

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

MATERIAL ACCOUNTING POLICIES

Amount in Million ₹ except otherwise stated

1. CORPORATE INFORMATION

Kirloskar Brothers Limited ("KBL" or "the Company") is a public limited company domiciled in India and incorporated under the provisions of the Indian Companies Act. KBL is engaged in providing fluid management solutions globally. The core products of the company are Engineered Pumps, Industrial Pumps, Agriculture and Domestic Pumps, Valves, and Hydro turbines.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of Indian Accounting Standards (Ind-AS) notified under the Companies Act, 2013 ("the Act") (to the extent notified and as amended from time to time) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS have been prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

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

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

The financial statements have been approved for issue by the Board of Directors at its meeting held on 14 May 2025.

2.2 Basis of measurement

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

Items	Measurement basis
Financial instruments – FVTPL	Fair value
Financial instruments through other comprehensive income	Fair value
Defined benefit plan – plan assets	Fair value

2.3 Current or non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating

cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

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

2.4 Functional and presentation currency

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

2.5 Use of judgements, estimates and assumptions

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

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

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

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of defined benefit obligation – The cost of the defined benefit gratuity and pension plan, and the present value of the gratuity/pension obligation are determined using actuarial valuations. An actuarial



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valuation involves making various assumptions that may differ from actual developments in the future. (Refer note – 34)

- Estimation of leave encashment provision - The cost of the leave encashment and the present value of the leave encashment obligation are determined using actuarial valuations. (Refer note 38)
- Estimation for provision of variable pay – Provision for variable pay is determined based on performance indicator as per annual operating plan.
- Estimation for provision of slow and non-moving inventory – Provision for slow and non-moving inventory is determined based on age-wise analysis of inventory.
- Impairment of receivables - The impairment provisions for financial receivables disclosed are based on assumptions about risk of default and expected credit loss. (Refer note 40)
- Decommissioning liability – Initial estimate of dismantling and restoration liability requires significant judgement about cost inflation index and other factors. (Refer note 38)
- Provision for warranty claims – Provision is recognised based on the key assumptions about likelihood and magnitude of an outflow of resources. (Refer note 38)
- Estimation of provision for loss on long term contract – The provision is recognised when the estimated cost exceeds the estimated revenue for constructions contracts as per Ind AS 115. (Refer note 38)
- Recognition of deferred tax asset – Availability of future taxable profit against which deductible temporary differences can be utilized
- Revenue recognition – Variable consideration such as discounts, rebates is recognized considering historical trend of payout as adjusted for any amendment in rebate scheme.
- **Raw materials:** cost includes cost of purchase excluding taxes subsequently recoverable from tax authorities and other costs incurred in bringing the inventories to their present location and condition. However, these items are considered to be realizable at cost if the finished products in which they will be used, are expected to be sold at or above cost.
- **Finished goods and work in progress:** cost includes cost of direct materials, labour and a systematic allocation of fixed and variable production overhead that are incurred in converting raw material into work in progress / finished goods based on the normal operating capacity and actual capacity respectively.
- **Traded goods:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- **Stores and spares:** Inventories of consumable stores and spare parts are carried at the lower of cost and net realizable value.

Based on ageing of inventory and it's future potential to generate economic benefit, company provides for slow and non-moving inventory using provision matrix. This provision is reversed once such inventory is consumed or expected to be consumed.

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

2.7 Cash and cash equivalents

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

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

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

2.6 Inventories

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

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2.8 Statement of Cash Flows

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

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

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

2.9 Property, plant and equipment (PPE)

Measurement

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

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

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

Own manufactured PPE is capitalized at cost including an appropriate share of overheads. Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or

bringing the PPE to working condition are allocated and capitalized as a part of the cost of the PPE.

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

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

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

Subsequent costs

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

Disposal

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

Depreciation

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

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

Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated



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useful lives of each part of an item of PPE as prescribed in Schedule II of the Companies Act 2013 except in the case of patterns as mentioned below where the management based on the technical evaluation have estimated the life to be lower than the life prescribed in schedule II.

Patterns – Useful life 1-7 Years

Life of assets considered as per schedule II -

Particulars	Life
Building	60 Years
Factory Building	30 Years
Plant and Equipment	3-22 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Office equipment	5 Years
Railway Siding	15 Years

2.10 Investment property

Investment property is a property, being land or building or part of it, (including those under construction) that is held to earn rental income or for capital appreciation or both but not held for sale in ordinary course of business, use in manufacturing or rendering services or for administrative purposes.

Upon initial recognition, investment property is measured and reported at cost, including transaction costs. The cost of investment property includes its purchase price and directly attributable expenditure, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and accumulated impairment loss, if any. The estimated useful life and residual values are reviewed at each financial year end and the effect of any change in the estimates of useful life/ residual value is accounted on prospective basis. Investment property in the form of land is not depreciated.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is

expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

The fair value of investment property is disclosed in the note no. 5. Fair value is determined by an independent valuer.

2.11 Intangible assets

Recognition and measurement

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

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

Intangible assets with indefinite useful lives (Goodwill) are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Subsequent measurement

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

Amortisation

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

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

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Computer software is amortised over the period of three years.

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

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss.

During the period of development, the asset is tested for impairment annually.

2.12 Interest in joint operations

The company as joint operator recognizes in relation to its interest in a joint operation, its share in the assets/liabilities held / incurred jointly with the other parties of the joint arrangements. Revenue is recognised for its share of revenue from the sale of output by the joint operator. Expenses are recognised for its share of expenses incurred jointly with the other parties of the joint arrangements..

2.13 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised in the cost of that asset. Qualifying assets

are those assets which necessarily takes a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are expensed in the period in which they are incurred.

2.14 Revenue recognition

Company recognizes revenue from contracts with customers when it satisfies a performance obligation.

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

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

Sale of goods

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

Customer loyalty programs

The Company allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programs is deferred, and is recognized as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The deferred revenue is included in contract liabilities.

Rendering of services

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



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Construction Contracts

Contract revenue includes initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

Contract revenue and contract cost arising from fixed price contract are recognized in accordance with the percentage completion method (POC).

The stage of completion is measured with reference to cost incurred to date as a percentage of total estimated cost of each contract. Until such time (50% of project cost in case of civil projects outside India and 25% of project cost in case of other projects) where the outcome of the contract cannot be ascertained reliably, the Company recognizes revenue equal to actual cost.

Full provision is made for any loss estimated on a contract in the year in which it is first foreseen.

Where the Company is involved in providing operation and maintenance services under a single construction contract, then the consideration is allocated on a relative stand-alone price basis between various obligations of a contract.

For contracts where progress billing exceeds the aggregate of contract costs incurred to-date and recognized profits (or recognized losses, as the case may be), the surplus is shown as the unearned revenue.

For contracts where the aggregate of contract costs incurred to-date and recognized profits (or recognized losses, as the case may be) exceed progress billing, the deficit is shown as the unbilled revenue. Unbilled revenue is shown as part of other non-financial assets as the contractual right for consideration is dependant on completion of contractual milestones.

Amounts received before the related work is performed are disclosed in the Balance Sheet as a liability towards advance received. Amounts billed for work performed but yet to be paid by the customer are disclosed in the Balance Sheet as trade receivables.

The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of other asset and is reclassified as trade receivables when it becomes due for payment

2.15 Other operating / Non- operating income

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

Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realization

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

Grants that compensate the company for expenses incurred are recognised in profit and loss account as other income on systematic basis, in the periods in which the expenses are recognised unless the conditions for receiving the grants are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

2.16 Foreign currencies transactions

Transactions and balances

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

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

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

2.17 Employee benefits

Short-term employee benefits

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

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are recognized in the period in which the employee renders the related service.

Post-employment benefits

Defined contribution plans

The Company's superannuation scheme, state governed provident fund scheme related to Dewas, Kaniyur, Sanand factories and employee state insurance scheme are defined contribution plans. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

Defined Benefit Plans

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

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

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

In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that

relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognises gains/ losses on settlement of a defined plan when the settlement occurs.

The Company pays contribution to a recognized provident fund trust in respect of above-mentioned PF schemes.

Other long-term employee benefit

Compensated absences liabilities mean, the liabilities for earned leave that are not expected to be settled wholly within twelve months after the end of the reporting period in which the employee render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Re-measurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss.

2.18 Income taxes

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

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that were enacted at the reporting date in the country where the company operates and generates taxable income. Current tax assets and liabilities are offset only if certain criteria are met and such offsetting is legally enforceable.

Deferred tax

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



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

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

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

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

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

2.19 Provisions

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

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

Warranty provisions

A provision for warranty is recognised when the underlying products and services are sold to the

customer based on historical warranty data and at its best estimate using expected value method. The initial estimate of warranty-related costs is revised annually.

Provision for decommissioning and site restoration

The Company has a legal obligation for decommissioning of windmills and restoring the site back to its original condition. Decommissioning and restoration costs are measured initially at its best estimate using expected value method. The present value of initial estimates is provided as a liability and corresponding amount is capitalised as a part of the windmill. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities

Contingent liability is disclosed when,

- company has a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; or
- present obligation arising from past events, when no reliable estimate is possible; or
- A possible obligation arising from past events where the probability of outflow of resources is not remote.

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

2.20 Leases

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

Company as a Lessee

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

Initial Measurement

Right to use asset

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

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

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

Lease liability

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

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

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

Subsequent measurement

Right to use assets

Subsequently the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease Liability

Subsequently the Company measures the lease liability by:

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

Company as a Lessor

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

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



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2.21 Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

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

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

2.22 Fair value measurement

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

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

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset

or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

2.23 Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets except trade receivables are recognized initially at fair value plus or minus the

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FOR THE YEAR ENDED 31ST MARCH 2025

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

Subsequent measurement

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

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

Financial assets are subsequently measured at amortised cost if,

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

Derecognition

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

Impairment of financial asset

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

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

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

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

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

Financial liabilities

Initial recognition and measurement

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

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

Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

Derecognition

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

Offsetting of financial instruments

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

Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

2.24 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the company by the

weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares (if any).

2.25 Segment reporting

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

The board of directors of the company assesses the financial performance and position of the company and makes strategic decisions. The Board of Directors which are identified as CODM consist of Managing Directors, Chief Financial Officer and other Independent Directors.

Company operates in single reporting segment of 'Fluid Machinery and Systems'

2.26 Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified Ind AS 117 - Insurance Contracts and amendments to Ind As 116 - Leases, relating to sale and lease back transactions, applicable from April 1, 2024. The Company has assessed that there is no significant impact on its financial statements.

On May 9, 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after April 1, 2025. The Company is currently assessing the probable impact of these amendments on its financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

NOTE 3A: PROPERTY, PLANT AND EQUIPMENT

	(Amounts in Million ₹)									
	Property, plant and equipment						Intangible Assets			
	Land free hold	Land lease hold	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Railway siding	Total	Sales tax deferral rights
Gross Block										
As at 1 April 2023	425.049	75.157	1,933.741	5,857.748	146.434	79.866	106.103	1.528	8,625.626	31.730
Additions	-	-	340.902	954.829	12.115	36.994	24.139	-	1,368.979	-
Disposals	-	-	-	(103.613)	(1.569)	(0.292)	(13.503)	-	(118.977)	-
As at 31 March 2024	425.049	75.157	2,274.643	6,708.964	156.980	116.568	116.739	1.528	9,875.628	31.730
Additions	16.685	-	38.342	403.006	8.992	12.999	47.407	-	527.431	-
Disposals	-	-	-	(158.173)	(2.519)	(1.570)	(24.097)	-	(186.359)	-
As at 31 March 2025	441.734	75.157	2,312.985	6,953.797	163.453	127.997	140.049	1.528	10,216.700	31.730
Depreciation/ Amortisation										
As at 1 April 2023	-	8.643	579.991	4,556.378	132.428	45.542	76.548	1.528	5,401.058	31.730
Charge for the year	-	1.003	54.762	337.481	4.357	12.367	8.066	-	418.036	-
Depreciation on disposal	-	-	-	(102.874)	(1.569)	(0.207)	(8.242)	-	(112.892)	-
As at 31 March 2024	-	9.646	634.753	4,790.985	135.216	57.702	76.372	1.528	5,706.202	31.730
Charge for the year	-	1.003	58.733	408.485	4.517	16.425	9.417	-	498.580	-
Depreciation on disposal	-	-	-	(156.625)	(2.519)	(1.570)	(24.057)	-	(184.771)	-
As at 31 March 2025	-	10.649	693.486	5,042.845	137.214	72.557	61.732	1.528	6,020.011	31.730
Net block										
As at 1 April 2023	425.049	66.514	1,353.750	1,301.370	14.006	34.324	29.555	-	3,224.568	-
As at 31 March 2024	425.049	65.511	1,639.890	1,917.979	21.764	58.866	40.367	-	4,169.426	-
As at 31 March 2025	441.734	64.508	1,619.499	1,910.952	26.239	55.440	78.317	-	4,196.689	-

Notes:

- During the year no provision envisaged for impairment loss.
- Refer note no 29 for estimated amount of contract remaining to be executed on capital account.
- Company has not revalued any property, plant and equipment during the FY 2024-25 and FY 2023-24
- All title deeds of immovable properties are held in the name of company



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

NOTE 3B : RIGHT TO USE ASSETS

Particulars	Amt
Opening balance as at 1 April 2023	89.710
Net addition / (deletion) during the year	59.222
Depreciation	(52.184)
Balance as at 31 March 2024	96.748
Net addition / (deletion) during the year	92.426
Depreciation	(58.010)
Balance as at 31 March 2025	131.164

NOTE 4 : INVESTMENT PROPERTY

Particulars	Amt
Land	
Gross Block	
As at 1 April 2023	5.020
Additions	-
Disposals	-
As at 31 March 2024	5.020
Additions	-
Disposals	-
As at 31 March 2025	5.020
Depreciation and Impairment	
As at 1 April 2023	-
Charge for the year	-
Depreciation on disposals	-
As at 31 March 2024	-
Charge for the year	-
Depreciation on disposals	-
As at 31 March 2025	-
Net block	
As at 1 April 2023	5.020
As at 31 March 2024	5.020
As at 31 March 2025	5.020

Fair Value

The Company obtains independent valuations for its investment property. The valuation model considers current prices in active market.

