Other operating/ Non-operating income

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

Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realization.

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

Grants that compensate the group for expenses incurred are recognised in profit and loss account as other income on systematic basis, in the periods in which the expenses are recognised unless the conditions for receiving the grants are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

## 2.17 Foreign currencies transactions

### Transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the end of 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.

### Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet
- Income and expenses are translated at average exchange rates, and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

## 2.18 Employee benefits

### Short-term employee benefits

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

### Post-employment benefits

### Defined contribution plans

The Group's superannuation scheme, state governed provident fund schemes and employee state insurance scheme are defined contribution plans. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

### Defined Benefit Plans

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

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

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are 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. Re-measurements 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 recognize the obligation on net basis.

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 Group recognizes gains/ losses on settlement of a defined plan when the settlement occurs.

The Group pays contribution to a recognized provident fund trusts in respect of above mentioned PF schemes.

### Other long term employee benefits

Compensated absences liabilities means, the liabilities for earned leave that are not expected to be settled wholly within twelve months after the end of the reporting period in which the employee 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. 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. Re-measurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss.

## 2.19 Income taxes

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

### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years.

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 were enacted at the reporting date in the country where the Group operates and generates taxable income. Current tax assets and liabilities are offset only if certain criteria are met.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

**Deferred tax**

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

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

Deferred tax liabilities are recognized for all timing differences including temporary differences associated with investment in subsidiaries and associates and interest in joint venture. Deferred tax assets are recognized for deductible timing differences only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

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

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

## 2.20 Provisions

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

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

**Warranty provisions**

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

**Provision for decommissioning and site restoration**

The Group has a legal obligation for decommissioning of windmills and restoring the site back to its original condition. Decommissioning and restoration costs are measured initially at its best estimate using expected value method. The present value of initial estimates is provided as a liability and corresponding amount is capitalized as a part of the windmill. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

**Contingent liability**

Contingent liability is disclosed when Group has:

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

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

## 2.21 Leases

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

- **Group as a Lessee**

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

**Initial Measurement**

**Right to use asset**

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

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

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

**Lease liability**

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

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

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

**Subsequent measurement**

**Right to use assets**

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

**Lease Liability**

Subsequently the Company measures the lease liability by:

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

**Group as a 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

## 2.22 Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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.

## 2.23 Fair value measurement

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

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

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

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

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

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

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

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

## 2.24 Financial instruments

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

**Financial assets**

**Initial recognition and measurement**

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

**Subsequent measurement**

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

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

Financial assets are subsequently measured at amortized cost if,

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

**Derecognition**

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

**Impairment of financial asset**

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

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

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

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

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

**Financial liabilities**

**Initial recognition and measurement**

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

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

**Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

**Derecognition**

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

**Offsetting of financial instruments**

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

**Derivative financial instruments**

**Initial recognition and subsequent measurement**

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

**Cash flow hedges**

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

For all hedged forecast transactions, the amount accumulated in other equity is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

## 2.25 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares (if any).

## 2.26 Segment reporting

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

The board of directors of the company assesses the financial performance and position of the group and makes strategic decisions. The Board of Directors which are identified as CODM consist of Managing Directors, Chief Financial Officer and other Independent Directors.

Group operates in single reporting segment of 'Fluid Machinery and Systems'.

## 2.27 Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified Ind AS 117 - Insurance Contracts and amendments to Ind As 116 – Leases , relating to sale and lease back transactions, applicable from April 1, 2024. The Company has assessed that there is no significant impact on its financial statements.

On May 9, 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after April 1, 2025. The Company is currently assessing the probable impact of these amendments on its financial statements.

## NOTE 3: PROPERTY, PLANT AND EQUIPMENT. GOODWILL AND INTANGIBLE ASSETS

(Amounts in Million ₹)

| Particulars | Property, plant and equipment | | | | | | | | | Intangible Assets | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Land free hold | Land lease hold | Buildings | Plant & equipment | Furniture & fixtures | Office equipment | Vehicles | Railway siding | Total | Goodwill | Computer software | Other intangible assets | Total |
| **Gross Block** | | | | | | | | | | | | | |
| As at 1 April 2023 | 652.330 | 90.470 | 3,101.054 | 8,190.017 | 785.799 | 91.731 | 144.815 | 1.714 | 13,057.930 | 143.524 | 362.800 | 219.904 | 582.704 |
| Additions | 1.878 | - | 356.935 | 1,098.276 | 66.825 | 38.658 | 26.264 | - | 1,588.836 | - | 26.861 | - | 26.861 |
| Disposals /impairment | - | - | (0.185) | (164.265) | (6.201) | (2.854) | (15.665) | - | (189.170) | - | (8.882) | - | (8.882) |
| Exchange difference | 2.106 | (0.075) | 13.212 | 2.388 | 15.719 | (0.017) | (0.457) | - | 32.876 | 0.324 | (0.900) | 2.016 | 1.116 |
| As at 31 March 2024 | **656.314** | **90.395** | **3,471.016** | **9,126.416** | **862.142** | **127.518** | **154.957** | **1.714** | **14,490.472** | **143.848** | **379.879** | **221.920** | **601.799** |
| Additions | 16.685 | - | 44.870 | 624.108 | 47.467 | 16.139 | 57.856 | - | 807.125 | - | 59.774 | 11.350 | 71.124 |
| Disposals /impairment | - | - | (3.665) | (205.821) | (6.113) | (1.570) | (26.076) | - | (243.245) | (61.383) | (0.080) | - | (0.080) |
| Exchange difference | 3.709 | 0.176 | 36.886 | 42.143 | 29.767 | 0.034 | 1.095 | - | 113.810 | 1.060 | 1.699 | (107.616) | (105.917) |
| **As at 31 March 2025** | **676.708** | **90.571** | **3,549.107** | **9,586.846** | **933.263** | **142.121** | **187.832** | **1.714** | **15,168.162** | **83.525** | **441.272** | **125.654** | **566.926** |
| **Depreciation/ Amortisation** | | | | | | | | | | | | | |
| As at 1 April 2023 | - | 12.147 | 1,023.060 | 6,339.396 | 712.876 | 53.947 | 100.309 | 1.714 | 8,243.449 | - | 321.744 | 213.273 | 535.017 |
| Charge for the year | - | 1.376 | 94.322 | 473.156 | 30.900 | 13.172 | 11.372 | - | 624.298 | - | 26.691 | 6.289 | 32.980 |
| Depreciation on disposal | - | - | (0.185) | (162.782) | (6.273) | (2.769) | (10.404) | - | (182.413) | - | (8.882) | - | (8.882) |
| Exchange difference | 0.000 | (0.057) | 8.526 | (6.063) | 14.571 | 1.376 | (0.241) | - | 18.112 | - | (0.703) | 1.916 | 1.213 |
| As at 31 March 2024 | **0.000** | **13.466** | **1,125.723** | **6,643.707** | **752.074** | **65.726** | **101.036** | **1.714** | **8,703.446** | **-** | **338.850** | **221.478** | **560.328** |
| Charge for the year | - | 1.272 | 98.155 | 553.430 | 37.330 | 17.752 | 13.512 | - | 721.451 | - | 33.448 | 0.335 | 33.783 |
| Depreciation on disposal | - | - | (3.496) | (202.236) | (6.112) | (1.570) | (26.036) | - | (239.450) | - | (0.080) | - | (0.080) |
| Exchange difference | (0.000) | 0.157 | 15.489 | 31.037 | 27.160 | 0.014 | 0.892 | - | 74.749 | - | 1.414 | (107.622) | (106.208) |
| **As at 31 March 2025** | **-** | **14.895** | **1,235.871** | **7,025.938** | **810.452** | **81.922** | **89.404** | **1.714** | **9,260.196** | **-** | **373.632** | **114.191** | **487.823** |
| **Net block** | | | | | | | | | | | | | |
| As at 1 April 2023 | 652.330 | 78.323 | 2,077.994 | 1,850.621 | 72.923 | 37.784 | 44.506 | (0.000) | 4,814.481 | 143.524 | 41.056 | 6.631 | 47.687 |
| As at 31 March 2024 | 656.314 | 76.929 | 2,345.293 | 2,482.709 | 110.068 | 61.792 | 53.921 | (0.000) | 5,787.026 | 143.848 | 41.029 | 0.442 | 41.471 |
| **As at 31 March 2025** | **676.708** | **75.676** | **2,313.236** | **2,560.908** | **122.811** | **60.199** | **98.428** | **(0.000)** | **5,907.966** | **83.525** | **67.640** | **11.463** | **79.103** |

***Notes:***

*a) Plants and machineries acquired out of proceeds of term loan, are hypoticated as security against the loan.*

*b) During the year no provision envisaged for impairment loss on property, plant and equipments and intangible assets other than goodwill.*

*c) Group has impaired goodwill of ₹ 61.38 Mn pertaining to The Kolhapur Steel Limited (TKSL) during FY 2024-25*

*d) Refer note no 29 for estimated amount of contract remaining to be executed on capital account.*

*e) Group has not revalued any property, plant and equipment during the FY 2024-25 and FY 2023-24.*

*f) All title deeds of immovable properties are held in the name of company or it's subsidiaries.*

*g) Other intangible assets includes sales tax deferral rights, trade marks, patents and licenses.*

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 4 : RIGHT TO USE ASSETS

| Particulars | Amount |
|---|---|
| **Opening balance as at 1 April 2023** | 305.710 |
| Net addition / (deletion )during the year including forex | 187.810 |
| Depreciation | (127.116) |
| **Balance as at 31 March 2024** | **366.404** |
| Net addition / (deletion )during the year including forex | 248.284 |
| Depreciation | (138.380) |
| **Balance as at 31 March 2025** | **476.308** |

## NOTE 5 : INVESTMENT PROPERTY

| Particulars | Amount |
|---|---|
| **Land** | |
| **Gross Block** | |
| **As at 1 April 2023** | 7.800 |
| Net addition / (deletion )during the year including forex | (2.780) |
| As at 31 March 2024 | **5.020** |
| Net addition / (deletion )during the year including forex | |
| **As at 31 March 2025** | **5.020** |
| **Depreciation and Impairment** | |
| **As at 1 April 2023** | 0.848 |
| Charge for the year | 0.054 |
| Depreciation on disposals | (0.902) |
| As at 31 March 2024 | **0.000** |
| Charge for the year | - |
| Depreciation on disposals | - |
| **As at 31 March 2025** | **0.000** |
| **Net block** | |
| As at 1 April 2023 | 6.952 |
| As at 31 March 2024 | 5.020 |
| **As at 31 March 2025** | **5.020** |

### Fair value

The group obtains independent valuations for its investment properties.

The valuation model considers current prices in active market on reliable estimates of future cash-flows. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

Fair value as at 31 March 2023 was ₹ 60.717 and there is no material movement in fair value in FY 24-25.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 6 : FINANCIAL ASSETS: INVESTMENTS

| Particulars | | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| I | **Long term investments - at cost** | | |
| | **Accounted using equity method** | | |
| | (a) Investment in Equity instruments | 1,100.803 | 964.638 |
| | | **1,100.803** | **964.638** |
| | **Others** | | |
| | Investments in other Equity instruments | 48.606 | 0.005 |
| | Investments in long term fixed deposit | 1,330.000 | 150.000 |
| | Investments in long term mutual funds | 200.000 | - |
| | | **1,578.606** | **150.005** |
| | | **2,679.409** | **1,114.643** |
| II | **Current investment** | | |
| | Investments in fixed deposit | 1,840.000 | 1,430.200 |
| | Investments in mutual funds | 1,668.396 | 1,552.560 |
| | | 3,508.396 | 2,982.760 |
| | **Total investment** | **6,187.805** | **4,097.403** |

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Aggregate amount of quoted investments | 1,868.396 | 1,552.560 |
| Aggregate amount of unquoted investments | 4,319.409 | 2,544.843 |

| Sr No | Particulars | Face Value | Partly Paid / Fully paid | Extent of holding (%) | | No. of Shares / Units | | Amount in Million ₹ | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2025 | As at 31 March 2024 |
| **Non-current investments** | | | | | | | | | |
| **1** | **Investments at fair value through other comprehensive income** | | | | | | | | |
| a | Kirloskar Proprietary Limited | ₹ 100 | Fully Paid | - | - | 512 | 512 | 0.005 | 0.005 |
| b | Sunsure Solarpark Nineteen Private Limited (Associate) ## | ₹ 10 | Fully Paid | 0.46 | | 38,088 | - | 48.601 | - |
| | | | | | | | | **48.606** | **0.005** |
| **2** | **Investment accounted using equity method** | | | | | | | | |
| a | Kirloskar Ebara Pumps Limited | ₹ 10 | Fully Paid | 45% | 45% | 225,000 | 225,000 | 1,100.803 | 964.638 |
| | **Total Investments accounted using equity method** | | | | | | | **1,100.803** | **964.638** |
| **3** | **Investments at amortised cost** | | | | | | | | |
| a | Investment in long term deposits | | | | | | | 1,330.000 | 150.000 |
| **4** | **Investment accounted using fair value through profit and loss** | | | | | | | | |
| a | Investment in mutual funds | | | | | | | 200.000 | |
| | **Total non-current Investments** | | | | | | | **2,679.409** | **1,114.643** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| Sr No | Particulars | Face Value | Partly Paid / Fully paid | Extent of holding (%) | | No. of Shares / Units | | Amount in Million ₹ | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2025 | As at 31 March 2024 |
| **Current investments** | | | | | | | | | |
| 1 | **Investments at amortised cost** | | | | | | | | |
| a | Investment in fixed deposit with financial institutions (Int rate - 7.25% to 8.15%) | | | | | | | 1,840.000 | 1,430.200 |
| 2 | **Investment accounted using fair value through profit and loss** | | | | | | | | |
| a | Investment in mutual funds | | | | | | | 1,668.396 | 1,552.560 |
| | **Total current Investments** | | | | | | | **3,508.396** | **2,982.760** |

*## In FY 24-25, Company along with step down subsidiary, The Kolhapur Steel Limited, has invested ₹ 48.601 Mn in Sunsure Solar Nineteen Private Limited (SSNPL) for purchase of solar power through open access*

*The Company does not have significant influence on SSNPL as it does not participate in the management and / or financial decisions of SSNPL. As such its financials are not included in the Consolidated Financial Statements of the Company and investment in SSNPL are carried at FVTOCI.*

*The Group has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.*

*Company had purchased minority stakeholder's stake in 'The Kolhapur Steel Limited' (TKSL) for ₹ 6.9 Mn in FY 23-24. Consequent to this, TKSL had become wholly owned subsidiary of KBL in FY 23-24.*

*Further, In FY 24-25, the Company has sold its entire stake in TKSL to other wholly owned subsidiary viz. Karad Project and Motors limited (KPML) for ₹ 107.646 Mn. Transaction was based on 'Fair Valuation' as carried out by an independent valuer.*

*Refer note 39 for determination of fair value.*

## NOTE 7 : FINANCIAL ASSETS: TRADE RECEIVABLES

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Non-current** | | |
| Unsecured, considered good | 875.087 | 607.540 |
| Trade receivable with significant increase in credit risk or credit impaired | 1,125.211 | 869.881 |
| | **2,000.298** | **1,477.421** |
| Less : Allowance for expected credit loss | 1,125.211 | 869.881 |
| | **875.087** | **607.540** |
| **Current** | | |
| Unsecured, considered good | | |
| From related parties (Refer note 35) | 36.233 | 70.635 |
| Others | 4,889.201 | 5,173.280 |
| Doubtful | 98.337 | 93.004 |
| | **5,023.771** | **5,336.919** |
| Less : Allowance for expected credit loss | 98.337 | 93.004 |
| | **4,925.434** | **5,243.915** |
| **Total trade receivables** | **5,800.521** | **5,851.455** |

