

BOARD'S REPORT

TO THE MEMBERS

Your Directors present the 103rd Board Report and the Audited Financial Statements of the Company for the Financial Year ended March 31, 2023 together with the reports of the Auditors thereon.

FINANCIAL RESULTS

The financial results of the Company for the Financial Year 2022-23 as compared with the previous Financial Year are as under:

Particulars	(₹ in Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	25,399	21,659
Other income	330	357
Total	25,729	22,016
Profit before tax	2,073	1,111
Tax expense	547	329
Profit for the period	1,526	782
Other comprehensive income	(25)	28
Surplus in Profit & Loss Account brought forward from previous year	4,889	4,317
Dividend	(238)	(238)
Available surplus	6,152	4,889

DIVIDEND

The Board of Directors have recommended a Dividend of ₹ 4.50 per equity share i.e. @ 225% of face value of ₹ 2/- each, for the Financial Year 2022-23 (₹ 3/- per equity share as Final Dividend for the Financial Year 2021-22) as per the Dividend Distribution Policy.

The total outflow towards dividend recommended for the Financial Year 2022-23 will be ₹ 357.30 million as against ₹ 238.30 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/2021/09/Dividend-Distribution-Policy-2021.pdf>

OPERATIONS OF THE COMPANY

The revenue from operations for the year under review is ₹ 25,399 million, which represents an increase of 17% compared to the previous financial year.

The Financial Year 2022-23 witnessed a significant revival of the economy, enabling the Company to operate all its plants without any restrictions, during the year. This, in turn, allowed the Company to provide its customers with the best possible products and services.

The Company experienced substantial growth in various industry sectors, including building & construction, chemical, pharma, steel, coal, sugar, oil & gas, and retail business. This growth was driven by a focus on value-added and sustainable products such as Lowest Life-cycle Cost (LLC) pumps, pressure boosting systems, dewatering pumps, micro-hydropower generator-PICO, process pumps, HVAC and autopriming pumps. The Company's signature IoT-based remote pump monitoring system – KirloSmart also continued to gain acceptance, further contributing to the Company's success.

The Kirloskarvadi facility achieved remarkable results, setting a new record in annual performance with numerous accomplishments. The Kirloskarvadi facility recorded the highest sales ever and dispatched more than 55,000 pumps. The foundry also produced its highest-ever tonnage of 12,033 tons of cast iron.

During the Financial Year 2022-23, the Company executed 132 Vertical Turbine (VT) pumps (Small VT, Medium VT, Large VT) and successfully completed major irrigation projects in Uttar Pradesh, Madhya Pradesh, Gujarat and Odisha. The building and construction segment experienced a robust 26% growth during this financial year. Additionally, the Company secured significant orders from prestigious projects such as AIIMS Jammu, First Solar, Kanpur Metro, Oberoi Eternia and Enigma, and Reliance Model Economic Township Gurugram, further solidifying its market position.

To stay at the forefront of the fluid management business, Company's research and engineering development introduced various new product series in Financial Year 2022-23. These include the DBxe and GK series with superior efficiency for utility applications, the KW-LC series of Inline pumps for HVAC applications, and an extended range of pumps in the FM/UL series for firefighting. The Company also launched a series of energy-efficient pumps in the monobloc and submersible pump category to consolidate its position in the agricultural and residential segments.

The Company also focused on addressing offshore applications by developing various types and sizes of Butterfly Valves (BFV) and other specialized products for specific markets such as Oman and Naval dockyards.

The Company's international businesses delivered strong performances despite the challenges posed by increasing inflation pressure and global supply chain issues. In the UK, SPP Pumps experienced a 9% growth in industrial fire pumps order booking and its successful execution, while SPP Pumps Inc. in the USA witnessed a substantial increase in order booking. Kirloskar Brothers Thailand Limited (KBTL) successfully supplied FM/UL fire pumps for multiple metro stations in Bangkok and secured a contract for the supply of



concrete volute pumps for the Khlong Thawi Watthana storm water pumping station.

The Company remains committed to strengthening the capabilities of its channel partners for faster product delivery and service. To support this, the Company has opened Authorised Pumpset Original Equipment Manufacturer (APOEM) plants across the country.

The Company's service engineers demonstrated their commitment and high-class service capabilities by successfully overhauling 7 units of the large vertical turbine (VT) pumps in Gardabani Thermal Power Plant, Georgia within a span of 22 days. The Company's energy audit team also completed performance guarantee tests at various sites, resulting in successful project closures for numerous customers.

Furthermore, through its Vikas Charitable Trust (VCT), the Company actively engaged in various CSR initiatives, reflecting its commitment to giving back to the community.

AWARDS AND RECOGNITION

The Company received several awards and recognition, including the Gold Award from QCFC Coimbatore Chapter for the Kaniyur facility, a patent grant for Electrical Motor Assembly, and the "Winner-Excellence in Sustainability 2022" award for the Sanand plant. The Company was also recognized as one of Maharashtra's Best Employer Brands and received the "Pune Best Employer Brand Awards 2022" from the World Federation of HR Professionals. Additionally, the Company received an award at the Procurement Excellence Summit & Award 2023 organized by the Institute of Supply Chain Management, Mumbai (ISCM Forum).