The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

Fair value as at 31 March 2023 was ₹ 60.717 and there is no material movement in fair value in FY 24-25.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

NOTE 5 : FINANCIAL ASSETS: INVESTMENTS

Particulars	As at 31 March 2025	As at 31 March 2024
I Long term investments		
Trade Investments		
Investment in Equity and Preference instruments	3,014.997	2,975.416
Other long term investment in mutual funds and corporate FDs	1,430.000	0.000
	4,444.997	2,975.416
II Current investments		
Investments in fixed deposit	1,500.000	800.200
Investments in mutual funds	1,420.414	1,492.012
	2,920.414	2,292.212
Total	7,365.411	5,267.628

Particulars	As at 31 March 2025	As at 31 March 2024
Aggregate amount of quoted investments	1,620.414	1,492.012
Aggregate amount of unquoted investments	5,744.997	3,775.616

Sr No	Particulars	Face Value	Partly Paid / Fully paid	Extent of holding (%)		No. of Shares / Units		Amount in Million ₹	
				As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Non-current investments									
(1)	Investments at fair value through Other comprehensive income								
	Investment in Structured Entities								
	Kirloskar Proprietary Limited *	₹ 100	Fully Paid	-	-	2	2	-	-
	Sunsure Solarpark Nineteen Private Limited (Associate)**	₹ 10	Fully Paid	37.52%	-	31,020	-	39.582	-
(2)	Investment in equity shares (unquoted) accounted at cost								
a	Investment in Joint venture								
1	Kirloskar Ebara Pumps Limited	₹ 10	Fully Paid	45%	45%	225,000	225,000	2.747	2.747
b	Investment in Subsidiaries								
1	The Kolhapur Steel Limited ***	₹ 10000/ 10000	Fully Paid	0%	100.0%	-	34,200	0.000	425.790
2	Kirloskar Corrocoat Private Limited	₹ 10	Fully Paid	65%	65%	3,250,000	3,250,000	94.000	94.000
3	Kirloskar Brothers International B V	Euro 100	Fully Paid	100%	100%	236,851	236,851	1,398.025	1,398.025
4	Karad Projects & Motors Ltd.	₹ 10	Fully Paid	100%	100%	13,952,450	13,952,450	1,480.643	1,480.643
(3)	Investment in 6% non cumulative convertible preference shares (unquoted) accounted at cost								
1	The Kolhapur Steel Limited***	₹ 1	Fully Paid	0%	100%	-	75,000,000	-	75.000
	Provision for impairment of investment							0.000	(500.789)
	Total investment in equity and preference shares of subsidiaries and joint venture							3,014.997	2,975.416



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

Sr No	Particulars	Face Value	Partly Paid / Fully paid	Extent of holding (%)		No. of Shares / Units		Amount in Million ₹	
				As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
(4)	Investments at amortised cost								
	Investment in fixed deposit with financial institutions - (Int rate - 7.25% to 8.15%)							1,230.000	-
(5)	Investments at fair value through profit and loss								
	Investment in mutual funds							200.000	-
	Total non-current investment							4,444.997	2,975.416
	Current investments								
(6)	Investments at amortised cost								
	Investment in fixed deposit with financial institutions - (Int rate - 7.25% to 8.15%)							1,500.000	800.200
(7)	Investments at fair value through profit and loss								
	Investment in mutual funds							1,420.414	1,492.012
	Total current investment							2,920.414	2,292.212

* The investment in unquoted equity shares is ₹ 200/- and therefore not seen in the above table.

** In FY 24-25, Company has invested ₹ 39.582 Mn in Sunsure Solar Nineteen Private Limited for purchase of solar power through open access. The Company does not have significant influence on SSNPL as it does not participate in the management and / or financial decisions of SSNPL. As such its financials are not included in the Consolidated Financial Statements of the Company and investment in SSNPL are carried at FVTOCI.

**** Company had purchased minority stakeholder's stake in 'The Kolhapur Steel Limited' (TKSL) for ₹ 6.9 Mn in FY 23-24. Consequent to this, TKSL had become wholly owned subsidiary of KBL in FY 23-24. Company had made provision for investment in the subsidiary company viz. 'The Kolhapur Steel Limited'. This provision had treated and disclosed as an exceptional item in FY 23-24.

Further, In FY 24-25, the Company has sold its entire stake in TKSL to other wholly owned subsidiary viz. Karad Project and Motors limited (KPML) for ₹ 107.646 Mn. Transaction was based on 'Fair Valuation' as carried out by an independent valuer. As the investment in shares of TKSL had been fully impaired over the years, the entire consideration has resulted in a gain of ₹ 107.646 Mn which has been disclosed as an exceptional item in FY 24-25.

All subsidiaries, joint venture and associate companies are incorporated and have place of business as India except, the Kirloskar Brothers International B.V. is incorporated and has place of business as Netherland.

Refer note 39 for determination of fair value.

NOTE 6 : FINANCIAL ASSETS: TRADE RECEIVABLES

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current		
Unsecured, considered good	367.920	258.206
Trade Receivables with significant increase in credit risk for credit impaired	1,625.091	1,217.555
	1,993.011	1,475.761
Less : Allowance for expected credit loss	1,625.091	1,217.555
	367.920	258.206

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

Particulars	As at 31 March 2025	As at 31 March 2024
Current		
Unsecured, considered good		
From related parties (Refer note 35)	1,315.141	1,312.166
Others	2,569.091	3,130.498
	3,884.232	4,442.664
Total trade receivables	4,252.152	4,700.870

Trade receivables are non-interest bearing and are generally on terms of 1 to 90 days. Refer note 44 (A) for ageing and 40 (A) for movement in loss allowance.

No trade or other receivables (Except from related parties) are due from directors or other officers of the Company either severally or jointly with any other person. Nor any receivable (except from related parties) from firms or private companies in which any director is a partner, a director or a member, respectively.

NOTE 7 : FINANCIAL ASSETS: LOANS

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current		
Loans to related parties (Refer note 36)		
Unsecured, considered good	-	31.528
	-	31.528
Current		
Loans to related parties (Refer note 36)		
Unsecured, considered good	40.942	59.514
	40.942	59.514
Total loans	40.942	91.042

NOTE 8 : FINANCIAL ASSETS: OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current		
(a) Claims receivable		
Unsecured, considered good		
Other Miscellaneous Claim	8.547	0.593
Claims receivable with significant increase in credit risk for credit impaired	19.361	19.361
	27.908	19.954
Less : Allowance for expected credit loss	19.361	19.361
	8.547	0.593
(b) Fixed deposits with the original and remaining maturity of more than 12 months	3.097	28.318
(c) Security deposits		
Unsecured, considered good	51.593	60.782
Security deposits with significant increase in credit risk for credit impaired	15.064	12.588
	66.657	73.370
Less : Allowance for expected credit loss	15.064	12.588
	51.593	60.782
	63.237	89.693



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

Particulars	As at 31 March 2025	As at 31 March 2024
Current		
(a) Claims receivable		
Unsecured, considered good	7.610	14.423
(b) Interest accrued	87.227	28.170
(c) Security deposits	772.446	779.985
Unsecured, considered good		
(d) Fixed deposits with the original maturity of more than 12 months but remaining maturity of less than 12 months	85.979	60.000
	953.262	882.578
Total other financial asset	1,016.499	972.271

NOTE 9 : OTHER ASSETS

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current		
(a) Advances to supplier of capital goods	146.084	158.646
(b) Advances to supplier and others		
Unsecured, considered good	272.253	239.251
Advances with significant increase in credit risk for credit impaired	71.925	71.878
	344.178	311.129
Less : Allowance for expected credit loss	71.925	71.878
	272.253	239.251
(c) Prepaid expenses	20.157	17.516
(d) Retention (Net of provision)	179.988	181.579
(e) Advance income tax (Net of provision)	94.037	65.813
	712.519	662.805
Current		
(a) Advances to supplier and others		
Unsecured, considered good		
Advances to related parties	81.830	97.633
Others	237.956	130.928
	319.786	228.561
(b) Prepaid expenses	145.235	142.845
(c) Unbilled Revenue for project related work	16.433	164.122
(d) Retention	1,179.977	1,141.288
(e) Balances with government authorities	844.319	717.035
	2,505.750	2,393.851
Total other assets	3,218.269	3,056.656

There were no advances (except from related parties) due by directors or officers of the Holding company or any of them severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a member.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

NOTE 10 : INVENTORIES

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Raw Materials *	1,164.018	1,211.693
(b) Work-in-progress	1,796.005	1,698.783
(c) Finished goods	1,420.547	1,443.157
(d) Stock-in-trade	468.307	413.511
(e) Stores and spares	256.144	151.178
(Mode of valuation refer note 2.6)		
Total inventories	5,105.021	4,918.322

* Include goods in transit - ₹ 68.20 Mn (PY 2023-24 : ₹39.09 Mn)

Amounts recognised in profit or loss

Write-down/(back) of inventories to net realizable value/ any loss due to it's obsolete nature (net of reversal) amounted to (₹ 24.099 Mn) (PY 2023-24: ₹24.097 Mn) These were recognised as expenses during the year.

NOTE 11 A : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Balances with bank		
In current account	681.896	328.973
In EEFC accounts	241.055	146.137
Fixed deposits with original maturity of less than 3 months	-	1,040.431
(b) Cash on hand	1.418	1.160
Total cash and cash equivalents	924.369	1,516.701

NOTE 11 B : OTHER BANK BALANCES

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Earmarked balances with bank		
Unpaid dividend accounts	16.665	12.733
(b) Margin money	22.847	19.397
Total other bank balances	39.512	32.130

NOTE 12: EQUITY SHARE CAPITAL

Particulars	As at 31 March 2025	As at 31 March 2024
Authorised		
250,000,000 (250,000,000) equity shares of ₹2/- each (₹2/-) each	500.000	500.000
Issued, subscribed & fully paid up		
79,408,926 (79,408,926) equity shares of ₹2/- each (₹2/-) each	158.818	158.818
Total equity share capital	158.818	158.818



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

(a) Terms/ rights attached to equity shares

The Company has only one class of equity shares, having face value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share and has a right to receive dividend as recommended by the board of directors subject to the necessary approval from the shareholders. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

For the year ended 31 March 2025 the board of directors have proposed final dividend of ₹ 7 (2024: ₹ 6) per share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

(b) Reconciliation of share capital

Particulars	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2024
	Number	Amount (Million ₹)	Number	Amount (Million ₹)
Shares outstanding at the beginning of the year	79,408,926	158.818	79,408,926	158.818
Shares Issued during the year under ESOS	-	-	-	-
Shares outstanding at the end of the year	79,408,926	158.818	79,408,926	158.818

(c) Details of shareholder holding more than 5% shares

Particulars	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2024
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kirloskar Industries Limited	18,988,038	23.91%	18,988,038	23.91%
Mr. Sanjay Chandrakant Kirloskar *	17,847,465	22.48%	17,847,465	22.48%
Mrs. Pratima Sanjay Kirloskar	13,849,488	17.44%	13,849,488	17.44%
Nippon Life India Trustee Ltd. (A/C Nippon India Small Cap Fund)	4,505,646	5.67%	4,384,076	5.52%

(d) Details of shares held by promoters

Particulars	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2024
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mr. Sanjay Chandrakant Kirloskar *	17,847,465	22.48%	17,847,465	22.48%
Mr. Rahul Chandrakant Kirloskar	404,501	0.51%	404,501	0.51%
Mr. Atul Chandrakant Kirloskar	466,499	0.59%	466,499	0.59%
Ms. Jyotsna Gautam Kulkarni	441,805	0.56%	441,805	0.56%
Ms. Geetanjali Vikram Kirloskar	2625	0.00%	2625	0.00%

There is no change in shares held by promoters' during the FY 2024-25 and 2023-24. Details of shares held by promoter's group are available on Company's website.