*Trade receivables are non-interest bearing and are generally on terms of 1 to 90 days.Refer note 44 (A) for ageing and 40 (A) for movement in loss allowance.*

*No trade or other receivables (Except from related parties) are due from directors or other officers of the Company either severally or jointly with any other person. Nor any receivable (except from related parties) from firms or private companies in which any director is a partner, a director or a member, respectively.*

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 8 : FINANCIAL ASSETS: OTHER FINANCIAL ASSETS

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Non-current** | | |
| (a) **Claims receivable** | | |
| Unsecured, considered good | 8.547 | 0.593 |
| Claims with significant increase in credit risk or credit impaired | 19.361 | 19.361 |
| | **27.908** | **19.954** |
| Less : Allowance for expected credit loss | 19.361 | 19.361 |
| | **8.547** | **0.593** |
| (b) **Fixed deposits with the original maturity of more than 12 months** | 29.183 | 30.753 |
| (c) **Interest accrued** | 3.081 | 0.240 |
| (d) **Security deposits** | | |
| Unsecured, considered good | 79.479 | 85.059 |
| Security deposits with significant increase in credit risk or credit impaired | 15.064 | 12.588 |
| | **94.543** | **97.647** |
| Less : Allowance for expected credit loss | 15.064 | 12.588 |
| | **79.479** | **85.059** |
| | **120.290** | **116.645** |
| **Current** | | |
| (a) **Claims receivable** | | |
| Unsecured, considered good | 9.441 | 15.623 |
| (b) **Interest accrued** | 113.037 | 63.288 |
| (c) **Security deposits** | | |
| Unsecured, considered good | 777.641 | 784.231 |
| (d) **Forward contract asset** | 162.291 | 97.723 |
| (e) **Fixed deposits with original maturity of more than 12 months but remaining maturity of less than 12 months** | 85.979 | 60.000 |
| | **1,148.389** | **1,020.865** |
| **Total other financial asset** | **1,268.679** | **1,137.510** |

## NOTE 9 : OTHER ASSETS

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Non-current** | | |
| (a) **Advances to supplier of capital goods** | 12.456 | 28.135 |
| (b) **Advances to supplier and others** | | |
| Unsecured, considered good | 272.253 | 239.251 |
| Advances with significant increase in credit risk or credit impaired | 71.925 | 71.878 |
| | **344.178** | **311.129** |
| Less : Allowance for expected credit loss | 71.925 | 71.878 |
| | **272.253** | **239.251** |
| (c) **Prepaid expenses** | 22.037 | 18.856 |
| (d) **Retention (net of provision)** | 179.988 | 181.579 |
| (e) **Advance income tax (net of provision)** | 96.619 | 68.308 |
| (f) **Other assets** | 4.840 | 6.942 |
| | **588.193** | **543.071** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Current** | | |
| (a) **Advances to supplier and others** | | |
| Unsecured, considered good | 638.750 | 358.336 |
| (b) **Prepaid expenses** | 383.132 | 376.407 |
| (c) **Unbilled revenue for project related contract work** | 16.433 | 164.122 |
| (d) **Retention (net of provision)** | 1,292.537 | 1,311.376 |
| (e) **Balances with govt. authorities** | 1,125.441 | 963.653 |
| | **3,456.293** | **3,173.894** |
| **Total other assets** | **4,044.486** | **3,716.965** |

There were no advances due by directors or officers of the Holding company or any of them severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a member.

## NOTE 10 : INVENTORIES

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| (a) Raw Materials (*) | 2,828.834 | 3,031.451 |
| (b) Work-in-progress | 2,918.437 | 2,706.677 |
| (c) Finished goods | 1,998.680 | 2,162.528 |
| (d) Stock-in-trade (*) | 490.845 | 422.420 |
| (e) Stores and spares | 299.923 | 199.790 |
| (Mode of valuation refer note 2.7 ) | | |
| **Total inventories** | **8,536.719** | **8,522.866** |

*(*) Include goods in transit - ₹ 189.852 Mn (PY 2023-24 : ₹ 141.870 Mn)*

### Amounts recognised in profit or loss

Write-down of inventories to net realizable value/ any loss due to it's obsolete nature (net of reversal) amounted to (₹31.457 Mn) (PY 2023-24 ₹22.760 Mn) was recognised as an expense during the year.

## NOTE 11 A : CASH AND CASH EQUIVALENTS

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| (a) **Balances with bank** | | |
| In current and EEFC account | 2,624.226 | 1,576.032 |
| Bank deposits | 604.896 | 1,080.131 |
| (b) **Cash on hand** | 2.171 | 2.902 |
| **Total cash and cash equivalents** | **3,231.293** | **2,659.065** |

## NOTE 11 B : OTHER BANK BALANCES

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| (a) **Earmarked balances with bank** | | |
| Unpaid dividend accounts | 16.665 | 12.733 |
| (b) Bank deposits with orginal maturity of more than 3 months | 216.017 | 236.775 |
| (c) Margin money | 22.847 | 19.397 |
| **Total other balances** | **255.529** | **268.905** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 12: EQUITY SHARE CAPITAL

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Authorised** | | |
| 250,000,000 ( 250,000,000 ) equity shares of ₹2/- each (₹2/-) each | 500.000 | 500.000 |
| **Issued, subscribed & fully paid up** | | |
| 79,408,926 (79,408,926) equity shares of ₹2/- each (₹2/-) each | 158.818 | 158.818 |
| **Total equity share capital** | **158.818** | **158.818** |

### (a) Terms/ rights attached to equity shares

The company has only one class of equity shares, having face value of ₹ 2/- per share. Each holder of equity share is entitled to 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.

For the year ended 31 March 2025 the board of directors have proposed final dividend of ₹ 7 (2024: ₹ 6) per share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

### (b) Reconciliation of share capital

| Particulars | As at 31 March 2025 | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2024 |
|---|---|---|---|---|
| | Number | Amount (Million ₹) | Number | Amount (Million ₹) |
| Shares outstanding at the beginning of the year | 79,408,926 | 158.818 | 79,408,926 | 158.818 |
| Shares Issued during the year under ESOS | - | - | - | - |
| Shares outstanding at the end of the year | 79,408,926 | 158.818 | 79,408,926 | 158.818 |

### (c) Details of shareholder holding more than 5% shares

| Particulars | As at 31 March 2025 | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2024 |
|---|---|---|---|---|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Kirloskar Industries Limited | 18,988,038 | 23.91% | 18,988,038 | 23.91% |
| Mr. Sanjay Chandrakant Kirloskar * | 17,847,465 | 22.48% | 17,847,465 | 22.48% |
| Mrs. Pratima Sanjay Kirloskar | 13,849,488 | 17.44% | 13,849,488 | 17.44% |
| Nippon Life India Trustee Ltd. (A/C Nippon India Small Cap Fund) | 4,505,646 | 5.67% | 4,384,076 | 5.52% |

### (d) Details of shares held by promoters

| Particulars | As at 31 March 2025 | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2024 |
|---|---|---|---|---|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Mr. Sanjay Chandrakant Kirloskar * | 17,847,465 | 22.48% | 17,847,465 | 22.48% |
| Mr. Rahul Chandrakant Kirloskar | 404,501 | 0.51% | 404,501 | 0.51% |
| Mr. Atul Chandrakant Kirloskar | 466,499 | 0.59% | 466,499 | 0.59% |
| Ms. Jyotsna Gautam Kulkarni | 441,805 | 0.56% | 441,805 | 0.56% |
| Ms. Geetanjali Vikram Kirloskar | 2,625 | 0.00% | 2,625 | 0.00% |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

*There is no change in shares held by promoters' during the FY 2024-25 and 2023-24. Details of shares held by promoter's group are available on Company's website.*

** includes 1,761,919 (PY: 1,761,919), 2% (PY: 2%) shares held in the capacity of a trustee.*

*For the period of five years immediately preceding the date as at which the balance sheet is prepared, no shares are*

*i. allotted as fully paid up pursuant to contracts without payment being received in cash*

*ii. allotted as fully paid shares by way of bonus shares*

*iii. bought back.*

## NOTE 13: OTHER EQUITY

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| (a) **Capital Reserve** | 5.237 | 5.237 |
| (b) **Capital Redemption Reserve** | 9.237 | 9.237 |
| (c) **Securities premium** | | |
| Opening balance | 414.706 | 414.700 |
| Add : Changes in non-controlling interest | - | 0.006 |
| **Closing balance** | **414.706** | **414.706** |
| (d) **General reserves** | | |
| Opening balance | 6,334.630 | 6,334.597 |
| Add : Changes in non-controlling interest | - | 0.033 |
| **Closing balance** | **6,334.630** | **6,334.630** |
| (e) **Foreign Currency Translation reserve** | | |
| Opening balance | 538.675 | 427.810 |
| Add: Current year transfer | 88.854 | 110.865 |
| **Closing balance** | **627.529** | **538.675** |
| (f) **Retained Earnings** | | |
| Opening balance | 9,683.642 | 6,645.455 |
| Add : Net profit for the year | 4,152.277 | 3,481.345 |
| Add :Other comprehensive income for the year | (45.024) | (76.967) |
| Add : Changes in non-controlling interest | - | (8.851) |
| Balance available for appropriation | **13,790.895** | **10,040.982** |
| Less : Appropriations : | | |
| Final and interim dividend | 476.454 | 357.340 |
| **Sub total** | **476.454** | **357.340** |
| **Closing balance** | **13,314.441** | **9,683.642** |
| (g) **Effective portion of cash flow hedges** | | |
| Opening balance | 44.538 | 42.927 |
| Other comprehensive income for the year | 19.404 | 1.611 |
| **Closing balance** | **63.942** | **44.538** |
| **Total other equity** | **20,769.722** | **17,030.665** |

### Capital reserve:

The Company has recognised profit or loss on purchase, sale, issue or forfeiture/ cancellation of own equity instrument to capital reserve.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

### Capital redemption reserve:

The Company has recognised Capital Redemption Reserve on redemption of preference shares from its retained earnings as per the applicable provisions of Companies Act, 1956.

### Securities Premium :

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

### General reserve:

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

### Retained Earnings:

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

### Foreign currency translation reserve

Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and are accumulated in separate reserve within equity. The cumulative amount is reclassified to profit and loss, when the investment is disposed off.

### Effective portion of cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'.

## NOTE 14 : FINANCIAL LIABILITIES: BORROWINGS

| Particulars | | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| | **Non-current** | | |
| | **Secured** | | |
| (a) | **Term loan from various banks** | 749.819 | 683.973 |
| | (Terms of loans: Term loans are availed by the group from various banks . Loans are repayable over the period of 3 to 10 years and carry interest rates varing from 1% to 10.5%. Loans are secured against fixed assets purchased from proceeds of loan and corporate guarantees given by holding company) | | |
| | Less- Current maturities of non- current borrowings | 57.749 | 38.215 |
| | | **692.070** | **645.758** |
| | | **692.070** | **645.758** |
| | **Current** | | |
| | **Secured** | | |
| | **Loans repayable on demand from bank** | | |
| (i) | Cash / export credit facilities and working capital demand loans | 560.598 | 865.137 |
| | (Terms of loans: Loan carries interest @ 2% to 10.5% per annum and secured against the inventory, receivables and mortgage of plant & machinery in some cases) | | |
| | **Total secured loan - Current** | **560.598** | **865.137** |
| | **Current maturities of long term loan** | 57.749 | 38.215 |
| | **Total current borrowings** | **618.347** | **903.352** |
| | **Total borrowings** | **1,310.417** | **1,549.110** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

1. The quarterly returns or statements filed by the Company and it's group companies for working capital limits whenever availed with such banks and financial institutions are in agreement with the books of account of the Company and it's group companies.
2. The group has utilized loans for the specific purpose for which same are availed.
3. The Company or any of it's group company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
4. The Company and it's group companies do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

## NOTE 15 : FINANCIAL LIABILITIES: TRADE PAYABLES

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Non-current** | | |
| Total outstanding dues of creditors other than micro, small and medium enterprises | 83.145 | 83.232 |
| | **83.145** | **83.232** |
| **Current** | | |
| Total outstanding dues of micro, small and medium enterprises (refer note 42) | 830.847 | 1,090.041 |
| Total outstanding dues of creditors other than micro, small and medium enterprises | | |
| To related parties (Refer note 35) | 23.473 | 82.686 |
| Others | 5,182.034 | 5,457.852 |
| | **5,205.507** | **5,540.538** |
| | **6,036.354** | **6,630.578** |
| **Total trade payables** | **6,119.499** | **6,713.810** |

### Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 60-day terms except dues to micro and small enterprises which are settled in 45 days or contractual term whichever is earlier. Refer note 44(b) for ageing.

## NOTE 16: OTHER FINANCIAL LIABILITIES

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Non-current** | | |
| Other liabilities | 44.024 | 54.847 |
| | **44.024** | **54.847** |
| **Current** | | |
| (a) **Unclaimed dividends** | | |
| Investor Education & Protection fund (will be credited as and when due). | 16.665 | 12.733 |
| (b) **Others** | | |
| Trade deposits | 152.783 | 150.739 |
| Salary and reimbursements | 773.469 | 688.116 |
| Payables on account of purchases of fixed assets | 48.488 | 48.053 |
| Provision for expenses and other liabilities | 852.988 | 766.196 |
| | **1,827.728** | **1,653.104** |
| | **1,844.393** | **1,665.837** |
| **Total other financial liabilities** | **1,888.417** | **1,720.684** |

### Terms and conditions of the above financial liabilities:

1) Other payables are non-interest bearing.
2) For explanations on the Group's credit risk management processes. (refer note 40)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 17: PROVISIONS

| Particulars | | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| | **Non-current** | | |
| | **Provisions for employee benefits** | | |
| (a) | Compensated absences (refer note 38) | 149.421 | 210.890 |
| (b) | Pension scheme (refer note 34) | 49.131 | 46.582 |
| (c) | Gratuity (refer note 34) | 20.116 | 25.633 |
| | | **218.668** | **283.105** |
| | **Other provisions** | | |
| (a) | Provision for product warranty (refer note 38) | 41.365 | 33.910 |
| (b) | Provision for decommissioning and restoration costs (refer note 38) | 11.265 | 10.412 |
| (c) | Other provision | 40.102 | 42.621 |
| | | **92.732** | **86.943** |
| | | **311.400** | **370.048** |
| | **Current** | | |
| | **Provisions for employee benefits** | | |
| (a) | Compensated absences (refer note 38) | 211.751 | 228.998 |
| (b) | Gratuity and Provident fund (refer note 34) | 96.103 | 20.359 |
| | | **307.854** | **249.357** |
| | **Other provisions (refer note 38)** | | |
| (a) | Provision for product warranty | 469.839 | 495.317 |
| (b) | Provision for loss on long term contracts | 51.956 | 31.251 |
| | | **521.795** | **526.568** |
| | | **829.649** | **775.925** |
| | **Total provisions** | **1,141.049** | **1,145.973** |

## NOTE 18: OTHER LIABILITIES

| Particulars | | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| | **Non-current** | | |
| (a) | Unearned revenue for project related contract work | 201.216 | 156.797 |
| (b) | Advance from customer | 537.123 | 532.814 |
| | | **738.339** | **689.611** |
| | **Current** | | |
| (a) | Unearned revenue for project related contract work | 1,673.428 | 1,449.432 |
| (b) | Advances from customer | 1,857.488 | 1,970.096 |
| (c) | Contribution to provident fund and superannuation fund | 57.329 | 71.297 |
| (d) | Statutory dues | 221.284 | 209.256 |
| (e) | Deferred revenue | 38.165 | 61.368 |
| | | **3,847.694** | **3,761.449** |
| | **Total other non-financial liabilities** | **4,586.033** | **4,451.060** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 19 : INCOME TAX

