



KIRLOSKAR BROTHERS LIMITED

Established 1888

A Kirloskar Group Company

Enriching Lives



Manufacturing Pumps Since 1926

A Century Strong. Infinite Motion.

Integrated Annual Report FY 2025-26

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Read the report online at
www.kirloskarpumps.com

100 Years

of Pump Manufacturing

In January 1926, Kirloskar Brothers Limited (KBL) made history by manufacturing and installing India's first indigenous centrifugal pump, igniting a century of progress in motion. From that defining moment to today, KBL continues to power possibilities.

Rooted in a remarkable 138-year legacy of engineering excellence, KBL stands among India's pioneering engineering enterprises, renowned for its reliability, innovation and commitment to sustainability. Over the decades, it has evolved from a humble manufacturer into a global leader in turbomachinery and fluid management solutions.

KBL has been the invisible force behind India's transformation, enabling irrigation, supporting industries, strengthening infrastructure and delivering water to

millions across sectors and geographies. Our solutions have enhanced lives, built resilience and supported the nation's growth and development.

As we embark on our next century, we remain committed to engineering solutions that power dreams, sustain the future and propel progress. With a sharp focus on next-generation technologies, sustainable practices and superior customer experiences, we are poised to shape India's future with the same relentless spirit that has shaped our journey for over a century.

STANDALONE DECADE AT A GLANCE

(₹ mn except otherwise stated)

Particulars	Ind AS									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Revenue from Operations	28,281	29,014	27,201	25,399	21,659	17,999	20,970	22,235	19,135	17,355
Other Income	474	408	359	330	357	190	254	247	189	182
Material Cost	15,375	15,525	14,791	14,740	13,169	10,703	11,618	13,205	11,288	9,975
Other Expenses	9,438	9,789	8,995	8,354	7,171	5,613	7,704	7,408	6,508	6,318
Interest	68	51	58	138	158	241	302	262	253	315
Depreciation	643	584	491	424	407	383	400	366	352	397
Profit before tax	3,232	3,473	3,225	2,073	1,111	1,249	1,200	1,241	923	533
Income tax provision	843	852	791	547	330	317	408	368	267	203
Net Profit after tax	2,389	2,621	2,434	1,526	782	932	792	873	656	330
Share Capital	159	159	159	159	159	159	159	159	159	159
Reserves	18,326	16,467	14,363	12,358	11,095	10,523	9,608	9,244	8,796	8,221
Net Worth	18,485	16,626	14,522	12,517	11,254	10,682	9,767	9,403	8,955	8,380
Imports	619	833	902	990	844	652	576	1,042	504	382
Exports	2,143	1,695	1,726	1,741	1,301	1,354	2,511	2,199	1,311	1,667
Basic Earnings per Share (₹) (Face Value of ₹ 2/-)	30.09	33.01	30.65	19.22	9.85	11.74	9.97	11.00	8.26	4.16
Dividend %	350%*	350%	300%	225%	150%	150%	125%	125%	125%	50%
Book Value per Share (₹)	232.80	209.38	182.88	157.63	141.73	134.52	123.00	118.42	112.78	105.53

Previous years' figures have been regrouped to make them comparable. For FY 2020 and FY 2021, performance was partially affected by COVID-19.

* Final Dividend Recommended 350%

Basis of Reporting

REPORTING APPROACH

Developed in accordance with the International Integrated Reporting Council's (IIRC) <IR> framework and with reference to Global Reporting Initiative (GRI) 2021, Kirloskar Brothers Limited (KBL) is pleased to present its Integrated Annual Report for FY 2025-26. The report provides key insights into how the Company creates value in the short, medium and long-term for its stakeholders. In addition to this and as mandated by SEBI, stakeholders relevant performance is also reported by KBL through a Business Responsibility and Sustainability Report (BRSR). Both reports have been combined to avoid duplication and ensure comprehensive yet concise information to all stakeholders.

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

FRAMEWORK, GUIDELINES AND STANDARDS

The Report covers key performance indicators in line with the <IR> framework. It also links the Company's capital-wise performance to the applicable United Nations Sustainable Development Goals (UNSDGs). Sections of the

document also comply with the requirements of the Companies Act, 2013 (and the rules made thereunder); Indian Accounting Standards; the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015; and the Secretarial Standards issued by the Institute of Company Secretaries of India. Stakeholders are encouraged to read them in conjunction with the contents prepared using the <IR> format to get a holistic view of the Company's annual performance.

BOUNDARY AND SCOPE OF REPORTING

The report covers information pertaining to, but not limited to, manufacturing facilities, products and solutions, operations and maintenance, office premises of KBL and its Indian Subsidiaries and Associate Companies. Disclosures pertaining to the period 1st April 2025 to 31st March 2026 are covered under this report, unless stated otherwise. KBL publishes its Integrated Report on an annual basis.

FORWARD-LOOKING STATEMENTS

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

AUDIT AND ASSURANCE

The financial statements presented in the report have been audited by M/s. Sharp and Tannan Associates - Chartered Accountants, Mumbai. The information contained in (Page No. 38 to 99) in line with <IR> framework and BRSR Core parameters has been independently assured by M/s SGS India Private Ltd. Pune.

INTEGRATED THINKING AT KBL

Integrated thinking underpins our approach to long-term value creation. Our ability to create value is driven by the effective utilisation of the six capitals and our relationships with stakeholders. We continuously assess these resources in the context of external factors, material issues and stakeholder expectations to inform decision-making. This approach aligns our actions with strategic priorities and strengthens our ability to deliver sustainable value for all stakeholders.

CAPITALS IMPACTED



Financial Capital

Pg 38 Read more



Manufactured Capital

Pg 42 Read more



Intellectual Capital

Pg 52 Read more



Human Capital

Pg 56 Read more



Social and Relationship Capital

Pg 76 Read more



Natural Capital

Pg 86 Read more

STAKEHOLDER GROUPS



Shareholders/ Investors



Customers



Dealers and Distributors



Suppliers



Employees



Communities



Financial Institutions



Business and Governing Bodies

Pg 24
Read more

STRATEGIC PRIORITIES

S1

Widening
Market Reach

S2

Improving Operational
Efficiency

S3

Digital
Transformation

S4

Environment
Protection

S5

Talent Management and
Competency Development

S6

Improving Plant
Productivity

S7

Supply Chain
Management

Pg 30
Read more

MATERIAL TOPICS

M 1

Corporate
Governance and
Transparency

M 2

Environmental
Management and
Biodiversity

M 3

Community
Engagement and
Social Impact

M 4

Water Stewardship
and Water
Management

M 5

Regulatory
Compliance and
Business Ethics

M 6

Customer Satisfaction
and Product
Responsibility

M 7

Human Rights
and Labour
Practices

M 8

Cybersecurity
and Data
Protection

M 9

Sustainability
Disclosure and
Reporting

M 10

Responsible
Supply Chain
Management

M 11

Waste Management
and Circular
Economy

M 12

Energy
Management
and Efficiency

M 13

Workforce
Development and
Employee Well-being

M 14

Innovation and
Sustainable Product
Development

M 15

Sustainability
Strategy and
Climate Transition

M 16

Occupational
Health and
Safety

M 17

Climate Change
and GHG
Emissions

Pg 20
Read more

ABOUT KBL

Transforming Industries with Unmatched Innovation & Engineering Excellence

Established in 1888 and incorporated in 1920, Kirloskar Brothers Limited (KBL) is the 5th generation of inheritors and is the flagship company of the Kirloskar Group, one of India's first and most respected industrial conglomerates in the engineering sector, with an extensive presence in domestic and global markets.

Backed by **135+** years of engineering excellence, we design, manufacture and develop leading-edge pumps and fluid management solutions that enhance reliability, efficiency and sustainability across diverse applications. Our strong global footprint, cutting-edge manufacturing capabilities and a relentless focus on quality, innovation and excellence continue to shape industries and economies worldwide.

A REMARKABLE ACHIEVEMENT

Driving transformation through water infrastructure

From large irrigation projects in India to international projects (e.g., Senegal, Laos, Cambodia, Egypt, Portugal), KBL has enabled agricultural growth, water security and economic development at scale.

Global engineering excellence

KBL's solutions are deployed across iconic global infrastructure and landmark projects, reinforcing India's capability to deliver world-class, reliable engineering solutions.

Nation-building impact at scale

KBL's pumping solutions support drinking water access for over 35% of India's population and irrigation across 60%+ of irrigated land, playing a critical role in water and energy infrastructure.

QUICK FACTS

Product Portfolio

100+
Products

1,00,000+
SKUs

20+
Diversified sectors

Product Line

PUMPS

75+
Types of pumps

Pumps up to
30 MW
(40,000 HP)

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

2,000+
Lowest Lifecycle
Cost (LLC™)
pumps worldwide

Flow of up to
1,20,000 m³/hr
(5,28,000 US GPM)

VALVES

Types of valves
35+

Valves with diameter
6 mm to 5,000 mm

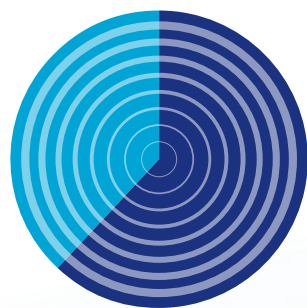
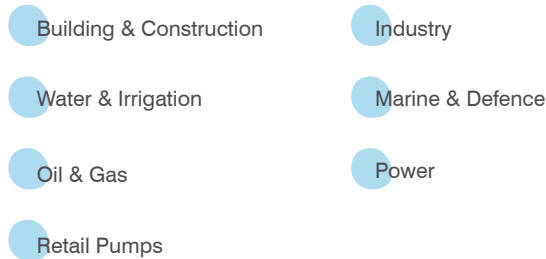
PAT/PICO

PICO
**0.5 kW to
5.0 kW**

PAT
**6 kW to
100 kW**

Hydel Turbine
**Up to
20 MW**

SEGMENTS WE SERVE



62%
Domestic Order Book

38%
Overseas Order Book

**Consolidated
Order Book**
₹39,488 mn
(As on 31st March, 2026)

WE CONTINUE TO BE GUIDED BY

Our Purpose

Pg 06
Read more

Our Strategy

Pg 30
Read more

Our Approach to ESG

Pg 100
Read more

WHAT SETS US APART

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

OUR VALUE SYSTEM

Purpose

Enriching Lives. Transcending Boundaries

Vision

Enriching lives across communities through innovative and sustainable engineering solutions

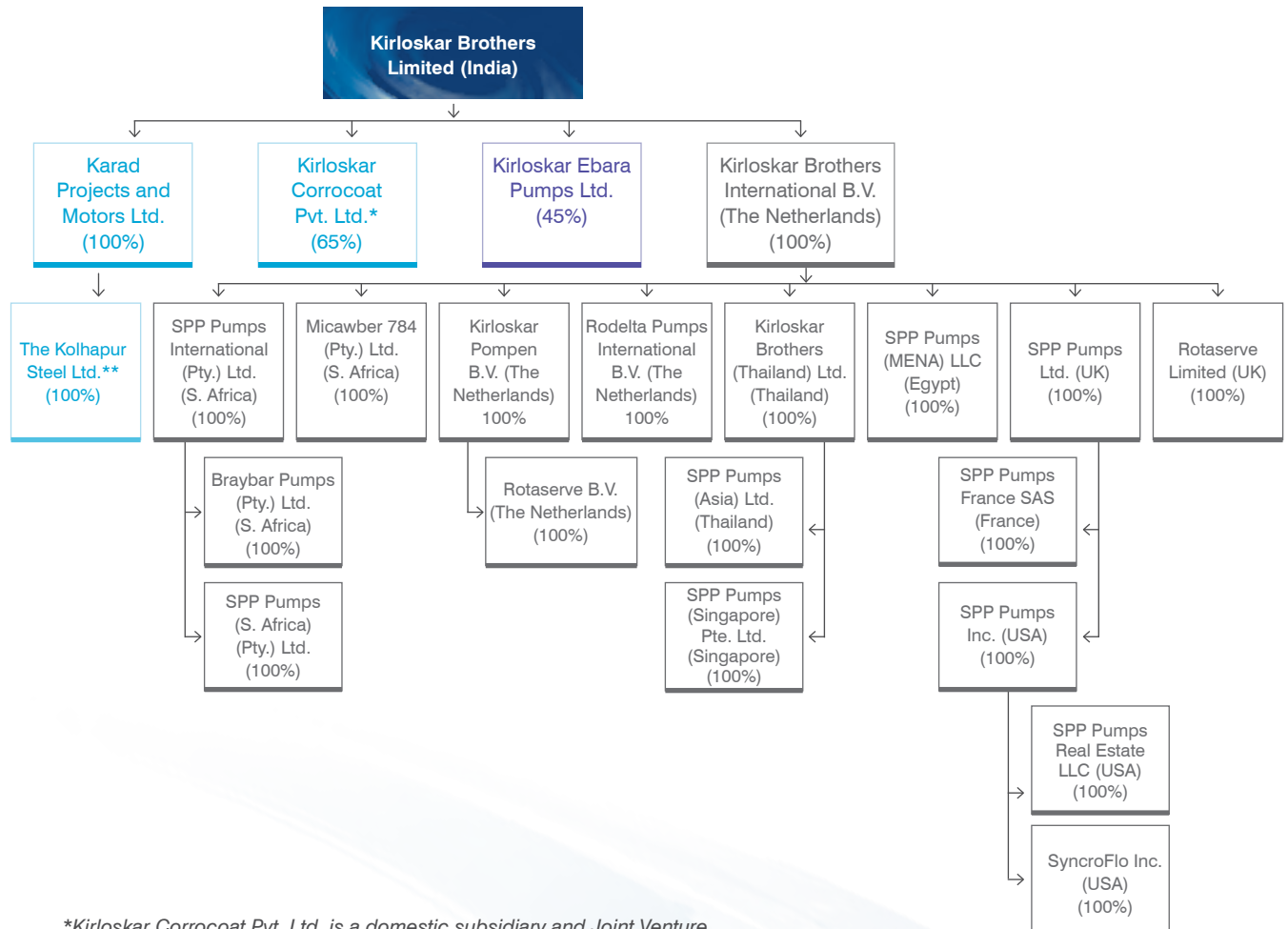
Mission

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

Core Values

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

GROUP BUSINESS STRUCTURE

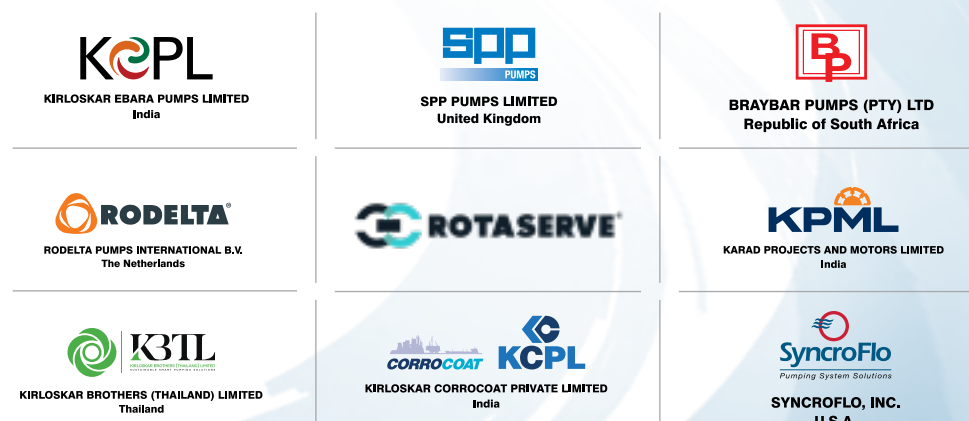


*Kirloskar Corrocoat Pvt. Ltd. is a domestic subsidiary and Joint Venture

**Subsidiary till December 2025, which has been merged with Karad Projects and Motors Limited (KPML)

- Domestic Subsidiaries (Considered for consolidation)
- Domestic Joint Ventures (Share of profits consolidated)
- International Subsidiaries (Considered for consolidation)

STRONG AND DIVERSIFIED BRAND PORTFOLIO



Global Presence

Registered Office and Global Headquarter

- 1 **Pune, India**

Manufacturing Plants in India

- 2 **Kirloskarvadi**



Maharashtra



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

- 3 **Dewas**



Madhya Pradesh



Industry and domestic pumps ranging from 0.37 kW to 22 kW

- 4 **Sanand**



Gujarat



Submersible pumps ranging from 0.37 kW to 44 kW

- 5 **Coimbatore**



Tamil Nadu



Domestic mini pumps ranging from 0.37 kW to 1.1 kW

- 6 **Shirwal**



Maharashtra



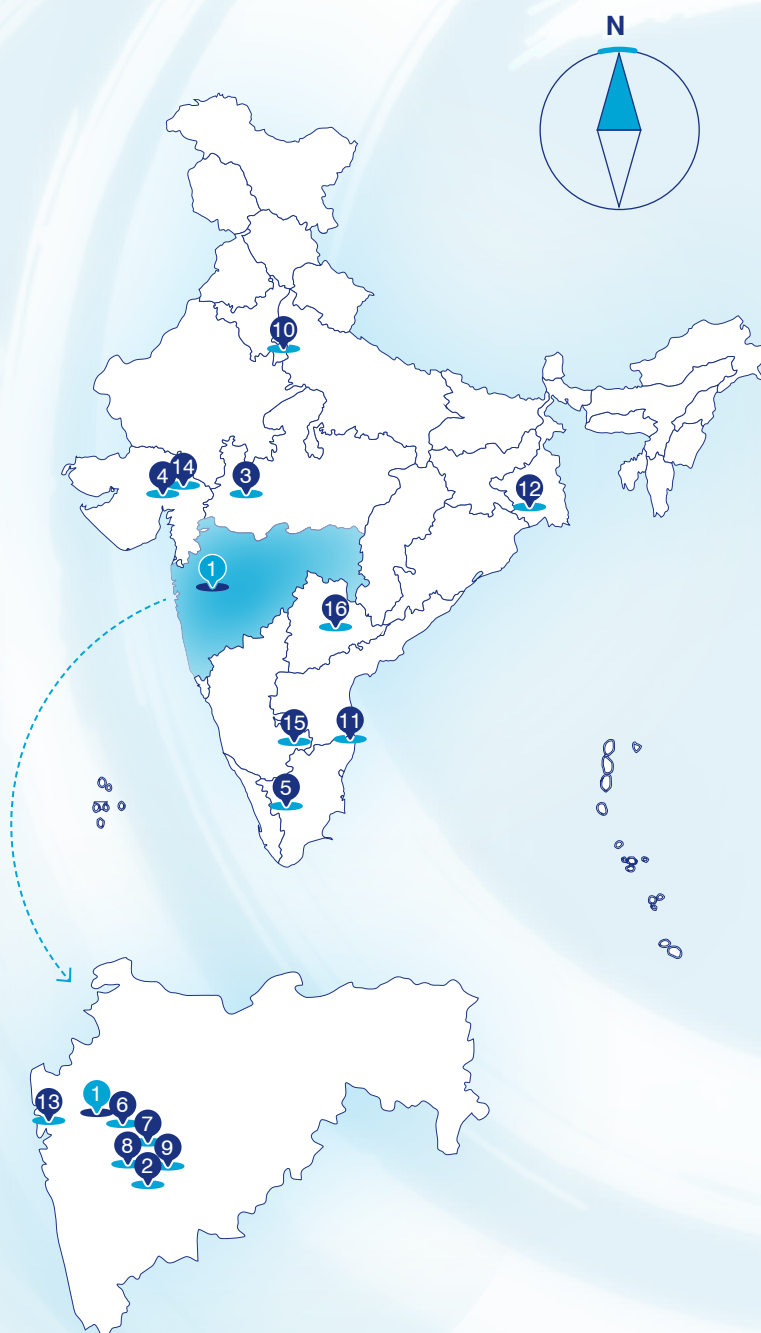
Hydro-pneumatic, HVAC and IoT Panels



Location



Products manufactured

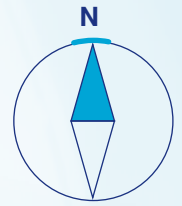


Domestic Subsidiaries and Associate Companies

- 7 **Karad Projects and Motors Limited, Karad**
7A. Karad Projects and Motors Limited, Motor Division, Karad
7B. Karad Projects and Motors Limited, Stamping Division, Karad
7C. Karad Projects and Motors Limited, Component Division, Karad
7D. Karad Projects and Motors Limited, Foundry Division, Kolhapur
- 8 **Kirloskar Corrocoat Private Limited, Kirloskarvadi**
- 9 **Kirloskar Ebara Pumps Limited, Kirloskarvadi**

Regional Offices

10 New Delhi	14 Ahmedabad
11 Chennai	15 Bengaluru
12 Kolkata	16 Hyderabad
13 Mumbai	



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

Overseas Presence

- 17 Atlanta, US (Manufacturing)**
- 18 Coleford, UK (Manufacturing)**
- 19 Almelo, The Netherlands (Manufacturing)**
- 20 Johannesburg, South Africa (Manufacturing)**
- 21 Jebel Ali, UAE (Assembly and Warehousing)**
- 22 Cairo, Egypt (Assembly, Testing and Services)**
- 23 Bangkok, Thailand (Assembly, Testing and Services)**
- 24 Aberdeen (Service Centre)**
- 25 Hyde, Manchester (Service Centre)**
- 26 Theale, Reading (Office)**

Sectors served



Building &
Construction



Industry



Oil & Gas



Power



Water &
Irrigation



Marine &
Defence



Retail
Pumps

CMD's Message



Sustainability is intrinsic to our strategy. We are intensifying initiatives that improve energy efficiency, reduce environmental impact and promote responsible resource management.”