* includes 1,761,919 (PY: 1,761,919), 2% (PY: 2%) shares held in the capacity of a trustee.

For the period of five years immediately preceding the date as at which the balance sheet is prepared, no shares are

- allotted as fully paid up pursuant to contracts without payment being received in cash
- allotted as fully paid shares by way of bonus shares
- bought back.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

NOTE 13: OTHER EQUITY

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Capital reserve	0.172	0.172
(b) Capital redemption reserve	4.000	4.000
(c) Securities premium	414.604	414.604
(d) General reserves	5,787.407	5,787.407
(e) Retained Earnings		
Opening balance	8,157.202	6,151.938
Add : Total comprehensive income for the year	2,579.729	2,362.604
Balance available for appropriation	10,736.931	8,514.542
Less : Appropriations :		
Final and interim dividend	476.454	357.340
Closing balance	8,157.202	6,151.938
Total other equity	10,260.477	8,157.202

Capital reserve:

The company had recognised profit or loss on purchase, sale, issue or forfeiture/ cancellation of own equity instrument to capital reserve.

Capital redemption reserve:

The Company had recognised capital redemption reserve on redemption of preference shares from its retained earnings as per the then applicable provisions of Companies Act, 1956.

Securities premium :

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

General reserve:

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

Retained earnings:

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

NOTE 14 : FINANCIAL LIABILITIES: BORROWINGS

Particulars	As at 31 March 2025	As at 31 March 2024
Current		
Secured		
1) Loans repayable on demand from bank		
(i) Cash / export credit facilities (Loan o/s as at 31 March 25, consists of bill discounting. PY includes bill discounted and export packing credit loans: Loans carrying interest @ 7.00% to 8.00% per annum and secured against the inventory and receivables)	94.072	391.257
Total secured loan - Current	94.072	391.257
Total current borrowings	94.072	391.257
Total borrowings	94.072	391.257

- The quarterly returns or statements filed by the Company for working capital limits whenever availed with such banks and financial institutions are in agreement with the books of account of the Company
- The Company has utilized loans for the specific purpose for which same are availed.
- The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

NOTE 15 : FINANCIAL LIABILITIES: TRADE PAYABLES

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current		
(a) Total outstanding dues of creditors other than micro, small and medium enterprises	74.923	79.148
	74.923	79.148
Current		
(a) Total outstanding dues of micro, small and medium enterprises (refer note 42)	661.446	944.327
(b) Total outstanding dues of creditors other than micro, small and medium enterprises		
To related parties (Refer note 35)	1,045.189	1,152.866
Others	2,963.671	2,911.678
Total	4,670.306	5,008.871
Total trade payables	4,745.229	5,088.019

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 60-day terms except dues to micro and small enterprises which are settled in 45 days or contractual term whichever is earlier. Refer note 44(B) for ageing.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

NOTE 16: OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2025	As at 31 March 2024
Current		
(a) Unclaimed dividends	16.665	12.733
Investor Education & Protection fund (will be credited as and when due).		
(b) Others		
Trade deposits	151.904	149.814
Interest accrued	44.303	34.850
Salary and reimbursements	477.089	403.969
Payables on account of purchases of fixed assets	26.343	29.321
Provision for expenses	374.211	328.785
Financial guarantee contracts with bank for subsidiaries	4.684	11.499
Forward contract liability	-	0.995
	1,078.534	959.233
	1,095.199	971.966
Total other financial liabilities	1,095.199	971.966

Terms and conditions of the above financial liabilities:

- 1) Other payables are non-interest bearing.
- 2) For explanations on the Company's credit risk management processes, (refer note 40)

NOTE 17: PROVISIONS

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current		
Provisions for employee benefits		
(a) Compensated absences (refer note 38)	127.451	191.719
(b) Pension scheme (refer note 34)	21.373	21.823
	148.824	213.542
Other provisions (refer note 38)		
(a) Provision for product warranty	40.716	33.216
(b) Provision for decommissioning and restoration costs	11.265	10.412
	51.981	43.628
	200.805	257.170
Current		
Provisions for employee benefits		
(a) Compensated absences (refer note 38)	192.397	211.582
(b) Gratuity and provident fund (refer note 34)	85.071	5.186
	277.468	216.768
Other provisions (refer note 38)		
(a) Provision for product warranty	250.276	271.135
(b) Provision for loss on long term contracts	11.616	13.787
	261.892	284.922
	539.360	501.690
Total provisions	740.165	758.860



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

NOTE 18: OTHER LIABILITIES

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current		
(a) Unearned Revenue for project related contract work	201.216	156.797
(b) Advances from customer	537.123	532.814
	738.339	689.611
Current		
(a) Unearned Revenue for project related contract work	1,673.428	1,449.432
(b) Advances from customer	1,265.884	1,440.229
(c) Contribution to provident fund and superannuation fund	1.285	5.035
(d) Statutory dues	104.400	90.588
(e) Deferred revenue	38.565	61.368
	3,083.562	3,046.652
Total other non-financial liabilities	3,821.901	3,736.263

NOTE 19 : INCOME TAX

(1) The major components of income tax expense for the year ended 31 March 2025 and 31 March 2024 are:

(a) Statement of profit and loss

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Current income tax:		
Current income tax charge	948.918	790.756
Adjustments in respect of income tax of previous year	45.713	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(142.829)	0.154
Income tax expense reported in the statement of profit and loss	851.802	790.910

(b) Statement of other comprehensive income (OCI)

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

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Income tax charged/ (credited) to OCI	(13.918)	(24.056)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

(2) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31 March 2025 and 31 March 2024:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Accounting profit before tax	3,472.914	3,225.045
At India's statutory income tax rate of 25.168% (a)	874.063	811.679
Adjustments for -		
Dividend / adjustment for deduction in respect of certain inter-corporate dividends u/s 80 M of income tax act	38.575	174.267
Permanent differences (Includes Int to MSME, donation, fine, penalties, gain of sale of investment, provision for impairment etc)	231.507	(91.745)
Subtotal (b)	270.082	82.522
Tax impact of above adjustments	67.974	20.769
Short provision for earlier years	(45.713)	-
Total (c)	22.261	20.769
Tax expenses at effective rate (a - c)	851.802	790.910
Tax expenses recorded in books	851.802	790.910

(3) Movement in deferred tax

(a) Balance sheet

Deferred tax relates to the following: DTL/ (DTA)	As at 31 March 2025	As at 31 March 2024
Property, plant and equipment (Depreciation)	56.051	75.032
Employee benefits	(127.513)	(124.909)
Provision for doubtful debts and advances	(551.439)	(430.230)
Others - (DTA)/DTL	0.463	0.498
	(622.438)	(479.609)
Net deferred tax liabilities/(assets)	(622.438)	(479.609)

Reflected in balance sheet as	As at 31 March 2025	As at 31 March 2024
Deferred tax asset	678.952	555.139
Deferred tax liability	56.514	75.530
Net deferred tax asset	622.438	479.609

(b) Statement of profit and loss

Particulars	As at 31 March 2025	As at 31 March 2024
Property, plant and equipment (Depreciation)	(18.981)	4.142
Employee benefits - compensated absences	(2.604)	(22.744)
Provision for doubtful debts and advances	(121.209)	19.212
Others	(0.035)	(0.456)
Deferred tax expense/(income)	(142.829)	0.154



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

(4) Movement in Current tax

(a) Balance sheet

Reflected in balance sheet as	Year ended 31 March 2025	Year ended 31 March 2024
Non- current advance tax	94.037	65.813

(b) Statement of profit and loss and other comprehensive income

Movement in current tax	Year ended 31 March 2025	Year ended 31 March 2024
Current tax (asset)/ liability as at beginning of year	(65.813)	(117.964)
Add: Additional provision during the year - Statement of Profit and loss account	994.631	790.756
Add/ (Less): Additional provision during the year - Other comprehensive income	(13.918)	(24.056)
Less: Current tax paid during the year (Net of refund received for previous year and adjustment for TDS receivable for previous years)	(1,008.937)	(714.549)
Non Current tax (asset)/ liability as at end of year	(94.037)	(65.813)

NOTE 20: REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(a) Revenue from projects and products (Refer note 30 for the construction contract revenue)	28,276.725	26,475.651
(b) Revenue from services	363.149	410.218
	28,639.874	26,885.869
(c) Other operating revenues (majorly includes scrap sales and exports benefits)	374.040	315.381
Total	29,013.914	27,201.250

NOTE 21: OTHER INCOME

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(a) Interest Income		
From customers and others	225.074	93.127
(b) Unwinding of deferred liability	8.756	10.983
(c) Profit on sale of mutual fund investment	108.300	67.173
(d) Dividend income from subsidiary and joint venture companies	38.575	174.267
(e) Foreign exchange difference (net)	0.270	4.140
(f) Other non-operating income	26.843	8.939
Total	407.818	358.629

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

NOTE 22: COST OF RAW MATERIALS CONSUMED, CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(A) Cost of raw material consumed	14,552.564	14,079.109
(B) Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening Stock (refer note 10)		
Finished goods	1,443.157	1,101.240
Work-in- progress	1,698.783	1,708.990
Stock in trade	413.511	312.247
	3,555.451	3,122.477
Closing Stock (refer note 10)		
Finished goods	1,420.547	1,443.157
Work-in- progress	1,796.005	1,698.783
Stock in trade	468.307	413.511
	3,684.859	3,555.451
Total change in inventories	(129.408)	(432.974)

NOTE 23: EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(a) Salaries, wages and bonus	3,126.232	3,079.384
(b) Defined contribution plans		
Contribution to provident fund, superannuation fund and ESIC	63.238	59.138
(c) Defined benefit plans		
Gratuity, Provident fund and Pension	160.047	145.419
(d) Welfare expenses	183.621	147.353
Total	3,533.138	3,431.294

NOTE 24: FINANCE COSTS

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(a) Interest expense	25.926	23.541
(b) Other borrowing costs (includes bank guarantee commission, LC charges, loan processing charges)	25.071	34.544
Total	50.997	58.085

NOTE 25: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(a) Depreciation on property, plant and equipment	498.580	418.036
(b) Amortisation of intangible assets	27.517	20.462
(c) Amortisation of right to use assets (Lease)	58.010	52.184
Total	584.107	490.682



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

NOTE 26: OTHER EXPENSES

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Stores and spares consumed	1,220.170	1,133.776
Processing charges	637.731	577.327
Power and fuel	482.156	434.658
Repairs and maintenance		
Plant and machinery	170.335	179.868
Buildings	45.301	40.825
Other	56.817	46.194
Rent	43.950	38.443
Rates and taxes	34.374	30.008
Travelling and conveyance	276.870	268.096
Communication expenses	64.504	61.013
Insurance	32.005	30.777
Directors' sitting fees	6.450	6.000
Royalties and fees *	70.792	66.477
Freight and forwarding charges	335.397	311.891
Brokerage and commission	22.549	52.842
Advertisements and publicity	329.102	182.670
Provision for product warranty	242.756	228.383
Loss on sale/disposal of fixed assets	-	1.169
Provision for doubtful debts, advances and claims	410.514	(59.369)
Bad debts written off	4.598	313.787
Advances, deposits and claims written off	0.026	0.386
Auditor's remuneration (refer note 31)	9.109	8.898
Professional, consultancy and legal expenses	668.932	550.594
Security services	61.275	57.662
Computer services	395.475	307.361
Non-executive directors remuneration	20.800	19.000
Stationery and Printing	11.916	9.782
Training course expenses	9.430	8.134
Outside labour charges	508.481	452.128
Corporate social responsibility expenses (refer note 43)	43.013	32.187
Other miscellaneous expenses	149.114	165.525
Total	6,363.942	5,556.492

* As specified in the note given in the Board's Report in respect of legal proceedings pending against KPL, the company has in the interim, without prejudice to all its rights and contentions, including those in the pending proceedings, in compliance with the directions of the Order dated 05.12.2023 of the Hon'ble Commercial Court, Pune, KBL has deposited the claimed royalty amount with the Court from the quarter ended October 2018 onwards until 3rd quarter of FY 2024-25. Pending dispute, the Hon'ble Commercial Court, has directed its treasury to invest the said deposited royalty amount in a Nationalized bank for a fixed term of three years.