**(1) The major components of income tax expense for the year ended 31 March 2025 and 31 March 2024 are:**

**(a) Statement of profit and loss**

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| **Current income tax:** | | |
| Current income tax charge | 1,559.455 | 1,338.426 |
| Adjustments in respect of income tax of previous year | 47.959 | (2.555) |
| **Deferred tax:** | | |
| Relating to origination and reversal of temporary differences | (51.325) | 74.440 |
| **Income tax expense reported in the statement of profit or loss** | **1,556.089** | **1,410.311** |

**(b) Statement of other comprehensive income (OCI)**

Tax related to items recognised in OCI during in the year:

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| **Related to remeasurement gains and losses** | | |
| Income tax charged/ (credited) to OCI | (14.230) | (24.699) |
| Deferred tax charged to OCI | - | - |
| | **(14.230)** | **(24.699)** |

**(2) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31 March 2025 and 31 March 2024:**

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Accounting profit before tax | 5,590.513 | 4,805.614 |
| **At India's statutory income tax rate of 25.168%/ (25.168%) (a)** | 1,407.020 | 1,209.477 |
| **Adjustments** | | |
| Permanent differences (Includes Int to MSME, donation, fine, penalties etc) | (70.376) | (165.141) |
| **Subtotal (b)** | **(70.376)** | **(165.141)** |
| Tax impact of above adjustments | (17.712) | (41.563) |
| MAT entitlement for earlier years and other credits of earlier years | (3.265) | (19.236) |
| Different tax rates from holding company | (32.246) | (88.876) |
| Unrecognised tax benefits on tax losses | (49.114) | (51.159) |
| Earlier year excess / short provision | (46.732) | - |
| **Total (c)** | **(149.069)** | **(200.834)** |
| **Tax expenses at effective rate (a-c)** | **1,556.089** | **1,410.311** |
| **Tax expenses recorded in books** | **1,556.089** | **1,410.311** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## (3) Movement in deferred tax

### (a) Balance sheet

| Deferred tax relates to the following: DTL/ (DTA) | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Property, plant and equipment (Depreciation) | 65.947 | 86.267 |
| Employee benefits | (149.716) | (148.870) |
| Provision for doubtful debts and advances | (558.439) | (437.356) |
| Others - (DTA) /DTL | 275.363 | 223.115 |
| | **(366.845)** | **(276.844)** |
| **Reflected in balance sheet as** | | |
| Deferred tax asset | **366.845** | **276.844** |

### (b) Statement of profit and loss

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Property, plant and equipment (Depreciation) | (20.319) | 0.676 |
| Employee benefits | (0.846) | (27.165) |
| Provision for doubtful debts and advances | (121.083) | 18.213 |
| Others - (DTA) /DTL | 52.248 | 120.198 |
| | **(90.000)** | **111.922** |
| MAT Credit utilised and forex difference | 38.675 | (37.482) |
| **Deferred tax expense/(income)** | **(51.325)** | **74.440** |

## (4) Movement in Current tax

### (a) Balance sheet

| Reflected in balance sheet as | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Non- current advance tax | 96.619 | 68.308 |
| Current advance tax | 74.063 | 52.632 |
| Current tax liability | (90.789) | (51.524) |
| | **79.893** | **69.416** |

### (b) Statement of Profit and loss and other comprehensive income

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Current tax (asset)/ liability as at beginning of year | (69.416) | (116.934) |
| Add: Additional provision during the year - Statement of Profit and loss account | 1,607.414 | 1,335.870 |
| Add /(Less): Additional provision during the year - Other comprehensive income | (14.230) | (24.699) |
| Less: Current tax paid during the year (Net of refund received for previous years) | (1,603.661) | (1,263.653) |
| **Non Current tax (asset)/ liability as at end of year** | **(79.893)** | **(69.416)** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 20: REVENUE FROM OPERATIONS

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| (a) **Revenue from projects and products** (Refer note 30 for the construction contract revenue) | 43,299.474 | 38,621.733 |
| (b) **Revenue from services** | 928.128 | 760.264 |
| | **44,227.602** | **39,381.997** |
| (c) **Other operating revenues** (majorly includes scrap sales and exports benefits) | 694.830 | 629.995 |
| **Total** | **44,922.432** | **40,011.992** |

## NOTE 21: OTHER INCOME

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| (a) **Interest Income** | | |
| From customers and others | 356.610 | 170.862 |
| On income tax and sales tax refund | 0.053 | - |
| (b) **Unwinding of deferred liability** | 10.856 | 11.407 |
| (c) **Profit on sale of mutual fund investment** | 124.912 | 72.766 |
| (d) **Other non-operating income** | 175.840 | 276.546 |
| (e) **Foreign exchange gain** | 50.488 | 54.573 |
| **Total** | **718.759** | **586.154** |

## NOTE 22: COST OF RAW MATERIALS CONSUMED, CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN -TRADE AND WORK-IN-PROGRESS

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| (a) **Cost of raw material consumed** | 20,476.735 | 19,288.045 |
| (b) **Changes in inventories of finished goods, work-in-progress and stock-in-trade** | | |
| **Opening Stock (Refer note 10)** | | |
| Finished goods | 2,162.528 | 1,410.231 |
| Work-in- progress | 2,706.677 | 2,416.019 |
| Stock in trade | 422.420 | 521.866 |
| | **5,291.625** | **4,348.116** |
| **Closing Stock (Refer note 10)** | | |
| Finished goods | 1,998.680 | 2,162.528 |
| Work-in- progress | 2,918.437 | 2,706.677 |
| Stock in trade | 490.845 | 422.420 |
| | **5,407.962** | **5,291.625** |
| **Total change in inventories** | **(116.337)** | **(943.509)** |

## NOTE 23: EMPLOYEE BENEFITS EXPENSE

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| (a) **Salaries, wages and bonus** | 6,335.962 | 6,075.758 |
| (b) **Defined contribution plans** | 310.332 | 276.086 |
| Contribution to provident fund, superannuation fund and ESIC | | |
| (c) **Defined benefit plans** | 173.548 | 157.546 |
| Gratuity, Provident fund and Pension | | |
| (d) **Welfare expenses** | 258.688 | 217.322 |
| **Total** | **7,078.530** | **6,726.712** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 24: FINANCE COSTS

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| (a) **Interest expense** | 136.051 | 143.404 |
| (b) **Other borrowing costs** (includes bank guarantee commission, LC charges, loan processing charges) | 112.517 | 114.842 |
| **Total** | **248.568** | **258.246** |

## NOTE 25: DEPRECIATION AND AMORTISATION EXPENSE

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| (a) Depreciation on property, plant and equipment and investment property | 721.451 | 624.352 |
| (b) Amortisation of intangible assets | 33.783 | 32.980 |
| (c) Amortisation of right to use assets (Lease) | 138.380 | 127.116 |
| **Total** | **893.614** | **784.448** |

## NOTE 26: OTHER EXPENSES

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Stores and spares consumed | 1,567.466 | 1,470.827 |
| Processing charges | 1,348.639 | 1,131.350 |
| Power & fuel | 701.291 | 642.977 |
| Repairs and maintenance | | |
| Plant and machinery | 235.119 | 235.888 |
| Buildings | 125.655 | 91.397 |
| Other | 95.648 | 77.333 |
| Rent | 52.729 | 40.893 |
| Rates and taxes | 142.948 | 90.809 |
| Travelling and conveyance | 501.906 | 465.356 |
| Communication expenses | 93.233 | 87.642 |
| Insurance | 219.774 | 202.685 |
| Directors' sitting fees | 6.918 | 6.623 |
| Royalties and fees * | 82.192 | 72.740 |
| Freight and forwarding charges | 638.010 | 600.082 |
| Brokerage and commission | 290.712 | 172.988 |
| Advertisements and publicity | 387.448 | 231.236 |
| Provision for product warranty | 320.508 | 278.085 |
| Loss on sale/disposal of fixed assets | 1.747 | 1.553 |
| Provision for doubtful debts, advances and claims | 263.924 | (198.090) |
| Bad debts written off | 24.453 | 316.288 |
| Advances, deposits and claims written off | 0.167 | 0.386 |
| Auditor's remuneration (refer note 31) | 53.112 | 44.605 |
| Professional, consultancy and legal expenses | 851.557 | 695.333 |
| Security services | 83.345 | 76.922 |
| Computer services | 492.383 | 403.304 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Non-executive directors remuneration | 24.000 | 19.000 |
| Stationery & Printing | 44.403 | 40.090 |
| Training course expenses | 30.019 | 29.249 |
| Outside labour charges | 640.008 | 517.613 |
| Corporate social responsibility expenses (refer note 43) | 55.829 | 39.323 |
| Other miscellaneous expenses | 399.669 | 373.961 |
| **Total** | **9,774.812** | **8,258.448** |

* As specified in the note given in the Board's Report in respect of legal proceedings pending against KPL, the company has in the interim, without prejudice to all its rights and contentions, including those in the pending proceedings, in compliance with the directions of the Order dated 05.12.2023 of the Hon'ble Commercial Court, Pune, KBL has deposited the claimed royalty amount with the Court from the quarter ended October 2018 onwards until 3rd quarter of FY 24-25. Pending dispute, the Hon'ble Commercial Court, has directed its treasury to invest the said deposited royalty amount in a Nationalized bank for a fixed term of three years.

## NOTE 27 A: OTHER COMPREHENSIVE INCOME

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| **Items that will not be reclassified to statement of profit and loss** | | |
| Remeasurement gains and losses on post employments benefits | (56.540) | (98.142) |
| Tax on Remeasurements gains and losses | 14.230 | 24.699 |
| Share in other comprehensive income of joint venture company | (2.837) | (3.624) |
| | | |
| **Items that will be reclassified to statement of profit and loss** | | |
| Cash flow hedge | 19.404 | 1.611 |
| Gains/ losses on currency translation for foreign subsidiaries | 88.854 | 110.865 |
| **Total** | **63.111** | **35.409** |

## NOTE 27 B: OTHER COMPREHENSIVE INCOME

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Impairment of goodwill pertaining to 'The Kolhapur Steel Limited' (TKSL) | 61.383 | - |
| Payment under voluntary retirement scheme in 'The Kolhapur Steel Limited' (TKSL) | 17.723 | - |
| Net amount of reversal of project related provisions in 'Karad Projects and Motors Limited' (KPML) | (1.276) | (65.697) |
| **Total** | **77.829** | **(65.697)** |

The gain of ₹ 108 million, recognized by KBL in the standalone financial results, on the sale of shares of TKSL, and the impairment of ₹ 168 million provided by KPML, in the standalone financial results, on it's investments (shares and loan) in TKSL; which are disclosed as exceptional items, have been eliminated in the consolidated financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 28 : CONTINGENT LIABILITIES

| Particulars | | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| | **Claims against company not acknowledged as debt** | | |
| i) | Other Legal Cases ( Matter Subjudice ) | 401.277 | 520.787 |
| | **Other money for which the company is contingently liable for (Matter Subjudice)** | | |
| i) | Central Excise , Service tax and GST | 1,033.048 | 1,034.136 |
| ii) | Sales Tax | 167.003 | 171.673 |
| iii) | Income Tax | 121.440 | 121.440 |
| iv) | Labour Matters | 45.844 | 49.117 |
| | **Total** | **1,768.612** | **1,897.153** |

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

## NOTE 29 : COMMITMENTS

| Particulars | | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|
| i) | Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) | 862.966 | 804.753 |
| ii) | Letters of credit outstanding | 965.915 | 719.139 |
| | | **1,828.881** | **1,523.892** |

## NOTE 30 : ADDITIONAL DISCLOSURES AS REQUIRED BY IND AS 115 'REVENUE FROM CONTRACTS WITH CUSTOMERS'

### A) Additional details in relation to contracts satisfied over the period

| Particulars | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| a) | Contract Revenue recognised as revenue for the year | 745.809 | 618.211 |
| b) | Advances received | 967.109 | 1,034.743 |
| c) | Amount of retentions | 1,472.526 | 1,492.955 |
| d) | **Unbilled revenue for project related contract work** | | |
| | Contract costs incurred | 3,559.057 | 4,210.682 |
| | Recognised Profits less recognised Losses | 552.187 | 629.986 |
| | Less: Progress Billing | 4,051.662 | 4,635.722 |
| | Less: Provision for gross amount due from customer | 43.149 | 40.824 |
| | **Unbilled revenue for project related contract work** | **16.433** | **164.122** |
| | | | |
| e) | **Unearned revenue for project related contract work** | | |
| | Contract costs incurred | 25,310.310 | 24,796.070 |
| | Recognised Profits less recognised Losses | 4,573.533 | 4,659.498 |
| | Less: Progress Billing | 31,758.487 | 31,061.798 |
| | **Unearned revenue for project related contract work** | **(1,874.644)** | **(1,606.230)** |

Movement in unbilled and unearned revenue is due to difference in revenue recognition as compared to progress billings.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## B) Reconciliation of revenue from sale of products with the contracted price

| Particulars | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| a) | Contracted price | 44,743.135 | 39,873.914 |
| b) | Less - trade discounts, volume rebates, late delivery charges etc | 515.533 | 491.917 |
| | **Total revenue** | **44,227.602** | **39,381.997** |

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| **Opening contracted price of orders as at start of the year** | 48,790.247 | 55,006.523 |
| Add - Fresh orders/change orders received (net) including exchange rate movement | 958.527 | 653.478 |
| Less- Orders completed during year | (3,744.413) | (6,869.754) |
| **Closing contracted price of orders as at the end of the year** | **46,004.361** | **48,790.247** |
| a. Revenue out of orders completed during the year | 6.230 | 4.070 |
| b. Revenue out of orders under execution at the end of the year (I) | 675.204 | 614.141 |
| **Total Revenue recognised during the year** | **681.434** | **618.211** |
| Revenue recognised upto previous year (from orders pending completion at the end of the year) (II) | 33,855.512 | 36,375.604 |
| Balance revenue to be recognised in future viz. Order book (III) | 11,473.645 | 11,800.502 |
| **Closing contracted price of orders as at the end of the year (I+II+III)** | **46,004.361** | **48,790.247** |

## C) Cost to obtain the contract

Amount recognised as asset as at 31 March 2025 is Nil (PY: Nil)

Amount of amortisation recognised in the statement of profit and loss during the year is Nil (PY: Nil)

## D) Performance Obligation

Information about the Group's performance obligations are summarised below:

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31st March are, as follows

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Balance revenue to be recognised in future | | |
| Revenue to be recognised within 1 year | 905.318 | 1,585.780 |
| Revenue to be recognised after 1 year | 10,568.328 | 10,214.722 |
| **Total balance reveue to be recognised in future** | **11,473.646** | **11,800.502** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 31: REMUNERATION TO AUDITORS

| Particulars | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| | Statutory Auditors : | | |
| a) | Audit Fees | 37.794 | 33.709 |
| b) | Tax Audit Fees | 7.088 | 4.469 |
| c) | VAT/ GST Audit Fees | - | 0.100 |
| d) | Limited review fees | 4.094 | 4.105 |
| e) | Certification services | 0.470 | 0.474 |
| f) | Other services | 2.202 | 0.704 |
| g) | Expenses reimbursed | 1.464 | 1.044 |
| | **Sub total** | **53.112** | **44.605** |

## NOTE 32 : EARNING PER SHARE (BASIC AND DILUTED)

| Particulars | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| a) | Profit for the year before tax | 5,590.513 | 4,805.614 |
| | Less : Attributable Tax thereto | 1,556.089 | 1,410.311 |
| | Add: Share of profit / (loss) in joint venture company | 152.503 | 101.492 |
| | | **4,186.927** | **3,496.795** |
| | Less: Attributable to Non-controlling interest | 34.650 | 15.450 |
| | **Profit attributable to owners of equity** | **4,152.277** | **3,481.345** |
| b) | Weighted average number of equity shares used as denominator | 79,408,926 | 79,408,926 |
| **c)** | **Basic and Diluted earning per share of nominal value of ₹ 2/- each** | **52.29** | **43.84** |

## NOTE 33: EXPENDITURE ON RESEARCH & DEVELOPMENT ACTIVITIES

| Particulars | | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|---|
| A | Revenue expenditure | 277.556 | 299.004 |
| B | Capital Expenditure | 30.921 | 4.789 |
| | | **308.477** | **303.793** |

## NOTE 34 : EMPLOYEE BENEFITS

### i. Defined Contribution Plans:

Amount of ₹ 310.332 Mn.( PY 2023-24 ₹ 276.086 Mn) is recognised as an expense towards defined contribution plan and included in Employees benefits expense (Note-23 in the Profit and Loss Statement.)