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 2022-23 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, 2023 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 stock options 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, 7 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:

- in preparation of the annual accounts, the applicable accounting standards have been followed.
- 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.
- 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.
- they have prepared the annual accounts on a going concern basis.
- they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.
- 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.

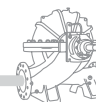
5. INDEPENDENT DIRECTORS' DECLARATION

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 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 of directors 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. As per the policy, the Executive Director is entitled to 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/investors/policies/>. 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 standard 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 an **Annexure VI**. 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 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.

Mr. Shyamprasad Limaye (CP No. 572), Practicing Company Secretary was appointed as a Secretarial Auditor of the Company as per Section 204 of the Act, for the Financial Year 2022-23. Mr. Shyamprasad Limaye has been re-appointed as Secretarial Auditor of the Company for the Financial Year 2023-24.

M/s. Parkhi Limaye & Co. (Firm Registration No. 000191) have been appointed as Cost Auditor of the Company as per Section 148 of the Act, read with applicable rules made thereunder for the Financial Year 2023-24. Their remuneration is subject to the approval by the Members at the ensuing Annual General Meeting.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

All contracts/arrangements/transactions entered by the Company during the Financial Year 2022-23 with the related parties were in the ordinary course of business and at arm's length basis. There were no transactions required to be disclosed in Form AOC-2 (**Annexure V**). 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 Materiality of Related Party Transactions and Dealing with Related Party Transactions'. The said policy is available on the website of the Company.

Further, we draw your attention 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 on the Risk Management Policy of the Company are given in the Report on Corporate Governance.

12. CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

The Company has a Corporate Social Responsibility Policy as per the requirements of the Act and the same is available on the website of the Company.

The salient features 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 Corporate Social Responsibility Report in the required format is given as an **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 as given in the policy available on the website of the Company. The evaluation process for the Financial Year ended on March 31, 2023 has been carried out.

In compliance with the requirements under Schedule IV of the Act, read with Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations, 2015'), a meeting of Independent Directors was held on March 22, 2023 primarily to discuss the matters mentioned under the said Schedule.

14. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATE 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. Karad Projects and Motors Limited

The revenue for the year under review is ₹ 5,151 million which is 8% more as compared to the previous year. This constitutes 12% of gross consolidated revenue of your Company.

ii. The Kolhapur Steel Limited

The revenue for the year under review is ₹ 456 million which is 45% more as compared to the previous year. This constitutes 1% of gross consolidated revenue of your Company.

iii. Kirloskar Corrocoat Private Limited

The revenue for the year under review is ₹ 353 million which is 37% more as compared to the previous year. This constitutes 1% of gross consolidated revenue of your Company.

iv. Kirloskar Brothers International B.V. (consolidated with its overseas subsidiaries)

The revenue for the year under review is ₹ 11,777 million which is 34% more as compared to the previous year. This constitutes 27% of gross consolidated revenue of your Company.

v. Kirloskar Ebara Pumps Limited (Joint Venture)

The revenue for the year under review is ₹ 2,306 million which is 3% more as compared to the previous year.

The financial position of the subsidiaries and joint venture companies is given in AOC-1, in this Annual Report.

15. OTHER STATUTORY DISCLOSURES AS REQUIRED UNDER RULE 8(5) OF THE COMPANIES (ACCOUNTS) RULES, 2014

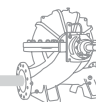
- (i) Financial summary/highlights are included elsewhere in the Report.
- (ii) There was no change in the nature of business during the year under review.
- (iii) Details of the Directors are given in the Report of Corporate Governance, forming part of this Integrated Annual Report.
 - Mr. Alok Kirloskar (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) and Ms. Shailaja Kher (DIN 08450568) ceased to be Directors with effect from May 15, 2022 on completion of their term as an Independent Director of the Company.
 - Dr. Rakesh Mohan (DIN 02790744) ceased to be Director with effect from July 27, 2022 on completion of his term as an Independent Director of the Company.
 - Mr. Pratap Shirke (DIN 00104902) ceased to be the Non-Executive, Non-Independent Director of the Company with effect from March 15, 2023 consequent upon resignation due to his personal commitments.
 - Mr. Sanjay Kirloskar - Chairman and Managing Director, Mr. Chittaranjan Mate - Chief Financial Officer and Mr. Devang Trivedi - Company Secretary, are the Key Managerial Personnel (KMP) of the Company.

During the year under review, there were no changes in the KMPs of the Company.
- (iv) No company has become or ceased to be a subsidiary, joint venture or associate company of the Company, during the year.

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, SPP Pumps Limited, UK ('SPP'), incorporated on February 15, 2010 and Kirloskar Brothers International B.V., The Netherlands ('KBI BV'), incorporated on August 30, 2007, Unlisted Foreign Subsidiaries, 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. For more effective governance, 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 Subsidiary which falls under this definition of unlisted material subsidiary for the Financial Year ended March 31, 2023.