NOTE 27: OTHER COMPREHENSIVE INCOME

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Items that will not be reclassified to profit or loss		
Remeasurements gains and losses on post employments benefits	(55.301)	(95.587)
Tax on remeasurements gains and losses	13.918	24.056
Total	(41.383)	(71.531)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

NOTE 28 : CONTINGENT LIABILITIES

Particulars	As at 31 March 2025	As at 31 March 2024
a) Claims against the company not acknowledged as debt		
i) Legal cases (Matter Subjudice)	79.500	199.009
b) Other money for which the company is contingently liable for (Matter Subjudice)		
i) Central excise, service tax and GST	1,023.623	1,031.144
ii) Sales tax	165.066	171.413
iii) Income tax	119.080	119.080
iv) Labour matters	45.494	47.711
Total	1,432.763	1,568.357

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

NOTE 29 : COMMITMENTS

Particulars	As at 31 March 2025	As at 31 March 2024
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	794.535	755.893
b) Letters of credit outstanding	865.753	653.436

NOTE 30 : ADDITIONAL DISCLOSURES AS REQUIRED BY IND AS 115 'REVENUE FROM CONTRACTS WITH CUSTOMERS'

A) Additional details in relation to contracts satisfied over the period

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
a) Contract revenue recognised as revenue for the year	681.434	618.211
b) Advances received	925.522	1,034.743
c) Amount of retentions	1,359.965	1,322.867
d) Unbilled revenue for project related contract work		
Contract costs incurred	3,559.057	4,210.682
Recognised profits less recognised losses	552.187	629.986
Less: Progress billing	4,051.662	4,635.722
Less: Provision for gross amount due from customer	43.148	40.824
Unbilled revenue for project related contract work	16.434	164.122
e) Unearned revenue for project related contract work		
Contract costs incurred	25,310.310	24,796.071
Recognised profits less recognised losses	4,573.533	4,659.498
Less: Progress billing	31,758.488	31,061.798
Unearned revenue for project related contract work	(1,874.645)	(1,606.229)

Movement in unbilled and unearned revenue is due to difference in revenue recognition as compared to progress billings.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

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B) Disaggregation of revenue from sale of products / services

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
a) Within India	26,900.854	25,139.456
b) Outside India	1,739.020	1,746.413
Total	28,639.874	26,885.869

C) Reconciliation of revenue from sale of products / services with the contracted price

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
a) Contracted price	29,062.269	27,324.262
Less - trade discounts, volume rebates, late delivery charges etc	422.395	438.393
Total	28,639.874	26,885.869

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Opening contracted price of orders as at start of the year	48,593.938	54,767.803
Add - Fresh orders/change orders received (net) including exchange rate movement	322.240	290.975
Less- Orders completed during year	(3,144.240)	(6,464.840)
Closing contracted price of orders as at the end of the year	45,771.938	48,593.938
a. Revenue out of orders completed during the year	6.230	4.070
b. Revenue out of orders under execution at the end of the year (I)	675.204	614.141
Total Revenue recognised during the year	681.434	618.211
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	33,855.512	36,375.604
Balance revenue to be recognised in future (III)	11,241.222	11,604.193
Closing contracted price of orders as at the end of the year (I+II+III)	45,771.938	48,593.938

D) Cost to obtain the contract

Amount recognised as asset as at 31st March 2025 is Nil (PY: Nil)

Amount of amortisation recognised in the statement of profit and loss during the year is Nil (PY: Nil)

E) Performance Obligation

Information about the Company's performance obligations are summarised below:

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31st March are, as follows

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Balance revenue to be recognised in future		
Revenue to be recognised within 1 year	754.974	1,476.220
Revenue to be recognised after 1 year	10,486.248	10,127.973
Total	11,241.222	11,604.193

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

NOTE 31: REMUNERATION TO AUDITORS

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
a) Audit fees	5.600	5.600
b) Limited review fees	2.400	2.400
c) Certification services	0.400	0.450
d) Expenses reimbursed	0.709	0.448
Total	9.109	8.898

NOTE 32 : EARNING PER SHARE (BASIC AND DILUTED)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
a) Profit before tax	3,472.914	3,225.045
Less : Tax expenses	851.802	790.910
Profit after tax	2,621.112	2,434.135
b) Weighted average number of equity shares used as denominator	79,408,926	79,408,926
c) Basic and diluted earning per share of nominal value of ₹ 2/- each	33.01	30.65

NOTE 33: EXPENDITURE ON RESEARCH & DEVELOPMENT ACTIVITIES

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
a) Revenue expenditure	277.556	284.790
b) Capital expenditure	30.921	4.789
Total	308.477	289.579

NOTE 34 : EMPLOYEE BENEFITS

i. Defined Contribution Plans:

Amount of ₹63.238 Mn (PY - ₹ 59.138 Mn.) is recognised as an expense towards defined contribution plan and included in Employees benefits expense (Note-23 in the Profit and Loss Statement.)

ii. Defined Benefit Plans:

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

Particulars	As at 31 March 2025		As at 31 March 2024	
	Gratuity Plan	Provident Fund	Gratuity Plan	Provident Fund
	(Funded)	(Funded)	(Funded)	(Funded)
Amount to be recognised in Balance Sheet				
Present Value of Defined Benefit Obligation	787.243	2,112.519	726.235	2,050.830
Less: Fair Value of Plan Assets	715.623	2,099.068	698.914	2,072.965
Amount to be recognised as liability or (asset)	71.620	13.451	27.321	(22.135)



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

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

Particulars	2024-25		2023-24	
	Gratuity Plan	Provident Fund	Gratuity Plan	Provident Fund
	(Funded)	(Funded)	(Funded)	(Funded)
1 Current Service Cost	55.285	79.028	47.274	72.687
2 Acquisition (gain)/ loss	-	-	-	-
3 Past Service Cost	-	-	-	-
4 Net Interest (income)/expenses	1.077	(9.405)	0.003	(10.131)
5 Actuarial Losses/(Gains)	-	-	-	-
6 Curtailment (Gain)/ loss	-	-	-	-
7 Settlement (Gain)/loss	-	-	-	-
8 Others (Transfer In / (Out))	0.621	-	-	-
Net periodic benefit cost recognised in the statement of profit & loss- (Employee benefit expenses - Note 23)	56.983	69.623	47.276	62.556

c) The amounts recognised in the statement of other comprehensive income (OCI) : Funded Plan

Particulars	2024-25		2023-24	
	Gratuity Plan	Provident Fund	Gratuity Plan	Provident Fund
	(Funded)	(Funded)	(Funded)	(Funded)
1 Opening amount recognised in OCI outside profit and loss account	-	-	-	-
2 Remeasurements for the year - Obligation (Gain)/ loss	18.435	(44.756)	77.607	24.672
3 Remeasurement for the year - Plan assets (Gain) / Loss	(6.736)	87.043	(3.666)	(4.122)
4 Total Remeasurements Cost / (Credit) for the year recognised in OCI	11.699	42.287	73.941	20.550
5 Less: Accumulated balances transferred to retained earnings	11.699	42.287	73.941	20.550
Closing balances (remeasurement (gain)/loss recognised OCI)	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

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

Particulars	As at 31 March 2025		As at 31 March 2024	
	Gratuity Plan	Provident Fund	Gratuity Plan	Provident Fund
	(Funded)	(Funded)	(Funded)	(Funded)
1 Balance of the present value of Defined benefit Obligation at the beginning period	726.235	2,050.830	606.971	1,834.826
2 Acquisition adjustment	-	-	-	-
3 Transfer in/ (out)	0.962	(0.739)	-	(6.113)
4 Interest expenses	50.013	138.619	43.113	130.570
5 Past Service Cost	-	-	-	-
6 Current Service Cost	55.285	79.028	47.274	72.687
7 Curtailment Cost / (credit)	-	-	-	-
8 Settlement Cost/ (credit)	-	-	-	-
9 Benefits paid	(63.687)	(251.127)	(48.730)	(140.720)
10 Employee Contribution	-	140.664	-	134.908
11 Remeasurements on obligation - (Gain) / Loss	18.435	(44.756)	77.607	24.672
Present value of obligation as at the end of the period	787.243	2,112.519	726.235	2,050.830

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

Particulars	As at 31 March 2025		As at 31 March 2024	
	Gratuity Plan	Provident Fund	Gratuity Plan	Provident Fund
	(Funded)	(Funded)	(Funded)	(Funded)
1 Fair value of the plan assets as at beginning of the period	698.914	2,072.965	512.558	1,868.485
2 Acquisition adjustment	-	-	-	-
3 Transfer in/(out)	0.341	(0.739)	-	(6.113)
4 Interest income	48.937	148.024	43.110	140.701
5 Contributions	25.044	216.988	186.126	206.490
6 Benefits paid	(63.687)	(251.127)	(46.106)	(140.720)
7 Mortality Charges and Taxes	(0.661)	-	(0.441)	-
8 Remeasurement Gain / (Loss)	6.735	(87.043)	3.666	4.122
Fair value of plan assets as at the end of the period	715.623	2,099.068	698.914	2,072.965

- f) Net interest (Income) / expenses: Funded Plan

Particulars	2024-25		2023-24	
	Gratuity Plan	Provident Fund	Gratuity Plan	Provident Fund
	(Funded)	(Funded)	(Funded)	(Funded)
1 Interest (Income) / Expense – Obligation	50.013	138.619	43.113	130.570
2 Interest (Income) / Expense – Plan assets	(48.937)	(148.024)	(43.110)	(140.701)
3 Net Interest (Income) / Expense for the year	1.076	(9.405)	0.003	(10.131)



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FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

g) The broad categories of plan assets as a percentage of total plan assets of Employee's Gratuity Scheme are as under:

Majority of plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. Company has also invested part of it's fund with private life insurance company ICICI prudential.

The broad categories of plan assets as a percentage of total plan assets of Employee's Provident fund Scheme are as under:

Plan assets for provident fund includes investment in various government securities and corporate deposits and mutual funds.

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

Particulars	As at 31 March 2025		As at 31 March 2024	
	Gratuity Plan	Provident Fund	Gratuity Plan	Provident Fund
	(Funded)	(Funded)	(Funded)	(Funded)
Defined Benefit Obligation	787.243	2,112.519	726.235	2,050.830
Plan Assets	715.623	2,099.068	698.914	2,072.965
Surplus/(Deficit)	(71.620)	(13.451)	(27.321)	22.135

i) The amounts recognised in Balance Sheet are as follows: Non-Funded Plan

Particulars	As at 31 March 2025	As at 31 March 2024
	Pension Scheme	Pension Scheme
	(Non-Funded)	(Non- Funded)
A. Amount to be recognised in Balance Sheet		
Present Value of Defined Benefit Obligation	21.373	21.823
Less: Fair Value of Plan Assets	-	-
Amount to be recognised as liability or (asset)	21.373	21.823
B. Amounts reflected in the Balance Sheet		
Liabilities	21.373	21.823
Assets	-	-
Net Liability/(Assets)	21.373	21.823

j) The amounts recognised in the Profit and Loss Statement are as follows: Non Funded Plan

Particulars	As at 31 March 2025	As at 31 March 2024
	Pension Scheme	Pension Scheme
	(Non-Funded)	(Non- Funded)
1 Current Service Cost	-	-
2 Acquisition (gain)/ loss	-	-
3 Past Service Cost	-	-
3 Net Interest (income)/expenses	1.455	1.558
5 Actuarial Losses/(Gains)	-	-
6 Curtailment (Gain)/ loss	-	-
7 Settlement (Gain)/loss	-	-
8 Others	-	-
Net periodic benefit cost recognised in the statement of profit & loss- (Employee benefit expenses - Note 23)	1.455	1.558

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

k) The amounts recognised in the statement of other comprehensive income (OCI) : Non Funded Plan

Particulars	As at	As at
	31 March 2025	31 March 2024
	Pension Scheme (Non-Funded)	Pension Scheme (Non- Funded)
1 Opening amount recognised in OCI outside profit and loss account	-	-
2 Remeasurements for the year - Obligation (Gain)/loss	1.315	1.096
3 Remeasurement for the year - Plan assets (Gain) / Loss	-	-
4 Total Remeasurements Cost / (Credit) for the year recognised in OCI	1.315	1.096
5 Less: Accumulated balances transferred to retained earnings	1.315	1.096
Closing balances (remeasurement (gain)/loss recognised OCI)	-	-