### ii. Defined Benefit Plans:

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

| Particulars | As at 31 March 2025 | | As at 31 March 2024 | |
|---|---|---|---|---|
| | Gratuity Plan (Funded) | Provident Fund (Funded) | Gratuity Plan (Funded) | Provident Fund (Funded) |
| Amount to be recognised in Balance Sheet | | | | |
| Present Value of Defined Benefit Obligation | 843.200 | 2,112.518 | 772.826 | 2,050.829 |
| Less: Fair Value of Plan Assets | 764.643 | 2,099.065 | 737.141 | 2,072.964 |
| **Amount to be recognised as liability or (asset)** | **78.557** | **13.453** | **35.685** | **(22.135)** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

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

| Particulars | | 2024-25 | | 2023-24 | |
|---|---|---|---|---|---|
| | | Gratuity Plan (Funded) | Provident Fund (Funded) | Gratuity Plan (Funded) | Provident Fund (Funded) |
| 1 | Current Service Cost | 61.821 | 79.028 | 52.976 | 72.687 |
| 2 | Acquisition (gain)/ loss | - | - | - | - |
| 3 | Past Service Cost | - | - | - | - |
| 4 | Net Interest (income)/expenses | 1.379 | (9.405) | 0.292 | (10.131) |
| 5 | Curtailment (Gain)/ loss | - | - | - | - |
| 6 | Settlement (Gain)/loss | - | - | - | - |
| 7 | Others | | | | |
| | **Net periodic benefit cost recognised in the statement of profit & loss- (Employee benefit expenses - Note 23)** | **63.200** | **69.623** | **53.268** | **62.556** |

**c) The amounts recognised in the statement of other comprehensive income (OCI) : Funded Plan**

| Particulars | | 2024-25 | | 2023-24 | |
|---|---|---|---|---|---|
| | | Gratuity Plan (Funded) | Provident Fund (Funded) | Gratuity Plan (Funded) | Provident Fund (Funded) |
| 1 | Opening amount recognised in OCI outside profit and loss account | - | - | - | - |
| 2 | Remeasurements for the year - Obligation (Gain)/ loss | 18.820 | (44.756) | 78.389 | 24.672 |
| 3 | Remeasurement for the year - Plan assets (Gain) / Loss | (7.022) | 87.043 | (2.087) | (4.122) |
| 4 | Total Remeasurements Cost / (Credit ) for the year recognised in OCI | **11.798** | **42.287** | **76.302** | **20.550** |
| 5 | Less: Accumulated balances transferred to retained earnings | 11.798 | 42.287 | 76.302 | 20.550 |
| | **Closing balances (remeasurement (gain)/loss recognised OCI** | **-** | **-** | **-** | **-** |

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

| Particulars | | As at 31 March 2025 | | As at 31 March 2024 | |
|---|---|---|---|---|---|
| | | Gratuity Plan (Funded) | Provident Fund (Funded) | Gratuity Plan (Funded) | Provident Fund (Funded) |
| 1 | Balance of the present value of defined benefit Obligation at the beginning year | 772.826 | 2,050.829 | 647.694 | 1,834.825 |
| 2 | Acquisition adjustment | - | - | - | - |
| 3 | Transfer in/ (out) | 0.962 | (0.739) | - | (6.113) |
| 4 | Interest expenses | 53.337 | 138.619 | 46.028 | 130.570 |
| 5 | Past Service Cost | - | - | - | - |
| 6 | Current Service Cost | 61.822 | 79.028 | 52.977 | 72.687 |
| 7 | Curtailment Cost / (credit) | - | - | - | - |
| 8 | Settlement Cost/ (credit) | - | - | - | - |
| 9 | Benefits paid | (64.567) | (251.127) | (52.262) | (140.720) |
| 10 | Employee Contribution | - | 140.664 | - | 134.908 |
| 11 | Remeasurement Gain / (Loss) | 18.820 | (44.756) | 78.389 | 24.672 |
| | **Present value of obligation as at the end of the year** | **843.200** | **2,112.518** | **772.826** | **2,050.829** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

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

| Particulars | | As at 31 March 2025 | | As at 31 March 2024 | |
|---|---|---|---|---|---|
| | | Gratuity Plan (Funded) | Provident Fund (Funded) | Gratuity Plan (Funded) | Provident Fund (Funded) |
| 1 | Fair value of the plan assets as at beginning of the year | 737.141 | 2,072.964 | 545.523 | 1,868.485 |
| 2 | Acquition adjustment | - | - | - | - |
| 3 | Transfer in/(out) | 0.341 | (0.739) | - | (6.113) |
| 4 | Interest income | 51.958 | 148.024 | 45.736 | 140.701 |
| 5 | Contributions | 33.408 | 216.987 | 193.906 | 206.490 |
| 6 | Benefits paid | (64.567) | (251.127) | (49.640) | (140.720) |
| 7 | Mortality Charges and Taxes | (0.659) | - | (0.441) | - |
| 8 | Remeasurement Gain / (Loss) | 7.021 | (87.044) | 2.057 | 4.121 |
| | **Fair value of plan assets as at the end of the year** | **764.643** | **2,099.065** | **737.141** | **2,072.964** |

**f) Net interest (Income) /expenses: Funded Plan**

| Particulars | | 2024-25 | | 2023-24 | |
|---|---|---|---|---|---|
| | | Gratuity Plan (Funded) | Provident Fund (Funded) | Gratuity Plan (Funded) | Provident Fund (Funded) |
| 1 | Interest ( Income) / Expense – Obligation | 53.337 | 138.619 | 46.028 | 130.570 |
| 2 | Interest (Income) / Expense – Plan assets | (51.958) | (148.024) | (45.736) | (140.701) |
| 3 | **Net Interest (Income) / Expense for the year** | **1.379** | **(9.405)** | **0.292** | **(10.131)** |

**g) The broad categories of plan assets as a percentage of total plan assets of Employee's Gratuity Scheme are as under:**

Majority of plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. Company has also invested part of it's fund with private life insurance company ICICI prudential.

**The broad categories of plan assets as a percentage of total plan assets of Employee's Providend fund Scheme are as under:**

Plan assets for providend fund includes investment in various government securities and corporate deposits and mutual funds.

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

| Particulars | As at 31 March 2025 | | As at 31 March 2024 | |
|---|---|---|---|---|
| | Gratuity Plan (Funded) | Provident Fund (Funded) | Gratuity Plan (Funded) | Provident Fund (Funded) |
| Defined Benefit Obligation | 843.200 | 2,112.518 | 772.826 | 2,050.829 |
| Plan Assets | 764.643 | 2,099.065 | 737.141 | 2,072.964 |
| **Surplus/(Deficit)** | **(78.557)** | **(13.453)** | **(35.685)** | **22.135** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

**i) The amounts recognised in Balance Sheet are as follows: Non Funded Plan**

| Particulars | As at 31 March 2025 | | As at 31 March 2024 | |
|---|---|---|---|---|
| | Gratuity scheme (Non Funded) | Pension Scheme (Non Funded) | Gratuity scheme (Non Funded) | Pension Scheme (Non Funded) |
| Amount to be recognised in Balance Sheet | | | | |
| Present Value of Defined Benefit Obligation | 24.212 | 49.131 | 32.442 | 46.582 |
| Less: Fair Value of Plan Assets | - | - | - | - |
| **Amount to be recognised as liability or (asset)** | **24.212** | **49.131** | **32.442** | **46.582** |

**j) The amounts recognised in the Profit and Loss Statement are as follows: Non Funded Plan**

| | Particulars | 2024-25 | | 2023-24 | |
|---|---|---|---|---|---|
| | | Gratuity (Non Funded) | Pension Scheme (Non Funded) | Gratuity (Non Funded) | Pension Scheme (Non Funded) |
| 1 | Current Service Cost | 1.827 | 4.348 | 1.852 | 3.841 |
| 2 | Acquisition (gain)/ loss | - | - | - | - |
| 3 | Past Service Cost | - | - | - | - |
| 4 | Net Interest (income)/expenses | 1.866 | 2.177 | 2.192 | 2.096 |
| 5 | Curtailment (Gain)/ loss | - | - | - | - |
| 6 | Settlement (Gain)/loss | - | - | - | - |
| 7 | Others | | | | |
| | **Net periodic benefit cost recognised in the statement of profit & loss- (Employee benefit expenses - Note 23)** | **3.693** | **6.525** | **4.044** | **5.937** |

**k) The amounts recognised in the statement of other comprehensive income (OCI) : Non Funded Plan**

| | Particulars | 2024-25 | | 2023-24 | |
|---|---|---|---|---|---|
| | | Gratuity (Non Funded) | Pension Scheme (Non Funded) | Gratuity (Non Funded) | Pension Scheme (Non Funded) |
| 1 | Opening amount recognised in OCI outside profit and loss account | - | - | - | - |
| 2 | Remeasurements for the year - Obligation (Gain)/ loss | 1.140 | 1.315 | 0.163 | 1.096 |
| 3 | Remeasurement for the year - Plan assets (Gain) / Loss | - | - | - | - |
| 4 | Total Remeasurements Cost / (Credit ) for the year recognised in OCI | 1.140 | 1.315 | 0.163 | 1.096 |
| 5 | Less: Accumulated balances transferred to retained earnings | 1.140 | 1.315 | 0.163 | 1.096 |
| | **Closing balances (remeasurement (gain)/loss recognised OCI** | **-** | **-** | **-** | **-** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

**l) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows: Non Funded Plan**

| Particulars | | 2024-25 | | 2023-24 | |
|---|---|---|---|---|---|
| | | Gratuity (Non Funded) | Pension Scheme (Non Funded) | Gratuity (Non Funded) | Pension Scheme (Non Funded) |
| 1 | Balance of the present value of - Defined benefit Obligation as at beginning of the year | 32.442 | 46.582 | 31.015 | 43.899 |
| 2 | Acquisition adjustment | - | - | - | - |
| 3 | Transfer in/ (out) | - | - | - | - |
| 4 | Interest expenses | 1.866 | 2.177 | 2.192 | 2.096 |
| 5 | Past Service Cost | - | - | - | - |
| 6 | Current Service Cost | 1.827 | 4.348 | 1.852 | 3.841 |
| 7 | Curtailment Cost / (credit) | - | - | - | - |
| 8 | Settlement Cost/ (credit) | - | - | - | - |
| 9 | Benefits paid | (13.063) | (5.549) | (2.780) | (3.202) |
| 10 | Remeasurement Gain / (Loss) | 1.140 | 1.315 | 0.163 | 1.096 |
| 11 | Foreign exchange difference | - | 0.258 | - | (1.148) |
| | **Present value of obligation as at the end of the year** | **24.212** | **49.131** | **32.442** | **46.582** |

**m) Net interest (Income) /expenses Non Funded Plan**

| Particulars | | 2024-25 | | 2023-24 | |
|---|---|---|---|---|---|
| | | Gratuity (Non Funded) | Pension Scheme (Non Funded) | Gratuity (Non Funded) | Pension Scheme (Non Funded) |
| 1 | Interest ( Income) / Expense – Obligation | 1.866 | 2.177 | 2.192 | 2.096 |
| 2 | Interest (Income) / Expense – Plan assets | - | - | - | - |
| 3 | **Net Interest (Income) / Expense for the year** | **1.866** | **2.177** | **2.192** | **2.096** |

**n) The amounts pertaining to defined benefit plans are as follows:Non Funded Plan**

| Particulars | 2024-25 | | 2023-24 | |
|---|---|---|---|---|
| | Gratuity (Non Funded) | Pension Scheme (Non Funded) | Gratuity (Non Funded) | Pension Scheme (Non Funded) |
| Defined Benefit Obligation | 24.212 | 49.131 | 32.442 | 46.582 |
| Plan Assets | - | - | - | - |
| **Surplus/(Deficit)** | **(24.212)** | **(49.131)** | **(32.442)** | **(46.582)** |

**Basis used to determine the overall expected return:**

The net interest approach effectively assumes an expected rate of return on plan assets equal to the beginning of the year Discount Rate. Expected return of 7.2% (PY 7.4%) has been used for the valuation purpose.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

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

1 Discount rate as at 31-03-2025 - 6.7% (PY- 7.20%)

2 Expected return on plan assets as at 31-03-2025- 7.2%( PY- 7.4%)

3 Salary growth rate : For Gratuity Scheme - 8% to 10% (PY - 10%). Impact for change in accounting estimate along with other remeasuremnt impact is recognised in other comprehensive income.

4 Attrition rate: For gratuity scheme the attrition rate is taken at 8% to 10% (PY - 11%)

5 The estimates of future salary increase considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**p) General descriptions of defined plans:**

**1 Gratuity Plan:**

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

**2 Company's Pension Plan:**

The company operates a Pension Scheme for specified ex-employees wherein the beneficiaries are entitled to defined monthly pension.