P.G. Bhagwat LLP, Chartered Accountants, Pune, are the statutory auditors of KPML. Saffery Champness, 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 2022-23 pursuant to Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI Listing Regulations, 2015. The Secretarial Audit Report of KPML submitted by M/s. Dakhawe Apte & Associates, Company Secretaries is attached as **Annexure VII** to this Report and it does not contain any qualification, reservation or adverse remark or disclaimer.

(v) 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.

(vi) The details of Deposit which are not in compliance with the requirement of the Chapter V of the Act – NA.

(vii) 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.

(viii) 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 reported to Audit Committee along with management response.

(ix) 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, 2023.

(x) 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.

(xi) 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.

(xii) Other disclosures required under the Companies Act, 2013 as may be applicable

- Composition of the Audit Committee has been disclosed in Corporate Governance Report.
- Establishment of Vigil Mechanism: The Company has already in place a 'Whistle Blower Policy' as a Vigil Mechanism since 2008. The details of the same are reported in Corporate Governance Report.
- Disclosures as required under Section 197(12) of the Act read with the applicable rules and details as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as **Annexure III & Annexure IV**, respectively to this report.


(xiii) 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 the Company 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.
- In compliance with the order of the Hon'ble Pune Commercial Court, the Company has been depositing the claimed Royalty amount by way of cheque in the safe custody of Ld. Nazir District Court, Pune Civil Court from the quarter ended October, 2018 until 3rd quarter of the Financial Year 2022-23, without prejudice to its rights and contentions. The cheques upon their expiry have been replaced by fresh cheques in terms of the order of the Hon'ble Court, Pune.
- Kirloskar Industries Limited along with Mr. Atul Kirloskar and Mr. Rahul Kirloskar ('the requisitionists'), collectively holding more than one-tenth of the paid-up share capital of the Company had requisitioned for an Extra-ordinary General Meeting ('EGM') of the shareholders of the Company for appointment of an independent and reputed external entity as an independent forensic auditor for conducting a forensic audit to investigate and i) verify the expenses incurred by the Company on legal, professional and consultancy charges over the past 6 (six) years, and the affairs of the Company; ii) verify all records, books of accounts, minute books, other documents of company; and iii) examine the conduct of Board of Directors of the Company including independent directors. Accordingly, Notice dated November 16, 2022 for convening EGM along with statement setting out material facts was sent to the shareholders of the Company and the EGM was conducted on December 8, 2022 by the Company. As per the voting results of the said EGM, the resolution as proposed by the requisitionists was defeated since it was not passed by a majority of the votes of the shareholders, present/participating and voting.

16. CASH FLOW

Cash flow statement for the Financial Year ended on March 31, 2023 is attached to the Balance Sheet.

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.

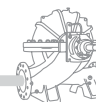
SAFETY, HEALTH AND ENVIRONMENT
Safety and Health

- Hazard identification is one the important element in Safety. A good safety culture is also said to be developed when all level employees identify the hazards. An Incident tracking system is being used by Staff employees whereas Safety yellow tag (SaY) system is developed for workmen. Corrective and preventive actions are assigned to rectify the hazards. There is significant improvement in the compliance of corrective and preventive actions compared to last year. It's more than 90% in almost all manufacturing plants.
- Safety audit is one of the important tool to identify the gaps in safety. All manufacturing plants are audited for safety by internal trained Safety officers using quantitative methodology.
- Safety training is one another method to improve the skill and knowledge of safety, which also improves the safety culture. We kept the target of 3 man-hours/employee/year, which is achieved and surpassed in manufacturing plants.
- State of art Safety training centre is created in Kirloskarvadi plant.
- Special initiatives taken to high consequences area to improve safety like Grinding safety, Road safety, forklift safety etc.
- To improve the wastewater quality, in Kirloskarvadi plant, industrial waste streams like coolant waste, paint booth wastewater and acid pickling waste water are segregated from sewage stream. A new effluent treatment plant is installed to treat this segregated industrial waste.

Environment and Energy

Through sustainability policy, the Company is committed to achieve excellence in overall sustainable performance through integration of economic, environmental and social dimensions. As a part of its sustainability initiative, the Company focuses on various aspects to reduce adverse impact on the environment, which include conservation of natural resources, optimising the use of resources, reducing carbon emissions, developing products with low ecological footprint, promoting energy efficient products, promoting use of renewable sources of energy, conserving biodiversity, and engaging with stakeholders and communities for sustainability practices.

For the purpose of optimum utilization of resources and continual improvement, the Company monitors and reviews the important parameters impacting environment such as



carbon footprint, energy consumption, water consumption, material consumption and waste generation.

As a step towards enhancing the use of renewable energy sources and curtailing the scope 2 emissions, the Company has installed and made operational roof-top solar power panels at its manufacturing locations and Corporate Office with capacity of 4.6 MW, which is yielding green power with good efficiency. This is in addition to the generation of 4 MW wind power by Kirloskarvadi plant. Thus, the Company is able to satisfy around 23% of its energy requirement from renewable energy.