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

Particulars	As at	As at
	31 March 2025	31 March 2024
	Pension Scheme (Non-Funded)	Pension Scheme (Non- Funded)
1 Balance of the present value of Defined benefit Obligation as at beginning of the period	21.823	22.372
2 Acquisition adjustment	-	-
3 Transfer in/ (out)	-	-
4 Interest expenses	1.455	1.558
5 Past Service Cost	-	-
6 Current Service Cost	-	-
7 Curtailment Cost / (credit)	-	-
8 Settlement Cost/ (credit)	-	-
9 Benefits paid	(3.221)	(3.203)
10 Remeasurements on obligation - (Gain) / Loss	1.315	1.096
Present value of obligation as at the end of the period	21.373	21.823

m) Net interest (Income) /expenses Non Funded Plan

Particulars	Pension Scheme	Pension Scheme
	(Non-Funded)	(Non- Funded)
	2024-25	2023-24
1 Interest (Income) / Expense – Obligation	1.455	1.558
2 Interest (Income) / Expense – Plan assets	-	-
3 Net Interest (Income) / Expense for the year	1.455	1.558

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

Particulars	Pension Scheme	Pension Scheme
	(Non-Funded)	(Non- Funded)
	2024-25	2023-24
Defined Benefit Obligation	21.373	21.823
Plan Assets	-	-
Surplus/(Deficit)	(21.373)	(21.823)

Basis used to determine the overall expected return:

The net interest approach effectively assumes an expected rate of return on plan assets equal to the beginning of the year Discount Rate. Expected return of 7.2% (PY 7.4%) has been used for the valuation purpose.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

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

- 1 Discount rate as at 31-03-2025 - 6.7% (PY- 7.2%)
- 2 Expected return on plan assets as at 31-03-2025- 7.2%(PY- 7.4%)
- 3 Salary growth rate : For Gratuity Scheme - 8% to 10% (PY - 10%). Impact for change in accounting estimate along with other remeasurement impact is recognised in other comprehensive income.
- 4 Attrition rate: For gratuity scheme the attrition rate is taken at 8% to 10% (PY - 11%)
- 5 The estimates of future salary increase considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- 6 Weighted average duration of the Gratuity plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 8.97 years and for Pension plan 6.2 years.

p) General descriptions of defined plans:

1 Gratuity Plan:

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

2 Company's Pension Plan:

The company operates a Pension Scheme for specified ex-employees wherein the beneficiaries are entitled to defined monthly pension.

q) The Company expects to fund ₹ 71.620 Mn (PY ₹ 27.230 Mn) towards its gratuity plan in the year 2025-26

r) Sensitivity analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation (PVO). Sensitivity analysis is done by varying (increasing/ decreasing) one parameter at a time and studying its impact

One percentage point change in actuarial assumptions would have the following effects on the defined benefit obligation

Change in assumption	Effect on Gratuity obligation	
	As at 31 March 2025	As at 31 March 2024
1 Discount rate		
Increase by 1% to 7.7% (PY - 8.2%)	738.105	692.183
Decrease by 1% to 5.7% (PY- 6.2%)	843.078	763.858
2 Salary increase rate		
Increase by 1% to 11% (PY- 11%)	834.051	756.327
Decrease by 1% to 9% (PY- 9%)	745.030	698.371
3 Withdrawal rate		
Increase by 1% to 12.0% (PY - 12%)	779.958	722.090
Decrease by 1% to 10.0% (PY - 10%)	795.358	730.763

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

Half percentage point change in actuarial assumptions would have the following effects on the defined benefit obligation

Change in assumption	Effect on Provident Fund obligation	
	As at 31 March 2025	As at 31 March 2024
1 Discount rate		
Increase by 0.5% to 7.2% (PY- 7.7%)	2,090.589	2,031.472
Decrease by 0.5% to 6.2% (PY- 6.7%)	2,135.903	2,071.133
2 Interest rate		
Increase by 0.50% to 8.75% (PY- 8.75%)	2,140.154	2,070.158
Decrease by 0.50% to 7.75% (PY - 7.75%)	2,084.906	2,031.502

One percentage point change in actuarial assumptions would have the following effects on the defined benefit obligation

Change in assumption	Effect on Pension Obligation	
	As at 31 March 2025	As at 31 March 2024
1 Discount rate		
Increase by 1% to 7.8% (PY - 8.2%)	20.391	20.796
Decrease by 1% to 5.8% (PY- 6.2%)	22.448	22.950

NOTE 35 :RELATED PARTY DISCLOSURES

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

Sr. No.	Name of the related party	Nature of relationship
1	Karad Projects and Motors Limited	Subsidiary Company
2	Kirloskar Corrocoat Private Limited	Subsidiary Company
3	Kirloskar Brothers International BV	Subsidiary Company
4	The Kolhapur Steel Limited	Subsidiary of Karad Projects and Motors Limited (from 01 Oct 2024)
5	SPP Pumps Limited	Subsidiary of Kirloskar Brothers International B.V.
6	Kirloskar Brothers(Thailand) Limited	Subsidiary of Kirloskar Brothers International B.V.
7	SPP Pumps (MENA) LLC	Subsidiary of Kirloskar Brothers International B.V.
8	Kirloskar Pompen BV	Subsidiary of Kirloskar Brothers International B.V.
9	Micawber 784 Proprietary Limited	Subsidiary of Kirloskar Brothers International B.V.
10	SPP Pumps International Proprietary Limited	Subsidiary of Kirloskar Brothers International B.V.
11	Rotaserve Limited	Subsidiary of Kirloskar Brothers International B.V.
12	SPP Pumps France S.A.S	Subsidiary of SPP Pumps Limited
13	SPP Pumps Inc	Subsidiary of SPP Pumps Limited
14	SPP Pumps South Africa Proprietary Limited	Subsidiary of SPP Pumps International Proprietary Limited
15	Braybar Pumps Proprietary Limited	Subsidiary of SPP Pumps International Proprietary Limited
16	Rodelta Pumps International BV	Subsidiary of Kirloskar Brothers International B.V.
17	Rotaserve BV	Subsidiary of Kirloskar Pompen BV
18	SPP Pumps Real Estate LLC	Subsidiary of SPP Pumps Inc
19	SyncroFlo Inc.	Subsidiary of SPP Pumps Inc
20	SPP Pumps (Asia) Ltd	Subsidiary of Kirloskar Brothers (Thailand) Ltd
21	SPP Pumps (Singapore) Ltd	Subsidiary of Kirloskar Brothers (Thailand) Ltd
22	Rotaserve Mozambique*	Subsidiary of SPP Pumps International Proprietary Limited
23	Kirloskar Ebara Pumps Limited	Joint venture of Kirloskar Brothers Limited
24	Sunsure Solarpark Nineteen Private Limited	Associate of Kirloskar Brothers Limited (From 7 February 2025)

*Rotaserve Mozambique a step-down subsidiary of the Company has been dissolved and hence ceased to be a subsidiary of the Company with effect from 5 July 2024



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

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

Sr. No.	Name of the related party	Nature of relationship
1)	Subsidiary Companies	Karad Projects and Motors Limited The Kolhapur Steel Limited Kirloskar Corrocoat Private Limited SPP Pumps Limited SPP Pumps Inc. Kirloskar Pompen B.V Kirloskar Brothers (Thailand) Limited Rodelta Pumps International BV SPP Pumps International Proprietary Limited SyncroFlo Inc. Rotaserve B.V. SPP Pumps (MENA) LLC Braybar Pumps Proprietary Limited
2)	Joint Venture	Kirloskar Ebara Pumps Limited
3)	Associate	Sunsure Solarpark Nineteen Private Limited
4)	Key Management Personnel	Mr. Sanjay Kirloskar Mr. Alok Kirloskar Ms. Rama Kirloskar Mr. M S Unnikrishnan Ms. Rekha Sethi Mr. Vivek Pendharkar Mr. Shobinder Duggal Mr. Shrinivas Dempo Ms. Ramni Nirula Mr. Vinayak Deshpande Mr. Chittaranjan Mate (Upto 14 May 2024)** Mr. Ravish Mittal (From 15 May 2024 to 28 February 2025)** Mr. Devang Trivedi
5)	Close Members of family of Key Management Personnel	Mrs. Pratima Kirloskar (wife of Mr. Sanjay Kirloskar)
6)	Post Employment Benefit Plans	Kirloskar Brothers Ltd Employees Prov. Fund For Engg.Factory Kirloskar Brothers Ltd Staff Members Prov. Fund Kirloskar Brothers Limited, Kirloskarvadi Employee Gratuity Fund Kirloskar Brothers Executive Staff Superannuation fund

** As required under section 203 of the Companies Act, 2013, the Company has appointed a Chief Financial Officer (CFO) Mr. Bhavesh Chheda with the effect from 14 May, 2025 in place of the then CFO. Mr. Ravish Mittal, who resigned from the position of CFO of the Company with effect from the closing hours of 28 February, 2025.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

(C) Disclosure of related parties transactions

* Major parties denote entities who account for 10% or more of the aggregate for that category of transaction.

The above transactions have been entered at arms length price.

Sr No	Nature of transaction/relationship/major parties	2024-25		2023-24	
		Amount	Amount	Amount	Amount
1	Purchase of goods (*)	4,621.386		4,229.180	
	Subsidiary/Fellow subsidiary Companies				
	Karad Projects and Motors Limited		4,469.949		3,937.309
2	Sale of goods/contract revenue (*)	1,225.279		1,429.672	
	Subsidiary/Fellow subsidiary Companies				
	SPP Pumps Limited		310.400		356.808
	Kirloskar Brothers (Thailand) Ltd.		188.203		355.088
	SPP Pumps Inc.		262.406		261.120
	The Kolhapur Steel Limited		121.955		220.316
	Kirloskar Pompen B.V.		166.534		117.598
3	Rendering Services (*)	137.034		140.352	
	Subsidiary/Fellow subsidiary Companies/Joint venture				
	Kirloskar Ebara Pumps Limited		50.058		44.923
	SPP Pumps Limited		39.770		42.021
4	Receiving Services (*)	116.592		92.870	
	Subsidiary/Fellow subsidiary Companies/Joint Venture				
	Rodelta Pumps International BV		42.264		50.700
	Kirloskar Ebara Pumps Limited		39.181		23.036
	Karad Projects and Motors Limited		20.658		8.468
	Close Members of family of Key Management Personnel				
	Mrs Pratima Kirloskar		7.319		6.941
5	Interest Received	5.336		9.586	
	The Kolhapur Steel Limited		5.336		9.586
6	Dividend Paid	190.219		142.664	
	Key Management Personnel				
	Mr. Sanjay Kirloskar (**)		107.085		80.314
	Mr. Alok Kirloskar		0.037		0.028
	Close Members of family of Key Management Personnel				
	Mrs. Pratima Kirloskar		83.097		62.323
7	Dividend Received	38.575		174.267	
	Subsidiary/Fellow subsidiary Companies/Joint Venture				
	Karad Projects and Motors Limited		-		156.267
	Kirloskar Ebara Pumps Limited		13.500		18.000
	Kirloskar Corrocoat Pvt Ltd.		1.950		-
	Kirloskar Brothers International B.V.		23.125		-

(**) Includes dividend received in capacity of trustee of ₹ 10.572 Mn. (PY- ₹ 7.929 Mn.)

Purchases and sales reported are net of discounts, returns etc.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

Sr No	Nature of transaction/relationship/major parties	2024-25		2023-24	
		Amount	Amount	Amount	Amount
8	Remuneration Paid	239.103		206.162	
	Key Management Personnel				
	Short Term Employee Benefit				
	Mr. Sanjay Kirloskar		95.768		80.241
	Ms. Rama Kirloskar		92.156		78.080
	Mr. Chittaranjan Mate		1.125		12.023
	Mr. Devang Trivedi		5.591		5.044
	Mr. Ravish Mittal		9.372		-
	Commission on profits				
	Mr. Alok Kirloskar		2.600		2.400
	Mr. M S Unnikrishnan		2.600		2.400
	Mr. Shobinder Duggal		2.600		2.400
	Mr. Shrinivas Dempo		2.600		2.400
	Ms. Ramni Nirula		2.600		2.400
	Mr. Amitava Mukherjee		-		0.600
	Mr. Vivek Pendharkar		2.600		2.400
	Ms. Rekha Sethi		2.600		2.400
	Mr. Vinayak Deshpande		2.600		1.600
	Key Management Personnel				
	Sitting Fees				
	Mr. Alok Kirloskar		0.525		0.525
	Mr. M S Unnikrishnan		1.050		1.200
	Mr. Shobinder Duggal		0.975		0.900
	Mr. Shrinivas Dempo		0.600		0.600
	Ms. Ramni Nirula		0.975		0.900
	Mr. Amitava Mukherjee		-		0.225
	Mr. Vivek Pendharkar		0.600		0.525
	Ms. Rekha Sethi		0.750		0.675
	Mr. Vinayak Deshpande		0.975		0.450
	Post Employment Benefit				
	Mr. Sanjay Kirloskar		3.180		3.180
	Ms. Rama Kirloskar		3.150		0.987
	Mr. Chittaranjan Mate		0.141		1.158
	Mr. Devang Trivedi		0.498		0.449
	Mr. Ravish Mittal		0.872		-
9	Reimbursement Received (*)	14.137		8.176	
	Subsidiary/ Fellow Subsidiary Company/Joint Venture				
	Kirloskar Ebara Pumps Limited		9.565		4.223
	SPP Pumps Limited		3.819		1.301
	Kirloskar Brothers (Thailand) Ltd.		0.396		1.628
10	Reimbursement Paid (*)	1.215		0.283	
	Subsidiary/ Fellow Subsidiary Company				
	Kirloskar Pompen B.V.		-		0.121
	Rodelta Pumps International BV		0.291		0.099