**q)** The Company expects to fund ₹ 78.557 Mn (PY ₹ 35.685 Mn) towards its gratuity plan in the year 2025-26.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 35 :RELATED PARTY DISCLOSURES

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

| Sr. No. | Name of the related party | Nature of relationship |
|---|---|---|
| 1 | Karad Projects and Motors Limited | Subsidiary Company |
| 2 | Kirloskar Corrocoat Private Limited | Subsidiary Company |
| 3 | Kirloskar Brothers International BV | Subsidiary Company |
| 4 | The Kolhapur Steel Limited | Subsidiary of Karad Projects and Motors Limited (from 01 Oct 2024) |
| 5 | SPP Pumps Limited | Subsidiary of Kirloskar Brothers International B.V. |
| 6 | Kirloskar Brothers (Thailand) Limited | Subsidiary of Kirloskar Brothers International B.V. |
| 7 | SPP Pumps (MENA) LLC | Subsidiary of Kirloskar Brothers International B.V. |
| 8 | Kirloskar Pompen BV | Subsidiary of Kirloskar Brothers International B.V. |
| 9 | Micawber 784 (Pty) Limited | Subsidiary of Kirloskar Brothers International B.V. |
| 10 | SPP Pumps International (Pty) Limited | Subsidiary of Kirloskar Brothers International B.V. |
| 11 | Rotaserve Limited | Subsidiary of Kirloskar Brothers International B.V. |
| 12 | SPP Pumps France S.A.S | Subsidiary of SPP Pumps Limited |
| 13 | SPP Pumps Inc. | Subsidiary of SPP Pumps Limited |
| 14 | SPP Pumps (South Africa) (Pty) Limited | Subsidiary of SPP Pumps International (Pty) Limited |
| 15 | Braybar Pumps (Pty) Limited | Subsidiary of SPP Pumps International (Pty) Limited |
| 16 | Rodelta Pumps International BV | Subsidiary of Kirloskar Brothers International B.V. |
| 17 | Rotaserve BV | Subsidiary of Kirloskar Pompen BV |
| 18 | SPP Pumps Real Estate LLC | Subsidiary of SPP Pumps Inc |
| 19 | SyncroFlo Inc. | Subsidiary of SPP Pumps Inc |
| 20 | SPP Pumps (Asia) Ltd. | Subsidiary of Kirloskar Brothers (Thailand) Ltd |
| 21 | SPP Pumps (Singapore) Pte. Ltd. | Subsidiary of Kirloskar Brothers (Thailand) Ltd |
| 22 | Rotaserve Mozambique* | Subsidiary of SPP Pumps International (Pty) Limited |
| 23 | Kirloskar Ebara Pumps Limited | Joint venture of Kirloskar Brothers Limited |
| 24 | Sunsure Solarpark Nineteen Private Limited | Associate of Kirloskar Brothers Limited (From 7 February 2025) |

**Rotaserve Mozambique a step-down subsidiary of the Company has been dissolved and hence ceased to be a subsidiary of the Company with effect from 5 July 2024.*

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

| | | | |
|---|---|---|---|
| 1) | Joint Venture | Kirloskar Ebara Pumps Limited | |
| 2) | Associate | Sunsure Solarpark Nineteen Private Limited | |
| 3) | Key Management Personnel (KMP) | Mr. Sanjay Kirloskar | Mr. K.Taranath |
| | | Ms. Rama Kirloskar | Mr. Owen Shelvin |
| | | Mr. Alok Kirloskar | Mr. Achyut Dhadphale |
| | | Mr. M S Unnikrishnan | Mr. Akshay Dhar |
| | | Mr. Shobinder Duggal | Mr. Ravindra Samant |
| | | Mr. Shrinivas Dempo | Mr. John Karen |
| | | Ms. Ramni Nirula | Mr. Mohammed Hassan |
| | | Mr. Vivek Pendharkar | Mr. Clive Harper |
| | | Ms. Rekha Sethi | Mr. Bob Tichband |
| | | Mr. Vinayak Deshpande | Mr. Remko Dubois |
| | | Ms. Manjiri Jawadekar | Mr. Ajeet Kulkarni |
| | | Mr. Ajay Deshpande | Mr. Suresh Deshpande |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| | | | |
|---|---|---|---|
| | | Mr. Johan Groenewald | Mr.Rudrappa Mahajan |
| | | Mr. Rajkumar Assudani | Mr. Devang Trivedi |
| | | Mr. Chittaranjan Mate | Mr. Cliff Horsburgh |
| | | Mr. Ravish Mittal | |
| 4) | Close member of family of KMP | Mrs.Pratima Kirloskar - Wife of Mr. Sanjay Kirloskar | |
| 5) | Post Employee Benefit Plans | Kirloskar Brothers Ltd Employees Prov. Fund For Engg.Factory | |
| | | Kirloskar Brothers Ltd Staff Members Prov. Fund | |
| | | Kirloskar Brothers Limited,Kirloskarvadi Employee Gratuity Fund | |
| | | Kirloskar Brothers Executive Staff Superannuation fund | |
| 6) | Substantial Interest | Corrocoat Limited, UK | |

*** As required under section 203 of the Companies Act, 2013, the Company has appointed a Chief Financial Officer (CFO) Mr. Bhavesh Chheda with the effect from 14 May, 2025 in place of the then CFO. Mr. Ravish Mittal, who resigned from the position of CFO of the Company with effect from the closing hours of 28 February, 2025.*

## (C) Disclosure of related parties transactions

| Sr No | Nature of transaction/relationship/major parties | Year ended 2024-25 | | Year ended 2023-24 | |
|---|---|---|---|---|---|
| | | Amount | Amount | Amount | Amount |
| **1** | **Purchase of goods** | **35.591** | | **73.269** | |
| | **Joint Venture** | | | | |
| | Kirloskar Ebara Pumps Limited | | 25.898 | | 63.037 |
| | **Substantial Interest** | | | | |
| | Corrocoat Limited, UK | | 9.693 | | 10.232 |
| **2** | **Sale of goods/contract revenue** | **27.668** | | **76.190** | |
| | **Joint Venture** | | | | |
| | Kirloskar Ebara Pumps Limited | | 27.668 | | 76.190 |
| **3** | **Rendering Services** | **79.140** | | **85.137** | |
| | **Joint Venture** | | | | |
| | Kirloskar Ebara Pumps Limited | | 79.140 | | 85.137 |
| **4** | **Receiving Services** | **48.735** | | **30.102** | |
| | **Joint Venture** | | | | |
| | Kirloskar Ebara Pumps Limited | | 41.316 | | 23.036 |
| | **Substantial Interest** | | | | |
| | Corrocoat Limited, UK | | 0.100 | | 0.126 |
| | **Close Members of family of Key Management Personnel** | | | | |
| | Mrs. Pratima Kirloskar | | 7.319 | | 6.940 |
| **5** | **Reimbursement of expenses by KBL** | **0.637** | | **0.709** | |
| | **Joint Venture** | | | | |
| | Kirloskar Ebara Pumps Limited | | 0.018 | | 0.010 |
| | Corrocoat Limited, UK | | 0.619 | | 0.699 |
| | | | | | |
| **6** | **Dividend received** | **13.500** | | **18.000** | |
| | **Joint Venture** | | | | |
| | Kirloskar Ebara Pumps Limited | | 13.500 | | 18.000 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| Sr No | Nature of transaction/relationship/major parties | Year ended 2024-25 | | Year ended 2023-24 | |
|---|---|---|---|---|---|
| | | Amount | Amount | Amount | Amount |
| **7** | **Dividend paid** | **192.609** | | **144.444** | |
| | **Key Management Personnel** | | | | |
| | Mr. Sanjay Kirloskar (*) | | 107.945 | | 81.463 |
| | Mr. Alok Kirloskar | | 0.267 | | 0.328 |
| | Ms. Rama Kirloskar | | 0.230 | | 0.300 |
| | **Close Members of family of Key Management Personnel** | | | | |
| | Mrs. Pratima Kirloskar | | 83.117 | | 62.353 |
| | **Substantial Interest** | | | | |
| | Corrocoat Limited, UK | | 1.050 | | - |
| **8** | **Purchase of Investment** | **48.601** | | **-** | |
| | Sunsure Solarpark Nineteen Private Limited | | 48.601 | | - |
| **9** | **Remuneration Paid** | **466.903** | | **520.648** | |
| | **Key Management Personnel** | | | | |
| | **Short Term Employee Benefit** | | | | |
| | Mr. Sanjay Kirloskar | | 95.768 | | 80.241 |
| | Ms. Rama Kirloskar | | 95.029 | | 80.977 |
| | Mr. Alok Kirloskar | | 113.644 | | 136.794 |
| | Mr. Ravindra Samant | | 13.007 | | 9.608 |
| | Mr. Stefan Apel | | - | | 25.976 |
| | Mr. Remko Dubois | | 7.870 | | 23.328 |
| | Mr. Ajeet Kulkarni | | 2.078 | | 0.799 |
| | Mr. Owen Shevlin | | 36.698 | | 21.232 |
| | Mr. Mohammed Hassan | | 1.330 | | 1.575 |
| | Mr. John Kahren | | 34.011 | | 92.812 |
| | Mr. Bob Tichband | | 31.639 | | 22.957 |
| | Mr. Johannes Groenewald | | 11.965 | | 5.306 |
| | Mr. Cliff Horsburgh | | 3.424 | | - |
| | Mr. Rajkumar Assudani | | 4.352 | | 1.976 |
| | Mr. Chittranjan Mate | | 1.125 | | 12.023 |
| | Mr. Devang Trivedi | | 5.591 | | 5.044 |
| | Mr. Ravish Mittal | | 9.372 | | - |
| | **Key Management Personnel** | | | | |
| | **Commission on profits** | **20.800** | | **19.000** | |
| | Mr. M S Unnikrishnan | | 2.600 | | 2.400 |
| | Mr. Alok Kirloskar | | 2.600 | | 2.400 |
| | Mr. Shobinder Duggal | | 2.600 | | 2.400 |
| | Mr. Shrinivas Dempo | | 2.600 | | 2.400 |
| | Ms. Ramni Nirula | | 2.600 | | 2.400 |
| | Mr. Amitava Mukherjee | | - | | 0.600 |
| | Mr. Vivek Pendharkar | | 2.600 | | 2.400 |
| | Ms. Rekha Sethi | | 2.600 | | 2.400 |
| | Mr. Vinayak Deshpande | | 2.600 | | 1.600 |

*(*) Includes dividend received in capacity of trustee of ₹ 10.572 Mn. (PY- ₹ 7.929 Mn.)*

*Purchases and sales reported are net of discounts, returns etc.*

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| Sr No | Nature of transaction/relationship/major parties | Year ended 2024-25 | | Year ended 2023-24 | |
|---|---|---|---|---|---|
| | | Amount | Amount | Amount | Amount |
| | **Key Management Personnel** | | | | |
| | **Sitting Fees** | **7.621** | | **6.756** | |
| | Mr. Alok Kirloskar | | 0.563 | | 0.570 |
| | Mr. K.Taranath | | 0.130 | | 0.170 |
| | Mr. Clive Harper | | 0.038 | | 0.045 |
| | Mr. Chittranjan Mate | | 0.038 | | 0.045 |
| | Mr. Sanjay Kirloskar | | 0.195 | | 0.043 |
| | Mr. M S Unnikrishnan | | 1.050 | | 1.200 |
| | Mr. Achyut Dhadphale | | 0.278 | | 0.163 |
| | Mr. Shobinder Duggal | | 0.975 | | 0.900 |
| | Mr. Shrinivas Dempo | | 0.600 | | 0.600 |
| | Ms. Ramni Nirula | | 0.975 | | 0.900 |
| | Mr. Amitava Mukherjee | | - | | 0.225 |
| | Mr. Vivek Pendharkar | | 0.600 | | 0.525 |
| | Ms. Rekha Sethi | | 0.750 | | 0.675 |
| | Mr. Vinayak Deshpande | | 0.975 | | 0.450 |
| | Mr. Akshay Dhar | | 0.125 | | 0.038 |
| | Mr. Suresh Deshpande | | 0.068 | | 0.088 |
| | Ms. Manjiri Jawadekar | | 0.038 | | 0.038 |
| | Mr. Rudrappa Mahajan | | 0.038 | | 0.038 |
| | Mr. Ajay Deshpande | | 0.185 | | 0.043 |
| | **Post Employment and other long term Benefit** | **19.373** | | **15.308** | |
| | Mr. Sanjay Kirloskar | | 3.180 | | 3.180 |
| | Ms. Rama Kirloskar | | 3.890 | | 1.985 |
| | Mr. Ravindra Samant | | 2.090 | | 1.945 |
| | Mr. Chittranjan Mate | | 0.141 | | 1.158 |
| | Mr. Devang Trivedi | | 0.498 | | 0.449 |
| | Mr. Alok Kirloskar | | 1.697 | | 1.569 |
| | Mr. Bob Tichband | | 3.309 | | 2.150 |
| | Mr. Owen Shevlin | | 2.560 | | - |
| | Mr. Rajkumar Assudani | | 0.518 | | - |
| | Mr. Ravish Mittal | | 0.872 | | - |
| | Mr. John Kahren | | 0.618 | | 2.873 |
| 10 | **Contribution paid to post Employment benefit plans** | **103.702** | | **260.748** | |
| | Provident Fund | | 76.696 | | 72.723 |
| | Superannuation Fund | | 1.962 | | 1.899 |
| | Gratuity Trust | | 25.044 | | 186.126 |
| 11 | **Reimbursement received** | **9.565** | | **4.223** | |
| | **Joint Venture** | | | | |
| | Kirloskar Ebara Pumps Limited | | 9.565 | | 4.223 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## (D) Amount due to/from related parties

| Sr No | Nature of transaction/relationship/major parties | 31 March 2025 | | 31 March 2024 | |
|---|---|---|---|---|---|
| | | Amount | Amount for Major parties | Amount | Amount for Major parties |
| 1 | **Accounts receivable** | | | | |
| | **Joint Venture** | **36.233** | | **70.635** | |
| | Kirloskar Ebara Pumps Limited | | 36.233 | | 70.635 |
| 2 | **Accounts payables** | **23.473** | | **82.686** | |
| a | **Joint Venture** | | | | |
| | Kirloskar Ebara Pumps Limited | | 23.306 | | 81.660 |
| b | **Substantial Interest** | | | | |
| | Corrocoat Limited, UK | | 0.167 | | 1.026 |
| | **Key Management Personnel (#)** | **250.460** | | **147.000** | |
| | Mr. Sanjay Kirloskar | | 77.000 | | 59.000 |
| | Mr. M S Unnikrishnan | | 2.600 | | 2.400 |
| | Mr. Alok Kirloskar | | 72.260 | | 2.400 |
| | Ms. Rama Kirloskar | | 83.000 | | 69.000 |
| | Mr. Amitava Mukherjee | | - | | 0.600 |
| | Ms. Rekha Sethi | | 2.600 | | 2.400 |
| | Ms. Ramini Niruala | | 2.600 | | 2.400 |
| | Mr. Shrinivas Dempo | | 2.600 | | 2.400 |
| | Mr. Shobinder Duggal | | 2.600 | | 2.400 |
| | Mr. Vivek Pendharkar | | 2.600 | | 2.400 |
| | Mr. Vinayak Deshpande | | 2.600 | | 1.600 |

*(#) Commission to Chairman- Managing Director and Non-Executive Directors is approved in board meeting held on 14th May 2025. Payment will be made in the year 2025-26*

## NOTE 36 : DISCLOSURE PURSUANT TO SCHEDULE V READ WITH REGULATIONS 34(3) AND 53(F) OF THE SEBI(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS,2015 :

### A Loans and advances in the nature of loans for working capital requirements :

| Name of the Company | Balance as at | | Maximum outstanding | |
|---|---|---|---|---|
| | 31 March 2025 | 31 March 2024 | 31 March 2025 | 31 March 2024 |
| **To Subsidiary Companies** | | | | |
| The Kolhapur Steel Limited | 40.942 | 91.042 | 91.042 | 141.142 |

** Consists of ₹ 9.410 Mn unsecured loan given under order from Board for Industrial and Financial Reconstructions (BIFR) in 2008-09 without any specific agreed terms for charge of interest and repayment. Balance loan of ₹ 31.532 Mn with interest rate of 8.5% and other specified terms and conditions.*

### B Loans and advances in the nature of loans to firms/companies in which directors are interested: NIL

### C Investment by the loanee (borrower) in the shares of the Company or subsidiary of the Company : NIL

*Note:- Loans to employees under various schemes of the company (such as housing loan, furniture loan, education loan etc.) have been considered to be outside the purview of this disclosure requirements.*

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 37 : JOINT VENTURE AND JOINTLY CONTROLLED OPERATIONS

### a) List of Joint Venture

| Sr No | Name of the Joint Venture | Description | Ownership Interest | Country of Incorporation |
|---|---|---|---|---|
| 1 | Kirloskar Ebara Pumps Limited | Jointly controlled entity | 45% | India |

### b) Financial Interest in Jointly controlled entities

| Sr. No | Name of the Joint Venture | Summarized financial information | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|---|---|
| 1 | Kirloskar Ebara Pumps Limited | Assets | 3,216.137 | 4,000.504 |
| | | Liabilities | 769.907 | 1,856.865 |
| | | | **2024-25** | **2023-24** |
| | | Income | 3,687.439 | 3,105.635 |
| | | Expenses(including tax expenses) | 3,348.544 | 2,880.097 |
| | | Profit after tax | 338.895 | 225.538 |
| | | Other comprehensive income | (6.304) | (8.053) |
| | | **Total comprehensive income** | **332.591** | **217.485** |