At its Dewas plant, the Company has developed “Kirloskar Centenary Forest” by taking input from Miyawaki afforestation concept (Special Process for Thick Forest). It has helped the Company in reducing carbon footprint and developing biodiversity to enrich the environment and society.

Rain-water harvesting system is encouraged to recharge groundwater for all manufacturing plants of the Company. Thus, the Company is able to save up to 30% of water by effective utilisation of water management practices. All plants of the Company are “zero waste water discharge” units.

Through Confederation of Indian Industry (CII), the Company has completed “Life Cycle Assessment (LCA)” study on a sample product to evaluate the impact of manufacturing on environment. Implementation of “High Pressure Moulding Line” (HPML) Technology for Company’s foundry in Dewas plant will help it to reduce carbon emission by around 3-5%.

Similarly, the Company has also taken up product specific Carbon Mapping Project for a few of its pump models being regularly exported to the EU market. Actions have been suggested to reduce the impact of carbon emissions from the identified products. Similar exercise has been completed at Dewas Plant to establish measurement of carbon emission by Plant. Thus, the Company shall continue taking efforts to improve and contribute to help India achieve its commitment to be Carbon Net Zero by 2070.

Corporate office of the Company in Pune, Maharashtra is a Green building with LEED Platinum certification. Commitment towards environment is one of the Values of the Company. At corporate office and manufacturing locations, the Company has extensive daylight harvesting to save energy. 80% of Company’s work stations are illuminated by natural light. Most pumps manufactured by the Company are BEE star labelled for efficiency.

Green initiatives like plantation of trees to minimize heat load on buildings, use of furnace slag for constructing internal roads and use of ply-boards and metallic frames instead of wood for packing are few other environmental practices adopted by the Company.

In order to encourage our manufacturing plants to implement more and more energy saving projects, the Company organizes energy conservation competition (ENCON) at the Company group level through independent energy auditors. The Company shares best practices and achievements with all plants and also awards teams for innovative ideas and energy saving performances.

All manufacturing plants of the Company are certified with Environment Management System (ISO 14001:2015), Energy Management System (ISO 50001:2018), Quality Management System (ISO 9001:2015) and Occupational Health and Safety Management System (ISO 45001:2018) under Integrated Management System certifications.

The Company is committed to the integration of environment performance considerations in the value chain process of products and services including planning, use and disposal, environmental aspects, potential impacts and costs associated with the life cycle assessment in order to have a minimal negative impact on the environment.

The Company seeks to reduce the environmental impacts of its procurement process and also encourages suppliers to adopt sustainable supply chain practices through establishing and adopting Sustainable Policy.

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 13 years. Further, the Company started presenting Integrated Annual Report since 2018-19. The Annual Report for the Financial Year 2022-23 is 5th 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 2022-23 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) Act, 2013 and in terms of Section 22 of this Act, read with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, we report that for the Financial Year ended on March 31, 2023:

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	2
5	Nature of action by employer or District Officer, if any	NA

ACKNOWLEDGEMENTS

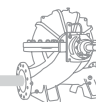
Your Directors wish to place on record their appreciation of the unstinted support and co-operation given by the banks and financial institutions. Your Directors would further like to record their appreciation of the efforts by the employees of the Company and wish to express their gratitude to the Members for their continued trust and support.

For and on behalf of the Board of Directors,

Sanjay C. Kirloskar

Chairman & Managing Director
DIN 00007885

Pune: May 11, 2023



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

1. A series of products developed for low ecological footprint like Lowest Life Cycle Cost (LLC) Products which has led to savings of ₹ 22.5 million and CO₂ Reduction of 2,200 Metric Tons equivalent to 10 year's Carbon footprint of a pump.
2. Plants have been upgraded to smart energy data logger from traditional energy meters. In this system, the data is being automatically captured and displayed as under:
 - Department-wise EC dashboard
 - No human error
 - More accurate real-time data
 - All readings can be logged at the same time
3. On number of machines and at canteen, CFL lamps have been replaced with LED lamps. Significant amount of energy is saved per annum.
4. In Painting booth, VFD (Variable Frequency Drives) have been installed for exhaust blower motors to reduce energy consumption by around 8%.
5. On Grit Blasting machine, for exhaust blower unit, IE3 efficiency class motor has been installed in place of old motor, to reduce energy consumption by around 5%. Also, VFD installed for IE3 motor to reduce initial torque on motor and save energy by 15%.
6. Modification of air piping on Grit Blasting machine has been completed to reduce compressed air frictional loss by 1.0 bar. Energy saved per annum due to this change is 2165 kWh.
7. QR codes have been installed on pneumatic grinder in WCN area to reduce compressed air consumption by around 500 units per annum.
8. Weekly monitoring and arresting any leakages in compressed air system
9. 30kW GAE30 VSD+ have been installed on air compressor to save compressed air energy consumption by 25,000 units per annum.
10. Revamping of APFC panel has been completed to improve power factor from 0.981 to 0.995 and above. Hence, reduction in power loss by 15,000 units per annum.
11. Pump test bed has been upgraded by installing 2,000 kW HT VFD to reduce energy consumption

due to high initial torque. Estimated energy saving due to this modification is 10,000 kWh per annum.