Dear Stakeholders,

Celebrating 100 years of pump manufacturing and marking our 106th Annual Report, Kirloskar Brothers Limited (KBL) stands proud of a century-long legacy that has materially shaped India's development. Our pumps have powered irrigation, securing farmers' livelihoods, supported industrial growth and manufacturing, enabled urban water supply and sanitation and underpinned critical infrastructure projects, driving productivity, resilience and improved quality of life across the nation. This legacy is complemented by 116 years of continuous operation at our Kirloskarvadi plant, a historic centre of engineering excellence and manufacturing heritage that remains central to our capability and culture.

As we mark another year of progress, I do so with pride, purpose and a profound sense of responsibility. For over a century, KBL has moved beyond manufacturing pumps; we have been a partner in India's development. From enabling

irrigation and water security to supporting industrial growth and urban infrastructure, our solutions have played a vital role in the nation's progress. Reaching the centenary milestone of pump-manufacturing excellence is not merely about longevity; it affirms our sustained commitment to reliability, innovation and nation-building.

Our international business, led by the Kirloskar Brothers International B.V. Group, delivered a resilient and well-balanced performance despite a challenging global environment. Stable margins, consistent underlying growth and disciplined execution enabled the Group to achieve a significant milestone, with all entities reporting profitability for the first time since inception. Backed by a strong order backlog and a continued focus on operational excellence, the business is well-positioned for sustained growth in the years ahead.

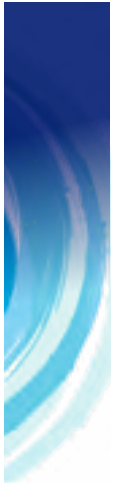
We consolidated leadership across high-value infrastructure segments. Orders for Concrete Volute Pumps (CVPs) reinforce our capability in large-scale engineered solutions. Our retail footprint also expanded through PetroTurbo outlets, reflecting a customer-first approach that enhances accessibility and responsiveness to evolving market needs.

We take particular pride in our contributions to India's defence and strategic sectors. During the year, KBL supplied advanced canned motor pumps for INS Taragiri and INS Udaygiri, hermetically sealed, leak-proof systems engineered for critical onboard applications. Delivering such complex solutions underscores our deep engineering capabilities and commitment to national security. Our products also support critical infrastructure at key sites, including Navi Mumbai, Guwahati and Noida International Airport, ensuring safety and operational reliability.

As India accelerates its transition to cleaner energy, our engagement with the nuclear power programme has strengthened. KBL remains a trusted partner, providing high-precision, mission-critical pumping solutions that meet stringent nuclear standards and support the nation's sustainable energy objectives.

Innovation continued to be a strategic priority. We launched KirloSmart™ 2.0, along with KirloSmart™ Fire and KirloSmart™ Nano, expanding our IoT-enabled portfolio for real-time monitoring, predictive maintenance and enhanced system reliability. Our new range of IoT controllers and Variable Frequency Drives (VFDs) further advances intelligent control, energy efficiency and optimised performance across applications, reinforcing our vision for smart fluid management.

Operational and quality excellence remain non-negotiable. Our pump testing facilities received NABL accreditation and we further aligned with global standards by obtaining Hydraulic Institute certification. The Kirloskarvadi plant's TPM Excellence Award and the Golden Peacock Award for Sustainability, along with recognition for quality and environmental leadership, reflect our ethos of continuous improvement. Additionally, the Advanced Technology Product Division (ATPD) achieved ISO 19443 certification, underlining our commitment to quality and safety in the nuclear sector.



KBL remains a trusted partner, providing high-precision, mission-critical pumping solutions that meet stringent nuclear standards and support the nation's sustainable energy objectives.

Sustainability is intrinsic to our strategy. We are intensifying initiatives that improve energy efficiency, reduce environmental impact and promote responsible resource management. Our solutions are designed not only to meet today's requirements but to contribute to a more resilient and sustainable future.

Looking ahead, we will continue to convert challenges into opportunities by leveraging technology, deepening capabilities and strengthening partnerships. With a century of legacy as our foundation and a forward-looking approach as our guide, I am confident that KBL will unlock new avenues of growth while playing a pivotal role in nation-building. At KBL, we do not just respond to change, we engineer it, with purpose, precision and a commitment to a better tomorrow.

My sincere gratitude to our customers, partners, employees and shareholders for their trust and support.

Sanjay Kirloskar

Chairman & Managing Director
Kirloskar Brothers Limited

JMD's Message



As we celebrate 100 years of pump manufacturing, we do so with immense pride in a legacy that has consistently enabled progress across the nation.”



Dear Stakeholders,

There are defining moments in the life of an organisation that transcend milestones and become enduring symbols of vision, purpose and national contribution. For Kirloskar Brothers Limited, January 1926 stands as one such landmark moment. The manufacturing of India's first indigenously built centrifugal pump was not merely the beginning of a product journey; it was the foundation of a movement rooted in engineering excellence, industrial self-reliance and nation-building. It marked the emergence of an institution that would go on to play a vital role in powering India's infrastructure and development for generations.

As we celebrate 100 years of pump manufacturing, we do so with immense pride in a legacy that has consistently enabled progress across the nation. For a century, KBL's solutions have supported irrigation systems that strengthen agricultural prosperity, powered industries that fuel economic growth, enabled

urban water management and contributed to critical sectors essential to national development. Today, our capabilities extend far beyond conventional applications to some of the country's most complex and strategic projects, including nuclear power plants, defence infrastructure, energy systems, large industrial networks and modern urban utilities. Every solution we engineer carries a larger purpose: to move not just water, but progress itself, improving lives, strengthening infrastructure and contributing meaningfully to India's growth story.

This centennial milestone is not only a celebration of our heritage, but also a powerful reaffirmation of our future aspirations. Our theme, "A Century Strong. Infinite Motion.", embodies the spirit of KBL, resilient in legacy, progressive in vision and relentless in innovation. It reflects our commitment to continuously advancing through technology, digital transformation, sustainability, manufacturing excellence and customer-centric innovation. More importantly, it

reminds us that true leadership is not defined by longevity alone, but by the ability to evolve with purpose, adapt with agility and create enduring value for generations to come.

During the year, we further strengthened our manufacturing capabilities at Kaniyur, reinforcing KBL's integrated manufacturing ecosystem spanning Kirloskarvadi, Dewas, Sanand and our joint venture and subsidiary operations. This strategic expansion enhances our ability to deliver with greater agility, scale and operational excellence, while advancing our vision of building future-ready manufacturing infrastructure capable of meeting evolving domestic and global demand with speed, quality and reliability.

Innovation continued to remain a key driver of our growth journey and technological leadership. During the year, we introduced a new range of advanced pumping solutions, including India's first 17.5 cm submersible pumps (KU7P), the 10 cm borewell submersible pump series (LEHR), JOS Ultra and KOSi Ultra Openwell submersible pumps, the Chhotu Ultra mini-series, the Jalraaj-I and II Ultra Max range. Engineered for superior efficiency, reliability and performance, these products are designed to address evolving customer needs across diverse applications and markets. These launches reaffirm KBL's commitment to developing future-ready solutions that combine innovation, sustainability, energy efficiency and customer-centric value.

The year also witnessed slower market conditions across certain sectors. However, KBL remained resilient and future-focused, leveraging its strong fundamentals, diversified portfolio, manufacturing strength and customer trust to sustain momentum and further strengthen its market position.

A particularly proud moment for all of us was the recognition received for our KOSi 135 pump, which was honoured with the "Best Appliance of the Year" Award at the National Energy Conservation Award 2025 in the pump category. This prestigious recognition reaffirms KBL's commitment to engineering energy-efficient, sustainable and high-performance pumping solutions that set industry benchmarks and strengthen our leadership in an increasingly competitive and evolving market.

Our commitment to operational excellence received significant recognition during the year. The accreditation of the Hydraulic Research Centre Pump Testing Laboratory by the Hydraulic Institute, making KBL the world's only pump company to receive this distinction, along with the TPM Award



Innovation continued to remain a key driver of our growth journey and technological leadership.

for the Kirloskarvadi plant, stand as strong endorsements of our manufacturing quality, process excellence and culture of continuous improvement. These achievements reflect the dedication of our teams and our relentless pursuit of world-class standards.

As we enter the next chapter of our journey, we do so with the confidence of a 138-year legacy and the ambition of an organisation constantly looking toward the future. Guided by innovation, responsible engineering, sustainability and customer-centric growth, KBL remains committed to building solutions that not only power industries and infrastructure but also contribute meaningfully to the nation's progress. A hundred years of achievement have strengthened our foundation, but it is our vision for the future that continues to inspire us to move forward with greater purpose, determination and momentum.

I extend my heartfelt gratitude to our customers, financial institutions, employees, partners, shareholders and all stakeholders for their unwavering trust and support throughout this extraordinary journey. Together, we have built far more than an institution, we have built a legacy of resilience, excellence and nation-building. As we move ahead, we will continue to keep the wheels of progress turning, enabling growth, empowering communities and shaping a future driven by innovation and infinite possibilities.

Rama Kirloskar

Joint Managing Director
Kirloskar Brothers Limited

Director's Message



A significant milestone was achieved as all Group companies reported profitability during the year, underscoring the effectiveness of our strategic direction, governance framework and execution discipline.”



Dear Stakeholders,

Since 1926, Kirloskar Brothers Limited (KBL) has been synonymous with engineering excellence and purposeful manufacturing.

What began as a pioneering effort to manufacture pumps in India has, over nearly a century, evolved into a global enterprise delivering solutions that support water security, critical infrastructure, industrial growth and community protection across geographies. Our journey has been defined not only by longevity, but by our ability to adapt, innovate and create impact in a constantly changing world.

The year under review unfolded against a challenging global backdrop. Geopolitical conflicts, trade realignments, volatile tariff regimes, inflationary pressures and uneven economic recovery across regions continued to influence business sentiment and capital investment

decisions. In such an environment, resilience, agility and disciplined execution become critical and it is here that the strength of the Kirloskar philosophy once again came to the fore.

Despite these headwinds, the Group demonstrated stability and operational strength, delivering a consistent underlying performance. While foreign exchange movements influenced reported results during the year, the core business remained robust, supported by resilient operating margins and sustained cost and process optimisation initiatives. A significant milestone was achieved as all KBI BV Group companies reported profitability during the calendar year, underscoring the effectiveness of our strategic direction, governance framework and execution discipline. We also enter the new financial year with a strong and healthy order backlog, providing positive visibility and confidence.

Performance across regions remained robust and strategically aligned. SPP Pumps Ltd (UK) delivered a strong performance, driven by record growth in its Fire Division and a higher share of long-term framework contracts, while reinforcing its industry leadership through fourth year to recognition as “Manufacturer of the Year”.

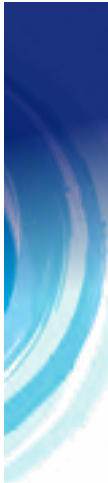
The United States operations recorded an outstanding year, supported by strong distributor engagement, geographic expansion into South America and Canada and focused growth across warehousing, data centres and complex systems. South African operations delivered resilient performance, anchored in long-term partnerships, repeat business and growing government-led demand. The Netherlands operations recorded improved profitability through effective cost optimisation and an expanded presence in the water and power generation sectors.

Another key highlight was the successful turnaround of KBTL Thailand, which achieved profitability following strategic initiatives. The certification of the Thailand facility as an FM/UL approved manufacturing site represents an important strategic milestone, enhancing our competitiveness and strengthening our position in Asia.

Innovation continues to be a key driver of long-term relevance and differentiation. During the year, we introduced new product platforms including the iNSx series, KRO pumps and advanced AR/VR enabled solutions, alongside an IoT-based remote monitoring system that enables predictive maintenance, improves uptime and enhances customer value. These developments reflect our commitment to combining engineering strength with digital capability to meet evolving customer expectations.

In parallel, the Group has made steady progress in its digital transformation journey. The deployment of platforms such as Phoenix for production labour tracking, Colligo for real-time shop floor data capture and service process documentation and Apollo, an AI-enabled tender and documentation tool, has enhanced productivity, strengthened knowledge management and improved decision-making across the organisation.

We also continued to fortify our governance systems, strengthen enterprise-wide risk management and advance de-risking initiatives to support sustainable, long-term growth. In a global environment shaped by geopolitical



The certification of the Thailand facility as an FM/UL approved manufacturing site represents an important strategic milestone, enhancing our competitiveness and strengthening our position in Asia.

uncertainty, shifting trade dynamics and cautious capital spending, these measures have been critical. Even amid slower investment cycles in certain markets, our ability to align closely with private and government-led investments, particularly across water, power, fire protection and infrastructure has enabled balanced performance and positioned the Group to respond decisively to emerging opportunities.

I would like to place on record my sincere appreciation to our employees for their commitment and resilience, to our customers and partners for their trust and to our shareholders for their continued confidence. As we move forward, KBL remains firmly anchored in its heritage, guided by strong values and focused on building a future defined by innovation, responsibility and enduring growth.

Alok Kirloskar

Non-Executive and Non-Independent Director
Kirloskar Brothers Limited

RISK MANAGEMENT

Strategic Risk Management for Sustained Growth and Value Creation

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

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

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

Key Risks

R1

Talent Management – Recruitment and Retention

Risk Description

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

Risk Drivers

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

Implication for Value Creation

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

Mitigation Measures

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

R2

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

Risk Description

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

Risk Drivers

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

Implication for Value Creation

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

Mitigation Measures

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

R3

Financial Performance Risk Affecting Margins

Risk Description

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

Risk Drivers

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

Implication for Value Creation

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

Mitigation Measures

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

R4

Delay in Commercialisation of New Technologies

Risk Description

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

Risk Drivers

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

Implication for Value Creation

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

Mitigation Measures

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

R5

Rise in Procurement Cost and Heavy Dependence on Limited Suppliers

Risk Description

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

Risk Drivers

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

Implication for Value Creation

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

Mitigation Measures

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

R6

Geopolitical Risk

Risk Description

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

Risk Drivers

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

Implication for Value Creation

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

Mitigation Measures

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

DOUBLE MATERIALITY ASSESSMENT

Prudent Approach to Materiality Assessment

As sustainability considerations continue to influence business performance, stakeholder expectations, regulatory developments and long-term value creation, Kirloskar Brothers Limited (KBL) undertook its first third party independent Double Materiality Assessment (DMA) to identify, assess and prioritise the sustainability topics most relevant to its business and stakeholders. The Double Materiality Assessment (DMA) is based on the European Sustainability Reporting Standards (ESRS) and Corporate Sustainability Reporting Directive (CSRD) requirements. Guided by the content and requirements of the ESRS, Company adopted a systematic approach to the double materiality assessment to identify and evaluate all material Impacts, Risks and Opportunities (IRO). It used the scoring and assessment model suggested by the ESRS.

The assessment was conducted to strengthen KBL's understanding of sustainability-related Impacts, Risks and Opportunities (IROs) arising across its operations, products, services and value chain. It provides a structured framework to evaluate how KBL's activities impact the environment and society, while also assessing how sustainability-related matters may influence the Company's business performance, operational resilience, strategic objectives and long-term value creation.

The DMA enables KBL to better understand the sustainability topics that are most significant from both Impact Materiality and Financial Materiality perspectives. The assessment outcomes support informed decision-making, risk management, stakeholder engagement, sustainability strategy development and future sustainability disclosures.

The assessment considered sustainability-related matters across Environmental, Social and Governance (ESG) dimensions and incorporated inputs from stakeholder consultations, management discussions, operational reviews, industry-specific sustainability considerations and internationally recognised sustainability frameworks. This helped ensure that the identified material topics appropriately reflect KBL's business context, operational footprint, stakeholder expectations and long-term strategic priorities.

KBL recognises that sustainability-related impacts, risks and opportunities are interconnected and may influence business performance over short, medium and long-term horizons. Accordingly, the DMA provides a foundation for integrating sustainability considerations into governance processes, business planning, risk management practices, operational decision-making and long-term value creation initiatives.

The assessment followed a structured and systematic approach aligned with globally recognised materiality assessment principles and guidance. The outcomes of DMA provide the basis for KBL's material sustainability topics and support the Company's commitment to responsible business practices, innovation-driven growth, operational excellence and sustainable value creation for all stakeholders.

The DMA was prepared on the basis of an exclusive questionnaire developed to seek the ESG perceptions of all applicable stakeholders including economic, social and environmental stakeholders who directly or indirectly interact and impact KBL business. The Sustainability core team conducted several awareness sessions along with internal and external domain experts to discuss the impacts, risks and opportunities. The DMA is validated by the Top Management.

Impacts, Risks and Opportunities Across the Value Chain

The material Impacts, Risks and Opportunities (IROs) identified through KBL's Double Materiality Assessment (DMA) are linked to the Company's business activities and value chain based on CSRD requirements. The assessment considered sustainability-related impacts, dependencies, risks and opportunities arising across upstream activities, KBL's own operations and downstream activities associated with product use, service delivery and end-user applications.

The value chain assessment enabled KBL to understand where material sustainability matters originate, how they may influence stakeholders and business performance and where management actions can create positive environmental, social and economic outcomes. The assessment also supported the identification of material Environmental, Social and Governance (ESG) topics relevant to KBL's operations, products, services and stakeholder ecosystem.

Material IROs may arise across different stages of the value chain, including responsible sourcing of raw materials and components, supplier and contractor management, manufacturing operations, energy and resource consumption, employee health and safety, product innovation, customer applications and end-of-life management considerations.

The outcomes of the assessment are integrated into KBL's sustainability management approach, governance processes, risk management framework and strategic decision-making activities. Relevant functions across the organisation are responsible for managing and monitoring identified material IROs and supporting continuous improvement in sustainability performance.

The identified IROs will continue to be monitored and managed through KBL's sustainability governance mechanisms, risk management processes and strategic decision-making frameworks. These outcomes provide an important foundation for strengthening sustainability performance, enhancing resilience and supporting sustainable value creation across the value chain.

Assessment Results and Material Topic Prioritisation

The Double Materiality Assessment enabled KBL to evaluate and prioritise sustainability-related topics based on both Impact Materiality and Financial Materiality perspectives. The assessment considered the significance of actual and potential impacts on the environment, society and stakeholders, as well as the potential influence of sustainability-related risks and opportunities on KBL's business performance, operational resilience, stakeholder relationships and long-term value creation.

The assessment incorporated stakeholder inputs, business considerations, sector-specific sustainability challenges, regulatory developments and value chain impacts to determine the relative significance of each sustainability topic. The identified topics were subsequently assessed, scored and prioritised using a structured materiality assessment methodology.