**c) Contingent liabilities , if any , incurred in relation to interest in Joint Ventures: Nil (PY: ₹ Nil)**

**d) Capital commitments , if any , in relation to interest in Joint Ventures : ₹ 7.671 Million (PY: ₹ 7.177 Million)**

### e) List of Jointly controlled operations:

| Sr No | Name of the Jointly controlled operation | Description | Ownership Interest | Country of Incorporation |
|---|---|---|---|---|
| 1 | HCC - KBL * | Jointly controlled operations | N A | India |
| 2 | KBL – MCCL | Jointly controlled operations | N A | India |
| 3 | KCCPL – IHP – BRC – TAIPPL – KBL JV * | Jointly controlled operations | N A | India |
| 4 | IVRCL – KBL JV | Jointly controlled operations | N A | India |
| 5 | Maytas – KBL JV | Jointly controlled operations | N A | India |
| 6 | Larsen & Toubro – KBL JV | Jointly controlled operations | N A | India |
| 7 | KBL – MEIL– KCCPL JV | Jointly controlled operations | N A | India |
| 8 | KBL – PLR JV | Jointly controlled operations | N A | India |
| 9 | KBL – Koya – VA Tech JV | Jointly controlled operations | N A | India |
| 10 | KBL – PIL Consortium | Jointly controlled operations | N A | India |
| 11 | Larsen & Toubro – KBL – Maytas JV | Jointly controlled operations | N A | India |
| 12 | IVRCL – KBL – MEIL JV | Jointly controlled operations | N A | India |
| 13 | Pioneer – Avantica – ZVS – KBL JV | Jointly controlled operations | N A | India |
| 14 | AMR – Maytas – KBL – WEG JV * | Jointly controlled operations | N A | India |
| 15 | Indu – Shrinivasa Constructions – KBL – WEG JV | Jointly controlled operations | N A | India |
| 16 | MEIL – KBL – IVRCL JV | Jointly controlled operations | N A | India |
| 17 | MEIL – Maytas – KBL JV | Jointly controlled operations | N A | India |
| 18 | KCCPL – TAIPPL – KBL JV | Jointly controlled operations | N A | India |
| 19 | KBL-SPML JV | Jointly controlled operations | N A | India |
| 20 | MEIL - KBL JV * | Jointly controlled operations | N A | India |
| 21 | MAYTAS – MEIL – KBL JV | Jointly controlled operations | N A | India |
| 22 | Gondwana - KBL JV | Jointly controlled operations | N A | India |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| Sr No | Name of the Jointly controlled operation | Description | Ownership Interest | Country of Incorporation |
|---|---|---|---|---|
| 23 | MEIL -PRASAD-KBL CONSORTIUM | Jointly controlled operations | N A | India |
| 24 | JCPL - MEIL - KBL CONSORTIUM | Jointly controlled operations | N A | India |
| 25 | KBL -PTIL UJV | Jointly controlled operations | N A | India |
| 26 | KBL - RATNA - JOINT VENTURE | Jointly controlled operations | N A | India |
| 27 | MEIL-KBL-WEG CONSORTIUM | Jointly controlled operations | N A | India |
| 28 | MEIL-KBL- ( KDWSP ) JV | Jointly controlled operations | N A | India |
| 29 | KBL and TCIPL JOINT VENTURE | Jointly controlled operations | N A | India |
| 30 | ACPL & KBL JV * | Jointly controlled operations | N A | India |
| 31 | ITD CEMENTATION INDIA LIMITED JV | Jointly controlled operations | N A | India |
| 32 | GSJ - KBL JV | Jointly controlled operations | N A | India |
| 33 | JBL-KBL-GSJ JV | Jointly controlled operations | N A | India |

*Kirloskar Brothers Ltd. JV is dissolved as per the dissolution deed executed on 4th July 2024*

** These JVs are operationally and financially closed, however formal dissolution of JV is in progress*

## NOTE 38 : DETAILS OF PROVISIONS AND MOVEMENTS IN EACH CLASS OF PROVISIONS

| Particulars | Provision for compensated Absences | Provision for product Warranty | Provision for decommissioning and restoration cost | Provision for Loss on Long Term Contracts |
|---|---|---|---|---|
| **Carrying amount as at 1 April 2023** | 320.953 | 619.031 | 9.621 | 21.142 |
| Add: Provision during the year 2023-24 net of reversal of excess provision for earlier years | 152.975 | 150.202 | - | 11.831 |
| Add: Unwinding of discounts | - | 25.875 | 0.791 | - |
| Less: Amount utilized during the year 2023-24 | (34.040) | (266.659) | - | (1.801) |
| Add: Foreign exchange difference | - | 0.778 | - | 0.079 |
| **Carrying amount as at 31 March 2024** | **439.888** | **529.227** | **10.412** | **31.251** |
| Add: Provision during the year 2024-25 net of reversal of excess provision for earlier years | 62.121 | 237.551 | - | 22.702 |
| Add: Unwinding of discounts | - | 6.011 | 0.853 | - |
| Less: Amount utilized during the year 2024-25 | (140.837) | (264.307) | - | (2.741) |
| Add: Foreign exchange difference | - | 2.722 | - | 0.744 |
| **Carrying amount as at 31 March 2025** | **361.172** | **511.204** | **11.265** | **51.956** |
| **Non-current provision** | **149.421** | **41.365** | **11.265** | **-** |
| **Current provision** | **211.751** | **469.839** | **-** | **51.956** |

### Compensated absences

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

### Provision for warranty

Provision for warranty is made for estimated warranty claims in respect of products sold, which are under warranty at the end of the reporting period. These claims are expected to be settled in the next 18 months. Management records the provision based on the historical warranty claims information and any recent trends that may suggest future claims which could differ from historical amount.

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Amount in Million ₹ except otherwise stated

### Provision for decommissioning and restoration cost

A provision has been recognised for decommissioning and restoration costs associated with windmills on lease hold land. The Company is committed to restore the site at the end of useful life of windmills.

### Provision for long term contract

A provision is made for the expected loss of the projects, where the estimated cost is more than the estimated revenue. Changes in estimated cost and estimated revenue are assessed by the management at the end of reporting period based on the price variation received/ given, change in the scope of project and revision of estimates regarding date of completion, expected costs to be incurred, changes in external circumstances such as applicable tax rates etc.

## NOTE 39 : FAIR VALUE MEASUREMENTS

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

The Company has not performed a fair valuation of its investment in unquoted ordinary shares which are classified as FVTOCI (refer Note 6), as the Company believes that impact of change on account of fair value is insignificant.

| Sr. No | Particulars | Carrying value | |
|---|---|---|---|
| | | As at 31 March 2025 | As at 31 March 2024 |
| | **Financial Assets** | | |
| | **Levelled at Level 1** | | |
| (a) | **Carried at fair value through Profit and loss (FVTPL)** | | |
| | Investment in Mutual funds | 1,868.396 | 1,552.560 |
| (b) | **Carried at fair value through other comprehensive income (FVTOCI)** | | |
| | **Levelled at Level 2** | | |
| | Forward contract asset (For cash flow hedge) | 162.291 | 98.718 |
| | **Levelled at Level 3** | | |
| | Investments in unquoted equity shares (FVTOCI) | 48.606 | 0.005 |
| (c) | **Carried at amortised cost** | | |
| | Investment in fixed deposits with financial institution | 3,170.000 | 1,580.200 |
| | Trade receivable | 5,800.521 | 5,851.455 |
| | Other financial assets | 1,106.388 | 1,039.787 |
| | Cash and cash equivalent | 3,231.293 | 2,659.065 |
| | Other bank balances | 255.529 | 268.905 |
| | **Financial Liabilities** | | |
| | **Levelled at Level 2** | | |
| (a) | **Carried at fair value through Profit and loss (FVTPL)** | | |
| | Forward contract liability | - | 0.995 |
| (b) | **Carried at amortised cost** | | |
| | Non-current borrowings | 692.070 | 645.758 |
| | Current borrowings | 618.347 | 903.352 |
| | Trade payable | 6,119.499 | 6,713.810 |
| | Lease liability | 504.928 | 374.158 |
| | Other financial liabilities | 1,888.416 | 1,720.684 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 40: FINANCIAL RISK MANAGEMENT POLICY AND OBJECTIVES

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

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

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Credit risk | Cash and cash equivalents, trade receivables, financial assets measured at amortised cost, corporate guarantees issued to group companies | Ageing analysis, External credit rating (wherever available) | Diversification of bank deposits, credit limits and letters of credit |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market risk- Interest rate risk | Long term borrowings at variable rate | Sensitivity Analysis | Mixed portfolio of fixed and variable interest rate loans |
| Market risk -Foreign Currency Risk | Recognised financial assets and liabilities not denominated in Indian rupee (₹) | Sensitivity Analysis | Management follows established risk management policies, including use of derivatives like foreign exchange forward contracts, where the economic conditions match the Group's policy. |

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

### (A) Credit Risk

Credit risk in case of the Group arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

#### Credit risk management

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:"

(i) Actual or expected significant adverse changes in business,

(ii) Actual or expected significant changes in the operating results of the counterparty,

(iii) Financial or economic conditions that are expected to cause a significant change to counterparty's ability to meet its obligations,

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

(iv) Significant increases in credit risk on other financial instruments of the same counterparty,

(v) Significant changes in the value of collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

The Group provides for expected credit loss in case of trade receivables, claims receivable and security deposits when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Group etc.

For the security deposits and claims receivable, provision for expected loss is made considering 12 months expected credit loss. Provision for lifetime credit loss is made if there is significant increase in credit risk for such financial assets.

In respect of trade receivable, Group uses the simplified approach for the provision for expected loss. The lifetime expected loss provision is recognised based on the provision matrix as decided by the management, based on the historical experience of recoverability. The Group categorizes a receivable for provision for doubtful debts/write off when a debtor fails to make contractual payments greater than 1 year past due in case product business and 4 years past due in case of project business. In addition to this Group also provides the expected loss based on the overdue number of days for receivables as per the provision matrix. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

### Provision for expected credit loss

Financial assets for which loss allowance is measured using Expected Credit Losses (ECL) model as per Ind AS 109,

| Exposure to Risk | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Trade Receivables | 7,024.069 | 6,814.340 |
| Less : Expected Loss | 1,223.548 | 962.885 |
| | **5,800.521** | **5,851.455** |
| Security Deposits | 872.185 | 881.878 |
| Less : Expected Loss | 15.064 | 12.588 |
| | **857.121** | **869.290** |
| Claims Receivable | 37.349 | 35.577 |
| Less : Expected Loss | 19.361 | 19.361 |
| | **17.988** | **16.216** |

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

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Trade Receivables** | | |
| Neither past due nor impaired | 3,309.205 | 2,475.680 |
| Past due but not impaired | | |
| Less than 180 days | 1,198.192 | 1,748.398 |
| 181 - 365 days | 289.976 | 620.457 |
| More than 365 days | 1,003.148 | 1,006.920 |
| **Total** | **5,800.521** | **5,851.455** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

### Reconciliation of loss provision

| Exposure to Risk | Trade receivables | Others |
|---|---|---|
| Loss allowance as at 1 April 2023 | 1,031.015 | 23.429 |
| Changes in loss allowance * | (68.130) | 8.520 |
| Loss allowance as at 31 March 2024 | 962.885 | 31.949 |
| Changes in loss allowance * | 260.663 | 2.476 |
| **Loss allowance as at 31 March 2025** | **1,223.548** | **34.425** |

** Movement in loss allowance is primarily on account of additional ECL provision based on ageing.*

## B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is carried out in accordance with practice and limits set by the group. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| **Interest bearing borrowings** | | |
| On demand | 560.406 | 545.142 |
| Less than 180 days | 28.970 | 314.525 |
| 181 - 365 days | 28.971 | 43.686 |
| More than 365 days | 692.070 | 645.758 |
| **Total** | **1,310.417** | **1,549.111** |
| **Other financial liabilities** | | |
| On demand | 169.419 | 163.447 |
| Less than 180 days | 1,672.502 | 1,528.021 |
| 181 - 365 days | 2.474 | 5.869 |
| More than 365 days | 44.022 | 23.347 |
| **Total** | **1,888.417** | **1,720.684** |
| **Lease liability** | | |
| On demand | - | - |
| Less than 180 days | 154.100 | 128.996 |
| 181 - 365 days | 154.002 | 128.996 |
| More than 365 days | 196.826 | 116.166 |
| **Total** | **504.928** | **374.158** |
| **Trade & other payables** | | |
| On demand / Not due | 2,256.210 | 3,246.970 |
| Less than 180 days | 1,691.543 | 1,518.734 |
| 181 - 365 days | 364.579 | 482.791 |
| More than 365 days | 1,807.167 | 1,465.316 |
| **Total** | **6,119.499** | **6,713.811** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

**The Group has access to following undrawn facilities at the end of the reporting year** (Interest rates 2.0% - 10.5%)

| Particulars | 31 March 2025 | 31 March 2024 |
|---|---|---|
| Expiring within one year | 3,565.646 | 2,986.783 |
| Expiring beyond one year | - | - |

## C) Market risk - Interest rate risk

The company's exposure to the risk of changes in market interest rates relates to borrowings with floating interest rates. To manage the risk, company has created balance portfolio of fixed and variable interest rate borrowings.

Change of 0.5%, in the base rates will have effect of ₹ 6.55 Mn on the company's profitability.

## (D) Foreign Currency Risk

The group is exposed to foreign exchange risk mainly through its sales to overseas customers and purchases from overseas suppliers in various foreign currencies.

The group evaluates exchange rate exposure arising from foreign currency transactions and the group follows established risk management policies, including use of natural hedge between receivables and payables, use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk, where the economic conditions match the group's policy.

### Foreign currency exposure :

| Financial Assets | Currency | Amount in Foreign Currency (Mn) | | Amount in ₹ (Mn) | |
|---|---|---|---|---|---|
| | | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2025 | As at 31 March 2024 |
| Trade Receivables | EUR | 0.577 | 0.344 | 53.086 | 30.915 |
| | GBP | 0.036 | 0.019 | 3.976 | 1.948 |
| | USD | 6.104 | 13.600 | 521.729 | 1,134.290 |
| | AED | - | 2.030 | - | 46.037 |
| Bank Accounts | EGP | 1.008 | 0.327 | 1.704 | 0.576 |
| | EUR | 0.816 | 0.466 | 75.111 | 41.887 |
| | GBP | 2.638 | 0.205 | 291.902 | 21.530 |
| | USD | 7.084 | 2.483 | 605.531 | 207.107 |
| | AED | 0.115 | 0.111 | 2.678 | 2.509 |
| Other Deposits | EGP | 0.083 | 0.083 | 0.141 | 0.147 |
| | USD | - | 0.003 | - | 0.225 |
| Amount Due from Employees | USD | 0.010 | 0.030 | 0.821 | 2.506 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| Financial Liabilities | Currency | Amount in Foreign Currency (Mn) | | Amount in ₹ (Mn) | |
|---|---|---|---|---|---|
| | | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2025 | As at 31 March 2024 |
| Trade Payables | EGP | 0.731 | 0.731 | 1.235 | 1.287 |
| | EUR | 0.362 | 0.333 | 33.300 | 29.917 |
| | GBP | 0.088 | 0.164 | 9.713 | 17.256 |
| | USD | 3.092 | 5.898 | 264.323 | 491.893 |
| | JPY | 12.639 | 13.324 | 7.175 | 733.724 |
| | VND | 14,555.307 | 15,649.974 | 48.641 | 53.210 |
| | XOF | 149.102 | 149.102 | 20.874 | 20.308 |
| | SGD | - | 0.003 | - | 0.154 |
| | AED | 0.166 | 0.171 | 3.871 | 3.880 |
| | USD | - | 0.011 | - | 0.921 |
| Amount Due to Employees | USD | 0.011 | 0.002 | 0.921 | 0.187 |