12. Training to employees on energy conservation techniques best in the industry.
13. Energy saving projects displayed in weekly the Company bulletin for horizontal deployment to other units.
14. Adoption of energy efficient tools like motion sensor, cam tools and timers etc.
15. Laser calibration of all critical Computer Numerical Control (CNC) machines every year.

ii) Steps taken by the Company for utilizing alternate sources of energy

1. Development of products 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.
2. Using solar energy for emergency lamps in 2nd and 3rd shift operations.
3. Using battery operated mobile crane of 1.0T capacity.
4. Maximum usage of natural light during daytime on shop floor through sky light sheets.
5. Exploring enhancement of renewable energy capacity across plants and HO. HT furnace modification has been completed from diesel operated to LPG operated thereby reducing pollution and improvement in operating condition.

iii) Capital investment on energy conservation:

CER Justification	Amount (₹ in Million)
Replacement of old reciprocating compressor with new technology screw compressor at Kirloskarvadi	8.9
Air leak tester for backup - for mechanical seal leakage testing at Kirloskarvadi	0.4
Installation of air leakage tester at Dewas	0.7
Installation of new Effluent Treatment Plant at Dewas	2.1



B) TECHNOLOGY ABSORPTION:

(i) Efforts made towards technology absorption

- Developed and released 22 variants of Monobloc pumps with IE4 Super Premium Efficiency motors.
- Developed indigenous submersible dewatering CW pumps of 5, 7.5 and 10 HP to address import substitute.
- Developed and released 29 variants in 6" submersible pumps with improved efficiency and performance achieving 4-star and 5-star BEE accreditation.
- Developed 31 pump models conforming to EN733 and with higher efficiency conforming to $MEI \geq 0.7$ (EN 16480).
- Developed 24 pump models conforming to ISO5199 and with higher efficiency conforming to $MEI \geq 0.7$ (EN 16480).
- Developed basic 15 pump models of Vertical Inline Pumps with higher efficiency conforming to $MEI \geq 0.7$ (EN 16480).
- Development of Boiler feed pump for NPCIL's 700 MWe fleet order requirements.
- Development of VT pumps BHA1075S, BHR230N(M).
- Butterfly valves developed – DN3000 PN10, DN1400 HOPDV PN10, DN3000 PN16, DN1800 PN10 with Extension, DN2600 PN10, DN2700 PN10, DN1200 PN20.
- Developed new size range DN50, 80, 100, 150, 200 rating PN1.0,1.6.
- Value engineering of Rising and Non-Rising spindle Sluice Valve Hand wheels.
- Value engineering of Tamper-proof Kinetic Air Valve (KAV).
- Value engineering of Butterfly Valve components such as Body casting, Shaft & reduced torque output for optimum.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution

- Competitive edge with Ultra-premium efficiency products.
- Most efficient pumps in global market conforming to $MEI \geq 0.7$ (EN 16480).
- Capability enhancement / range extension to meet customer requirements.
- Import substitution.
- New Market for Vertical Inline pumps.
- Reduction in product development time and cost.

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

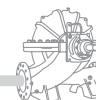
Details of technology imported	Nil
Year of import	Nil
Whether the technology been fully absorbed	Nil
If not fully absorbed, areas where absorption has not taken place, and the reason thereof	Nil

(iv) Expenditure incurred on Research and Development

	(₹ in Million)
Revenue expenditure	248.24
Capital Expenditure	2.31
TOTAL	250.55

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

	(₹ in Million)
Foreign Exchange earned in terms of actual inflows during the year	1,741.40
Foreign Exchange outgo during the year in terms of actual outflows	999.34



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 agency, Vikas Charitable Trust.

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	1	1
2.	Mr. Sanjay C. Kirloskar	Member	1	1
3.	Ms. Rama Kirloskar	Member	1	1
4.	Ms. Rekha Sethi	Member	1	1

3. Provide the web-link where the 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/2020/01/CSR-policy-Ammended-upto-May-2017.pdf>

CSR projects approved by the Board:

<https://www.kirloskarpumps.com/wp-content/uploads/2022/08/CSR-Annual-Action-Plan-2022-23.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub- rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): NA. The average CSR obligation of the Company is less than ₹ 10 Crores.