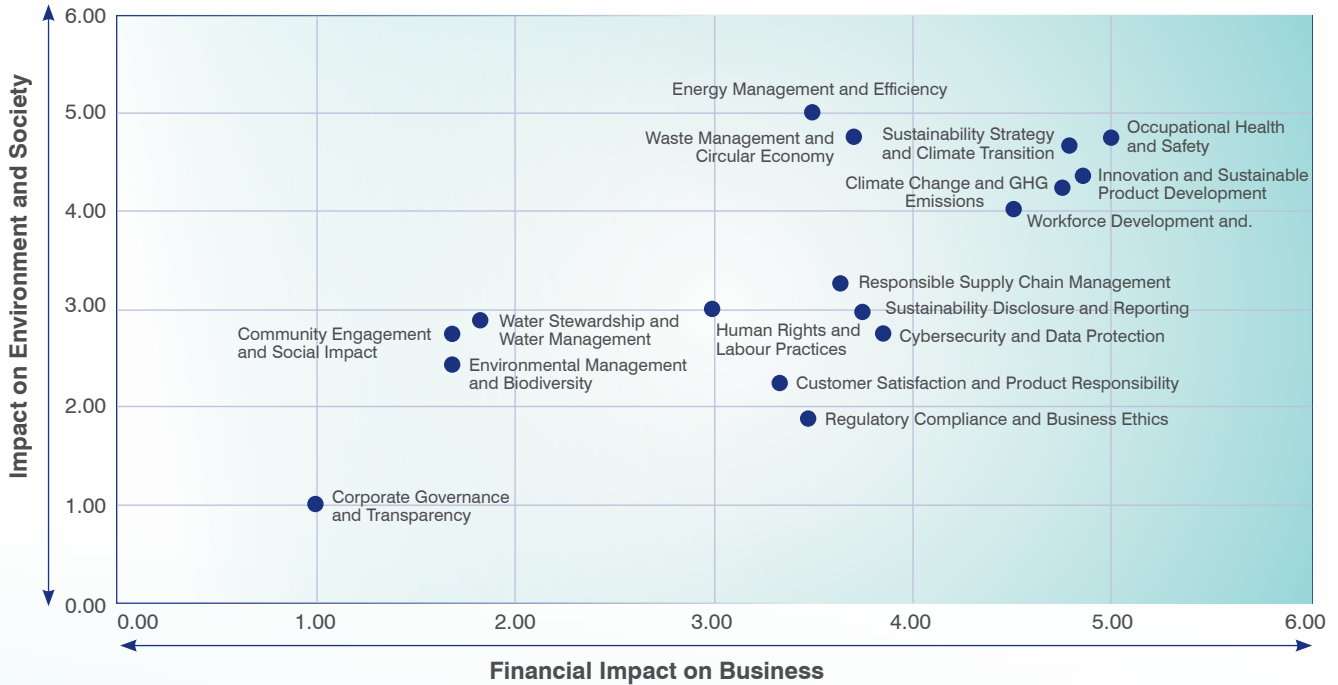
The results of the assessment provide a comprehensive understanding of the sustainability matters that are most relevant to KBL and its stakeholders. The prioritisation process supports the integration of sustainability considerations into business strategy, governance, risk management, operational decision-making and future sustainability disclosures.

The materiality assessment outcomes are presented through the Materiality Matrix and material topic prioritisation framework shown on page 22. Based on the combined materiality assessment scores, the identified sustainability topics were categorised into High, Medium and Low materiality levels.

The materiality categories represent the relative significance of each topic and support KBL in focusing resources, management attention and sustainability initiatives on the matters that have the greatest potential to influence stakeholders, business performance and long-term value creation.

The following figure presents the Materiality Matrix and the prioritisation of material sustainability topics identified through the Double Materiality Assessment.

DOUBLE MATERIALITY ASSESSMENT MATRIX



CATEGORISATION OF MATERIAL TOPICS

Low Material Topics	Medium Material Topics	High Material Topics
M 1 Corporate Governance and Transparency	M 5 Regulatory Compliance and Business Ethics	M 11 Waste Management and Circular Economy
M 2 Environmental Management and Biodiversity	M 6 Customer Satisfaction and Product Responsibility	M 12 Energy Management and Efficiency
M 3 Community Engagement and Social Impact	M 7 Human Rights and Labour Practices	M 13 Workforce Development and Employee Well-being
M 4 Water Stewardship and Water Management	M 8 Cybersecurity and Data Protection	M 14 Innovation and Sustainable Product Development
	M 9 Sustainability Disclosure and Reporting	M 15 Sustainability Strategy and Climate Transition
	M 10 Responsible Supply Chain Management	M 16 Occupational Health and Safety
		M 17 Climate Change and GHG Emissions

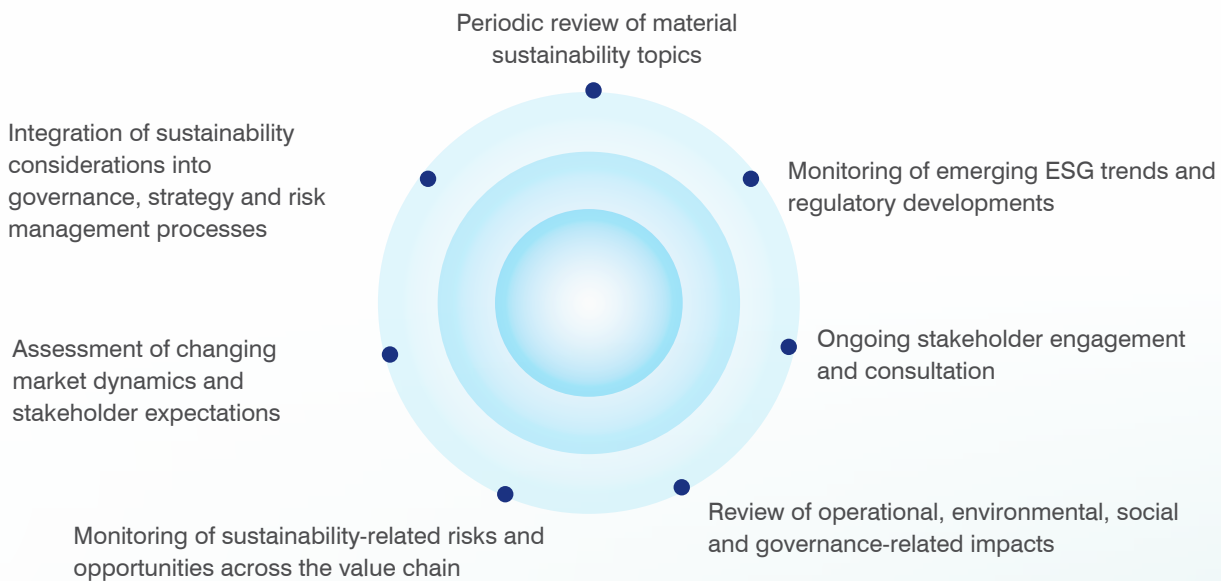
To understand KBL's management approach and strategies on Double Materiality Assessment in detail, please refer to the Business Responsibility and Sustainability Report (BRSR) on Page 135.

CONTINUOUS MONITORING AND IMPROVEMENT

KBL recognises that sustainability-related impacts, risks and opportunities may evolve over time due to changes in the regulatory environment, stakeholder expectations, market conditions operational activities, technological advancements and climate-related developments.

Accordingly, KBL intends to periodically review and update the Double Materiality Assessment process and identified material topics to ensure continued relevance, effectiveness and alignment with evolving business and sustainability priorities once in every five years or any material topic perceived to become severe whichever is earlier.

The continuous monitoring approach includes:



KBL also intends to strengthen its sustainability governance and decision-making processes through:



This continuous improvement approach will support KBL in strengthening long-term business resilience, sustainability performance, stakeholder confidence and responsible business practices.

STAKEHOLDER ENGAGEMENT

Creating Value through Meaningful Stakeholder Engagement

We believe that frequent and open dialogue with our stakeholders is fundamental to driving sustained business growth. Through regular engagement across multiple channels, we gain valuable insights into their priorities and expectations, enabling us to align our strategies and create long-term value for all.



Shareholders/ Investors

Capitals Impacted



Risks



Material Matters



Key Concerns and Expectations

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

Mode and Frequency of Engagement

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

Value Proposition

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

Quality of Relationship

- 98.25% Investors' Service Score



Customers

Capitals Impacted



Risks



Material Matters



Key Concerns and Expectations

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

Mode and Frequency of Engagement

- Customer perception survey (CPS) (Once in two years)

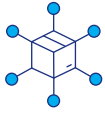
- Customer visits and communication - Continual process
- Events and exhibitions – As per plan

Value Proposition

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

Quality of Relationship

- 84.3% CPS Score



Dealers and Distributors

Capitals Impacted



Risks

R3

R4

R6

Material Matters

M 1

M 5

M 6

M 10

M 14

Key Concerns and Expectations

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

Mode and Frequency of Engagement

- Monthly review meetings
- As and when required through CRM
- Dealer Meets/Conferences

- Product & Process Training Sessions
- Events & exhibitions – As per plan
- Audits and assessment – As per plan

Value Proposition

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

Quality of Relationship

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



Suppliers

Capitals Impacted



Risks

R3

R5

R6

Material Matters

M 1

M 5

M 6

M 10

M 14

Key Concerns and Expectations

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

Mode and Frequency of Engagement

- Quarterly and yearly supplier meets
- Supplier quality assessment visits (As per plan)

- Order-based discussions (As applicable)
- Vendor Satisfaction Survey
- Supplier Trainings and workshops (As per plan)
- Audits and assessment (As per plan)

Value Proposition

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

Quality of Relationship

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



Employees

Capitals Impacted



Risks

R1

Material Matters

M 1 **M 5** **M 7**
M 13 **M 16**

Key Concerns and Expectations

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

Mode and Frequency of Engagement

- Employee Engagement Survey (EES) (Once in two years)

- Performance Management System (Six Monthly)
- Celebration of festival and other days (As per plan)
- Employee well-being programmes (As per plan)
- Town Hall Meet

Value Proposition

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

Quality of Relationship

- 72% Employee Engagement Score



Communities

Capitals Impacted



Risks

-

Material Matters

M 3 **M 5** **M 7**
M 10

Key Concerns and Expectations

- Employment opportunities
- Pollution-free and sustainable environment
- Community development and support
- Local sourcing
- Support to vulnerable & marginalised groups

Mode and Frequency of Engagement

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

Value Proposition

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

Quality of Relationship

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



Financial Institutions

Capitals Impacted



Risks



Material Matters

M 1 M 5 M 8

Key Concerns and Expectations

- Robust business growth
- Strong financial performance and cash flow
- Transparency and timely data submission
- Compliance with RBI and FEMA regulations

Mode and Frequency of Engagement

- Quarterly and yearly meets through the Consortiums
- Monthly meetings (As per agenda)

Value Proposition

- Proportionate business routings
- Competitive pricing

Quality of Relationship

- AA+ Rating from CRISIL



Business and Governing Bodies

Capitals Impacted



Risks



Material Matters

M 1 M 5 M 7
M 9

Key Concerns and Expectations

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

Mode and Frequency of Engagement

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

Value Proposition

- Regular interaction with government/ business bodies to engage with industry concerns on existing/ future policies and regulations to advance ease of doing business
- Strict compliance with relevant rules and regulations and coordinating with regulatory bodies

Quality of Relationship

- On-time grievance handling

Business Model

OUR STRENGTHS

ENGINEERING EXPERTISE & CAPABILITIES

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

UNIQUE CULTURE

- Fostering an inclusive culture and building high-performance teams
- Embedding sustainability and energy conservation practices
- Leading digital transformation in India's Pump Industry

MANUFACTURING PROWESS

- India's first and largest and a world-class pump manufacturing company for MTO, MTS and ETO products
- Manufacturing capabilities benchmarked against highest quality standards
- Manufacturing locations spread across 6 countries in 4 continents, ensuring cost effectiveness, reduced turnaround time and adherence to local sourcing norms

ROBUST PRODUCTS & SOLUTIONS

- State-of-the-art, energy-efficient and sustainable products and solutions
- Continuous R&D and innovation in product development
- Diversified product portfolio catering to a wide array of applications across industries, ensuring business remains unimpacted by cyclicality
- Optimising the mix of value-added products, end-to-end solutions and new product launches by leveraging technological advances such as 3-D Printing IoT, AI, AR and VR

CUSTOMER-CENTRICITY

- Global company serving customers across 6 continents and 120+ countries, having local presence across all major trading blocks
- Customised solutions to address evolving needs of customers
- Ensuring customer satisfaction by fulfilling their need for reliable, intelligent hydraulic machines and systems
- Comprehensive after-sales support through a dedicated and extensive network of authorised spares dealers and service centres

CAPITAL MANAGEMENT

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

UTILISING OUR STRENGTHS

SUPPORTED BY:



VISION



MISSION



**SUSTAINABLE
AND INNOVATIVE
SOLUTIONS**



**SERVING
CUSTOMERS
GLOBALLY**



VALUES

RISK
MANAGEMENT
FRAMEWORKPROVIDING ONE-
STOP SOLUTION FOR
VARYING NEEDS OF
CUSTOMERSCREATING
VALUE-ADDED PRODUCTS
ACROSS MULTIPLE
SEGMENTS AND MULTIPLE
BUSINESS MODELS

CREATING SUSTAINABLE VALUE*



FOR OUR SHAREHOLDERS

- Rewarded shareholders with 350% Dividend (subject to approval by Members in the AGM)



FOR OUR CUSTOMERS

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



FOR OUR EMPLOYEES

- 72% Employee Engagement Score
- Robust programmes for employee well-being and enriching overall employee experience and development
- Training and awareness programmes, initiatives on skill development and employee engagement
- Employee recognition reach: 450+



FOR OUR COMMUNITIES

- Wide-ranging CSR activities with key focus on Health, Education and Environment
- Spent ₹ 67+ mn on CSR activities



FOR OUR PLANET

- Renewable Energy share in operations increased from 15% in 2024-25 to 35% in FY 2025-26
- 71% reduction in Scope 1 Emission Intensity (MT/Pump) over the baseline FY 2022-23
- 6% reduction in Scope 2 emission intensity (MT/Pump) over the baseline 2022-23
- CII GreenPro certified products

* Standalone

OUR STRATEGY ROADMAP

Charting the Roadmap to Sustainable Growth

Our strategic priorities reinforce our ability to create and sustain enduring value for all. Each of our business units operates with well-defined strategies aligned to the organisation's overall goals. We aim to navigate a rapidly evolving business landscape and strengthen our future-readiness.

Our strategy is focused on strengthening our portfolio, expanding geographic reach and enhancing market share. With continued investments in smarter and innovative solutions, we strive to set new benchmarks in product development, efficiency, reliability and sustainability.

STRATEGIC PRIORITIES AND ENABLERS

S1 Widening Market Reach

Performance measures

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

Progress in FY 2025-26

- Sustained leadership position in the growing market segments
- On the exports front, both bookings and sales exceeded the annual targets
- Launched various new products for Domestic, Agriculture, Industry, O&G, Water and M&D sectors
- O&G sector secured orders to supply ~ 17,000 nos. newly developed PetroTurbo series pumps for retail fuel outlets
- Power sector bagged orders to supply concrete volute pumps (value added product) for circulating water packages across six thermal power projects in India
- Marine & Defence sector secured order for designing, manufacturing and supplying engineered pumps for ballast application
- Sales of new and focused products in the Small Pumps Business contributed 49% by quantity and 22% by value

Key Risks

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

Capitals Impacted



S2 Improving Operational Efficiency

Performance measures

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

Progress in FY 2025-26

- 357 variants of new products including energy-efficient models developed (502 star rated products)
- 35% electricity consumption served by renewable energy (solar and wind)
- Advanced technologies such as Industrial IoT, AI, SCADA, MES, RPA and supply-chain automation are embedded to enable real-time monitoring, predictive maintenance, improved quality and enhanced operational efficiency
- Digital route card implemented in KOV plant to offer real-time tracking, improved accuracy and for reducing manual errors compared to conventional route cards

Key Risks

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

Capitals
Impacted



S3 Digital Transformation

Performance measures

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

Progress in FY 2025-26

- Launched “Trivim” software for 3D GA and automatic base frame drawing generator for End suction, Multistage and Split case type pumps
- Continued investments in smart factories, energy management systems and intelligent warehousing are strengthening asset reliability, optimising resource utilisation, improving sustainability and unlocking data-driven service opportunities
- Progressively integrated digital tools and systems to enhance production planning, improve machine performance monitoring and optimise resource utilisation
- Launched mobile app for Geo-tagging pump installations to accurately capture location data for enhancing after-market revenue through spares and service offerings
- AI-enabled data leakage prevention system implemented to protect IP data - Engineering drawings and technical specifications
- Multiple AI projects gone live in Quality, Service, Human Resource, Cybersecurity. Introduced skid-mounted Smart Firefighting System with IoT-based remote monitoring solution, an advanced system designed for ease of installation and real-time insights
- Launched KirloSmart™ Nano – Next-Gen IoT-based solution for automated packages pumping system

Key Risks

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

Capitals
Impacted



S4 Environment Protection

Performance measures

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

Progress in FY 2025-26

- Received CII GreenPro Type-I Ecolabel for Verticle Inline Pumps (KW-SC, KW-LC), Hydropneumatic Pressure Boosting System - HYPN, Single Phase Monobloc Pump-KDS, Openwell Submersible Pump - KOSi
- The Renewable Energy share in operations increased from 15% in 2024-25 to 35% in FY 2025-26
- Strengthened resource conservation practices with rainwater harvesting, water recycling, reusable metal pallets to minimise packaging waste and systematic leak detection across air, oil and water systems
- MEI-certified products (DBXe, KW SC, KPD End Suction Process Pumps, 4" submersible pumps, KDI EE5 Monobloc Pumps) helping industries reduce energy consumption and operating costs
- Our KOSi 135 pump received the 'Appliance of the Year' award at the NECA 2025 event organised by Bureau of Energy Efficiency (BEE)
- Golden Peacock Award" in Sustainability and Environment Management category from Institute of Directors, India
- 18th State Energy Conservation Award under the "Automobile & Engineering" category, awarded by the Maharashtra Energy Development Agency (MEDA)

Key Risks

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

Capitals Impacted



S5 Talent Management and Competency Development

Performance measures

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

Progress in FY 2025-26

- EES of 72%, placing us in high performance company
- Engagement index 3.97%
- Workforce capability strengthened through multiskilling initiatives, enabling operators to handle multiple machine platforms effectively
- Achieved an average of 5 training man-days per employee
- Various programs conducted centrally for employee health and well-being throughout the year
- Employee recognition reach: 450+

Key Risks

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

Capitals Impacted



S6 Improving Plant Productivity

Performance measures

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

Progress in FY 2025-26

- SMPD – CIF, KOV received the TPM Excellence Award from JIPM, reinforcing our commitment to a Zero Breakdown, Zero Accident, Zero Defect and Zero Loss culture
- Strengthened equipment reliability and operational stability through TPM practices, preventive maintenance and breakdown reduction, while enhancing energy efficiency via targeted conservation initiatives
- Improved productivity by revalidating CNC programs, optimising cutting parameters, reducing setup time through SMED and enhancing machining efficiency with process optimisation and reduced speed losses
- Furnace in Cast Iron foundry at KOV plant is upgraded with IGBT technology – enabling faster melting, reduced cycle time and energy consumption
- Kaniyur plant expansion completed for enhanced production, improve operational efficiency and support advanced manufacturing processes
- Advanced multi-axis machining systems have been deployed to enhance precision and efficiency in critical component manufacturing
- Assembly setup at Dewas plant for CW pump series converted to semi-automated line to enhance the production capacity
- Paperless picking system implemented in Megastore at KOV plant (improved productivity, higher picking accuracy, better traceability and reduction in operational cost)
- Advanced quality and process reliability through design and process improvements, implementation of SPC tools (X and R charts) and upgraded testing systems to minimise defects and ensure consistent product performance

Key Risks

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

Capitals Impacted



S7 Supply Chain Management

Performance measures

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

Progress in FY 2025-26

- Procurement cost savings of 3.5% achieved in FY 2025-26
- Introduced vendor portal for supplier management. Vendor re-onboarding of 2,500+ vendors completed in vendor portal with document and technical evaluation
- Strengthened supplier ecosystem through Quarterly Business Reviews, technical assistance for quality improvement, digital portal training and supplier financing support, while driving cost optimisation (VAVE), capacity and capability enhancement, delivery performance, sustainability, regulatory/ESG compliance and overall reduction in total cost of ownership
- 90.4% suppliers covered for ESG assessment
- Enhanced delivery performance and reduced lead times through improved stock visibility, optimised inventory planning and robust multi-level inspection processes to effectively address and resolve punch points
- Reduced dependency on single source vendors
- Supplier Quality Score showed positive trend

Key Risks

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

Capitals Impacted



OPERATING ENVIRONMENT

Responding to external trends and opportunities

Against the backdrop of global uncertainties, marked by volatile commodity prices, geopolitical and supply chain disruptions, fluctuating demand patterns and environmental challenges, we have realigned our priorities to respond to changing market conditions and sustain our competitive edge.

Shifting economic paradigms, technological advancements and evolving customer expectations have redefined the global industrial landscape. Amid these shifts, India has emerged as the world's fastest-growing major economy, supported by robust economic fundamentals, strong infrastructure development and healthy consumer spending. The Government's long-term vision, Viksit Bharat 2047, underscores the aspiration of making India a globally competitive manufacturing hub. It aims to accelerate policy-led investments, green technologies, digital infrastructure and strategic global partnerships, laying the foundation for sustainable and inclusive growth.