### Currency wise net exposure (assets - liabilities)

| Particulars | Amount in Foreign Currency (Mn) | | Amount in ₹ (Mn) | |
|---|---|---|---|---|
| | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2025 | As at 31 March 2024 |
| EGP | 0.361 | (0.320) | 0.610 | (0.564) |
| EUR | 1.031 | 0.477 | 94.897 | 42.885 |
| GBP | 2.586 | 0.059 | 286.165 | 6.222 |
| USD | 10.105 | 10.207 | 863.758 | 851.314 |
| JPY | (12.639) | (13.324) | (7.175) | (733.724) |
| VND | (14,555.307) | (15,649.974) | (48.641) | (53.210) |
| XOF | (149.102) | (149.102) | (20.874) | (20.308) |
| SGD | - | (0.003) | - | (0.154) |
| AED | (0.051) | 1.970 | (1.192) | 44.666 |
| **Total** | | | **1,167.548** | **137.127** |

### Sensitivity Analysis

| Currency | Amount in ₹ (Mn) | | Sensitivity % (*) | Sensitivity % |
|---|---|---|---|---|
| | 2024-25 | 2023-24 | 2024-25 | 2023-24 |
| EGP | 0.610 | (0.564) | 17.45% | 12.68% |
| EUR | 94.897 | 42.885 | 2.12% | 3.03% |
| GBP | 286.165 | 6.222 | 3.39% | 3.09% |
| USD | 863.758 | 851.314 | 2.61% | 3.91% |
| JPY | (7.175) | (733.724) | 4.01% | 0.36% |
| VND | (48.641) | (53.210) | 1.95% | 2.96% |
| XOF | (20.874) | (20.308) | 3.26% | 3.81% |
| SGD | - | (0.154) | 3.95% | 3.80% |
| AED | (1.192) | 44.666 | 2.30% | 3.50% |
| **Total** | **1,167.548** | **137.127** | | |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

| Currency | Impact on profit (strengthen) | | Impact on profit (weakening) | |
|---|---|---|---|---|
| | 2024-25 | 2023-24 | 2024-25 | 2023-24 |
| EGP | (0.106) | 0.072 | 0.106 | (0.072) |
| EUR | (2.012) | (1.299) | 2.012 | 1.299 |
| GBP | (9.701) | (0.192) | 9.701 | 0.192 |
| USD | (22.544) | (33.286) | 22.544 | 33.286 |
| JPY | 0.288 | 2.641 | (0.288) | (2.641) |
| VND | 0.949 | 1.575 | (0.949) | (1.575) |
| XOF | 0.681 | 0.774 | (0.681) | (0.774) |
| SGD | - | 0.006 | - | (0.006) |
| AED | 0.027 | (1.563) | (0.027) | 1.563 |
| **Total** | **(32.418)** | **(31.273)** | **32.418** | **31.273** |

** Sensitivity % are derived based on variation in the exchange rates over the period of last 5 years.*

(EGP- Egyptian Pound, EUR- Euro, GBP - Great Britain Pound, USD - US Dollar, JPY - Japanese Yen VND- Vietnamese Dong, SGD- Singapore Dollar, , AED-Arab emirates Dirham, XOF- CFA Franc (Senegal), IDR- Indonesian rupiah, MYR- Malaysian Ringgit, CZK - Czech Koruna)

## NOTE 41: CAPITAL MANAGEMENT

### a) Risk management

The group's objectives when managing capital are to

- safeguard it's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, change debt mix. Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents, current investment and other bank balances) divided by Total 'equity' (including non-controlling interest) plus net debt.

The group's strategy is to maintain a gearing ratio within 30%. The gearing ratios were as follows:

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Loans and borrowings (Including current maturities of long term debt) | 1,310.417 | 1,549.111 |
| Less: Cash and cash equivalents (Including other bank balances) | 3,486.822 | 2,927.970 |
| Less:Current Investment | 3,508.396 | 2,982.760 |
| **Net debt** | **(5,684.801)** | **(4,361.619)** |

Gearing ratio is not applicable as net debt of group is negative.

### b) Dividend

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Equity Shares | | |
| (i) Interim dividend for the year | Nil | Nil |
| (ii) Dividends not recognised at the end of the reporting year | 555.862 | 476.450 |
| (iii) Dividends not recognised at the end of the reporting year payable to non-controlling interest | 3.500 | 1.05 |

Since year end the directors have recommended the payment of a final dividend of ₹ 7 per fully paid equity share (31 March 2024 - ₹ 6 per fully paid equity share ). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

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Amount in Million ₹ except otherwise stated

## NOTE 42: DISCLOSURE IN RESPECT OF MICRO, SMALL AND MEDIUM ENTERPRISES

**Group has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2025. The disclosure pursuant to the said Act is as under:**

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Total outstanding amount in respect of micro, small and medium enterprises including capex creditors | 830.847 | 1,090.041 |
| **Other disclosures in respect of micro and small enterprises** | | |
| Principal amount due and remaining unpaid | 42.256 | 68.044 |
| Interest due on above and unpaid interest | 1.025 | 2.024 |
| Interest paid | - | 0.060 |
| Payment made beyond appointment day | 1,795.650 | 1,242.585 |
| Interest due and payable for the period of delay (Payments already made) | 15.348 | 18.306 |
| Interest accrued and remaining unpaid | 16.373 | 19.289 |
| Amount of further interest remaining due and payable in succeeding years | 16.373 | 8.438 |

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

Delay in payment is mainly on account of quality issues of vendors.

## NOTE 43 : CORPORATE SOCIAL RESPONSIBILITY EXPENDITURES

(a) Amount required to be spent by the group during the current year is ₹ 55.258 Mn (₹ 39.094 Mn)

(b) Amount spent by the group during the current year is ₹ 36.614 Million (PY - ₹ 39.323 Million) and a provision for ₹ 19.215 Million is accounted for in current year towards ongoing projects pursuant to provisions of Sec 135(5) of The Companies Act,2013.

There is no shortfall as per provision of Sec 135 of The Companies Act 2013 either at the beginning or end of year.

The group as per its policy on Corporate Social Responsibility (CSR) and recommendation and approval of the CSR committee and Board has contributed ₹ 18.268 Million towards projects on Education and Health undertaken by implementing agency, ₹ 13.546 Mn towards various Health, Environmental, Educational and Rural development aid, ₹ 4.8 Mn towards Skill Development and balance towards other miscellaneous eligible activities.

The group has not spent any amount towards construction or acquisition of asset.

The provision of ₹ 19.215 Mn accounted towards ongoing projects which would be used for the purpose of Education and health, Medical Support and Skill development

The group has not spent any amount towards construction or acquisition of asset.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 44 A : TRADE RECEIVABLES AGEING

**Trade receivables as at 31 March 2025**

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Undisputed trade receivable** | | | | | | | |
| Considered good | 3,309.205 | 1,198.192 | 267.385 | 509.432 | 276.920 | 238.798 | 5,799.932 |
| Which have significant increase in credit risk | - | - | 22.591 | 140.051 | 175.345 | 689.983 | 1,027.970 |
| Credit impaired | - | - | - | - | - | 70.522 | 70.522 |
| **Total undisputed trade receivables (a)** | **3,309.205** | **1,198.192** | **289.976** | **649.483** | **452.265** | **999.303** | **6,898.424** |
| Disputed trade receivables | | | | | | | |
| Considered good | - | - | - | 0.017 | - | 0.572 | 0.589 |
| Which have significant increase in credit risk | - | - | - | 0.070 | 18.900 | 106.086 | 125.056 |
| Credit impaired | - | - | - | - | - | - | - |
| **Total Disputed trade receivables (b)** | **-** | **-** | **-** | **0.087** | **18.900** | **106.658** | **125.645** |
| **Total trade receivables (a+b)** | **3,309.205** | **1,198.192** | **289.976** | **649.570** | **471.165** | **1,105.961** | **7,024.069** |
| **Provision for increase in significant risk and credit impaired** | | | | | | | **1,223.548** |
| **Net trade receivables** | | | | | | | **5,800.521** |

**Trade receivables as at 31 March 2024**

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| **Undisputed trade receivable** | | | | | | | |
| Considered good | 2,474.209 | 1,748.167 | 596.411 | 413.703 | 303.548 | 296.530 | 5,832.568 |
| Which have significant increase in credit risk | - | 0.017 | 23.849 | 118.471 | 105.604 | 527.722 | 775.663 |
| Credit impaired | - | - | 0.152 | 6.746 | 2.146 | 81.095 | 90.139 |
| **Total undisputed trade receivables (a)** | **2,474.209** | **1,748.184** | **620.412** | **538.920** | **411.298** | **905.347** | **6,698.370** |
| **Disputed trade receivables** | | | | | | | |
| Considered good | 1.471 | 0.214 | 0.034 | - | - | 17.165 | 18.884 |
| Which have significant increase in credit risk | - | - | 0.011 | 0.367 | 58.270 | 38.438 | 97.086 |
| Credit impaired | - | - | - | - | - | - | - |
| **Total Disputed trade receivables (b)** | **1.471** | **0.214** | **0.045** | **0.367** | **58.270** | **55.603** | **115.970** |
| **Total trade receivables (a+b)** | **2,475.680** | **1,748.398** | **620.457** | **539.287** | **469.568** | **960.950** | **6,814.340** |
| **Provision for increase in significant risk and credit impaired** | | | | | | | **962.885** |
| **Net trade receivables** | | | | | | | **5,851.455** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

### Note 44 B : Trade payables ageing

| Particulars | | Year | Not due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | | | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| 1. | MSME - Non disputed | **2025** | **738.810** | **59.832** | **3.791** | **6.120** | **6.645** | **15.649** | **830.847** |
| | | 2024 | 938.246 | 108.065 | 4.778 | 13.503 | 3.973 | 21.476 | 1,090.041 |
| 2. | MSME - disputed | **2025** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | | 2024 | - | - | - | - | - | - | - |
| 3. | Others - Non disputed | **2025** | **1,517.399** | **1,631.711** | **360.788** | **375.401** | **273.428** | **1,114.129** | **5,272.856** |
| | | 2024 | 2,308.652 | 1,410.666 | 478.013 | 246.942 | 350.309 | 816.605 | 5,611.187 |
| 4. | Others - disputed | **2025** | **-** | **0.072** | **0.005** | **-** | **-** | **15.719** | **15.796** |
| | | 2024 | 0.072 | - | - | - | - | 12.511 | 12.583 |

Unearned revenue is not considered in above table being in nature of non-financial liability and disclosed in note 18.

### Note 44 C : Capital work- in- progress and intangibles under development

| Particulars | Year | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| Projects in progress | **2025** | **255.089** | **24.249** | **54.696** | **3.172** | **337.206** |
| | 2024 | 191.029 | 87.783 | 37.100 | 3.775 | 319.687 |
| Projects temporarily suspended | **2025** | | | | | - |
| | 2024 | - | - | - | - | - |

Following projects which were expected to be completed by March 25, got delayed and now expected to get completed as per following table.

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| Automation projects | 8.482 | | | | 8.482 |
| Expansion of manufacturing plant and Load enhancement | 56.236 | | | | 56.236 |

## NOTE 45: SEGMENT REPORTING

Group operates in single reporting segment of 'Fluid Machinery and Systems' Group is not having single major customer having transactions more than 10% of total revenue of group.

(₹ in Million)

| | | Within India | | Outside India | | Total | |
|---|---|---|---|---|---|---|---|
| | | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 |
| a) | Segment Revenue Geographic Segment by location of customer | 28,889.389 | 26,862.522 | 16,033.043 | 13,149.470 | 44,922.432 | 40,011.992 |
| b) | Carrying Amount of non-current assets other than deferred tax asset and financial assets | 6,012.218 | 5,875.593 | 1,465.102 | 1,330.934 | 7,477.320 | 7,206.527 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 46: DISCLOSURE IN RESPECT OF IND AS 116, 'LEASES'

| Right-to-use asset | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Opening right-to-use asset | 366.404 | 305.710 |
| Net addition during the year including forex difference (Non-cash items) | 248.284 | 187.810 |
| Depreciation charged during the year | (138.380) | (127.116) |
| **Closing right-to-use asset** | **476.308** | **366.404** |

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|---|---|
| Opening lease liability | 374.158 | 331.243 |
| Net addition / (deletion ) during the year including forex (Non-cash items) | 266.851 | 162.662 |
| Finance cost | 28.880 | 20.797 |
| Lease payments including lease termination | (164.961) | (140.544) |
| **Closing lease liability** | **504.928** | **374.158** |
| **Non-Current** | **196.826** | **116.166** |
| **Current** | **308.102** | **257.992** |

**The expenses relating to payments not included in the measurement of lease liability and recognised as expense in the Statement of Profit and Loss during the year as follows:**

1. Low value leases - ₹ 11.765 Mn (PY : 4.770 Mn)
2. Short-term leases - ₹ 40.960 Mn (PY: 36.123 Mn)

### Where the company is a lessee

1. The group has taken on lease various assets such as plant & equipments and buildings. Generally, leases are renewed only on mutual consent and at a prevalent market price.
2. Details with respect to right-to-use assets:

| Class of Asset | Year | Depreciation for the year | Additions during the year | Carrying Amount |
|---|---|---|---|---|
| 1. Plant & Equipments | **2025** | **8.330** | **31.840** | **43.802** |
| | 2024 | 6.661 | 13.553 | 20.292 |
| 2. Buildings | **2025** | **130.051** | **216.444** | **432.506** |
| | 2024 | 120.455 | 174.257 | 346.112 |

### Undiscounted contractual maturities of lease payments

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Less than one year | 390.158 | 314.164 |
| Between 1-2 years | 120.664 | 98.735 |
| More than 2 years | 178.330 | 141.412 |

1. Short term leases and leases for low value assets are continued to be accounted for as rent expenses.
2. Total cash outflow for lease arrangements during the year is ₹ 216.474 Mn (PY -₹ 181.437 Mn)
3. Group has not entered into any sublease arrangements.

## NOTE 47: ADDITIONAL INFORMATION REGARDING SUBSIDIARIES AS PER SCHEDULE III OF THE COMPANIES ACT, 2013

(Amounts in Million ₹)

| Name of the Entity in the Group | As at 31 March 2025 | | Year ended 31 March 2025 | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Net Assets (Total Assets - Total Liabilities) | | Share in Profits or Loss | | Share in Other comprehensive income | | Share in Total comprehensive income | |
| | As % of consolidated net assets | Amount | As % of consolidated P&L | Amount | As % of consolidated OCI | Amount | As % of consolidated Total comprehensive income | Amount |
| **Parent** | | | | | | | | |
| Kirloskar Brothers Limited (including effect of consolidation, elimination and other adjustment ) | 79.997% | 16,810.612 | 59.622% | 2,496.314 | 75.221% | 47.472 | 59.853% | 2,543.786 |
| **Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| 1. Karad Projects and Motors Pvt Ltd | 7.978% | 1676.587 | 12.955% | 542.430 | 0.446% | 0.281 | 12.770% | 542.711 |
| 2. The Kolhapur Steel Limited | (2.986%) | (627.568) | (4.665%) | (195.324) | (1.352%) | (0.853) | (4.616%) | (196.177) |
| 3. Kirloskar Corrocoat Private Limited | 0.315% | 66.249 | 1.544% | 64.625 | (0.367%) | (0.231) | 1.515% | 64.394 |
| **Foreign** | | | | | | | | |
| 1. Kirloskar Brothers International B V (Consolidated) | 9.094% | 1911.089 | 26.075% | 1091.729 | 30.746% | 19.404 | 26.144% | 1111.133 |
| **Non-controlling interest in all Subsidiaries Associates (Investment as per equity method)** | | | | | | | | |
| Indian | 0.406% | 85.397 | 0.828% | 34.650 | (0.197%) | (0.125) | 0.812% | 34.525 |
| Foreign | 0.000% | 0.000 | 0.000% | 0.000 | 0.000% | 0.000 | 0.000% | 0.000 |
| **Joint Ventures (investment as per the equity method)** | | | | | | | | |
| Indian | | | | | | | | |
| Kirloskar Ebara Pumps Limited | 5.195% | 1091.570 | 3.642% | 152.503 | (4.495%) | (2.837) | 3.522% | 149.666 |
| **TOTAL** | **100.000%** | **21013.936** | **100.000%** | **4186.927** | **100.000%** | **63.111** | **100.000%** | **4250.038** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

## NOTE 48 A: AUDIT TRAIL

The audit trail feature at database level was enabled at Enterprise Resource Planning System (SAP) from the 01 Jan 2025.