5. Details of the amount available for set-off in pursuance of sub- rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any:

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

6. Average net profit of the Company as per Section 135(5) of the Companies Act, 2013, ('the Act'). ₹ 1,18,05,00,955/-

7. (a) Two percent of average net profit of the Company as per Section 135(5) of the Act. ₹ 2,36,10,019/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil

(c) Amount required to be set-off for the Financial Year, if any. Nil

(d) Total CSR obligation for the Financial Year (7a+7b-7c) ₹ 2,36,10,019/-



8. (a) CSR amount spent or unspent for the Financial Year:

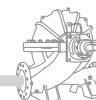
Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2,41,64,673	Nil	NA	NA	NA	NA

(b) Details of CSR amount spent against **ongoing projects** for the Financial Year:

1	2	3	4	5		6
Sl. No.	Name of the Project	Item from the List of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration
				State	District.	
1	Support to Medical Institution/ Hospital for the infrastructure upgradation	Promoting healthcare including Preventive Healthcare	Yes	Maharashtra	Pune	Upto March, 2024
7	8	9	10	11		
Sl. No.	Amount allocated for the project (in ₹)	Amount spent in the current Financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation – Direct (Yes/No)		Mode of Implementation - Through Implementing Agency
						Name CSR Registration number
1	1,00,00,000	65,00,000	Nil	No		Vikas Charitable Trust CSR00006556
Total		65,00,000				

(c) Details of CSR amount spent against **other than ongoing projects** for the Financial Year:

1	2	3	4	5		6	7	8	
Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project (in ₹)	Mode of implementation -Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Assistance to Gram Panchayat (Kundal) for Community Development work	Rural Development work	Yes	Maharashtra	Sangli	8,25,000	Yes	-	-
2	Assistance to Collector's Office for promotion of Sports in the district	Promotion of sports	Yes	Maharashtra	Sangli	50,000	Yes	-	-
3	Renovation of Kirloskarvadi Railway Station	Restoration of building and sites of historical importance	Yes	Maharashtra	Sangli	6,43,515	Yes	-	-
4	Assistance to Government ITI	Employment enhancing Vocational Skills	Yes	Kerala	Kaniyur	20,580	Yes	-	-
5	Set up of 10 Biogas Plants	Environmental Sustainability	Yes	Gujarat	Ahmedabad	50,000	Yes	-	-
6	Assistance to Civil Society CSR publication	Special Education	No	New Delhi	New Delhi	1,00,000	Yes	-	-
7	Village Bus Project through Rashtriya Life Saving Society	Disaster Management	Yes	Maharashtra	Across Maharashtra	31,10,326	Yes	-	-



1	2	3	4	5		6	7	8	
Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
8	Bio Diversity Restoration Project, COD, Dehu, Pune through Forrest (NGO)	Ensuring ecological balance, protection of flora and fauna	Yes	Maharashtra	Pune	3,95,000	Yes	-	-
9	Skill Development Programme for Plumbers through Indian Plumbing Skill Council / Water Management & Plumbing Skills Council	Employment enhancing Vocational Skills	Yes	Across India	Across India	1,21,32,705	Yes	-	-
10	Skill Development through Indo German Chamber of Commerce	Employment enhancing Vocational Skills	Yes	Maharashtra	Sangli	3,37,547	Yes	-	-
						1,76,64,673			

(d) Amount spent in Administrative Overheads 0

(e) Amount spent on Impact Assessment, if applicable 0

(f) Total CSR obligation for the Financial Year (8b+8c+8d+8e) 2,41,64,673/-

(g) 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)	2,36,10,019/-
ii.	Total amount spent for the Financial Year	2,41,64,673/-
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	5,54,654/-
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)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding Financial Years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Nil							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total Amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative Amount spent at the end of reporting Financial Year (in ₹)	Status of the project – Completed/ Ongoing
Nil								



10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year: NA

(Asset-wise details):

(a)	Date of creation or acquisition of the capital asset(s).	-
(b)	Amount of CSR spent for creation or acquisition of capital asset.	-
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	-
(d)	Provide details of the capital asset(s) created or acquired (Including complete address and location of the capital asset)	-

11. Specify the reason(s), if the company has failed to spend two per cent of the average net 'profit' as per Section 135(5).
NA

Sd/-

Sanjay C. Kirloskar

Managing Director

(DIN 00007885)

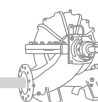
Sd/-

Vivek Pendharkar

Chairman- CSR Committee

(DIN 02791043)

Date: May 11, 2023



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	Name of Director / Key Managerial Personnel	Designation	Ratio to Median remuneration	Increase / (Decrease) %
				(times)	
(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	Mr. Sanjay Kirloskar	Chairman and Managing Director	75.23	30.68
		Ms. Rama Kirloskar	Joint Managing Director	71.36	324.97
		Dr. Rakesh Mohan	Independent Director	*	*
		Mr. Pradyumna Vyas	Independent Director	*	*
		Ms. Shailaja Kher	Independent Director	*	*
		Mr. M.S. Unnikrishnan	Independent Director	2.98	5.00
		Mr. Pratap Shirke	Non Executive Director	2.64	5.68
		Mr. Alok Kirloskar	Non Executive Director	2.38	20.00
		Mr. Shobinder Duggal	Independent Director	2.81	44.17
		Mr. Shrinivas Dempo	Independent Director	2.38	34.04
		Ms. Ramni Nirula	Independent Director	2.30	23.35
		Mr. Amitava Mukherjee	Independent Director	2.81	*
		Mr. Vivek Pendharkar	Independent Director	2.38	*
		Ms. Rekha Sethi	Independent Director	2.38	*
		Mr. Chittaranjan Mate	Chief Financial Officer	NA	4.29
		Mr. Devang Trivedi	Company Secretary	NA	*
(iii)	The percentage increase in the median remuneration of employees in the Financial Year	3.5%			
(iv)	The number of permanent employees on the rolls of the Company	As on March 31, 2023 Staff – 1,434 Workmen – 1,140 Trainee – 62			
(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 2022-23, as compared to Financial Year 2021-22 is 12% (including performance-based incentive). Refer above mentioned 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			