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FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

Sr No	Nature of transaction/relationship/major parties	2024-25		2023-24	
		Amount	Amount	Amount	Amount
11	Advance given to vendors/ adjusted against customers	56.797		95.324	
	i) Business advance				
	Subsidiary/ Fellow Subsidiary Company				
	The Kolhapur Steel Limited		54.641		90.562
	Karad Projects and Motors Ltd		1.670		3.389
	Kirloskar Brothers (Thailand) Ltd.		0.134		0.188
	Kirloskar Pompen B.V.		-		0.979
	Rotaserve B.V.		-		0.152
	SPP Pumps Limited		0.352		0.054
	ii) Capital Advance	-		137.000	
	Subsidiary/ Fellow Subsidiary Company				
	The Kolhapur Steel Limited		-		137.000
12	Advance received from customers / adjusted against vendors (Business advance)	33.849		133.356	
	Subsidiary/ Fellow Subsidiary Company				
	The Kolhapur Steel Limited		29.552		129.813
	Karad Projects and Motors Ltd		3.811		2.508
	Kirloskar Brothers (Thailand) Ltd.		0.134		0.056
	Kirloskar Pompen B.V.		-		0.979
	SPP Pumps Limited		0.352		-
13	Contribution Paid for Post Employment Benefit Plan	103.702		260.748	
	Provident Fund		76.696		72.723
	Superannuation Trust		1.962		1.899
	Gratuity		25.044		186.126
14	Corporate Guarantees Given	526.296		2,426.084	
	SPP Pumps Limited		-		1,431.985
	Kirloskar Brothers(Thailand) Limited		314.506		375.183
	Kirloskar Pompen B.V.		211.790		378.916
	Kirloskar Corrocoat Pvt Ltd.		-		240.000
15	Corporate Guarantees Cancelled	2,833.073		3,556.387	
	SPP Pumps Ltd. - UK		1,505.112		2,341.763
	SPP Pumps Ltd. - UK		-		369.765
	Kirloskar Pompen B.V.		386.747		654.859
	SPP Pumps International Proprietary Limited		122.229		-
	Kirloskar Brothers (Thailand) Ltd.		564.135		-
	Kirloskar Corrocoat Pvt Ltd.		254.850		190.000
16	Purchase of Investment	39.582		6.900	
	Sunsure Solarpark Nineteen Private Limited		39.582		-
	The Kolhapur Steel Ltd		-		6.900
17	Sale of Investment	107.646		-	
	Karad Projects and Motors Limited (Sale of investment in The Kolhapur Steel Ltd)		107.646		-



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FOR THE YEAR ENDED 31ST MARCH 2025

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(D) Amount due to/from related parties

Sr No	Nature of transaction/relationship/major parties	31 March 2025		31 March 2024	
		Amount	Amount	Amount	Amount
1	Accounts receivable				
	Subsidiary/Fellow subsidiary Companies/Joint Venture	1,315.141		1,312.164	
	SPP Pumps Ltd.		58.661		72.113
	Kirloskar Brothers (Thailand) Ltd.		37.654		207.662
	SPP Pumps (MENA) L.L.C.		0.681		5.741
	Braybar Pumps Proprietary Limited		-		0.006
	SPP Pumps Inc.		74.207		42.644
	Kirloskar Ebara Pumps Limited		31.221		53.676
	SyncroFlo Inc.		0.032		-
	Rodelta Pumps International BV		1.725		9.982
	The Kolhapur Steel Ltd		1,029.377		865.285
	SPP Pumps International Proprietary Limited		37.047		21.025
	Kirloskar Brothers Pompen BV		32.214		32.719
	Rotaserve B.V.		1.553		1.311
	Karad Projects and Motors Limited		7.551		-
	Kirloskar Corrocoat Pvt Ltd.		3.218		-
	Advance/ loan receivable	40.942		91.042	
	The Kolhapur Steel Ltd		40.942		91.042
2	Accounts payable				
(a)	Subsidiary/Fellow subsidiary Companies/Joint Venture	1,045.189		1,152.866	
	Karad Projects and Motors Limited		1,015.404		1,057.860
	Kirloskar Corrocoat Pvt Ltd.		1.604		5.005
	Rodelta Pumps International BV		2.028		4.628
	SPP Pumps Ltd.		-		5.033
	Kirloskar Brothers (Thailand) Ltd.		0.045		0.086
	SPP Pumps Inc.		1.588		0.241
	Kirloskar Brothers Pompen BV		-		0.121
	Rotaserve B.V.		0.671		0.671
	Kirloskar Ebara Pumps Limited		22.940		78.312
	Braybar Pumps Proprietary Limited		0.909		0.909
(b)	Key Management Personnel (#)	180.800		147.000	
	Mr. Sanjay Kirloskar		77.000		59.000
	Mr. Alok Kirloskar		2.600		2.400
	Ms. Rama Kirloskar		83.000		69.000
	Mr. M S Unnikrishnan		2.600		2.400
	Mr. Amitava Mukherjee		-		0.600
	Ms. Rekha Sethi		2.600		2.400
	Ms. Ramni Nirula		2.600		2.400
	Mr. Shrinivas Dempo		2.600		2.400
	Mr. Shobinder Duggal		2.600		2.400
	Mr. Vivek Pendharkar		2.600		2.400
	Mr. Vinayak Deshpande		2.600		1.600

(#) Commission to Chairman- Managing Director and Non-Executive Directors is approved in board meeting held on 14th May 2025. Payment will be made in the year 2025-26.

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FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

(E) Corporate Guarantees/ Standby Letter of Credit:

Below mentioned guarantees/ SBLC have been provided by the company to banks on behalf of subsidiary companies for availing financial facilities.

Sr No	Particulars	31 March 2025 Amount	31 March 2024 Amount
1	By the company to ICICI Bank Ltd. on behalf of Kirloskar Pompen B.V. (CY : EURO NIL , PY : EURO 4,200,000)	-	378.916
2	By the company to ICICI Bank Ltd. on behalf of The Kolhapur Steel Limited.	185.500	185.500
3	By the company to ICICI Bank Ltd. on behalf of SPP Pumps Ltd. (CY : GBP NIL , PY : GBP 13,600,000)	-	1,431.985
4	By the company to ICICI Bank Ltd. on behalf of The Kirloskar Corrocoat Private Limited.	-	240.000
5	By the company to Sinhan Bank Ltd. on behalf of The Kirloskar Corrocoat Private Limited.	-	14.850
6	By the company to Axis Bank on behalf of SPP Pumps International Proprietary Limited (CY : USD NIL , PY : USD 14,30,000)	-	119.225
7	By the company to Axis Bank on behalf of Kirloskar Brothers (Thailand) Ltd. (CY : USD NIL , PY : USD 66,00,000)	-	550.268
8	By the company to Citi Bank on behalf of Kirloskar Pompen B.V. (CY : USD 1,000,000 , PY : USD 1,000,000)	85.475	83.374
9	By the company to Citi Bank on behalf of Kirloskar Brothers (Thailand) Ltd. (CY : USD 5,500,000 , PY : USD 5,500,000)	470.113	458.557
10	By the company to ICICI Bank Ltd. on behalf of Rodelta pumps International B.V. (CY : EURO 2,625,000 , PY : EURO 2,625,000)	241.717	236.822
11	By the company to ICICI Bank Ltd. on behalf of Kirloskar Pompen B.V. (CY : EURO 23,00,000 , PY : EURO NIL)	211.790	-
12	By the company to HSBC Bank Ltd. on behalf of Kirloskar Brothers (Thailand) Ltd. (CY : THB 125,000,000, PY : THB NIL)	314.506	-
		1,509.101	3,699.497

NOTE 36 : DISCLOSURE PURSUANT TO SCHEDULE V READ WITH REGULATIONS 34(3) AND 53(F) OF THE SEBI(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 :

A Loans and advances in the nature of loans for working capital requirements :

Name of the Company	Balance as at		Maximum outstanding	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
To Subsidiary Companies				
The Kolhapur Steel Limited *	40.942	91.042	91.042	141.142

* Consists of ₹ 9.410 Mn unsecured loan given under order from Board for Industrial and Financial Reconstructions (BIFR) in 2008-09 without any specific agreed terms for charge of interest and repayment. Balance loan of ₹ 31.532 Mn with interest rate of 8.5% and other specified terms and conditions.

B Loans and advances in the nature of loans to firms/companies in which directors are interested: NIL

C Investment by the loanee (borrower) in the shares of the Company or subsidiary of the Company : NIL

Note:- Loans to employees under various schemes of the company (such as housing loan, furniture loan, education loan etc.) have been considered to be outside the purview of this disclosure requirements.



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FOR THE YEAR ENDED 31ST MARCH 2025

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NOTE 37 : JOINT VENTURE AND JOINTLY CONTROLLED OPERATIONS

a) List of Joint Venture

Sr No	Name of the Joint Venture	Description	Ownership Interest	Country of Incorporation
1	Kirloskar Ebara Pumps Limited	Jointly controlled entity	45%	India

b) Financial Interest in Jointly controlled entities

Sr No	Name of the Joint Venture	Summarized financial information	As at	As at
			31 March 2025	31 March 2024
1	Kirloskar Ebara Pumps Limited	Assets	3,216.137	4,000.504
		Liabilities	769.907	1,856.865
			2024-25	2023-24
		Income	3,687.439	3,105.635
		Expenses (including tax expenses)	3,348.544	2,880.097
		Profit after tax	338.895	225.538
		Other comprehensive income	(6.304)	(8.053)
		Total comprehensive income	332.591	217.485

c) Contingent liabilities, if any, incurred in relation to interest in Joint Ventures: Nil (PY: Nil)

d) Capital commitments, if any, in relation to interest in Joint Ventures : ₹ 7.671 Million (PY: ₹ 7.177 Million)

e) List of Jointly controlled operations :

Sr No	Name of the Jointly controlled operation	Description	Ownership Interest	Country of Incorporation
1	HCC - KBL *	Jointly controlled operations	N A	India
2	KBL – MCCL	Jointly controlled operations	N A	India
3	KCCPL – IHP – BRC – TAIPPL – KBL JV *	Jointly controlled operations	N A	India
4	IVRCL – KBL JV	Jointly controlled operations	N A	India
5	Maytas – KBL JV	Jointly controlled operations	N A	India
6	Larsen & Toubro – KBL JV	Jointly controlled operations	N A	India
7	KBL-MEIL-KCCPL JV	Jointly controlled operations	N A	India
8	KBL – PLR JV	Jointly controlled operations	N A	India
9	KBL – Koya – VA Tech JV	Jointly controlled operations	N A	India
10	KBL – PIL Consortium	Jointly controlled operations	N A	India
11	Larsen & Toubro – KBL – Maytas JV	Jointly controlled operations	N A	India
12	IVRCL – KBL – MEIL JV	Jointly controlled operations	N A	India
13	Pioneer – Avantica – ZVS – KBL JV	Jointly controlled operations	N A	India
14	AMR – Maytas – KBL – WEG JV *	Jointly controlled operations	N A	India
15	Indu – Shrinivasa Constructions – KBL – WEG JV	Jointly controlled operations	N A	India
16	MEIL – KBL – IVRCL JV	Jointly controlled operations	N A	India
17	MEIL – Maytas – KBL JV	Jointly controlled operations	N A	India
18	KCCPL – TAIPPL – KBL JV	Jointly controlled operations	N A	India
19	KBL-SPML JV	Jointly controlled operations	N A	India
20	MEIL - KBL JV *	Jointly controlled operations	N A	India
21	MAYTAS – MEIL – KBL JV	Jointly controlled operations	N A	India
22	Gondwana - KBL JV	Jointly controlled operations	N A	India

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FOR THE YEAR ENDED 31ST MARCH 2025

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Sr No	Name of the Jointly controlled operation	Description	Ownership Interest	Country of Incorporation
23	MEIL -PRASAD-KBL CONSORTIUM	Jointly controlled operations	N A	India
24	JCPL - MEIL - KBL CONSORTIUM	Jointly controlled operations	N A	India
25	KBL -PTIL UJV	Jointly controlled operations	N A	India
26	KBL - RATNA - JOINT VENTURE	Jointly controlled operations	N A	India
27	MEIL-KBL-WEG CONSORTIUM	Jointly controlled operations	N A	India
28	MEIL-KBL- (KDWSP) JV	Jointly controlled operations	N A	India
29	KBL and TC IPL JOINT VENTURE	Jointly controlled operations	N A	India
30	ACPL & KBL JV *	Jointly controlled operations	N A	India
31	ITD CEMENTATION INDIA LIMITED JV	Jointly controlled operations	N A	India
32	GSJ - KBL JV	Jointly controlled operations	N A	India
33	JBL-KBL-GSJ JV	Jointly controlled operations	N A	India