India's favourable economic momentum augurs well for the manufacturing sector, particularly the pump industry. Rising investments in agricultural and infrastructure development, accelerating industrialisation, and the increasing demand for safe drinking water are contributing to market growth. We remain well-positioned to seize these opportunities and drive long-term growth. Innovation and sustainability form our key differentiators, enabling us to navigate external uncertainties and strengthen our competitiveness.



Climate Change

SDGs served



Gradual climatic shifts, such as rising sea levels, changing rainfall patterns and erratic weather events, including heatwaves and droughts, are reshaping the operating environment for businesses worldwide. These factors will significantly influence demand patterns, particularly for pumps used in domestic and agricultural applications.

Our Response

We remain committed to developing innovative, energy-efficient and sustainable products and solutions capable of performing under extreme weather conditions. Our focus on sustainable manufacturing practices, adoption of renewable energy and ensuring compliance with regulations enables us to effectively mitigate climate-related risks.

Key Risks

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



Regulation and Governance

SDGs served



Globally, there is a growing demand for a robust regulatory framework and improved systems and processes that strengthen decision-making, resilience, and organisational culture.

Our Response

We ensure strong governance and compliance in line with evolving statutory requirements. We also comply with a wide range of environmental regulations, focusing on sustainability by developing energy-efficient and greener products. We uphold ethical and transparent business practices and maintain robust internal control systems while reinforcing stakeholder trust.

Key Risks

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



Economic Environment

SDGs served



Persistent geopolitical tensions, shifting trade dynamics and tariff policies have created unprecedented challenges for the global economy, supply chains and trade flows. Notwithstanding the global uncertainties, India continues to demonstrate strong and resilient economic momentum, with GDP growth at 7.7% in FY 2025-26. Expansion in construction, electricity, gas, water supply, and other utility services is expected to support industrial growth and infrastructure development,

reaffirming India's position as the fastest-growing major economy.

Our Response

KBL demonstrated resilience and agility amid continued macroeconomic headwinds. We are well-positioned to benefit from India's economic growth by expanding our product portfolio and catering to the rising demand for pumps across agriculture, infrastructure, and industrial sectors. Sustained investments in innovation, R&D, and world-class technologies strengthen our ability to serve emerging markets. Further, our

leadership position in the centrifugal pump market enables us to capitalise on the favourable opportunities and meet the evolving needs of a growing economy.

Key Risks

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



Digital Adoption

SDGs served



Rapid technological advancements, accelerating digital adoption, and shifting consumer behaviours are transforming businesses and industries while unlocking newer opportunities. As technology drives change across every sector, businesses must adapt swiftly to stay relevant and competitive.

Our Response

Recognising this opportunity, we are embracing digital

transformation to improve operational efficiency, product performance, and customer service. Our digital platforms, such as KirloSmart™, offer remote diagnostics, real-time performance monitoring, and predictive insights, improving customer experience. We are also investing in automation and smart manufacturing to optimise processes, reduce operational costs, and ensure product quality. These initiatives position KBL for long-term growth and competitiveness in the market.

Key Risks

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



Increasing Competition

SDGs served



Heightened competition from global players, expanding distribution channels, and the growing presence of unorganised sector lead to a fragmented market. Customers increasingly seek products with higher efficiency, reliability, quality, and innovative design, requiring companies to differentiate themselves in the market.

Our Response

Leveraging our core competencies, along with a sharper focus on innovation, cost optimisation, and distribution excellence, empowers us to maintain our competitive edge. Our strong R&D capabilities enable us to develop advanced, energy-efficient and high-performance products to suit evolving customer needs. We continue to enhance our customer service and support systems to strengthen loyalty and build long-term relationships.

Furthermore, we ensure compliance with quality standards while also improving accessibility through diverse distribution channels.

Key Risks

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

Our Value Creation Model with Six Pillars of Growth

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

Standalone Key Highlights



FINANCIAL CAPITAL

Page No. 38

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

₹ 28,281 mn

Total Income

15.97%

Return on Equity

₹ 30.09

Earnings per share



MANUFACTURED CAPITAL

Page No. 42

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

12,80,000+

Number of products sold

60%

Type-1 Ecolabelled Products

4

CII GreenCo certified
manufacturing plants

11,000 MT+

Output from inhouse foundries



INTELLECTUAL CAPITAL

Page No. 52

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

₹ 295.91 mn

R&D spend

350+

New Product Variants

502

BEE Star Rated Products



HUMAN CAPITAL

Page No. 56

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

10%

Women Leadership Workforce

5

Training mandays (Per employee)

72%

Employee Engagement

450+

Employee recognition reach

3.97

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

88%

Talent Retention



SOCIAL AND RELATIONSHIP CAPITAL

Page No. 76

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

₹ 67+ mn

CSR Spend

16,200+

Channel Partners in India

84.3%

Customer satisfaction index

48%

Sustainable Sourcing

8.45

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



NATURAL CAPITAL

Page No. 86

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

35%

Energy Consumption from
Renewable Sources

8.69 kL/₹ mn
of revenue

Specific Water Consumption

6.58 GJ/₹ mn
of revenue

Specific Energy Consumption

48.87%

Reduction in absolute Scope 1
emissions over FY 2024-25

25.41%

Reduction in absolute Scope 2
emissions over FY 2024-25



Financial Capital

Prudent approach to financial capital management

Our financial capital management underpins our disciplined approach to long-term value creation. We ensure prudent capital allocation, supported by a strong balance sheet, sustainable cash flows, operational excellence and a healthy capital structure. Our sustained performance continues to earn top-tier credit ratings, reflecting the inherent strength of our standalone businesses and a well-managed financial risk profile.



STRATEGIES IMPACTED

S1 S2 S3 S4 S5 S6 S7

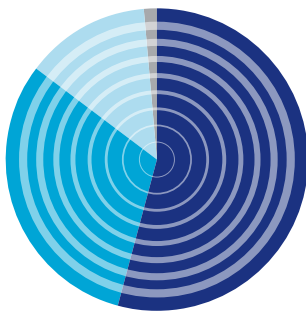
SDGs IMPACTED



MATERIAL TOPICS IMPACTED

- M 1** Corporate Governance and Transparency
- M 5** Regulatory Compliance and Business Ethics
- M 8** Cybersecurity and Data Protection
- M 9** Sustainability Disclosure and Reporting
- M 14** Innovation and Sustainable Product Development
- M 15** Sustainability Strategy and Climate Transition

BUSINESS OVERVIEW



54.3% KBL 31.3% KBIBV 13.2% KPML 1.3% KCPL

KEY HIGHLIGHTS, FY 2025-26

₹ 45,380 mn

Total Revenue

₹ 6,215 mn

EBITDA

₹ 3,773 mn

PAT

19.30%

ROCE

₹ 1,06,329 mn

Market Capitalisation

₹ 7

Dividend Per Share

₹ 39,488 mn

Order Book

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

(Mn)

	FY 2025-26	FY 2024-25	FY 2023-24
Economic Value Generated	46,312	45,794	40,699
Economic Value Distributed	41,599	41,161	36,764
Economic Value Retained	4,712	4,633	3,935

DRIVING PERFORMANCE. DELIVERING SUSTAINABLE RETURNS.

Over the past decade, we have undertaken a strategic shift in business mix, reducing exposure to EPC projects and enhancing focus on services and value-added products. This transition, alongside selective participation in high-margin contracts across water, power and irrigation, has strengthened cash flows, improved working capital efficiency and enhanced overall financial stability.

We ensure consistent improvement in profitability, driven by a more balanced business mix from our international operations calibrated pricing strategies and a growing share of high-margin, reliable services businesses.

Return-Based Approach

Our prudent financial management ensures consistent profitability and returns. A robust balance sheet, competitive cost structure and diversified portfolio of cost-efficient products position us to capitalise on growth opportunities while maintaining financial flexibility. A return-based framework guides capital allocation decisions, aimed at improving margins, enhancing Return on Capital Employed (ROCE) and ensuring optimal deployment of resources across standalone and subsidiary businesses.

Cash Flow Management

We follow a judicious cash flow management approach, funding capital expenditure largely through internal accruals while maintaining adequate liquidity to meet present and future financial obligations. This helps us maintain operational resilience and long-term financial stability.

Optimal Capital Structure

We undertake focused efforts to minimise debt costs, enabling us to achieve a zero-debt position and providing greater agility to pursue growth opportunities. Our conservative approach allows us to rely on internal accruals to fund our operations and expansion plans, ensuring a strong and sustainable capital structure.

Cost Optimisation and Efficiency Improvement

Cost leadership remains a key driver of value creation. Through cost optimisation, backward integration, supply chain efficiencies and automation, we have strengthened operational efficiency while maintaining industry-leading quality standards. Continuous adoption of modern and advanced technologies supports productivity gains and cost competitiveness.

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

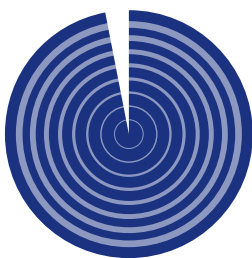
Diversifying Revenue Base

We continue to diversify our revenue base, with growing traction in overseas services, IoT-enabled platforms and subscription-based offerings, enhancing margins and earnings.

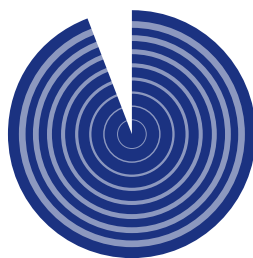
Outlook

We expect growth in EBITDA and profitability, driven by a stronger order book, higher share of engineered and made-to-order products, easing commodity pressures and sustained contribution from services.

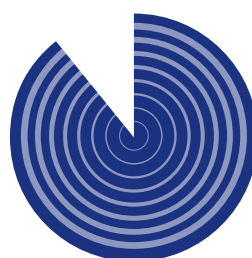
SHARE OF LOCAL SPENDING



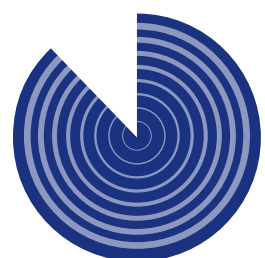
●
97.0%
KBL



●
94.2%
KPML



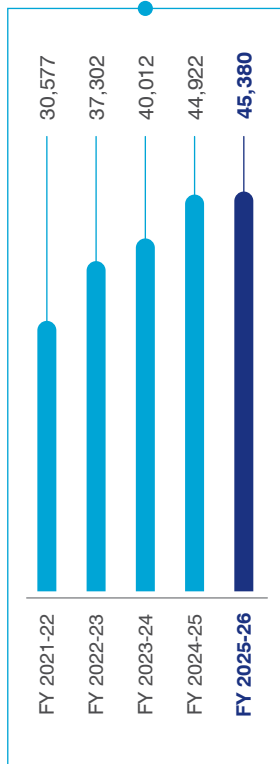
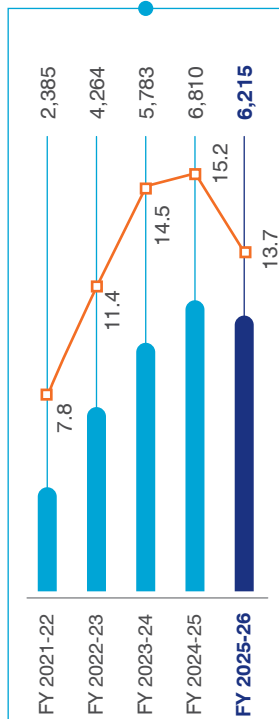
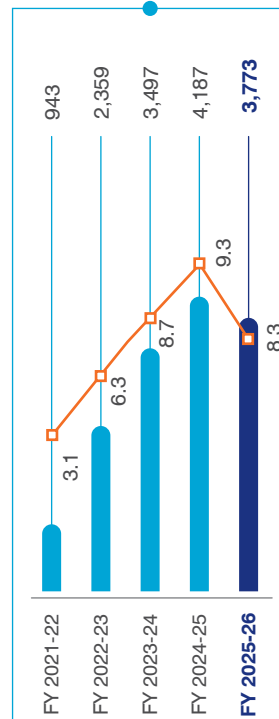
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89.3%
KCPL



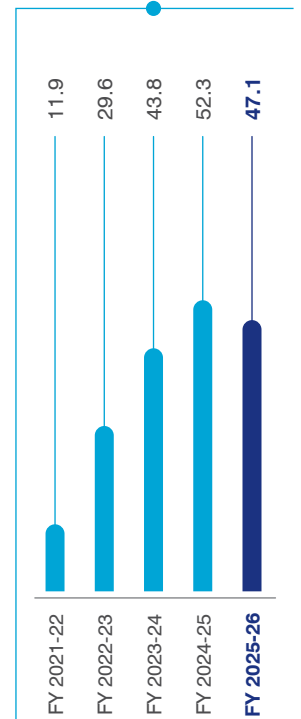
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87.9%
KEPL

Revenue

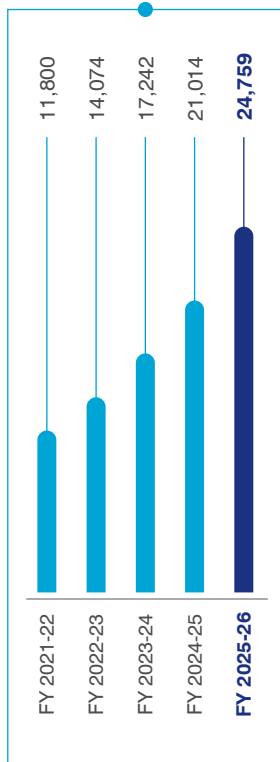
(Amounts in Million ₹)

**EBITDA (₹ in Million)
& EBITDA Margin (%)****PAT (₹ in Million)
& PAT Margin (%)****Earnings Per Share**

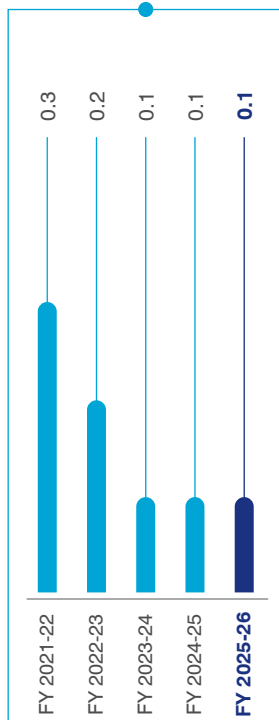
(₹)

**Net Worth**

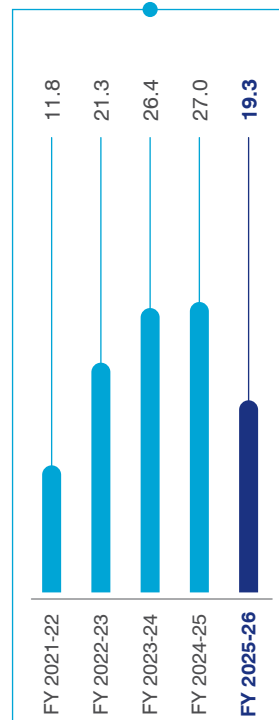
(Amounts in Million ₹)

**Leverage**

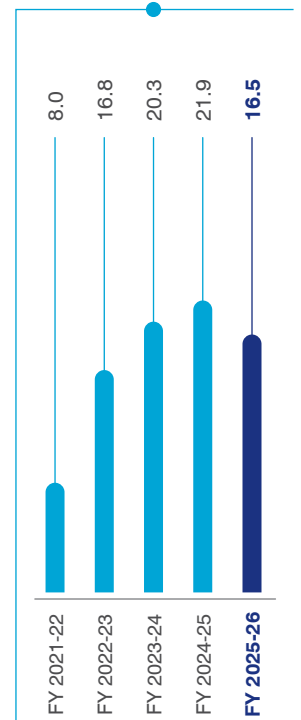
(%)

**ROCE**

(%)

**ROE**

(%)



*all graphs are on consolidated basis



Manufactured Capital

Building resilient, scalable and future-ready infrastructure

Our state-of-the-art infrastructure forms the backbone of our continued growth and success. Our manufacturing facilities, advanced machinery and robust infrastructure form the foundation of our operational excellence. We continue to strengthen these capabilities through technology upgrades and automation, enabling higher productivity, improved asset reliability and efficient operations to support sustainable growth.



Kirloskar Brothers Limited, Sanand Plant

STRATEGIES IMPACTED

S2

S3

S4

S5

S6

S7

SDGs IMPACTED



MATERIAL TOPICS IMPACTED

- M 6** Customer Satisfaction and Product Responsibility
- M 8** Cybersecurity and Data Protection
- M 10** Regulatory Compliance and Business Ethics
- M 12** Energy Management and Efficiency
- M 14** Innovation and Sustainable Product Development
- M 16** Occupational Health and Safety
- M 17** Climate Change and GHG Emissions

KEY HIGHLIGHTS, FY 2025-26

16

Manufacturing facilities
(9 domestic and 7 overseas)

07

CII GreenCo
certified plants*

08

In-house foundries

*Consolidated

ISO 19443:2018 Certification

Nuclear-specific Quality Management System-
Differentiator in Nuclear Business



NABL Accreditation

for Hydraulic Research Centre



MANUFACTURING COMPETENCE

Over the years, KBL has evolved from India's leading pump manufacturer into a global leader in advanced fluid management solutions. Our world-class manufacturing capabilities reflect our steadfast commitment to the 'Make in India' and 'Atmanirbhar Bharat' initiatives.

We deliver high-performance solutions across diverse applications, including infrastructure, process industries, power, petrochemicals, marine & defence, nuclear applications and sustainable water management. Our focus on innovation and operational excellence, combined with initiatives such as Total Productive Maintenance, enhances efficiency, competitiveness, and sustainable growth.

Our Manufacturing Facilities

KIRLOSKARVADI PLANT

Key Capabilities

- In-house foundry with NDT facilities
- NABL Accredited Lab
- Largest pump testing facility
- Pattern-less casting manufacturing
- Customised pump and pumping system/solution provider

Capacity

6,000+

pumps/month, rating from 5 kW to 30 MW and valves from 6 mm to 5,000 mm diameter

Employee Strength

3,000+

(including staff, associate & contractual)

Location

Kirloskarvadi, Sangli, Maharashtra



DEWAS PLANT

Key Capabilities

- First Company in India to provide pumps with CED-coated components, which prevents from rust & enhances component life
- Producer of Energy-Efficient pumps set with IE4 & IE5 motors
- In-house High pressure moulding line (HPML Foundry)

Capacity

84,000+

pumps/month, rating from 0.37 kW to 22 kW

Employee Strength

1,000+

(including staff, associate & contractual)

Location

Dewas, Madhya Pradesh



SANAND PLANT

Key Capabilities

- First submersible pump Company in India to provide CED-coated components equipped with best-in-class technology and prevent from rust and enhance component life
- Manufacturer of Energy-Efficient pumps of BIS & BEE approved models

Capacity

25,000+
pumps/month,
rating from
0.37 kW to 44 kW

Employee Strength

200+
(including staff, associate & contractual)

Location

Ahmedabad,
Gujarat



KANIYUR PLANT

Key Capabilities

- 100% women-operated manufacturing plant
- Manufacturing capability of Self priming, Mini-series & Monobloc pumps

Capacity

1,60,000+
pumps/month,
rating from
0.37 kW to 1.1 kW

Employee Strength

160+
(including staff, associate & contractual)

Location

Coimbatore,
Tamil Nadu



New Factory Building Inauguration

The new facility is designed to enhance production capacity, improve operational efficiency and support advanced manufacturing processes, enabling KBL to meet growing domestic and global demand while maintaining uncompromising quality standards.

SHIRWAL PLANT

Key Capabilities

- SCADA based HYPN system test setup
- KirloSmart™ panel test setup

Capacity

2,000+
products

Employee Strength

30+
(including staff, associate & contractual)

Location

Shirwal, Satara,
Maharashtra



ONE OF ASIA'S LARGEST HYDRAULIC RESEARCH CENTRE

Kirloskarvadi houses one of Asia's largest hydraulic research centres for testing pumps at duty conditions up to 5,000 kW and with up to 50,000 m³/hr discharge.

KBL has received NABL (National Accreditation Board for Testing and Calibration Laboratories) accreditation for its Hydraulic Research Centre Pump Testing Laboratory (HRC PTL). This accreditation is granted under the ISO/IEC 17025:2017, a globally recognised benchmark for testing and calibration of laboratory competence, uniquely positioning KBL as the only pump manufacturing company in the world to receive this recognition.

This reinforces KBL's credibility in pump testing in accordance with stringent global quality frameworks. KBL is committed to the nation's progress with reliable and high-quality fluid management solutions.