Notes:

- 1) The aforesaid details are calculated on the basis of remuneration for the Financial Year 2022-23.
- 2) Remuneration to Non-Executive Directors include sitting fees paid during the Financial Year 2022-23.
- 3) The median remuneration of employees of the Company for the Financial Year 2022-23 is ₹ 8,81,609.
- 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 2021-22 and 2022-23. The ratio to median remuneration is provided only for those Directors who have drawn remuneration from the Company for the entire Financial Year 2022-23.
- 5) Mr. Pratap Shirke ceased to be Non-Independent, Non-Executive Director of the Company w.e.f. March 15, 2023.

Annexure IV

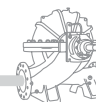
Statement of details of employees falling under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name of the employee	Designation of employee	Remuneration received (₹ in million)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee [Experience in years]	Date of commencement of employment	Age of such employee	Last employment held by such employee before joining the Company	Percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2)	Whether any such employee is a relative of any director or manager of the company	Name of such director
1	Sanjay Chandrakant Kirloskar	Chairman and Managing Director	66.00	Contractual	Batchelor of Science (M.E.) [45]	02-05-1983	66	Kirloskar Cummins Limited	22.48 (#17,847,465)	Yes	Rama Kirloskar & Alok Kirloskar
2	Rama S Kirloskar	Joint Managing Director	63.00	Contractual	Double Major in Mathematics and Biology (from Bryn Mawr, PA, USA) [10]	03-08-2021	33	Kirloskar Ebara Pumps Limited	-	Yes	Sanjay C. Kirloskar & Alok Kirloskar
3	Chittaranjan Madhukar Mate	Sr. Vice President and CFO Head – CFA	11.00	Regular	C.A., B.Com [42]	03-06-2015	67	Kirloskar Ebara Pumps Limited	-	No	-
4	Shingo Nakamura	Vice President & Head - TQPM	10.67	Contractual (Fixed Term Contract)	Master's in Chemical Environment Engg. & Graduate in Chemical Engg. [43]	01-06-2021	68	Japan Management Association Consulting (JMAG)	-	No	-
5	Ravi Bhushan Sinha	Vice President & Head - CHPMC	8.91	Regular	PG Dip. in HR; LLB, B.A. [28]	24-04-2013	52	Praj Industries Limited	-	No	-
6	Vikas Agarwal	Vice President & Head - Water Irrigation & Power	8.86	Regular	B.E. - Electrical & Electronics [26]	01-03-1997	48	N.A.	0% (750)	No	-
7	Supriyo Bhowmik	Vice President & Head - CSS-SMPD & ESD	8.75	Regular	B.E. - Chemical [31]	28-05-2018	56	KSB Pumps Limited	-	No	-
8	Dr. Ravindra Sharanappa Birajdar	Vice President & Head - R&D (Special Projects)	7.65	Regular	M.Tech, B.E. - Mech. [35]	06-09-1988	59	N.A.	0% (1,500)	No	-
9	Vinay Bhatt	Vice President & Head - Kirloskarvadi Operations	7.30	Regular	M.Tech - Physical Metallurgy, B.E. - Metallurgy [20]	27-04-2021	44	HLE Galscoat Limited	-	No	-
10	Umesh Madhav Gosavi **	Associate Vice President & Head - Corp Legal	6.39	Regular	C.S., B.Com [33]	22-08-2016	60	Finolex Industries Limited	-	No	-
11	Sunil Nair	Vice President & Head - Strategic Projects	6.29	Regular	B.Com [23]	11-09-2009	44	KPMG India	-	No	-

Position as on March 31, 2023.

Out of these, Sanjay C. Kirloskar holds 16,085,546 equity shares in the individual capacity, 1,758,904 equity shares as a Trustee of Kirloskar Brothers Limited Employees Welfare Trust Scheme and 3,015 equity shares as a Trustee of C.S. Kirloskar Testamentary Trust.

** Umesh Gosavi superannuated from the services on February 28, 2023.



Annexure V

FORM NO. AOC-2

[Pursuant to clause (h) of sub section (3) of Section 134 of the Act 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 provision to Section 188
---	---	--	--	--	----------------------------------	---------------------------------	---

- 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, if any	Amount paid as advances, if any
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- NIL -

Please refer Note No. 35 of the Standalone Financial Statements of the Company.



Annexure VI

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]
For the financial year ended 31st March, 2023.