Kirloskar Brothers Ltd. JV is dissolved as per the dissolution deed executed on 4th July 2024

* These JVs are operationally and financially closed, however formal dissolution of JV is in progress

NOTE 38 : DETAILS OF PROVISIONS AND MOVEMENTS IN EACH CLASS OF PROVISIONS

Particulars	Provision for compensated absences	Provision for product warranty	Provision for decommissioning and restoration cost	Provision for loss on long term contracts
Carrying amount as at 1 April 2023	289.086	308.751	9.621	11.409
Add: Provision during the year 2023-24 (net of excess/ short provision of earlier year)	147.545	228.383	-	4.179
Add: Unwinding of discounts	-	25.792	0.791	-
Less: Amount utilized during the year 2023-24	(33.330)	(258.575)	-	(1.801)
Carrying amount as at 31 March 2024	403.301	304.351	10.412	13.787
Add: Provision during the year 2024-25 (net of excess/ short provision of earlier year)	55.440	242.756	-	0.570
Add: Unwinding of discounts	-	6.071	0.853	-
Less: Amount utilized during the year 2024-25	(138.893)	(262.186)	-	(2.741)
Carrying amount as at 31 March 2025	319.848	290.992	11.265	11.616
Non-current provision	127.451	40.716	11.265	-
Current provision	192.397	250.276	-	11.616

Compensated absences

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

Provision for warranty

Provision for warranty is made for estimated warranty claims in respect of products sold, which are under warranty at the end of the reporting period. These claims are expected to be settled as per schedule of warranty i.e. upto 18 months. Management records the provision based on the historical warranty claims information and any recent trends that may suggest future claims could differ historical amount.

Provision for decommissioning and restoration cost

A provision has been recognised for decommissioning and restoration costs associated with windmills on lease hold land. The company is committed to restore the site at the end of useful life of windmills.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

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Provision for long term contract

A provision is made for the expected loss of the projects, where the estimated cost is more than the estimated revenue. Changes in estimated cost and estimated revenue are assessed by the management at the end of reporting period based on the price variation received/ given, change in the scope of project and revision of estimates regarding date of completion, expected costs to be incurred, changes in external circumstances such as applicable tax rates etc.

NOTE 39 : FAIR VALUE MEASUREMENTS

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

The Company has not performed a fair valuation of its investment in unquoted ordinary shares which are classified as FVTOCI (refer Note 5), as the Company believes that impact of change on account of fair value is insignificant.

Sr. No	Particulars	Carrying value	
		As at 31 March 2025	As at 31 March 2024
	Financial Asset		
a)	Levelled at Level 1		
	Carried at fair value through profit and loss		
	Investment in mutual funds	1,620.414	1,492.012
b)	Carried at amortized cost		
	Investment in long fixed deposits with financial institution	2,730.000	800.200
	Trade receivables	4,252.152	4,700.870
	Advances to subsidiaries	40.942	91.042
	Other financial assets	1,016.499	972.271
	Cash and cash equivalent	924.369	1,516.701
	Other bank balances	39.512	32.130
c)	Levelled at Level 3		
	Investments in unquoted equity shares (FVTOCI) *	39.582	0.000
	Financial Liabilities		
a)	Levelled at Level 2		
	Carried at fair value through Profit and loss (FVTPL)		
	Forward contract liability	-	0.995
b)	Carried at amortized cost		
	Non-current borrowings	-	-
	Current borrowings	94.072	391.257
	Trade payables	4,745.229	5,088.019
	Other current financial liabilities	1,090.515	959.472
	Lease liability	138.357	103.837
c)	Financial guarantee contracts	4.684	11.499

Exclude Group Company investments ₹ 2,975.416 Mn. (Previous Year ₹ 2,975.416 Mn.) measured at cost. (Refer Note 5).

NOTE 40: FINANCIAL RISK MANAGEMENT POLICY AND OBJECTIVES

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

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost, corporate guarantees issued to group companies	Aging analysis, External credit rating (wherever available)	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk- Interest rate risk	Long term borrowings at variable rate	Sensitivity Analysis	Mixed portfolio of fixed and variable interest rate loans
Market risk -Foreign Currency Risk	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Sensitivity Analysis	Management follows established risk management policies, including use of derivatives like foreign exchange forward contracts, where the economic conditions match the company's policy.

The company's risk management is carried out by management, under policies approved by the board of directors. Company's treasury identifies, evaluates and hedges financial risks in close cooperation with the company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, and investment of excess liquidity. No major change in assumptions and methods used for risk assessments is made during the year.

(A) Credit Risk

Credit risk in case of the Company arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit risk management

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business,
- (ii) Actual or expected significant changes in the operating results of the counterparty,
- (iii) Financial or economic conditions that are expected to cause a significant change to counterparty's ability to meet its obligations,
- (iv) Significant increases in credit risk on other financial instruments of the same counterparty,
- (v) Significant changes in the value of collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

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The company provides for expected credit loss in case of trade receivables, claims receivable as and security deposits when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company etc.

For the security deposits and claims receivable, provision for expected loss is made considering 12 months expected credit loss. Provision for lifetime credit loss is made if there is significant increase in credit risk for such financial assets.

In respect of trade receivable, company uses the simplified approach for the provision for expected loss. The lifetime expected loss provision is recognised based on the provision matrix as decided by the management, based on the historical experience of recoverability. The company categorizes a receivable for provision for doubtful debts/write off when a debtor fails to make contractual payments greater than 1 year past due in case product business and 4 years past due in case of project business. In addition to this company also provides the expected loss based on the overdue number of days for receivables as per the provision matrix. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Provision for expected credit loss

Financial assets for which loss allowance is measured using Expected Credit Losses (ECL) model as per Ind AS 109,

Exposure to Risk	As at 31 March 2025	As at 31 March 2024
Trade Receivables	5,877.243	5,918.425
Less : Expected Loss	1,625.091	1,217.555
	4,252.152	4,700.870
Security Deposits	839.103	853.355
Less : Expected Loss	15.064	12.588
	824.039	840.767
Claims Receivable	35.518	34.377
Less : Expected Loss	19.361	19.361
	16.157	15.016

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

Exposure to Risk	As at 31 March 2025	As at 31 March 2024
Trade Receivables		
Neither past due nor impaired	2,530.302	2,624.678
Past due but not impaired		
Less than 180 days	534.636	723.772
181 - 365 days	226.653	403.495
More than 365 days	960.561	948.925
Total	4,252.152	4,700.870

Reconciliation of loss provision

	Trade receivables	Others
Loss allowance as at 1 April 2023	1,152.466	23.436
Changes in loss allowance*	65.089	8.513
Loss allowance as at 31 March 2024	1,217.555	31.949
Changes in loss allowance*	407.536	2.476
Loss allowance as at 31 March 2025	1,625.091	34.425

* Movement in loss allowance is primarily on account of additional ECL provision based on ageing.

NOTES TO THE FINANCIAL STATEMENTS

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B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is carried out in accordance with practice and limits set by the company. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Exposure to Risk	As at 31 March 2025	As at 31 March 2024
Interest bearing borrowings		
On demand	94.072	91.257
Less than 180 days	-	300.000
181 - 365 days	-	-
More than 365 days	-	-
Total	94.072	391.257
Other financial liabilities		
On demand	168.569	162.547
Less than 180 days	924.288	803.670
181 - 365 days	2.342	5.749
More than 365 days	-	-
Total	1,095.199	971.966
Lease liability		
On demand	-	-
Less than 180 days	28.234	29.703
181 - 365 days	28.234	29.702
More than 365 days	81.889	44.432
Total	138.357	103.837
Trade & other payables		
Not due	2,741.594	3,173.080
Less than 180 days	817.785	743.315
181 - 365 days	169.906	233.944
More than 365 days	1,015.944	937.680
Total	4,745.229	5,088.019

The company has access to following undrawn fund based facilities at the end of the reporting year (Interest rates 6% - 9%)

	As at 31 March 2025	As at 31 March 2024
Expiring within one year	1,905.928	1,610.000
Expiring beyond one year	-	-

C) Market risk - Interest rate risk

The company's exposure to the risk of changes in market interest rates relates to borrowings with floating interest rates. To manage the risk, company has created balance portfolio of fixed and variable interest rate borrowings.

Change of 0.5%, in the base rates will have effect of ₹ 0.47 Mn on the company's profitability.



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(D) Foreign Currency Risk

The company is exposed to foreign exchange risk mainly through its sales to overseas customers and purchases from overseas suppliers in various foreign currencies.

The company evaluates exchange rate exposure arising from foreign currency transactions and the company follows established risk management policies, including use of natural hedge between receivables and payables, use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk, where the economic conditions match the company's policy.

Foreign currency exposure :

Financial Assets	Currency	Amount in Foreign Currency (Mn)		Amount in ₹ (Mn)	
		As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Trade Receivables	EUR	0.499	0.562	45.984	50.560
	GBP	0.153	0.249	16.939	26.173
	ZAR	0.002	1.728	0.009	7.606
	USD	3.165	8.351	270.526	696.499
Bank Accounts	EGP	1.008	0.327	1.704	0.576
	EUR	0.816	0.466	75.111	41.887
	GBP	0.390	0.191	43.176	20.071
	USD	1.916	1.423	163.793	118.677
Other Deposits	EGP	0.083	0.083	0.141	0.147
	USD	-	0.003	-	0.225
Amount Due from Employees	USD	0.010	0.030	0.821	2.506

Financial Liabilities	Currency	Amount in Foreign Currency (Mn)		Amount in ₹ (Mn)	
		As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Trade Payables	EGP	0.731	0.731	1.235	1.287
	EUR	0.387	0.388	35.594	34.911
	GBP	0.001	0.052	0.156	5.501
	USD	1.870	2.966	159.879	247.350
	JPY	12.639	13.324	7.175	7.337
	VND	14,555.307	15,649.974	48.641	53.210
	XOF	149.102	149.102	20.874	20.308
	ZAR	0.190	0.190	0.897	0.838
	SGD	-	0.003	-	0.154
Amount Due to Employees	USD	-	0.011	-	0.921

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Currency wise net exposure (assets - liabilities)

Particulars	Amount in Foreign Currency (Mn)		Amount in ₹ (Mn)	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
EGP	0.360	(0.404)	0.610	(0.711)
EUR	0.928	0.640	85.501	57.537
GBP	0.542	0.387	59.959	40.743
USD	3.221	6.830	275.261	569.637
JPY	(12.639)	(13.324)	(7.175)	(7.337)
VND	(14,555.307)	(15,649.974)	(48.641)	(53.210)
XOF	(149.102)	(149.102)	(20.874)	(20.308)
SGD	-	(0.003)	-	(0.154)
ZAR	(0.188)	1.537	(0.888)	6.768
Total			343.753	592.965

Sensitivity Analysis

Currency	Amount in ₹ (Mn)		Sensitivity % (*) (2024-25)	Sensitivity % (*) (2023-24)
	2024-25	2023-24		
EGP	0.610	(0.711)	17.45%	12.68%
EUR	85.501	57.537	2.12%	3.03%
GBP	59.959	40.743	3.39%	3.09%
USD	275.261	569.637	2.61%	3.91%
JPY	(7.175)	(7.337)	4.01%	2.18%
VND	(48.641)	(53.210)	1.95%	2.96%
XOF	(20.874)	(20.308)	3.26%	3.81%
SGD	-	(0.154)	3.95%	3.80%
ZAR	(0.888)	6.768	2.70%	1.25%
Total	343.753	592.965		

Currency	Impact on profit (strengthen)		Impact on profit (weakening)	
	2024-25	2023-24	2024-25	2023-24
EGP	(0.106)	0.090	0.106	(0.090)
EUR	(1.813)	(1.743)	1.813	1.743
GBP	(2.033)	(1.259)	2.033	1.259
USD	(7.184)	(22.273)	7.184	22.273
JPY	0.288	0.160	(0.288)	(0.160)
VND	0.948	1.575	(0.948)	(1.575)
XOF	0.680	0.774	(0.680)	(0.774)
SGD	-	0.006	-	(0.006)
ZAR	0.024	(0.085)	(0.024)	0.085
Total	(9.196)	(22.755)	9.196	22.755

(EGP- Egyptian Pound, EUR- Euro, GBP - Great Britain Pound , , USD - US Dollar,JPY - Japanese Yen VND- Vietnamese Dong, XOF- CFA Franc (Senegal), SGD - Singapore dollar , THB - Thai Bhat, ZAR - Zuid-Afrikaanse Rand (South Africa))

* Sensitivity % are derived based on variation in the exchange rates over the period of last 5 years.