SYSTEM CERTIFICATIONS

ISO 9001:2015 (QMS)	ISO 50001:2018 (EnMS)
ISO 45001:2018 (OH&S)	ISO 19443:2018 (NQMS)
ISO 14001:2015 (EMS)	ISO 17025:2017 (NABL)

PRODUCT CERTIFICATIONS

- IS 9079 for Monobloc Pump Sets
- IS 14220 for Openwell Submersible Pump Sets
- IS 12225 for Centrifugal Jet Pumps
- IS 6595 for Horizontal Centrifugal Pumps
- BEE Star Rating
- FM/UL Certification for Valves
- IS 8034 Borewell Submersible Pumpset
- CE Marking for all Kirloskarvadi Pumps
- IS 210 quality and excellence in manufacturing Grey Iron Castings at Kirloskarvadi and Dewas
- Regenerative self-priming pumps (IS 8472)
- Motors for submersible pumps (IS 9283)
- IS 8418 Centrifugal Self priming
- CE Marking for Kaniyur product

KEY INITIATIVES FY 2025-26

Our efforts are focused on restoring and sustaining basic machine conditions through TPM practices, ensuring improved equipment reliability and operational stability. Productivity enhancements are achieved through CNC programme revalidation and optimisation of cutting parameters. Workforce capability is also strengthened through multiskilling initiatives, enabling operators to handle multiple machine platforms effectively. Setup time reduction is driven through SMED implementation, while machining efficiency was further improved by optimising processes before CNC operations.

Operational efficiency is enhanced through improvements in painting processes, resulting in reduced cycle time. Machine shop productivity is also strengthened through reduction in speed losses, optimisation of setup practices and reconditioning of critical machines. Employee multiskilling was further expanded to support flexible operations across different machine types. TPM practices are implemented across critical equipment to improve reliability and performance. Additionally, value stream mapping initiatives have also helped streamline assembly flow and reduce work-in-progress lead time.

Machine reliability and availability are improved across operations through focused efforts to reduce breakdowns and strengthen preventive maintenance systems. Structured preventive and autonomous maintenance practices are implemented to sustain equipment health and ensure consistent performance. Energy efficiency was further supported through targeted energy conservation initiatives, contributing to overall operational sustainability.

Process and product improvements are undertaken to enhance reliability and quality across operations. Design and process modifications are implemented in pumps to prevent water ingress and reduce test bench rejections, along with enhancements to ensure effective retention of critical components. Statistical process control tools, including X and R charts, are introduced in the machine shop to monitor process trends and enable timely preventive actions. Additionally, advanced testing capabilities are strengthened through the implementation of a direction identification unit in motor testing panels, ensuring correct rotational direction in single-phase products and minimising quality defects.

EMBEDDING SUSTAINABLE MANUFACTURING

KBL continues to strengthen its commitment to sustainable manufacturing practices. In recognition of these efforts, the Company has been awarded with CII GreenCo Certification for its facilities, reflecting excellence in resource efficiency, environmental management and green initiatives across operations.

PLATINUM

KPML MOTOR DIVISION

GOLD

- KBL DEWAS
- KPML STAMPING DIVISION

SILVER

- KBL KIRLOSKARVADI
- KEPL

BRONZE

- KBL SANAND
- KBL KANIYUR



ENHANCING GREEN MANUFACTURING:

- Implementation of energy-efficient technologies such as IGBT-based furnaces, static technology-based stabilisers, inverter-driven 5-star air conditioners, upgraded compressed air piping systems and VFDs for motors and machines
- Adoption of 13.5 MWp Renewable Energy through Open Access Solar Power Purchase Agreements (PPA)
- Strengthening emission control by installing RECDs on older DG sets
- Enhanced water management through rainwater harvesting and water recycling initiatives
- Sustainable maintenance practices, including predictive and preventive maintenance to reduce energy losses, along with systematic leak detection for air, oil and water systems
- KBL Sanand plant implemented reusable collapsible metal pallets for material transport from suppliers to reduce use of plastic, wood and corrugated paper
- Sustainability and energy efficiency initiatives were strengthened through multiple interventions across operations at the Dewas plant. LPG usage at the canteen was replaced with PNG, and LED lighting was installed in key areas to reduce energy consumption. HVLS fans were introduced to improve energy-efficient ventilation, while process optimisation measures in the CED plant, including equipment replacements and system rationalisation, contributed to cost savings and improved efficiency
- Advanced solutions such as the installation of an Active Hybrid Harmonic Filter (AHF) panel at the furnace and the deployment of VFDs for dust collector ID fans further enhanced energy savings and operational performance

DIGITAL MANUFACTURING

At KBL, digital manufacturing is leveraged to enhance operational efficiency, improve process visibility and enable data-driven decision-making across shopfloor operations. The Company has been progressively integrating digital tools

and systems to streamline production planning, monitor machine performance, and optimise resource utilisation.

Through the adoption of advanced analytics, real-time monitoring and automation, KBL is strengthening its manufacturing agility and responsiveness. These initiatives are enabling improved productivity, better quality control, and reduced downtime, while supporting KBL's journey towards smarter and more connected manufacturing operations.

INSTALLATION OF NEW MACHINES AND SYSTEMS

KBL has enhanced its manufacturing capabilities through continuous modernisation and process improvements. Automation through PLC and SCADA-based systems was introduced for performance testing, improving accuracy, reliability and data-driven decision-making. Infrastructure upgrades, including utility line installations, compliant power backup systems and advanced painting facilities, strengthened operational resilience and ensured adherence to regulatory standards. Advanced multi-axis machining systems have been introduced to improve precision and efficiency in critical component manufacturing. Material handling infrastructure has also been strengthened to support safe and efficient movement of heavy components.

Process improvements, such as mechanisation of manual operations, upgradation of testing equipment, and adoption of specialised tools in assembly lines, contributed to higher productivity, improved quality and reduced manual effort. Further, investments in modern infrastructure, including high-density storage systems, enabled better space utilisation and streamlined material handling. The installation of advanced safety systems enhanced overall plant safety and risk mitigation. Collectively, these initiatives supported cost optimisation, improved operational efficiency, enhanced product quality, and strengthened workplace safety across facilities.

KARAD PROJECTS AND MOTORS LIMITED (KPML)

Key Highlights

- KPML Stamping Division received the “Zero PPM Award” from an EV automotive customer for two consecutive years, reflecting its consistent focus on quality and defect-free delivery
- KPML Stamping Division is honoured with the “Winning Together Award” for successfully developing a Single Impeller Pump for healthcare applications, showcasing its commitment to innovation and customer collaboration
- KPML Component expanded manufacturing capabilities for drive unit assemblies and established in-house production capacity for DBxe shafts, enhancing overall operational efficiency and strengthening self-reliance
- KPML Motor division enhanced submersible turbine pump manufacturing capacity by optimising existing infrastructure without the need for new construction, enhanced renewable energy adoption through the installation of additional solar panels
- KPML Motor division expanded the product portfolio to cater to healthcare applications and strengthened project execution capabilities through the manufacturing of specialised stators for key initiatives
- KPML Motor division further improved quality and productivity through the installation of new machinery across critical manufacturing lines
- KPML Motor division successfully commercialised submersible turbine pumps as an import-substitute product developed domestically for the first time, while also establishing a robust supply chain to support their production and delivery



- KPML Component division achieved the highest-ever monthly dispatch of kits, including a record dispatch of DBxe kits, demonstrating strong operational performance and delivery capability. Additionally, enhanced productivity in Montanari shaft keyway manufacturing through the implementation of a hydraulic multi-station clamping fixture
- Karad Projects and Motors Limited - Foundry Division (formerly, The Kolhapur Steel Limited), is a state-of-the-art, modern steel foundry established in Kolhapur, Maharashtra, India, in 1965. The foundry produces high-integrity steel castings to various national/international standards and specifications. The product range covers Carbon steel, Alloy Steel, Duplex steel, Super duplex steel, Stainless steel and Nickel-based alloys for various industries like Oil, Gas, Power generation, Mining, Engineering, Sugar, etc.
- KPML Foundry division achieved cost savings in pattern manufacturing and machining through effective outsourcing strategies, while maintaining 100% quality standards. Successfully developed and supplied trial export orders to international customers, demonstrating strong capability in meeting global requirements

System Certifications:

ISO 9001:2015 - Quality Management System

ISO 45001:2018 - Occupational Health and Safety Management System

ISO 14001:2015 - Environmental Management System

BIS for Induction Motors

PESO for Submersible Turbine Pumps

IATF16949:2016 - Global Automotive Quality Management System

KIRLOSKAR CORROCOAT PRIVATE LIMITED (KCPL)

Manufacturing competencies

- Process expertise – Batch manufacturing
- Technology know-how – Anti-corrosion glass flake coating material manufacturing for various equipment, like pumps, tanks, vessels, structures and customer-provided equipment
- Product specialisation – Anti-corrosion glass flake coating
- Regulatory compliance – ISO certifications
- Qualified manpower

Key capabilities

- Total installed capacity – 230.1 KL / 276.12 MT
- Various mixers like electric, pneumatic and vacuum of different capacities
- Fume extraction & scrubbing system
- Cold storage for storing the RM & FG
- Lab testing equipment for checking liquid properties of coating material
- Air handling unit (AHU) for controlled storage manufacturing & testing



KIRLOSKAR EBARA PUMPS LIMITED (KEPL)

Key Achievements

KEPL achieved several key manufacturing milestones during the year, reflecting improvements in efficiency, productivity and reliability. A machining process for steam turbine nozzle rings was successfully established on the newly installed multi-axis SHW machine, resulting in a significant 40% reduction in cycle time. Additionally, machining of the 80X50 KB3S pump was successfully developed on a Double Column VMC using CAM and a special angle head, enhancing precision and process capability.

The SCADA system at the turbine division was successfully tested, strengthening monitoring and control systems. Operational efficiency was further improved with the doubling of output in the impeller cell, while equipment reliability saw a substantial enhancement, with Mean Time Between Failures (MTBF) improving from 74 days to 281 days.

The integration of a turbine test bed equipped with a SCADA system further enhances testing capabilities, ensuring reliability and quality in turbine performance evaluation. The boiler has been upgraded to increase superheated steam temperature by 40°C, improving process efficiency. PU flooring has also been implemented in the light pump machining shop to enhance workplace conditions, safety, and operational effectiveness.



AWARDS & ACCOLADES

Corporate Office

- Gold Award (highest category) in the CII Business Excellence Maturity Assessment for Kirloskarvadi, KEPL and KPML Plants



Gold Award in CII Business Excellence Maturity Assessment



TPM Excellence Award

Kirloskarvadi

- TPM Excellence Award from the Japan Institute of Plant Maintenance (JIPM)
- 18th State Energy Conservation Award under the “Automobile & Engineering” category, awarded by the Maharashtra Energy Development Agency (MEDA)



Dewas

- Platinum award in the Restorative category and the Gold award in the Renovative category in the Kaizen competition presented at the 52nd CII National Kaizen Competition



Excellence in Safety Practices by QCFI

Sanand

- 1st Prize for Excellence in Safety Practices at QCFI – Safety Convention
- Gold trophy for TQM case study along with the Quality Culture initiatives at QCFI – Kaizen, TPM/TQM, MUDA Convention (Vadodara Chapter 2025)



KANIYUR

- Two Gold Awards at the QCFI Coimbatore Chapter
- Meritorious Award from the Indian Society for Quality (ISQ), underscoring its strong performance and excellence in quality initiatives



SPP

- Manufacturer of the Year Award by Pump Industry Awards for the Fourth Consecutive Year.



Winning Together Award by GE Healthcare

KPML

- KPML Stamping Division is awarded with "Winning Together Award" for developing single Impeller Pump for Healthcare Application

KEPL

- KEPL is awarded with CII GreenCo silver rating

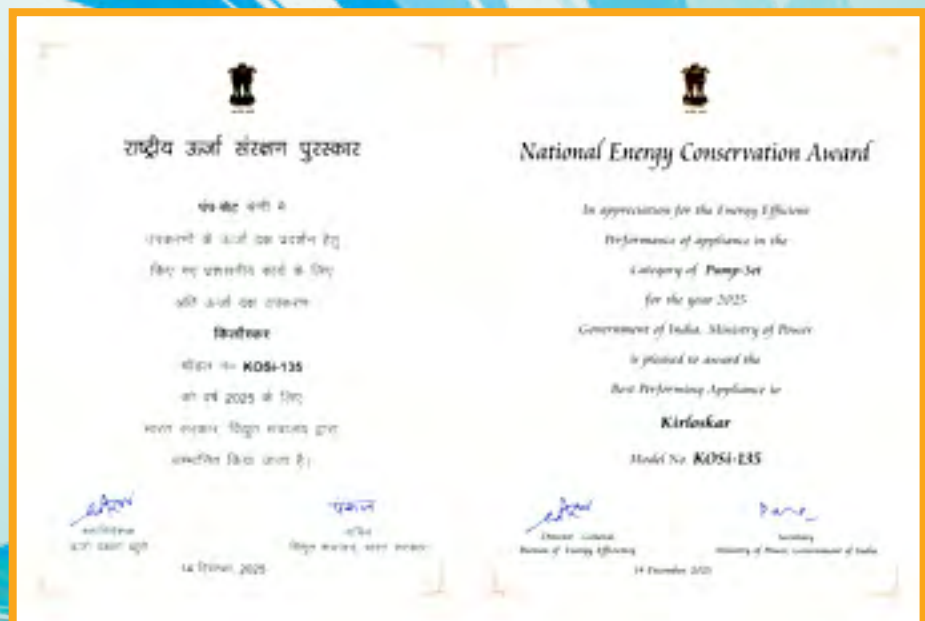




Intellectual Capital

Accelerating innovation and operational excellence

Our intellectual capital is a key enabler of operational excellence, continuous innovation and sustained growth. Our strong emphasis on innovation, quality and technical expertise has enabled us to establish a strong presence across both domestic and international markets. By leveraging cutting-edge technologies across our operations, we aim to deliver high-quality products and solutions that meet evolving customer demands.



STRATEGIES IMPACTED

S1 S2 S3 S4 S5 S6

SDGs IMPACTED



MATERIAL TOPICS IMPACTED

- M 6** Customer Satisfaction and Product Responsibility
- M 8** Cybersecurity and Data Protection
- M 14** Innovation and Sustainable Product Development



Patent for IE5 Induction Motor

(Ultra Premium Efficiency Motor)

KEY HIGHLIGHTS, FY 2025-26

01

Patent granted

01

Patent filed

502

BEE Star Rated Products

₹ 295 mn+

R&D investments

180+

R&D employees

04

Research papers published

KBL WINS NATIONAL ENERGY CONSERVATION AWARD 2025 FOR KOSi-135 OPENWELL SUBMERSIBLE PUMP

KBL has been honoured with the National Energy Conservation Award 2025, marking a proud moment for the organisation and reaffirming its leadership in energy-efficient engineering. The award was conferred for the KOSi-135 Openwell Submersible Pump, which was recognised as “Appliance of the Year” under the Pump-set category for its superior energy performance and sustainable design. The award was received by Mr. Sanjay Kirloskar, Chairman and Managing Director, Kirloskar Brothers Limited, from the Hon’ble President of India, Smt. Draupadi Murmu, at a prestigious national ceremony. This recognition highlights KBL’s continued focus on developing innovative pumping solutions that conserve energy, optimise resources and contribute meaningfully to India’s sustainability and nation-building goals.



OUR PRODUCTS AND SOLUTIONS

Domestic & Residential Pumps
(Mini/Pressure Boosting/Jet/Monoblock)

Submersible Pumps
(Borewell/Openwell)

Agriculture Pumps

- Oil-filled & Water-filled Borewell Submersible Pump
- Openwell Pumps
- Solar Pumping System

Industrial Pumps

- End Suction Pumps
- Multistage Pumps
- Split Case Pumps
- Vertical Inline Pumps
- Canned Motor Pumps
- FGD Pumps
- Petro-Turbo for Retail Petroleum Application
- Lowest Lifecycle Pumps (LLC™) Pumps

Fire-fighting Pumps, Packages and Monitoring System

Sewage & Dewatering Pumps

Large Infrastructure Pumps

- Vertical Turbine Pumps
- Concrete Volute Pumps
- Metallic Volute Pumps

Nuclear Pumps

Valves

Hydro-Turbines/PAT/PICO

Packaged Systems

- Hydro-Pneumatic Systems (HYPN)
- Auto-Prime Pumps
- Water Mist System

Automation & IoT Products

- KirloSmart™
- AR/VR
- Pump/Valve Selection Package

R&D STRATEGY

Our R&D strategy focusses on advancing innovation to develop high-performance, reliable and cost-effective products. We align our R&D initiatives closely with business priorities and customer needs. By leveraging advanced engineering tools, such as PLM, CFD, FEA and simulation-driven design, we enhance precision, accelerate development cycles and optimise product performance.

A strong emphasis on value engineering enables us to continuously improve existing products while facilitating faster and cost-effective product development. We integrate emerging technologies, including IoT, AR/VR and remote monitoring and diagnostics, to build future-ready solutions. Collaboration with external stakeholders, including industry partners and research institutions, further strengthens our innovation ecosystem.

We also invest in people and capability development through continuous training and recognition. Our R&D efforts are guided by a commitment to sustainability, with a focus on energy-efficient product development. Additionally, standardisation and platform-based design approaches help enhance scalability, consistency and operational efficiency.

STRATEGIC COLLABORATIONS FOR R&D

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

KEY PRODUCT INNOVATIONS IN FY 2025-26

- Slurry Pump in White Cast Iron
- Inline pump for marine and defence application
- Inline pumps for HVAC application
- Solar pumps
- Single chamber triple function air valve
- KirloSmart™ 2.1
- KirloSmart™ Nano Module for submersible and fire engine pumps

DIGITAL TRANSFORMATION OF PROJECTS BIDDING

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

Engineering and Design

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

Procurement

Introduced vendor portal for supplier management.

TRANSFORMING OPERATIONS THROUGH INTELLIGENT TECHNOLOGIES

In the era of rapid digital transformation, emerging technologies and evolving customer behaviours are reshaping every sector of the Indian economy. Our commitment to digital adoption is driven by our vision to drive sustainable growth, enhance competitiveness and create value for all stakeholders.

KBL is driving a Digital-First transformation across its operations, supported by workforce upskilling and a clearly defined IoT and AI strategy roadmap for the next 3-5 years. We are embedding advanced technologies such as Industrial IoT, AI, SCADA, MES, RPA and supply-chain automation to enable real-time monitoring, predictive maintenance, quality enhancement and operational efficiency. Sustained investments in smart factories, energy management systems and intelligent warehousing are improving asset reliability, optimising resources, enhancing sustainability and unlocking new data-driven service opportunities.



Human Capital

Human Capital Management: Aligned talent, accelerated results

KBL recognises that our people are the foundation of our business strength. Our employees are essential to developing the technologies our customers rely on and delivering the service excellence that underpins KBL's competitive advantage.

At the core of our mission, vision and values is KBL's leadership culture – one that inspires and empowers employees to achieve their full potential. We believe KBL succeeds when our employees succeed, not only financially, but also through sustained physical and mental well-being.



Our people, our strength

We are focused on harmonising our talent approach to provide seamless opportunities and meaningful experiences for employees across the globe. Our workforce has access to training, tools and coaching designed to support career growth, all within a culture of belonging and care that places people at the centre and actively promotes diversity, equity and inclusion.

For more than 100 years, our talented workforce has played a vital role in growing KBL into a global technology leader, delivering Total Fluidity Management solutions that people and businesses depend on every day. We continuously evaluate our talent management and compensation strategies to ensure they evolve with the changing needs of our workforce and remain aligned with our long-term goals.

STRATEGIES IMPACTED

S2 S4 S5 S6 S7

SDGs IMPACTED



MATERIAL TOPICS IMPACTED

- M 5** Regulatory Compliance and Business Ethics
- M 7** Human Rights and Labour Practices
- M 13** Workforce Development and Employee Well-Being
- M 16** Occupational Health and Safety

OUR HUMAN CAPITAL APPROACH IS BUILT ON FIVE FOUNDATIONAL PILLARS:



Capability Building at Scale



Culture of Continuous Learning & Innovation



Fairness and Inclusiveness



Performance with Purpose



Well-being as a Strategic Enabler

KEY HIGHLIGHTS, FY 2025-26

Internally developed Talent Pool

65%

of Critical Position Holder

5 man-days

Capability development days/person

Employee Positivity Ratio

12%

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

10%

Women leadership workforce

72%

Employee engagement score

3.97%

Engagement index

450+

Employee recognition reach

80%

Engagement initiative participation coverage

2%

Regret loss

88%

Talent retention



Capability Building Session

SUSTAINABLE GROWTH THROUGH TALENT MANAGEMENT

KBL's talent management strategy is focused on enabling sustainable business growth by building leadership capability, strengthening the internal talent pipeline and ensuring continuity through effective succession planning.