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

The group uses services of third-party service provider (ADP India Private Limited) for payroll processing. Based on Service Organisation Control Type 2 report ('SOC report'), the audit trail feature at application level was enabled at the Human Resource Management System (HRMS) from 19 Dec 2024. Further, outsourced vendor is ISO 9001:2013 and ISO 27001:2013 certified. Rule A.12.4, of ISO 27001:2013 requires, maintaining the audit trail of all events / logs including the changes in payroll products – user access controls, change management, etc. Auditors of third-party service provider had verified these controls and issue certificate for ISO standards.

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

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

## NOTE 48 B: OTHERS

1. The group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

2. The group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

3. No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

4. Company and its subsidiaries in India have not entered any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956

5. The Company and it's subsidiaries in India have not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

6. The Company and it's subsidiaries in India have not received any fund from any person(s) or entity(is), 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.

7. Statutory auditors of one of the subsidiaries i.e. TKSL have stated in 'Material Uncertainty related to Going Concern' paragraph in the audit report, that they have considered TKSL as going concern , based on support provided by parent company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

8. Statutory auditors of one of the subsidiaries i.e. KPML have stated the fact that one of the loan given by KPML to TKSL have been extended by one year. However TKSL has repaid the same. Further KPML has also granted various loans to TKSL. These loans being inter-group loans are eliminated on consolidated basis"

9. Karad Projects Motors Limited, Wholly Owned Subsidiary of company has made political contribution of Rs 20 Mn to Bhartiya Janata Party in FY 2024-25. (PY - Nil)

10. Previous year's figure have been regrouped, wherever required.

For and on behalf of the Board of Directors

**Sanjay Kirloskar**
Chairman and Managing Director
DIN: 00007885

**Rama Kirloskar**
Director
DIN: 01192524

**Bhavesh Chheda**
Chief Financial Officer

Pune : 14 May 2025

**Devang Trivedi**
Company Secretary

Pune : 14 May 2025

# GRI INDEX

## GRI CONTENT INDEX

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**GRI Used** **GRI 1: Foundation 2021**

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# ABBREVIATIONS

| | |
|---|---|
| **3D** | 3 Dimensional |
| **5R** | Rethink, Refuse, Reduce, Reuse, and Recycle |
| **ABB** | ASEA Brown Boveri |
| **ADIPEC** | Abu Dhabi International Petroleum Exhibition and Conference |
| **AGM** | Annual General Meeting |
| **AI** | Artificial Intelligence |
| **AIMA** | All India Management Association |
| **AI-ML** | Artificial Intelligence- Machine Learning |
| **API** | American Petroleum Institute |
| **APOEM** | Authorised Pump-set Original Equipment Manufacturer |
| **AR** | Augmented Reality |
| **AR/VR** | Augmented Reality/Virtual Reality |
| **ARAI** | Automotive Research Association of India |
| **ASRS** | Automated Storage and Retrieval Systems |
| **B&C** | Buildings & Construction |
| **BARC** | Bhabha Atomic Research Centre |
| **BEE** | Bureau of Energy Efficiency |
| **BF** | Blast Furnace |
| **BIS** | Bureau of Indian Standards |
| **BoD** | Board of Directors |
| **BPMA** | British Pump Manufacturers Association |
| **BRSR** | Business Responsibility and Sustainability Report |
| **BS** | Bachelor of Science |
| **CAPEX** | Capital Expenditure |
| **CBIP** | Central Board of Irrigation & Power |
| **CCTV** | Closed Circuit Television |
| **C-DoT** | Center for Development of Telematics |
| **CE** | Conformité Européene |
| **CED** | Cathodic Electro Deposition |
| **CEO** | Chief Executive Officer |
| **CESC** | Calcutta Electric Supply Corporation |
| **CESTAT** | Customs, Excise and Service Tax Appellate Tribunal |
| **CFL** | Compact Fluorescent Lamp |
| **CFO** | Chief Financial Officer |
| **CGU** | Cash Generating Unit |
| **CI** | Cast Iron |
| **CII** | Confederation of Indian Industry |
| **CIT** | Commissioner of Income Tax |
| **CMD** | Chairman and Managing Director |
| **CNC** | Computerised Numerical Controlled |
| **CNG** | Compressed Natural Gas |
| **CO2eq** | Carbon Dioxide Equivalent |

| | |
|---|---|
| **CPBS** | Consistent Pressure Boosting System |
| **CPS** | Customer Perception Survey |
| **CRISIL** | Credit Rating Information Services of India Limited |
| **CRM** | Customer Relationship Management |
| **CSIR** | Council of Scientific & Industrial Research |
| **CSR** | Corporate Social Responsibility |
| **CSS** | Customer Service and Spares |
| **CST** | Central Sales Tax |
| **CVP** | Concrete Volute Pump |
| **DGGI** | Directorate General of GST Intelligence |
| **EBITDA** | Earnings Before Interest, Taxes, Depreciation and Amortisation |
| **EES** | Employee Engagement Survey |
| **EFQM** | European Foundation for Quality Management |
| **EHS** | Environment, Health, and Safety |
| **EMEA** | Europe, the Middle East and Africa |
| **EMS** | Environmental Management System |
| **ENCON** | Energy Conservation Programme |
| **EnMS** | Energy Management System |
| **EPC** | Engineering, Procurement, and Construction |
| **EPR** | Extended Producer Responsibility |
| **EPS** | Earnings Per Share |
| **ERP** | Enterprise Resource Planning |
| **ESD** | Engineered Service Division |
| **ESG** | Environmental, Social and Governance |
| **ETO** | Engineered to Order |
| **ETP** | Effluent Treatment Plant |
| **FEMA** | Foreign Exchange Management Act |
| **FGD** | Flue Gas Desulphurisation |
| **FICCI** | Federation of Indian Chambers of Commerce & Industry |
| **FM/UL** | Factory Mutual/ Underwriters Laboratories |
| **FTE** | Fixed Term Employee |
| **FOCUS** | Future Opportunities Careers And Ultimate Success |
| **FSIE** | Fire Safety & Security India Expo |
| **FY** | Financial Year |
| **GBP** | Great British Pound |
| **G20** | Group of Twenty |
| **GDP** | Gross Domestic Product |
| **GHG** | Green House Gases |
| **GJ** | Gigajoules |
| **GPC** | Group Policy Container |
| **GPM** | Gallons Per Minute |

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| **GRI** | Global Reporting Initiative |
| **GreenCo** | Green Company |
| **GreenPro** | Green Product |
| **GST** | Goods and Services Tax |
| **GTM** | Go-To Market |
| **HCC** | Hindustan Construction Company |
| **HEG** | Hindustan Electro-Graphites |
| **HI** | Hydraulic Institute |
| **HIRA** | Hazard Identification and Risk Assessment |
| **HIV** | Human Immunodeficiency Virus |
| **HO** | Head Office |
| **HP** | Horse Power |
| **HPML** | High-Pressure Molding Line |
| **HVAC** | Heat Ventilation, Air Conditioning |
| **HPYN** | Hydro-Pneumatic Pressure Boosting System |
| **HR** | Human Resource |
| **IEEMA** | Indian Electrical and Electronics Manufacturers' Association |
| **IEI** | Institution of Engineers |
| **IEW** | India Energy Week |
| **IFC** | Internal Financial Controls |
| **IGBC** | Indian Green Building Council |
| **IGBT** | Insulated-Gate Bipolar Transistor |
| **IGCC** | Indo-German Chamber of Commerce |
| **IIOT** | Industrial Internet of Things |
| **IIM** | Indian Institute of Management |
| **IIRC** | International Integrated Reporting Council |
| **IIT** | Indian Institute of Technology |
| **IITB** | Indian Institute of Technology Bombay |
| **INR** | Indian Rupee |
| **INBA** | Indian Naval Benevolent Association |
| **IOCL** | Indian Oil Corporation Limited |
| **IoT** | Internet of Things |
| **IPMA** | Indian Pump Manufacturers Association |
| **IR** | Industrial Relations |
| **IR (in reporting)** | Integrated Report |
| **ISHRAE** | The Indian Society of Heating, Refrigerating and Air Conditioning Engineers |
| **ISO** | International Organisation for Standardisation |
| **IS** | Indian Standard |
| **IT** | Information Technology |
| **ITSM** | Information Technology Service Management |
| **JH** | Jishu Hozen |
| **JIPM** | Japan Institute of Plant Maintenance |
| **JMD** | Joint Managing Director |
| **JV** | Joint Venture |

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|---|---|
| **KBIBV** | Kirloskar Brothers International B.V. |
| **KBL** | Kirloskar Brothers Limited |
| **KBTL** | Kirloskar Brothers (Thailand) Limited |
| **KCPL** | Kirloskar Corrocoat Private Limited |
| **KEC** | Kamani Engineering Corporation |
| **KEPL** | Kirloskar Ebara Pumps Limited |
| **KIMA** | Karad Industrial Manufactures Association |
| **KOV** | Kirloskarvadi |
| **kL** | Kilo Litre |
| **KPL** | Kirloskar Premier League |
| **KPML** | Karad Projects and Motors Limited |
| **KPIs** | Key Performance Indicators |
| **kW** | Kilowatt |
| **LED** | Light-Emitting Diode |
| **LEED** | Leadership in Energy and Environmental Design |
| **LLC** | Lowest Lifecycle Cost |
| **LLC (Company)** | Limited Liability Company |
| **LLP** | Limited Liability Partnership |
| **LPD** | Large Pump Division |
| **LPG** | Liquefied Petroleum Gas |
| **LPM** | Liters Per Minute |
| **M&A** | Mergers and Acquisitions |
| **$m^3/hr$** | Cubic Metres Per Hour |
| **MBA** | Master of Business Administration |
| **MCCIA** | Mahratta Chamber of Commerce, Industries and Agriculture |
| **MD** | Managing Director |
| **MEI** | Minimum Efficiency Index |
| **MEL** | Minimum Efficiency Level |
| **MENA** | Middle East & North Africa |
| **MEP** | Mechanical, Electrical & Plumbing |
| **MES** | Manufacturing Execution System |
| **MIT** | Massachusetts Institute of Technology |
| **mm** | millimeter |
| **mn** | million |
| **MNC** | Multinational Company |
| **MSEE** | Master of Science in Electrical Engineering |
| **MT** | Metric Tonne |
| **MTO** | Made to Order |
| **MTS** | Made to Stock |
| **MVP** | Metallic Volute Pump |
| **MW** | Megawatt |
| **MWp** | Megawatt peak |
| **NAMC** | National Award for Manufacturing Competitiveness |
| **NCQC** | National Council for Quality Circle |
| **NDT** | Non-Destructive Testing |

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|---|---|
| **NGO** | Non-Government Organisation |
| **NID** | National Institute of Design |
| **NITK** | National Institute of Technology Karnataka |
| **NOx** | Nitrogen Oxides |
| **NSTL** | Naval Science & Technological Laboratory |
| **NVDA** | Narmada Valley Development Authority |
| **OD** | Outside Diameter |
| **OECD** | Organisation for Economic Co-operation and Development |
| **OEE** | Overall Equipment Effectiveness |
| **OEM** | Original Equipment Manufacturer |
| **OH&S** | Occupational Health And Safety |
| **OHS** | Occupational Safety and Health |
| **OPEC+** | Organisation of the Petroleum Exporting Countries |
| **OTIF** | On Time In Full |
| **PAT (In Financials)** | Profit After Tax |
| **PAT (In Pumps)** | Pump As Turbine |
| **PBT** | Profit Before Tax |
| **PCP** | Primary Coolant Pump |
| **PF** | Provident Fund |
| **PFMEA** | Process Failure Mode and Effects Analysis |
| **pH** | Potential of Hydrogen |
| **PHWR** | Pressurised Heavy Water Reactor |
| | |
| **PKL** | Pro Kabaddi League |
| **PLC** | Public Limited Company |
| **PM** | Particulate Matter |
| **PO** | Purchase Order |
| **POSH** | Policy on Prevention of Sexual Harassment |
| **PPA** | Power Purchase Agreement |
| **PPP** | Public-Private Partnership |
| **PPE** | Property, Plant and Equipment |
| **PPM** | Parts Per Million |
| **PSU** | Public Sector Undertaking |
| **Psi** | Pounds per Square Inch |
| **Q2** | Quarter 2 |
| **Q3** | Quarter 3 |
| **Q4** | Quarter 4 |
| **QCFI** | Quality Circle Forum of India |
| **QMS** | Quality Management System |
| **R&D** | Research & Development |
| **RBI** | Reserve Bank of India |
| **RE** | Renewable Energy |
| **RO** | Regional Office |
| **ROCE** | Return on Capital Employed |

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|---|---|
| **ROE** | Return on Equity |
| **ROHS** | Restriction of Hazardous Substances |
| **RPA** | Robotic Process Automation |
| **ROI** | Return on Investment |
| **SAP** | Systems, Applications & Products in Data Processing |
| **SCADA** | Supervisory Control and Data Acquisition |
| **SCBA** | Self-Contained Breathing Apparatus |
| **SDGs** | Sustainable Development Goal |
| **SEBI** | Securities and Exchange Board of India |
| **SEP** | School Empowerment Programme |
| **SKUs** | Stock Keeping Units |
| **SMPD** | Small and Medium Pump Division |
| **SOx** | Sulfur Oxides |
| **SPB** | Small Pump Business |
| **SPP** | Sigmund Pulsometer Pumps |
| **SQIP** | Supplier Quality Improvement Program |
| **STP (in water treatment)** | Sewage Treatment Plant |
| **STP (in pumps)** | Submersible Turbine Pump |
| **SRC** | S.Rudraradhya & Co |
| **STP** | Standard Temperature and Pressure |
| **TAS** | Tata Administrative Service |
| **TBEM** | Tata Business Excellence Model |
| **TDS** | Total Dissolved Solids |
| **TERI** | The Energy and Resources Institute |
| **TKSL** | The Kolhapur Steel Limited |
| **TPM** | Total Productive Maintenance |
| **TPQM** | Total Productivity and Quality Management. |
| **UAE** | United Arab Emirates |
| **UK** | United Kingdom |
| **UNSDGs** | United Nations Sustainable Development Goals |
| **USA** | United States of America |
| **USD** | United States Dollar |
| **VC/OAVM** | Video Conferencing / Other Audio Visual Means |
| **VFD** | Variable Frequency Drive |
| **VNIT** | Visvesvaraya National institute of Technology |
| **VOC** | Volatile organic compounds |
| **VR** | Virtual Reality |
| **VT** | Vertical Turbine |
| **VTL** | Vertical Turning Lathes |
| **WDO** | World Design Organisation |
| **YOY** | Year on Year |
| **YPL** | Yamuna Premier League |
| **ZAR** | Zuid-Afrikaanse Rand |

Enriching Lives

**KIRLOSKAR BROTHERS LIMITED**
Established 1888
A Kirloskar Group Company

**Registered Office & Global Headquarter:**
Yamuna, Survey No. 98/(3-7), Plot No. 3, Baner, Pune 411 045, INDIA.
Email: marketing@kbl.co.in I Website: www.kirloskarpumps.com
CIN.: L29113PN1920PLC000670

Concept, Content & Design wyo (info@wyott.co.in)