To,
The Members of,
Kirloskar Brothers Limited
(CIN: L29113PN1920PLC000670)
Yamuna, S No.98/3 - 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 **Kirloskar Brothers Limited** (hereinafter called as "the Company"). The 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.

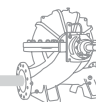
Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, and subject to letter annexed herewith, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place 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, 2023, according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) 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;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable: -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
 - (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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- (i) Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.
- (ii) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,



During the period under review the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above, wherever applicable, except delay in submission of RPT for period ended 31st March, 2022 within stipulated time under Regulation 23 of SEBI (LODR) 2015.

The BSE and NSE had levied fine of ₹ 45,000/- each for delay in compliance. The Company has paid the fine.

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors including a woman director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings including Committees thereof, alongwith agenda and detailed notes on agenda 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 by the directors. The decisions at the meeting were carried unanimously.

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.

Place : Pune

Dated: May 11, 2023

UDIN: F001587E000286971

Shyamprasad D. Limaye

F.C.S. 1587 C.P. 572



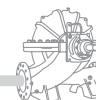
To,
The Members,
Kirloskar Brothers Limited
(CIN: L29113PN1920PLC000670)
Yamuna, S No.98/3 - 7
Plot No.3 Baner, Pune - 411045

My Secretarial Audit Report for Financial Year ended on 31st March 2023 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my 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, Accounting Standards 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 event 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.

Place : Pune
Dated: 11th May, 2023

Shyamprasad D. Limaye
F.C.S. 1587 C.P. 572



Annexure VII

FORM NO. MR-3

Secretarial Audit Report For the Financial Year Ended 31.03.2023

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

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

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on **31st March 2023** 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 2023** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder (during the year under review not applicable to the Company);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (during the year under review not applicable to the Company, as the shares of the company are not in dematerialized form);
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (during the year under review not applicable to the Company as the Company does not have any foreign direct investment, overseas direct investment and external commercial borrowings);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (during the year under review not applicable to the Company as the Company is an unlisted company);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (during the year under review not applicable to the Company as the Company is an unlisted company);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (during the year under review not applicable to the Company as the Company is an unlisted company and not proposing to get its securities listed);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (during the year under review not applicable to the Company as the Company is an unlisted company);
 - (e) 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 (Issue and Listing of Debt Securities and Security Receipts) Regulations, 2008 (during the year under review not applicable to the Company as the Company is an unlisted company and not proposing to get debt securities listed);



- (g) 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);
- (h) 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); and
- (i) 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);

(vi) As informed to us, no other law is applicable specifically to the Company.

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

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

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

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

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director and Non-Executive Directors. The changes in the composition of the Board of Directors, if any, that took place during the period under review were carried out in compliance with the provisions of the Act. 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 and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board are carried through unanimously. As per the records provided by the Company, none of the member of the Board dissented on any resolution passed at the meeting.

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

We further report that during the audit period, the Company and its Directors namely, Mr. Ravindra Samant – Managing Director, Mr. K Taranath – Director, Mr. Vijaykumar Kulkarni – Chief Financial Officer and some of Company's ex-directors and officer namely, Mr. Anant Sathe, Mr. Achyut Gokhale, Sandeep Phadnis and Raghunath Apte – Ex Company Secretary, have paid compounding fees pursuant to the directions from the Regional Director, Mumbai as follows;

Sr. No	Petitioner	Amount of Fine (₹)	SRN
1.	Karad Projects And Motors Limited (Company)	2,00,000/-	X30835276
2.	Mr. Ravindra Ramkrishna Samant (Managing Director)	1,50,000/-	X30834717
3.	Mr. Taranath Kondebettu (Director)	1,05,000/-	X30835615
4.	Mr. Anant Ramakrishna Sathe (Former Director)	1,05,000/-	X30833941
5.	Mr. Achyut Balkrishna Gokhale (Former Director)	1,05,000/-	X30834956
6.	Mr. Sandeep Anil Phadnis (Former Director)	1,05,000/-	X30833933
7.	Mr. Vijaykumar Vasudev Kulkarni (Chief Financial Officer) KMP	1,05,000/-	X30835318
8.	Mr. Raghunath Sharad Apte (Former Company Secretary)	1,05,000/-	X30835854
Total		9,80,000/-	

This was pursuant to the Compounding application under Section 441 read with Section 204 (1) of the Companies Act, 2013 for not attaching Secretarial Audit Report for the year 2016-17.

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

For Dakhawe Apte & Associates

Company Secretaries

UIN: P2022MH090400

PR No. 1815/2022

Abhijit Dakhawe

Company Secretary

FCS # 6126

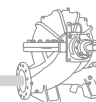
CP No # 4474

UDIN: F006126E000141800

Place: Pune

Date: April 20, 2023

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



Annexure A

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

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process 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. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we 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. Our examination was limited to the verification of procedure 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.

For Dakhawe Apte & Associates

Company Secretaries

UIN: P2022MH090400

PR No. 1815/2022

Abhijit Dakhawe

Company Secretary

FCS # 6126

CP No # 4474

UDIN: F006126E000141800

Place: Pune

Date: April 20, 2023