A robust **Leadership Competency Framework** provides the foundation for identifying, developing and evaluating talent across critical roles. This framework defines the behaviours, skills and capabilities required to lead in alignment with KBL's values, strategy and long-term objectives, ensuring consistency in leadership expectations across the organisation.

Structured **talent reviews and potential assessments** are conducted to identify high performing and high potential employees. These reviews enable data-driven decisions on development priorities, role-readiness and succession plans. Identified high potential talent is actively engaged through targeted learning opportunities, mentoring, cross-functional exposure and leadership development interventions designed to accelerate growth and expand capabilities.

KBL's approach to **succession planning** emphasises developing internal talent to fill future leadership and critical positions. Through focused development interventions, including training, coaching and experiential assignments, we have strengthened our internal bench strength. As a result, 65% of key and leadership roles are supported by an internal talent pool, reinforcing continuity, reducing dependency on external hiring and preserving institutional knowledge.

This integrated talent management approach ensures that KBL remains future-ready, resilient and well positioned to meet evolving business needs while providing meaningful career progression and growth opportunities for employees.

CAPABILITY BUILDING

KBL's capability building approach is anchored in a **role-based Behavioural and Technical Competency Framework** designed to nurture talent and align workforce skills with evolving business and technological requirements. The framework clearly defines the behavioural and technical competencies required across roles, enabling targeted learning interventions that build capability, performance excellence and future-readiness.

Learning initiatives are purposefully designed to address **behavioural and technical competencies**, emerging **new technology trends**, as well as critical areas such as **compliance, ethics and employee safety**. This integrated approach ensures employees are well equipped to meet regulatory expectations, uphold organisational values and operate safely while delivering high quality outcomes.

A unique strength of KBL's learning ecosystem is the organisation's legacy of excellence, supported by a strong pool of in-house superannuated experts. These experienced professionals play a pivotal role in coaching, mentoring and nurturing young talent, transferring institutional knowledge and practical expertise. Through structured mentorship and knowledge-sharing programs, KBL builds leadership

depth and preserves critical capabilities required for long-term sustainability.

During FY 2025-26, KBL conducted over 200+ learning and development programs, demonstrating a strong commitment to continuous learning and capability enhancement. On average, employees received 5 training person days per employee, covering technical skills, leadership development, compliance training, safety awareness and cultural alignment.

This comprehensive and competency-driven learning strategy strengthens KBL's talent pipeline, reinforces succession-readiness and supports the creation of a future-ready organisation – one that blends experience with innovation to drive sustainable growth.

At KBL, we are committed to supporting the continuous growth and long-term development of our employees. As part of this commitment, KBL has a Higher Education Policy designed to encourage and support employees who pursue advanced education aligned with organisational and professional requirements.

The policy enables employees to enhance their technical knowledge, functional expertise and leadership capabilities, while balancing academic aspirations with workplace responsibilities. By supporting higher education, KBL helps employees deepen subject matter expertise, stay relevant amid evolving industry and technology trends and build capabilities critical to both individual career progression and organisational success.

Through this initiative, KBL reinforces a culture of lifelong learning and self development, empowering employees to take ownership of their professional growth. The policy also strengthens internal capability building by creating a more skilled, knowledgeable and future ready workforce, thereby contributing to sustainable business growth.



Pumping System & Pump Selection training on system analysis, pump selection methodology, hydraulic fundamentals was successfully organised for employees

By investing in employee education, KBL demonstrates its belief that organisational success is closely linked to the development and advancement of its people.

REVISITING PEOPLE POLICIES

We periodically review and update our people and well-being policies to ensure alignment with strategic priorities and employee needs. Policies such as Higher Education Support, Health Club Reimbursement, Travel Policy, Local Travel Policy, Change in Working Hours at Head Office and the Advanced Salary Disbursement Date were revisited. The National Pension Scheme was also extended to mid-level and junior-level employees.

CULTURE OF CONTINUOUS PERFORMANCE

At KBL, we foster a culture of continuous performance that enables individuals, teams and leaders to deliver consistent results while continuously developing their capabilities. Our performance framework is designed to support employees at every stage of their career, from effective onboarding to leadership excellence.

• Performance Enablement for New Employees

To support new employees in their effective integration and early success, KBL follows a structured 30-60-90-120 day feedback mechanism. This approach ensures regular guidance, clear expectation setting and timely feedback, helping new hires acclimatise to their roles, understand performance standards and build confidence during their initial months.

• Measuring Learning Effectiveness and ROI

KBL emphasises the Return On Investment (ROI) of learning initiatives by systematically evaluating training effectiveness and its impact on required competency enhancement. Learning outcomes are assessed through feedback, application on the job and improvement in defined behavioural and technical competencies, ensuring that training directly supports performance improvement and capability building.

• Role-Based Performance Evaluation

Performance evaluation at KBL is aligned with role requirements through a structured goal-setting process. Goals are categorised into:

- **Result Goals**, linked to outcome-based and result-oriented KPIs
- **People Goals**, focused on collaboration, team performance and leadership behaviours

In addition, special initiatives and project-based goals are assigned to ensure timely delivery of critical assignments and strategic priorities, reinforcing accountability and ownership.

- **Performance Governance and Review Mechanisms**

To maintain consistency and effective control, KBL follows a robust monthly performance review mechanism, conducted from top to bottom in the presence of management. This structured review process ensures transparency, timely course correction and alignment with organisational objectives.

Further, mid year and annual performance assessments, supported by validation interventions, enable both individuals and the organisation to track progress, identify development needs and enhance performance on an ongoing basis.

- **Leadership Performance and Feedback**

At the leadership level, KBL uses a 360 degree feedback mechanism to strengthen performance effectiveness. This comprehensive feedback process helps leaders gain insights into their behaviour, leadership impact and development opportunities, supporting continuous improvement and alignment with organisational values.

PROMOTING DIVERSITY AND INCLUSION

At KBL, diversity isn't just a buzzword, but one of our core values. We believe in the power of different perspectives, backgrounds and experiences coming together to drive innovation and success. Hence, we are dedicated to ensure that our workforce reflects the rich tapestry of the society. With a target of achieving 20%

female workforce by 2030, we are actively working to break down barriers and create opportunities for women in the organisation and ensure there is no discrimination in the hiring process.

PROVIDING EQUAL OPPORTUNITIES

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

GENDER EQUALITY AND WOMEN EMPOWERMENT

To continue our focus on women empowerment, we employed young female MBA graduates from the North-East to leverage the region's socio-economic model. These women are from Assam, Arunachal Pradesh, Agartala, Manipur, Meghalaya, Mizoram, Nagaland and Siliguri (West Bengal) and have been deployed in front-end sales at different locations. We understand diversity in leadership is not only a best practice, but also a strategic advantage. We are proud to see an increasing number of women in mid-senior and leadership roles, contributing valuable perspectives, innovation and resilience to our operations. Functions like HR, Kaniyur plant, Product Portfolio Management have women leadership. Also, critical roles such as Foundry operations, Software IT applications, Oil & Gas also have women presence with highest deliverables.



100% women-operated manufacturing plant - Kaniyur

TEAM COLLABORATION AND EVENTS

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

KirloSphere



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

KirloFit



Yamuna Premier League (YPL) and Kirloskar Premier League (KPL)

A Grand Slam of Cricketing Excellence! The Yamuna and Kirloskar Premier League was a thrilling cricket tournament that united the employees in a celebration of sportsmanship, talent and teamwork. Organised under the KirloFit Club, the league aimed at fostering a sense of community and camaraderie among the staff members through their beloved game of cricket. The Yamuna Premier League and Kirloskar Premier League were both a resounding success,



A thrilling cricket tournament & Winning Team of KPL

embodying the values of teamwork, sportsmanship and healthy competition. We look forward to future collaborations and initiatives that will continue to promote unity and well-being among the employees through the universal language of cricket.



High-Energy Badminton Competitions

KirloFit Badminton Tournament

A Smash Hit Event! The KirloFit Badminton Tournament held at our organisation was a thrilling event that brought together employees in a spirit of competition, camaraderie and fitness. Organised under the banner of KirloFit, our workplace wellness initiative, the tournament aims at promoting physical activity and teamwork among the staff members. In addition to large-scale tournaments, we actively encourage participation in a variety of indoor and traditional sports such as table tennis, chess, carrom, kabaddi and Surya Namaskar. These activities, supported under the KirloFit wellness initiative, are designed to promote not only physical health but also mental well-being, collaborative thinking and team bonding.

KirloMind



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



Dandiya Night

Navratri Celebration

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

Independence Day Celebration

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



Independence Day

Women's Day

We reaffirm our commitment to supporting and uplifting women in the workplace and beyond and look forward to future opportunities for growth, collaboration and empowerment. At KBL, empowerment goes beyond words – it's about action. This Women's Day, we organised Self Defence Training programmes for all female employees across all locations of our group companies, reinforcing confidence, safety and wellbeing. Because when women feel strong and secure, they thrive – at work and beyond.



Self Defence workshop conducted on the occasion of Women's Day

Diwali Celebration

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



Fostering a vibrant workplace culture

PERFORMANCE RECOGNITION

Exemplary Awards: Is instituted to foster a strong culture of recognition by celebrating employees who consistently demonstrate excellence in performance, ownership and commitment. This award recognises individuals who set a benchmark for quality, collaboration and impactful results, inspiring others to strive for higher standards.

I Appreciate

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

Long Service Awards

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

CMD Awards

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



CMD award recognition

EMPLOYEE COMMUNICATION

Maha Sabha

This is a platform for KBL employees to directly ask questions and engage in fruitful interactions with the CMD and JMD.



Mahasabha : Business result sharing meet

Quarterly Business Sharing

Every quarter, business insights are shared with employees through Quarterly Business Sharing. This practice motivates Employees and provides a clear understanding of the organisation's progress.

Weekly Newsletters

Weekly newsletter highlights contributions made towards the Company's growth across departments, as well as any new orders, deals and events celebrated throughout the organisation.

Organisational Announcements

This platform provides official and timely updates on any changes to the organisational structure, including leadership movements, reporting lines, role realignments and team changes. It ensures transparency, clarity and alignment by keeping all employees informed of structural developments that impact the way we work together.

EMPLOYEE BENEFITS & WELLBEING – KBL COMMITMENT

At **KBL**, employee well-being is a fundamental commitment that extends beyond the workplace. Through the **KBL Commitment**, the organisation ensures holistic support for employees and their families by offering comprehensive benefits focused on **financial security, health protection and overall wellness**.

Key elements of the KBL Commitment include:

A. Financial & Family Security

- **Life Insurance Coverage** to provide long-term financial protection
- **Medical Insurance Benefits** for employees and their dependents
- **Financial protection support** to safeguard employees' families in unforeseen circumstances

B. Employee Assistance Program (EAP)

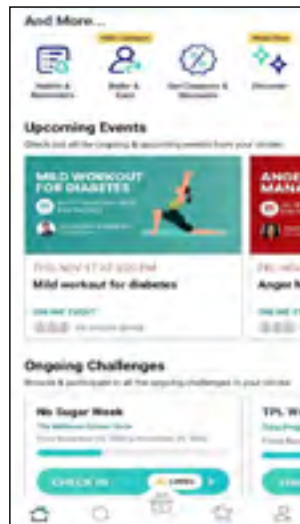
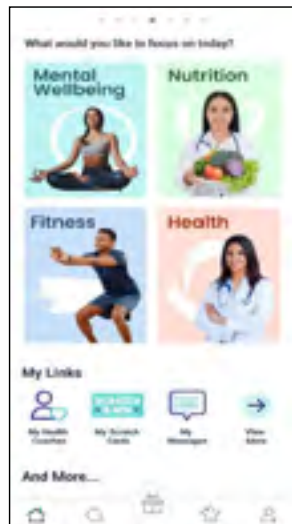
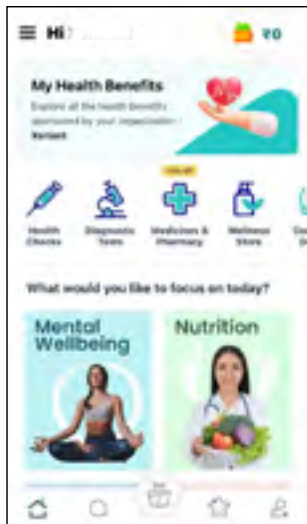
- A structured Employee Assistance Program supporting mental, emotional and physical well-being
- Monthly wellness sessions conducted by qualified medical practitioners
- Expert guidance on health management, stress reduction and preventive healthcare

C. Workplace Integrated Wellness Amenities:

- Access to wellness facilities and initiatives integrated into the workplace
- Programs designed to promote physical health, mental resilience and preventive care



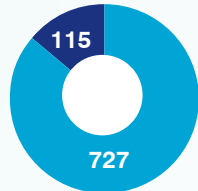
In house First-aid training



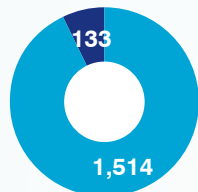
Comprehensive Wellness Application for KBL Employees

Through these initiatives, KBL reaffirms its long-term commitment to employee care, fostering a culture where well-being, security and support are integral to both personal and professional success.

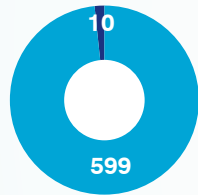
Total Employee Distribution (Nos.)



Under 30 years old

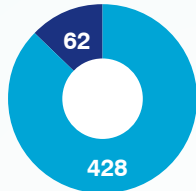


30-50 years old

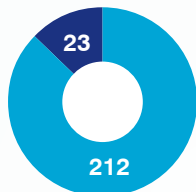


Over 50 years old

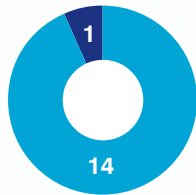
New Employee hires (Nos.)



Under 30 years old

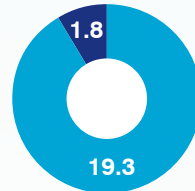


30-50 years old

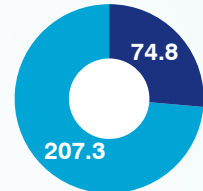


Over 50 years old

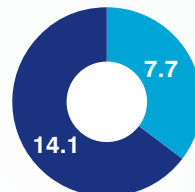
Average Training Hours per employee (Nos.)



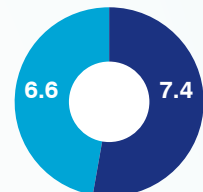
Senior Management



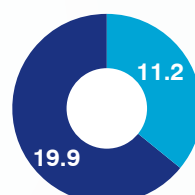
Para-Professionals



Middle Management



Associates



Professionals



Male



Female

OCCUPATIONAL HEALTH & SAFETY

Safety is our topmost priority and we conduct several safety awareness programs for our employees. We adopt a 360-degree approach, spanning from prevention to mitigation, to protect the health and well-being of our workforce.

Safe Manufacturing Operations

All our manufacturing plants are ISO 45001:2018 certified (Occupational Health and Safety Management System Standard). We strive to maintain a safe working environment through regular audits that helps identify and monitor health and safety-related incidents. Periodic fire drills and mock drills are conducted to test preparedness, while targeted safety training programs sensitise employees and workers to precautionary measures and safe work practices.

Work-Related Hazards

We follow a systematic Hazard Identification and Risk Assessment (HIRA) approach to identify and evaluate work-related hazards. Trained professionals conduct regular audits and appropriate safety measures are implemented to ensure safe execution of operations. Employees and workers are encouraged to proactively report near-miss incidents through Online Incident tracking system which is access to all KBL Staff members, Safety committees, Surksha Mitra and established reporting channels.

Processes used to identify work-related hazards and assess risks:

Incident tracking system – An online system developed for staff to capture the Safety opportunities, (i.e., Unsafe acts, unsafe conditions and near miss) and all type of injuries. Every staff member has access for it.

Flow of tracking system:

- Incident raised by employee in the system
- Safety officer assigns CAPA to responsible person with intimation to his Manager with target date of completion
- Responsible person completes the task and update in system as implemented
- Safety officer cross-check it and after satisfaction closes the incident or else mark it as partially implemented

Behavioural Based Safety (BBS)

- “It is a process that creates a safety partnership between management and employees that continually focusses people’s attentions and actions on theirs and other’s safety behaviour”
- It focusses on ‘what people do, analyses why they do it and then applies a research-supported intervention strategy to improve what people do’

Hierarchy of Controls:

Risk mitigation shall be implemented by following the Hierarchy of Controls to eliminate hazards and minimise associated risks. Priority should always be given to the most effective control measures.

1. **Elimination** – Remove the hazard completely from the workplace wherever possible.
2. **Substitution** – Replace hazardous materials, equipment, or processes with safer alternatives.
3. **Engineering Controls** – Isolate people from hazards through design solutions such as guards, barriers, or ventilation systems.
4. **Administrative Controls** – Implement procedures, training, signage and work practices that reduce exposure to hazards.
5. **Personal Protective Equipment (PPE)** – Use appropriate PPE as the last line of defence when other controls cannot fully eliminate the risk.

Safety Yellow Tag System:

Safety Yellow tag system (Say) – A system developed for workmen to raise their voice. A visible board of Safety Yellow tag system is displayed along with one drop box and ready safety yellow tag. If any workmen want to say something about safety like safety suggestion, safety unsafe practice, unsafe condition etc., he can write on the yellow tag and write on it and drop the tag in drop

box. Safety officer open the box once in a fortnight and actionable points are captured in the Incident Tracking System.

Managing Hazards

In line with our ISO 45001:2018 framework, we have developed clear procedures to report and manage hazards. The Safety Yellow Tag System enables shop-floor workers to flag safety concerns promptly, while the Safety Committee provides a formal platform to escalate issues to management. Employees are empowered to stop work in the event of any immediate risk to health or safety.

Access to Non-Occupational Health Services

We facilitate access to non-occupational healthcare services through medical camps, vaccination drives and regular health check-ups. Financial assistance through medical claims is available to employees and voluntary health initiatives, such as awareness webinars on child health and heart health, support holistic well-being. Our occupational health centres at manufacturing units, staffed by qualified doctors and nurses, provide continuous medical support.

Safety Trainings

Regular safety trainings are conducted to enhance safety practices across our operations. Key topics covered in these trainings are – Fire Safety, Material Handling Safety, Hazard Identification and Risk Assessment, Working at Height, Permit System, Crane Safety and legal requirements on EHS and safety passport system, among others.



Safety Training Centre – A new State-of-the-Art Safety Training Facility at Kirloskarvadi

Workers training on Occupational Health and Safety

Skill of Identifying safety hazards and eliminating or reducing those to control the RISK can be developed by improving job knowledge, understanding limitations of job requirement, getting trained, discussing with site safety officer / superiors and workers continuously.



Different types of automatic guards, fixed guards, adjustable guards displayed with demo prototype models of guards



Forklift Safety, Crane Safety, Safe use of Lifting tools and tackles, Safety of Racking system with rack inspection information displayed

Safety Programmes

- Mock drill
- Street plays on driving safely
- Street plays on use of single-use plastic
- Development of Safety Training Centre
- LPG safety training for female employees and employee families
- Road Safety & Defensive Driving
- Safety Speech Competition
- Special drives to improve safety
- Flammable material handling safety
- Grinding safety assessment at shop floor
- Safety awareness campaigns
- Safety Kaizen Competition
- Firefighting training & demonstration.
- Theme-based training – Eyes on your Hand
- Fork lift, BOPT & Stacker operator training
- First aid training by external agency.



Safety programmes

KARAD PROJECTS AND MOTORS LIMITED (KPML)

Key Highlights



Key Highlights in Employee Engagement

During the year, several employee engagement initiatives were organised to foster a positive and inclusive workplace culture. Key highlights included the successful completion of an amicable wage settlement with the union, implementation of seven CSR projects and the Employee Annual Meet. Various cultural, social and awareness events were celebrated, including Ganesh Chaturthi, Engineers Day, Environment Day, Quality Month, Safety Week, Energy Conservation Week, Khandenavami/Dussehra/Traditional Day, Women's Day, Republic Day and Independence Day.

Employee participation was further encouraged through sports activities, including a Cricket Tournament organised in January 2026.