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NOTE 41: CAPITAL MANAGEMENT

a) Risk management

The company's objectives when managing capital are to

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, change debt. Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents, current investment and other bank balances) divided by Total 'equity' plus net debt.

The company's strategy is to maintain a gearing ratio within 30%. The gearing ratios were as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Loans and borrowings (Including current maturities of long term debt)	94.072	391.257
Less: Cash and cash equivalents (Including other bank balances)	963.881	1,548.831
Less: current investment	2,920.414	2,292.212
Net debt	(3,790.223)	(3,449.786)

Gearing ratio is not applicable as net debt of company is negative.

b) Dividend

Particulars	As at 31 March 2025	As at 31 March 2024
Equity Shares		
(i) Interim dividend for the year	Nil	Nil
(ii) Dividends not recognised at the end of the reporting year	555.862	476.454

Since year end the directors have recommended the payment of a final dividend of ₹ 7.0 per fully paid equity share (31 March 2024 - ₹ 6.0). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

NOTE 42 : DISCLOSURE IN RESPECT OF MICRO, SMALL AND MEDIUM ENTERPRISES

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at 31 March 2025. The disclosure pursuant to the said Act is as under:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Total outstanding amount in respect of micro, small and medium enterprises including capex creditors	661.446	944.327
Other disclosures in respect of micro and small enterprises		
Principal amount due and remaining unpaid	42.256	31.943
Interest due on above and unpaid interest	1.025	0.603
Interest paid	-	-
Payment made beyond appointment day	1,605.699	1,242.585
Interest due and payable for the period of delay	9.837	7.674
Interest accrued and remaining unpaid (excluding interest accrued for earlier years)	10.862	8.277
Amount of further interest remaining due and payable in succeeding years	10.862	8.277

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

Delay in payment is mainly on account of quality issues.

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NOTE 43 : CORPORATE SOCIAL RESPONSIBILITY EXPENDITURES

- (a) Amount required to be spent by the Company during the current year is ₹ 42.442 Mn (PY - ₹ 31.967 Mn)
- (b) Amount spent by the Company during the current year is ₹ 23.798 Mn (PY - ₹ 32.187 Mn) and a provision for ₹ 19.215 Mn is accounted for in current year towards ongoing projects pursuant to provisions of Sec 135(5) of The Companies Act, 2013.

There is no shortfall as per provision of Sec 135 of The Companies Act 2013 either at the beginning or end of year.

The company as per its policy on Corporate Social Responsibility (CSR) and recommendation and approval of the CSR committee and Board has contributed ₹ 15 Mn towards projects on Education and Health undertaken by implementing agency, ₹ 4 Mn towards Medical Support, ₹ 4.8 Mn towards Skill Development and balance towards other miscellaneous eligible activities.

The company has not spent any amount towards construction or acquisition of asset.

The provision of ₹ 19.215 Mn accounted towards ongoing projects which would be used for the purpose of Education and health, Medical Support and Skill development

Refer board report for detailed disclosure.

NOTE 44 A : TRADE RECEIVABLES AGEING

Trade receivables as at 31 March 2025

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivable							
Considered good	2,530.302	534.636	204.433	488.636	259.657	233.899	4,251.563
Which have significant increase in credit risk	-	-	22.220	125.393	173.218	1,179.204	1,500.035
Credit impaired							
Total undisputed trade receivables (a)	2,530.302	534.636	226.653	614.029	432.875	1,413.103	5,751.598
Disputed trade receivables							
Considered good	-	-	-	0.017	-	0.572	0.589
Which have significant increase in credit risk	-	-	-	0.070	18.900	106.086	125.056
Credit impaired	-	-	-	-	-	-	-
Total Disputed trade receivables (b)	-	-	-	0.087	18.900	106.658	125.645
Total trade receivables (a + b)	2,530.302	534.636	226.653	614.116	451.775	1,519.761	5,877.243
Provision for increase in significant risk and credit impaired							1,625.091
Net trade receivables							4,252.152



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

Trade receivables as at 31 March 2024

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
		6 months	to 1 year	years	years	3 years	
Undisputed trade receivable							
Considered good	2,623.207	723.558	379.601	372.866	299.200	283.554	4,681.986
Which have significant increase in credit risk	-	-	23.849	118.421	105.349	872.850	1,120.469
Credit impaired							
Total undisputed trade receivables (a)	2,623.207	723.558	403.450	491.287	404.549	1,156.404	5,802.455
Disputed trade receivables							
Considered good	1.471	0.214	0.034	-	-	17.165	18.884
Which have significant increase in credit risk	-	-	0.011	0.367	58.270	38.438	97.086
Credit impaired	-	-	-	-	-	-	-
Total Disputed trade receivables (b)	1.471	0.214	0.045	0.367	58.270	55.603	115.970
Total trade receivables (a + b)	2,624.678	723.772	403.495	491.654	462.819	1,212.007	5,918.425
Provision for increase in significant risk and credit impaired							1,217.555
Net trade receivables							4,700.870

Note 44 B : Trade payables ageing

Particulars	Year	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
1. MSME - Non disputed	2025	569.411	59.832	3.789	6.120	6.645	15.649	661.446
	2024	846.624	54.427	4.778	13.050	3.973	21.475	944.327
2. MSME - disputed	2025	-	-	-	-	-	-	-
	2024	-	-	-	-	-	-	-
3. Others - Non disputed	2025	2,172.183	757.881	166.112	98.835	44.973	828.003	4,067.987
	2024	2,326.384	688.888	229.166	51.239	230.908	604.524	4,131.109
4. Others - disputed	2025	-	0.072	0.005	-	-	15.719	15.796
	2024	0.072	-	-	-	-	12.511	12.583

Unearned revenue is not considered in above table being in nature of non-financial liability and disclosed in note 18.

Note 44 C : Capital work- in- progress

Particulars	Year	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2025	225.518	24.249	30.980	3.172	283.919
	2024	120.475	75.492	37.100	3.775	236.842
Projects temporarily suspended	2025	-	-	-	-	-
	2024	-	-	-	-	-

Following projects which were expected to be completed by March 25, got delayed and now expected to get completed as per following table.

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Automation projects	8.482	-	-	-	8.482
Expansion of manufacturing plant and Load enhancement	56.236	-	-	-	56.236

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

NOTE 45: SEGMENT REPORTING

Company operates in single reporting segment of 'Fluid Machinery and Systems'. Information in respect of other disclosures as required by 'Ind AS 108- Operating Segments' is given in consolidated financial statements.

NOTE 46: DISCLOSURE IN RESPECT OF IND AS 116, 'LEASES'

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Opening right-to-use asset	96.748	89.710
Net addition / (deletion) during the year (Non-cash items)	92.426	59.222
Depreciation charged during the year	(58.010)	(52.184)
Closing right-to-use asset	131.164	96.748

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Opening lease liability	103.837	94.563
Net addition / (deletion) during the year (Non-cash items)	92.426	59.222
Finance cost	10.826	9.625
Lease payments including lease termination	(68.732)	(59.573)
Closing lease liability	138.357	103.837
Non-Current	81.889	44.432
Current	56.468	59.405

The expenses relating to payments not included in the measurement of lease liability and recognised as expense in the Statement of Profit and Loss during the year as follows:

- Low value leases - ₹ 2.989 Mn (PY : ₹ 2.319 Mn)
- Short-term leases - ₹ 40.960 Mn (PY: ₹ 36.123 Mn)

Where the company is a lessee

- The company has taken on lease various assets such as plant & equipments and buildings. Generally, leases are renewed only on mutual consent and at a prevalent market price.
- Details with respect to right-to-use assets:

Class of Asset	Year	Depreciation for the year	Additions during the year	Carrying Amount
1. Plant & Equipments	2025	8.330	31.841	43.801
	2024	6.661	13.554	20.290
2. Buildings	2025	49.680	60.585	87.363
	2024	45.523	45.669	76.458

Undiscounted Contractual maturities of lease payments

Particulars	As at 31 March 2025	As at 31 March 2024
Less than one year	66.526	57.293
Between 1-2 years	50.533	35.368
More than 2 years	39.784	24.110

- Short term leases and leases for low value assets are continued to be accounted for as rent expenses.
- Total cash outflow for lease arrangements during the year is ₹ 112.682 Mn (PY 2023-24 - ₹ 98.016 Mn) including expenses on low value assets and short term lease.
- Company has not entered into any sublease arrangements.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

NOTE 47 A: RATIO ANALYSIS

Particulars (Reasons where variation is more than 25%)	Year ended 31 March 2025			Year ended 31 March 2024			(Amounts in Million ₹)	
	Numerator	Denominator	% Days	Numerator	Denominator	% Days	Absolute Variance (%)	
Current Ratio								
[Current assets / Current Liability]	16,373.502	9,538.967	1.716	16,537.972	9,979.841	1.657	3.561%	
Debt-Equity Ratio								
[Debt/Equity]	94.072	16,625.478	0.006	391.257	14,522.203	0.027	77.778%	
(Reduction in borrowings along with increase in net worth due to higher profits)								
Debt Service Coverage Ratio								
[(PBID+ Exceptional items) /(Interest+ Principal repayment due in next year)]	3,123.499	119.998	26.030	2955.258	414.798	7.125	265.333%	
(Reduction in borrowings along with higher profits)								
Return on Equity Ratio								
[(PAT + exceptional items)/(Total op. Equity+ Total cl. Equity)/2]	2,513.466	15,573.841	16.139%	2441.035	13,519.571	18.056%	10.617%	
Inventory Turnover								
[Consumption /(op. Inventory +cl. Inventory)/2]	15,524.280	5,011.672	3.098	14,791.381	4,656.052	3.177	115	2.487%
Trade Receivables Turnover								
[Revenue from operations / (op. receivable+cl. receivables)/2]	29,013.914	4,476.511	6.481	27,201.250	4,382.105	6.207	59	4.414%
Trade Payable Turnover								
[Purchases/(op.payables+cl. payables)]	15,710.979	4,916.624	3.195	15,315.922	4,857.337	3.153	116	1.332%
Net Capital Turnover ratio								
[Revenue from operations/ working capital]	29,013.914	6,834.535	4.245	27,201.250	6,498.131	4.186		1.409%
Net profit Ratio								
[PAT before exceptional items/Revenue from operations]	2,513.466	29,013.914	8.663%	2,441.035	27,201.250	8.974%		3.466%
Return on Capital Employed								
[PBIT before exceptional items/Total capital employed (NW-DTA+debt+DTL)]	3,391.194	16,097.112	21.067%	3,255.486	14,433.851	22.555%		6.597%
Return on Investment (quoted)								
[ROI=(Income received on FD+ MF)/ (Average outside investment)]	290.189	3,930.226	7.384%	123.873	3,122.409	3.967%		86.136%
(Higher investment returns were driven by improved market conditions and stronger asset performance)								

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2025

Amount in Million ₹ except otherwise stated

NOTE 47 B: AUDIT TRAIL

The audit trail feature at database level was enabled at Enterprise Resource Planning System (SAP) from the 01 Jan 2025.

The access to the database for accounting is restricted only to single CIC basis admin user (changes if any are allowed only with prior approval of committee of senior management) depending on Company's operating and business needs after appropriately designing the internal controls and ensuring the operating effectiveness of such controls.

The Company uses services of third-party service provider (ADP India Private Limited) for payroll processing. Based on Service Organisation Control Type 2 report ('SOC report'), the audit trail feature at application level was enabled at the Human Resource Management System (HRMS) from 19 Dec 2024. Further, outsourced vendor is ISO 9001:2013 and ISO 27001:2013 certified. Rule A.12.4, of ISO 27001:2013 requires, maintaining the audit trail of all events / logs including the changes in payroll products – user access controls, change management, etc. Auditors of third-party service provider had verified these controls and issue certificate for ISO standards.

Further, there is no direct integration between third party payroll system and KBL accounting system. Processed payroll data received from third party service provider, is duly verified by KBL's internal team before accounting the same.

Above mentioned does not impact the internal control environment of the Company.

NOTE 47 C: OTHERS

1. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.)
2. The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
3. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
4. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
5. No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
6. Company has not entered any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956
7. Company has not made any contribution to the political parties during FY 2024-25. (PY: NIL)
8. Previous year's figure have been regrouped, wherever required.

For and on behalf of the Board of Directors

Sanjay Kirloskar
Chairman and Managing Director
DIN: 00007885

Rama Kirloskar
Joint Managing Director
DIN: 07474724

Bhavesh Chheda
Chief Financial Officer

Pune : 14 May 2025

Devang Trivedi
Company Secretary

Pune : 14 May 2025