

# 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<sup>3</sup>/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

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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



Borewell Submersible  
(Oil-filled) Pump - KU7P



Borewell Submersible  
(Water-filled) Pump - LEHR



KirloSmart™ 2.0



KirloSmart™ 2.1



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