Major Human Capital Development Initiatives

- **Training & Skill Development:** Conduct technical, behavioural and leadership training programs to enhance employee capabilities
- **Safety Awareness & Competitions:** We conducted various Safety Competitions, such as SCBA, Safety Quiz Competition, Signature Campaign, Firefighting Drill, Spot the Hazard, Grand Vision-safety poster and firefighting to enhance awareness and ensure our team is well-prepared to Identify hazards and handle any emergency
- **Performance Management & Career Growth:** Strengthen the PMS process with focus on employee development, promotions and career progression
- **Skill Development & Upskilling:** Continue technical and behavioural training programs to enhance employee skills and productivity
- **Employee Well-being Programs:** Health check-ups, wellness awareness sessions
- **Employee Engagement Activities:** Organised competitions, awareness programs, cultural celebrations and team-building activities to enhance employee participation, teamwork and a positive workplace environment



Sports and Cultural Events



Energy Conservation Week

Diversity, Equity, Inclusion Related Initiatives

- Gender Sensitisation & POSH Awareness Training: Regular awareness sessions to promote a safe and respectful workplace
- Leadership Awareness: Management Development Program (MDP) for managers to strengthen leadership and managerial capabilities

Programs for upgrading employee skills and transition assistance programs

- Regular technical, behavioural and safety training programs conducted
- Job rotation and internal mobility to support career growth
- Transition support through role changes, promotions and exit formalities
- Implemented on-the-job training (OJT), classroom sessions and workshops for skill development
- Established learning culture through internal trainers and knowledge-sharing sessions
- Internal job postings (IJP) and career mobility opportunities

Occupational health and safety Initiatives

- Hazard Identification & Reporting: We utilise a Yellow Tag System on the shop floor, allowing workers to immediately tag and report hazardous situations. To further encourage participation, we hold “Hazard Identification” competitions where the best catches are recognised and rewarded
- Worker Protection & Engagement: We maintain a “No-Blame” culture where identifying hazards is actively appreciated, ensuring workers are protected from reprisals and empowered to prioritise shop floor safety

- Workers actively shape the OHS system through Safety Committee Meetings, Yellow Tag reporting and daily Toolbox Talks. All identified hazards are discussed openly to develop CAPA through direct consultation with shop-floor operators. These concerns are integrated into our Incident Tracking System, where progress is monitored and feedback is shared back with the team to ensure transparency and continuous improvement
- Achieved Zero Reportable Accidents and a 15% reduction in First Aid cases by implementing proactive engineering controls across the shop floor

Key Initiatives

- **Press Machine Safety:** Installed Safety Light Curtains on the rear side to create an “invisible shield”. This system automatically stops the machine if a hazard is detected, effectively resolving previous rear-door interlocking feasibility issues
- **Stacker Control:** Interlocked the Biometric System with Foot-Stand Sensors. The stacker now automatically powers off the moment the operator steps away
- **Pinch Point Protection:** Installed Dual-Side Mesh Guards on stacker masts and replaced doors with Safety-Gap barriers to eliminate crush hazards
- **Fire Access Management:** Provided Physical Barricades around Fire Hydrant Posts to ensure emergency equipment is never blocked by material
- **Safety Certification:** Successfully achieved ISO 45001:2018 certification for the New Goa Plant



Quality Month Celebration

- **Safety Awareness & Training:** Employee Engagement: Conducted various safety competitions, including SCBA drills, "Spot the Hazard" and Safety Poster contests, to drive active participation and safety awareness. Executed specialised firefighting and hazard identification workshops as per the Annual Training Plan to ensure 100% team-readiness
- Yellow card tag system for workers to report work-related hazards and unsafe act/conditions
- All reported hazards are reviewed promptly and necessary corrective actions are implemented to ensure a safe working environment
- KPML Foundry Division ensures active worker participation and consultation in the development, implementation and evaluation of the Occupational Health and Safety (OHS) management system. Employees are involved through safety committees, regular safety meetings and regular training sessions and awareness programs are conducted to enhance their involvement
- KPML Foundry Division successfully conducted first aid training with a DISH-approved first aid trainer to employee safety and emergency preparedness

Employee Distribution (including differently abled): (Nos.)

Employees	Male	Female
Permanent Employees	163	14
Other than Permanent Employees	47	1
Permanent Workers	384	0
Other than Permanent Workers	194	0

Total Employee Distribution: (Nos.)

Employee Distribution	Male	Female
Under 30 years old	175	4
30-50 years old	467	11
Over 50 years old	141	0

New Employee Hires: (Nos.)

New Employee Distribution	Male	Female
Under 30 years old	75	2
30-50 years old	11	2
Over 50 years old	1	0

Average Training Hours per Employee: KPML Product Division

Average Training Hours Per Employee	Male	Female
Senior Management	0.75	0.71
Middle Management	3.94	5.63
Professionals	12.29	10.73
Para-Professionals	0.97	0
Associates	0.1	0

Details of Safety incidents (including contract workers)

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	3	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	0

KIRLOSKAR CORROCOAT PRIVATE LIMITED (KCPL)

Key Highlights

40

Total employees

3.38

Training
Average man-days

97.33%

Retention Rate

Key Highlights

Employee Engagement

- Participated in Kirloskar Brothers Group Cricket tournament
- Celebration of ENCON Week and Safety Week
- Total 1,084 Man hours and per person 27.1 hours training
- Three employees participated in MDP program of KBL
- Training and certification of two employees from CII for Assessors of Business Excellence

Occupational Health and Safety Trainings

- Safety Induction of all new employees
- Safety refresher training
- Fire Drill and Firefighting training
- Behaviour-based Safety training
- Mock Drills
- 5 Minutes Safety Talk during SRM

Employee Distribution: (including differently abled): (Nos.)

Employees	Male	Female
Permanent Employees	40	0
Other than Permanent Employees	0	0
Permanent Workers	0	0
Other than Permanent Workers	62	0

Total Employee Distribution: (Nos.)

Employee Distribution	Male	Female
Under 30 years old	5	0
30-50 years old	30	0
Over 50 years old	5	0

New Employee Hires: (Nos.)

New Employee Distribution	Male	Female
Under 30 years old	1	0
30-50 years old	5	0
Over 50 years old	0	0

Average Training Hours per employee: KPML Product Division

Average Training Hours Per Employee	Male	Female
Senior Management	16	0
Middle Management	42.64	0
Professionals	22.32	0
Para-Professionals	0	0
Associates	0	0



Team Building Activity



Worker's Participation in OH&S

Programs for upgrading employee skills and transition assistance programs:

- Value-selling Program for Sales and Marketing function
- Leadership Development program at IIM Lucknow
- Business Excellence Assessor at CII

Worker's Participation in OH&S:

- Incident reporting and Tracking system
- Workers report to the supervisors of Hazards, Near miss and Unsafe conditions
- Worker's participation in Safety Committee
- Employee participation in Sunrise meeting, Five Minute Safety Talk, Safety week celebration etc.

Details of Safety incidents (including contract workers)

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	0



Family Day

KIRLOSKAR EBARA PUMPS LIMITED (KEPL)

Key Highlights

386

Total employees

361

Male employees

25

Female employees

4.11

Training
average man-days

6.44%

Women workforce

25%

Women representation in
leadership/senior management roles

13.55%

Retention rate

20%

Women representation on Board

**KEPL has won
Prestigious NSCI
Safety Award-2025
from National
Safety Council of
India as Exemplary
category in MSME
sector**



NSCI Safety Award 2025

Employee Well-being

- Launched Truworth Employee Wellness, a comprehensive digital platform focused on supporting employees' emotional and mental well-being
- BMI assessment drive for all corporate employees to promote health awareness
- Annual Health Check-up Campaigns covering employees across locations to support preventive healthcare
- Meditation and stress management sessions for employee's well-being

Talent Acquisition

- Introduced key technological interventions, including digitalisation of offer and appointment letter generation through the system, improving efficiency and accuracy
- Implemented retention-focused initiatives, resulting in the successful retention of 8 employees, contributing to workforce stability

Diversity, Equity, Inclusion-Related Initiatives

- Internal policies & processes to ensure equity, inclusion & diversity in all the cadres throughout the organisation
- Total employee involvement approach wherein we involve all levels of employees including contract labours in engagement initiatives
- Conducted POSH Awareness and ICC Briefing Sessions to reinforce a safe, respectful and compliant workplace environment
- Enabled higher average training hours for female para professionals, supporting skill enhancement and equitable development opportunities
- Financial well-being initiatives, including awareness sessions on Provident Fund (PF), National Pension Scheme (NPS), taxation and personal investment planning, aimed at promoting long-term financial literacy and security

- Implemented holistic wellness interventions, including stress management programs, yoga sessions and mental health initiatives to support overall employee well-being
- 13 CNC Operators skills upgraded under special CNC upskilling course conducted by IGCC (Indo-German Chamber of Commerce)
- OJT training to GET/DETs to make them understand product and process
- Induction and factory orientation of other location employees to make them understand product and process
- Absorbing contract employees and FTCs on company role-based on their performance evaluation

Key initiatives in OHS and Safety Trainings

- Dupont 3rd party safety assessment
- Participation in NSCI Safety Award-2025
- Safety week celebration with competitions like safety slogan, posters & essay writing
- Joggers club for employee well-being & monthly awards
- Promote Bi-cycle & Walk drive for nearby employees with monthly appreciation
- Daily yoga session in plant at beginning of shift
- Annual medical health check-up for all employees & half-yearly medical check-up for worker from critical processes
- Blood donation camp for all employees
- First aid training from external professionals
- Road safety awareness by corporate safety head
- Stress management training from external professional
- Fire safety and firefighting training from external agency

**Employee Distribution:
(including differently abled):****(Nos.)**

Employees	Male	Female
Permanent Employees	335	25
Other than Permanent Employees	0	0
Permanent Workers	26	0
Other than Permanent Workers	0	0

Total Employee Distribution:**(Nos.)**

Employee Distribution	Male	Female
Under 30 years old	109	13
30-50 years old	214	12
Over 50 years old	40	0

New Employee Hires:**(Nos.)**

New Employee Distribution	Male	Female
Under 30 years old	44	7
30-50 years old	24	4
Over 50 years old	2	0

Average Training Mandays per Employee:

Average Training Mandays Per Employee	Male	Female
Senior Management	2.3	2.0
Middle Management	2.5	1.9
Professionals	2.5	2.6
Para-Professionals	3.1	5.5
Associates	2.1	0.0

Details of Safety incidents (including Contract Workers)

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.99	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	1	0
High consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	0



Social and Relationship Capital

Driving Sustainable Impact for Stakeholders

Our relationships with stakeholders form the foundation of our long-term success. Over the years, we have built strong and enduring partnerships with customers, communities, investors, channel partners and suppliers. Through continuous engagement and collaboration, we strive to understand evolving expectations, deliver high-quality products and solutions and create sustainable value for all.



Annual Dealer Meet

STRATEGIES IMPACTED

S1 S2 S5 S6 S7

SDGs IMPACTED



MATERIAL TOPICS IMPACTED

- M 2** Environmental Management and Biodiversity
- M 3** Community Engagement and Social Impact
- M 5** Regulatory Compliance and Business Ethics
- M 6** Customer Satisfaction and Product Responsibility
- M 10** Responsible Supply Chain Management
- M 14** Innovation and Sustainable Product Development

KEY HIGHLIGHTS, FY 2025-26

₹ 67+ mn
CSR spend

30,00,000+
CSR beneficiaries

CORPORATE SOCIAL RESPONSIBILITY (CSR)

We are committed to creating meaningful social impact by empowering communities and contributing to inclusive development. Aligned with the UN Sustainable Development Goals (SDGs), KBL's CSR initiatives are aimed at creating holistic impact on communities through focused initiatives in healthcare, education, skill development, environmental sustainability and animal welfare.

Key Initiatives

KBL

Education

- Strengthened educational infrastructure across schools and Anganwadi centres in Kirloskarvadi, Dewas, Sanand and Coimbatore
- Introduced modern learning solutions including e-learning classrooms and digital tools, STEM and robotics labs, activity-based learning kits, school renovation and beautification and Building as Learning Aid (BaLA) paintings
- Supported hygiene infrastructure through installation of hand wash facilities
- Achieved ISO 9001:2015 certification for 4 ZP schools and 4 ICDS centres, reflecting high standards of quality and impact
- Enhanced student engagement, digital learning, innovation and foundational learning outcomes



Healthcare

- Provided support to Radhabai Charitable Hospital for better healthcare services, infrastructure development and operational support, benefiting 2,500 patients
- Extended support to Ruby Hall Hospital for advanced cancer treatment facilities, positively impacting 10,800 cancer patients
- Supported Shri Siddhivinayak Ganpati Cancer Hospital, Miraj with advanced diagnostic equipment to strengthen early detection and monitoring capabilities
- Upgraded Primary Health Centres (PHCs) across Kirloskarvadi, Kundal, Devrashtre, Mohite Vadgaon, Bhilawadi and Dewas through provision of medical and diagnostic equipment, installation of solar power systems and improved healthcare infrastructure and access to rural communities
- Implemented the Aarogyasakhi initiative across Maharashtra, Gujarat and Madhya Pradesh to strengthen last-mile healthcare delivery by empowering ASHA workers and improving community outreach

Skill Development

- Partnered with the Water Management & Plumbing Skill Council (WMPSC) to strengthen employability in the plumbing sector, training 8,470 plumbers
- Conducted certified plumber training programmes aligned with NSDC and Ministry of Skill Development initiatives



Animal Welfare and Biodiversity Conservation

- Supported Aaranyak in implementing biodiversity conservation programmes, addressing wildlife protection and human-wildlife conflict, impacting 28,200 lives

KBL - PLANT-WISE CSR INITIATIVES

Pune

- Supported RESQ Charitable Trust, benefiting 150 animals through animal welfare initiatives
- Strengthened biodiversity restoration initiatives across Goa and Dehu Road

Kirloskarvadi

- Impacted 15,000 lives through community development initiatives
- Installed 37 solar lights to improve community infrastructure and promote renewable energy adoption
- Enabled monthly energy savings of 370 units

Shirwal

- Supported school infrastructure development and plantation drives, impacting 278 lives
- Planted 100 saplings at ZP School and local areas of Shindewadi Gram Panchayat, benefiting 2,645 lives

Kaniyur

- Conducted preventive healthcare initiatives, including mammogram and pap smear screening programmes
- Supported Government Primary School, Vagarayampalayam, by providing classroom benches to create an improved learning environment

Sanand

- Supported community welfare initiatives, benefiting 150 lives
- Donated essential infrastructure to Jeevan Sandhya Smruti, an old-age home in Ahmedabad



KPML

Education

- Donated 40 benches to Yashvantrao Chavan Vidyalay, Yashvantnagar, Karad and 60 benches to Balvidhyamandir School, Ogalewadi, Karad, enhancing classroom facilities for students
- Conducted MS-CIT training at Shikshan Mandal, Karad – Atmaram Vidyamandir, Ogalewadi, promoting digital literacy among students
- Provided educational equipment to Tagore School, Goa for better learning experiences



Healthcare

- Installed an open gym at Malharpeth, Patan to promote health, fitness and overall well-being of the local communities

Skill Development

- Conducted vocational training programmes on fashion designing, food products, handicraft and skill training in Karad district to enhance livelihood opportunities



Community Safety

- Donated a fire hydrant vehicle to the Karad Industrial Manufacturers Association at Tasawade MIDC, Karad, to strengthen emergency preparedness and safety infrastructure within the industrial community

KCPL

Education

- Supported local schools and educational institutions through infrastructure development initiatives, including donation of benches, cupboards, computers, printers and digital learning tools, installation of interactive panels and support for differently-abled students through improved learning facilities



Healthcare

- Improved access to safe drinking water through installation of RO water systems in L.B. Patil Girls High School, Ramanandnagar and ZP Primary School, Tandalgaon
- Supported menstrual hygiene through installation of sanitary vending machines in local schools and educational institutions

Skill Development

- Donated 10 bicycles to L.B. Patil Girls High School, Ramanandnagar, for the school's cycle bank, facilitating access for needy students
- Provided 8 bunk beds and induction cookware to Mukabadhir Vidyalay, Takar, improving living and learning conditions for differently-abled students



Safety and Technology

- Installed CCTV cameras and digital systems at ZP Primary Schools in Pundi and Tandalgaon

KEPL

Education

- Organised an industrial visit for 60 students from Government Polytechnic, Karad to promote industry-academia knowledge sharing



Healthcare

- Organised a blood donation drive at KEPL KOV Campus in association with Hindratna Prakashbapu Patil Blood Bank, Sangli, with 111 employees donating blood to support healthcare needs
- Conducted personal hygiene and hand wash awareness sessions for 250 students from nearby schools of Ramanandnagar

Biodiversity Conservation

- Expanded Aaranyak's biodiversity conservation initiatives by providing two EV scooters and two motorbikes to enhance field operations, research and community outreach activities
- Planted 1,200 seed balls and 435 saplings at Kundal Forest to enhance green cover
- Planted 40 trees at Sagareshwar Forest, contributing towards biodiversity conservation



Wildlife Conservation & Rehabilitation

- Supported the establishment of a Wildlife Intensive Care Unit (ICU) at RESQ Charitable Trust in Pune, enabling critical care for injured and distressed wildlife

Relationship Capital

KEY HIGHLIGHTS, FY 2025-26

2,000+

Active suppliers

1,700+

MSME suppliers

650+

Authorised service centres in India

5

APOEM facilities

8.45

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

84.3

Customer Perception Index

48%

Sustainable sourcing

RESPONSIBLE SOURCING

We are committed to building a resilient and sustainable supply chain that supports long-term value creation. Our sourcing practices encompass ethical procurement, ensuring utilisation of raw materials that are recyclable, biodegradable, or derived from renewable sources, while embedding the principles of reduce, reuse and recycle across procurement activities. We strictly adhere to the Sustainable Sourcing Policy and Integrated Management System to strengthen sourcing practices.

We strive to build long-term partnerships with suppliers, supporting them through training, technology sharing and process improvements to enhance operational efficiency and reduce supply risks. Preference is given to partners adhering to internationally recognised certifications such as ISO 9001, ISO 14001, ISO 45001, ensuring sustainability is embedded across the value chain. Ongoing initiatives such as category-based procurement, strategic partnerships, including with Vendor for energy-efficient motors and logistics optimisation through CNG vehicles, milk-run models and green transportation further reduce emissions and improve efficiency.

Through continuous supplier engagement, sustainability awareness programmes, responsible waste disposal practices and collaborative joint development projects, KBL is strengthening supply chain resilience, lowering costs, mitigating risks, unlocking new revenue opportunities and reinforcing brand value.

The Company strengthened its supplier engagement through focused digitalisation and relationship-building initiatives. A web-based supplier onboarding and grievance portal was implemented to enhance transparency, efficiency and ease of interaction. To recognise and encourage performance excellence, appreciation cards were awarded to vendors for their contributions. communication, quality of services, payment process and overall collaboration and relationship management.

The Company has established a comprehensive framework to ensure responsible and sustainable supplier management. Supplier policies emphasise ethical business conduct, requiring adherence to the Code of Ethics with zero tolerance for bribery, corruption, fraud, or conflicts of interest. Suppliers are expected to comply with all applicable legal and regulatory requirements while aligning with sustainability principles by minimising environmental impact and promoting responsible sourcing practices. The Company is committed to upholding human rights and labour standards, prohibiting child or forced labour and ensuring fair wages, safe working conditions and non-discrimination. Additionally, suppliers must adhere to Environment, Health and Safety (EHS) requirements, focusing on regulatory compliance, workplace safety and reduction of waste, emissions and resource consumption. Regular audits and compliance monitoring are conducted and any non-compliance may lead to corrective actions or termination, as outlined in the Supplier Code of Conduct.

Supplier Engagement & Strategic Partnerships (Steel Industry)

- Strengthened relationships with critical raw material suppliers (Steel scrap, Alloys), ensuring uninterrupted plant operations
- Conducted quarterly performance rating with suppliers to align on production schedules, quality standards and delivery timelines
- Diversified supplier base to mitigate risks related to price volatility, geopolitical issues, or supply shortages
- Ensured continuous supply during disruptions (e.g., transport strikes, seasonal constraints) through proactive planning and alternate sourcing
- Maintained safety stock strategies in coordination with suppliers to avoid production stoppages

Supplier policies:

- **Ethical Business Conduct:** Comply with Code of Ethics, zero tolerance for bribery, corruption, fraud, or conflicts of interest.
- **Legal & Regulatory Compliance:** Adhere to all applicable local and international laws and regulations.
- **Sustainable Sourcing:** Support ESG principles, minimise environmental impact, promote responsible material sourcing.
- **Human Rights & Labour Standards:** No child or forced labour, ensure fair wages, safe working conditions and non-discrimination
- **Environment, Health & Safety (EHS):** Follow environmental laws, ensure workplace safety, reduce waste, emissions and resource usage.
- **Audits & Compliance Monitoring:** Cooperation with audits, non-compliance may lead to corrective action or termination.

Supplier code of conduct:

- KBL is a strong follower of business integrity, ethics and governance and has absolutely zero tolerance on unethical business practices. We expect our suppliers to conduct their business with utmost integrity, honesty, transparency and adhering to all applicable laws & regulations. KBL is committed to environmental sustainability and deeply values ESG principles. We expect our suppliers to minimise their environmental impact by implementing sustainable practices, reducing waste, recycling and conserving natural resources
- We also encourage suppliers to practice and follow all applicable wage laws and regulations including, but not limited, to minimum wages, duration of payment, overtime hours, equal remuneration etc

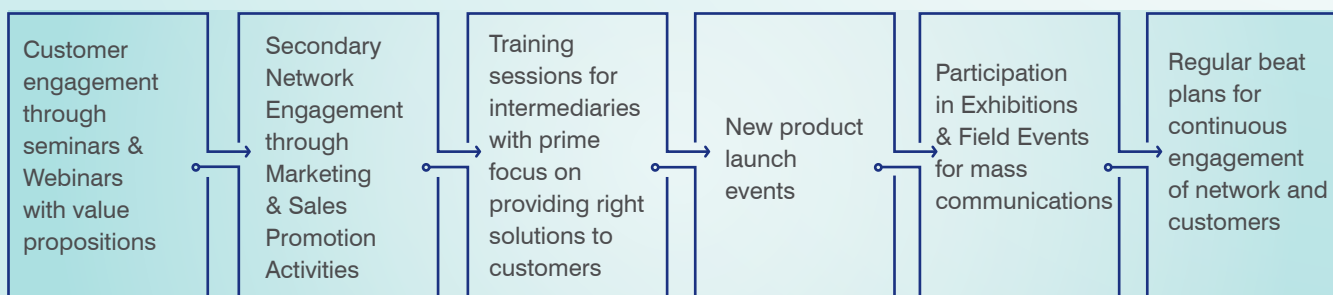
Supplier Audits

To strengthen supplier governance, the Company has implemented a structured supplier audit and evaluation program. This includes prior qualification of suppliers for critical categories such as bought-out components, casting, fabrication and subcontracting services. Supplier performance is evaluated quarterly in collaboration with the Quality Assurance team, while annual internal and statutory audits are conducted, along with specialised audits for high-impact areas such as casting and logistics. Supplier development programs are also undertaken to enhance capabilities and drive continuous improvement across the value chain.

Sustainable Packaging

We ensure the usage of recyclable materials across our facilities. Key initiatives include the utilisation of plant scrap within foundry operations, replacing wooden boxes and pallets with fabricated recyclable bins at the Dewas facility and introducing polypropylene (PP) boxes for inward material packaging in place of wooden materials. We have also initiated Vendor Managed Inventory (VMI) for seals, bearings, fasteners, foundry consumables and motors, while transitioning to materials compliant with RoHS standards. Efforts are also underway to eliminate plastic wrapping at the Sanand plant, reinforcing KBL's commitment to reducing waste.

STRENGTHENING THE VALUE CHAIN



Authorised Pumpset Original Equipment Manufacturer (APOEM):

5 APOEMs Pan India

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

Dealer/Retail Engagement Activities

Digitisation & Digitalisation:

As part of its continuous efforts to strengthen dealer engagement, KBL is leveraging digital technologies to enhance operational efficiency and communication across its dealer network. Through integrated digital platforms, dealers have seamless access to real-time product information, sales insights and training resources, enabling them to respond effectively to evolving market demands and deliver superior customer service.

Annual Recognition of Excellence: KBL celebrates and recognises top-performing partners both within India and internationally for their exceptional contributions to our mutual success.

Training and Development: KBL conducts technical and behavioural training programmes at plants, regional offices and partner locations to enhance skills and empower partners.

Regular Engagement through Business Events:

KBL hosts annual functions, regional conferences and business meetings to foster open communication, gain valuable feedback and understand our partners' needs and perceptions.

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

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

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

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

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

Channel Partner Meet:

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



Annual Dealer Meet

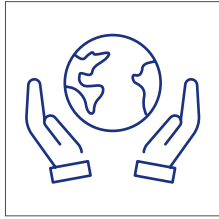


Natural Capital

KBL is committed to environmental stewardship and integrates sustainability into its core operations and value chain. We focus on enhancing energy efficiency, increasing the use of renewable energy, conserving water and minimising waste generation across our processes. Through continuous innovation and responsible resource management, we strive to reduce our environmental footprint and contribute to a more sustainable future.



Green Campus at KBL Dewas Plant



पर्यावरणं रक्षेतु, सर्वे जीवनाः समृद्धिम्

By protecting the environment,
all life will thrive.

Our Sustainability

Mission

Support business through
harbingering ESG initiatives
beyond compliance and be a role
model to protect mother earth

Our Sustainability

Vision

Be a business differentiator,
strengthening the brand KBL
through pioneering sustainability
and excellence practices

STRATEGIES IMPACTED

S2 S4 S6 S7

SDGs IMPACTED



MATERIAL TOPICS IMPACTED

- M 2** Environmental Management and Biodiversity
- M 4** Water Stewardship and Water Management
- M 5** Regulatory Compliance and Business Ethics
- M 9** Sustainability Disclosure and Reporting
- M 11** Waste Management and Circular Economy
- M 12** Energy Management and Efficiency
- M 14** Innovation and Sustainable Product Development
- M 15** Sustainability Strategy and Climate Transition
- M 17** Climate Change and GHG Emissions

KEY HIGHLIGHTS, FY 2025-26

Golden Peacock Award
for Sustainability
and Environment
Management from
Institute Of Directors
(IOD)

38%

Renewable energy mix

31%

Recycled water

70%*

Reduction in Scope 1
emission intensity
over 2022-23

* Standalone

Pioneers



Enriching Lives



FY 2008-09

IGBC LEED platinum
Green Building in Pune –
Corporate office



FY 2021-22

Pump company to
implement Integrated
Management System



FY 2023-24

Only pump company
to receive CII
GreenCo rating twice



FY 2023-24

Only pump company
to achieve CII
GreenPro certification



FY 2024-25

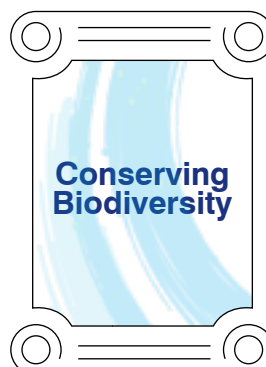
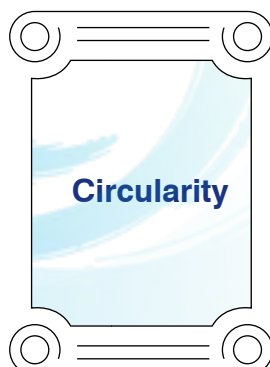
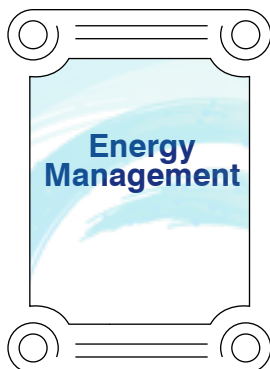
Only pump company to
implement “Zero Waste
To Landfill” initiative



FY 2024-25

Indian pump
company to take
NET ZERO targets

PILLARS OF KBL'S ENVIRONMENTAL SUSTAINABILITY STRATEGY



ENERGY MANAGEMENT



10%

reduction in Specific Energy Consumption by 2030

(as a baseline of 2023-24)

Enhancement of Renewable Energy up to

70%

by FY 2029-30

At KBL, energy management is a powerful force driving transformative change. We leverage cutting-edge technology and innovation to maximise efficiency, eliminate waste and accelerate the shift to renewable energy. Our unwavering commitment not only reduces our environmental footprint but also fuels sustainable growth and lasting value for our stakeholders.

ENERGY TRANSITION: ENHANCING OUR RENEWABLE ENERGY USAGE

4.75 MW

Rooftop Solar

13.5 MW

Open Access Solar

4 MW

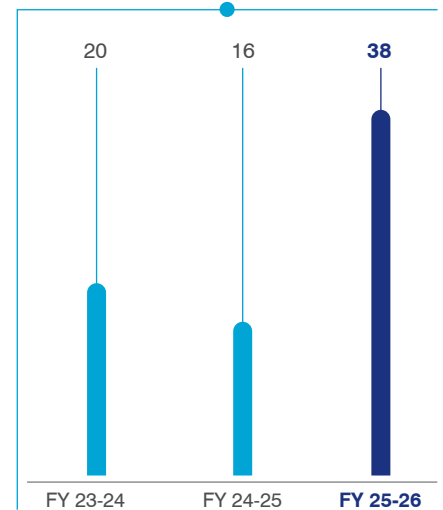
Wind Energy



Renewable Energy

Renewable Energy Consumption: Consolidated

(in %)



KBL is advancing its energy transition journey by progressively shifting towards cleaner, low-carbon and more sustainable energy sources across its operations. Our approach to energy transition is centred on reducing dependence on conventional fossil-based energy and increasing the share of renewable and energy-efficient solutions. A key pillar of this transition is the adoption of renewable energy.

KBL has implemented 13.5 MW of open access solar power, complemented by rooftop solar of 4.75 MW and an 4 MW Wind Power across facilities. This integrated

approach to renewable energy sourcing has enabled KBL to increase its overall renewable energy share to 38% of its total energy consumption.

As a result of this transition, KBL has achieved a substantial reduction in greenhouse gas (GHG) emissions, contributing to our broader environmental and climate action goals. The use of clean energy not only minimises dependence on conventional fossil fuels but also enhances energy efficiency and long-term sustainability.

Recovering and Reusing Energy at Hydraulic Research Centre

Recovering and reusing energy at the Hydraulic Research Centre involves optimising the energy used in pump and flow testing systems through efficient design and technology. Most facilities adopt closed-loop water circulation, where water is continuously recirculated, minimising the need for fresh pumping. High-pressure discharge from pump testing is utilised to drive turbines or Pump-As-Turbine (PAT) systems, converting excess hydraulic energy into useful mechanical or electrical energy. Additionally, Variable Frequency Drives (VFDs) help regulate pump speed based on demand, reducing unnecessary power consumption. Where elevation differences exist, gravity-based systems can further recover energy using micro-turbines. Heat generated from pumps and motors can also be captured and reused through heat exchangers. Together with smart monitoring and automation systems, these measures significantly enhance energy efficiency, reduce operational costs and support sustainable operations within the research facility.



Hydraulic Research Centre

Apart from KBL pumps, KBL turbines are engineered with a strong focus on energy efficiency, precision manufacturing and advanced hydraulic design, ensuring optimal performance and reduced lifecycle costs.

We continue to innovate in energy recovery through our PICO and PAT patented pump models, designed to meet low-to-moderate energy requirements across diverse industries. These pumps can operate in reverse mode as turbines to generate electricity. While PICO is generally used for meeting energy requirements of up to 5 kW, PAT is used for meeting comparatively higher energy requirements of up to 100 kW. When deployed as complete energy-generation systems, these solutions help customers reduce energy costs while offering an effective alternative for lowering carbon emissions, bringing clean, decentralised energy to remote communities.

Customer Impact at a Glance

Together with our customers, 9,500 MW of green energy has been generated, using PAT and PICO pumps, avoiding 6.83 million tonnes of GHG emissions to date.

Driving Energy Efficiency Through Product Innovation Energy Intensity

0.145 GJ/Product

Minimum Efficiency Index Certified Pumps

We offer a range of MEI (Minimum Efficiency Index) certified pumps (e.g., DBxe, KW SC, KPD End Suction Process Pumps, KDI EE5 Monobloc Pumps) designed to meet international energy efficiency standards for rotodynamic pumps. The MEI is defined under European regulations and ensures that pumps operate above a specified minimum efficiency level, helping industries reduce energy consumption and operating costs.

KBL's MEI-certified pumps, particularly in end-suction, inline and split-case categories, are engineered with optimised hydraulic designs, precision manufacturing and reduced internal losses. These pumps comply with global benchmarks by improving efficiency across the duty range, not just at the Best Efficiency Point (BEP). As a result, they deliver lower power consumption, reduced lifecycle costs and minimised carbon emissions.

By adopting MEI-compliant designs, KBL supports sustainability initiatives and helps customers meet energy regulations, making these pumps suitable for applications in water supply, irrigation, HVAC and industrial processes.

Redefining HVAC Performance with Vertical Inline Pump KW-SC

The CII GreenPro Certified KW-SC Vertical Inline Pump represents a significant advancement in KBL's energy-efficient pump portfolio. Engineered for liquid circulation in heating and air-conditioning systems, the pump enhances HVAC performance, improves temperature control and contributes to lower energy consumption and operating costs. Its compact vertical design makes it well-suited for space-constrained mechanical rooms, while its versatility enables applications across air conditioning, industrial circulation, bottling plants and water boosting systems. Key benefits include ease of maintenance, reduced downtime and lower lifecycle costs.

Lowest Lifecycle Cost Pumps

The CII GreenPro Certified Lowest Lifecycle Cost (LLC™) Pump series, reduces energy consumption and maintenance costs. Given their unique features, these pumps offer substantial energy savings potential without reducing pump efficiency over a longer period, resulting in low lifecycle cost compared to conventional pumps. These pumps are expected to reduce 1,000-1,200 MT CO₂eq within the first 10 years of installation.

DBxe End Suction Pump Series

The highly efficient end suction pump series DBxe is designed to save up to 20 MT CO₂eq in the first 10 years of installation operations. With thousands of such pumps being installed annually, this is expected to result in meaningful cost savings and lower energy consumption, reducing our carbon footprint.

Solar Pumps

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

Energy Efficiency across Manufacturing Facilities

Real-time energy insights for continuous performance improvement. All manufacturing facilities of the Company are ISO 50001:2018 (Energy Management System) certified. Through structured Energy Conservation (ENCON) programmes, we identify opportunities to reduce specific energy consumption and eliminate losses across operations.

Our manufacturing processes are equipped with advanced and energy-efficient technologies. We emphasise process optimisation, equipment modernisation and improved operational controls to ensure efficient energy utilisation across manufacturing processes. Digital tools and automation support in enhancing precision and reducing energy losses.

In addition, we actively promote responsible energy usage among employees. Through awareness programmes and engagement initiatives, we foster a culture where energy conservation becomes an integral part of day-to-day activities.

Energy in GJ	KBL	KPML	KCPL	KEPL
From Renewable Sources				
Total electricity consumption	58,981.82	12,555.06	-	1,510.19
Total fuel consumption	-	-	-	-
Total energy consumption from renewable sources	58,981.82	12,555.06	-	1,510.19
From non-renewable sources				
Total electricity consumption	1,07,686.10	6,008.21	910.22	3,745.34
Total fuel consumption	19,614.95	13,759.07	148.79	960.51
Total energy consumption from non-renewable sources	1,27,301.06	19,767.28	1,059.02	4,705.85
Total energy consumed	1,86,282.88	32,322.35	1,059.02	6,216.04

WATER MANAGEMENT

Goal

To achieve
Water
Neutrality
by 2030

Water is more than a resource - it is the lifeline of communities, industries and ecosystems. At KBL, water stewardship is not just an operational priority, but a responsibility toward society and the planet.

key highlights FY 2025-26

Zero

Wastewater discharged

8.69 kL/mn

Per Rupee of Turnover Water Intensity*

* Standalone

Water withdrawal and consumption

We adopt a responsible and structured approach to managing water withdrawal and consumption, recognising water as a critical shared resource. KBL sources water primarily from municipal supply, groundwater and third-party water while continuously working to reduce dependence on freshwater sources.

We have implemented multiple efficiency measures to optimise usage across operations. Process improvements, closed-loop systems and infrastructure enhancements help reduce water intensity. The Company also undertakes regular monitoring of water consumption to identify opportunities for conservation and drive continuous improvement.



Water Conservation at Sanand Plant



Water Recycling at Dewas Plant

Water recycling and reuse

KBL adopts a circular approach to water management by prioritising water recycling and reuse across its operations. Wastewater generated is treated through effluent and sewage treatment plants and reused for industrial processes, utilities and landscaping.

Through continuous monitoring, infrastructure upgrades and integration of rainwater harvesting, we reduce dependence on freshwater and enhance overall water efficiency, supporting our long-term goal of sustainable water management and water neutrality.

Water in kL	KBL	KPML	KCPL	KEPL
Surface water	2,07,468.13	14,198.00	1,417.01	-
Ground water	6,681.78	-	-	12,205.59
Third-party water	31,777.77	33,964.13	-	-
Total volume of water withdrawal (in kilolitres)	2,45,927.68	48,162.13	1,417.01	12,205.59
Use of recycled water	1,10,359.37	11,520.54	-	4,538.06

EMISSIONS MANAGEMENT



Goal

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

The world is changing and so must the way we operate. At KBL, we embrace the challenge of climate change as an opportunity to innovate, conserve and create fluid management solutions that leave a positive mark on both people and the planet

key highlights FY 2025-26

0.0177

MT CO₂e/Pump

Scope 1 & 2 Emission Intensity*

*Standalone

48.87%

reduction in absolute Scope 1 emissions over FY 2024-25*

25.41%

reduction in Scope 2 emissions over FY 2024-25*

Accelerating the Net Zero Journey

We are advancing our Net Zero journey through a structured decarbonisation pathway that integrates climate action into core business operations and strategy. We have set short, medium and long-term targets for GHG mitigation, focusing on reducing Scope 1, Scope 2 and value chain (Scope 3) emissions.

Our decarbonisation strategy is anchored in energy transition, operational efficiency and low-carbon innovation. We are actively enhancing energy performance through deployment of energy-efficient technologies, process optimisation and digital energy management systems. A significant thrust is placed on increasing renewable energy penetration to decarbonise electricity consumption and reduce Scope 2 emissions.

For Scope 1 emissions, we are progressing towards fuel switching, electrification of processes involving adoption of cleaner and low-emission fuels to

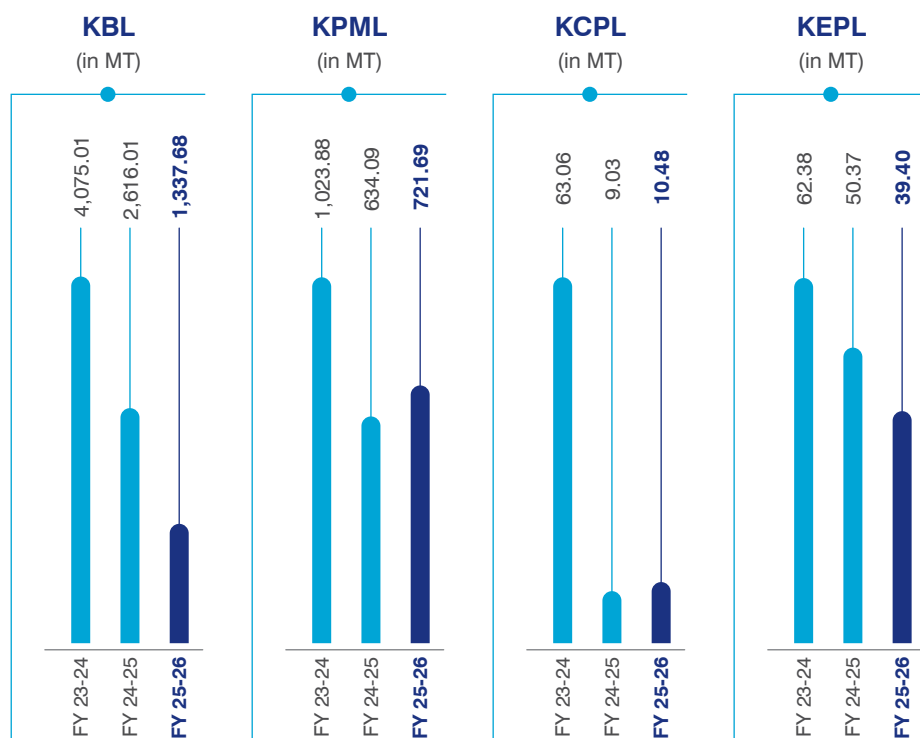
reduce direct combustion-related emissions. For Scope 2 emissions, we are enhancing our renewable energy capacity at plants. Simultaneously, we are strengthening Scope 3 emissions management by improving GHG inventory, enhancing value chain engagement and integrating sustainable procurement and logistics optimisation practices.

We leverage product decarbonisation as a key enabler, developing high-efficiency pumping solutions that reduce lifecycle emissions and support customers in achieving their own climate targets. We are further exploring circular economy principles, resource optimisation and emerging low-carbon technologies to accelerate the Net Zero transition.

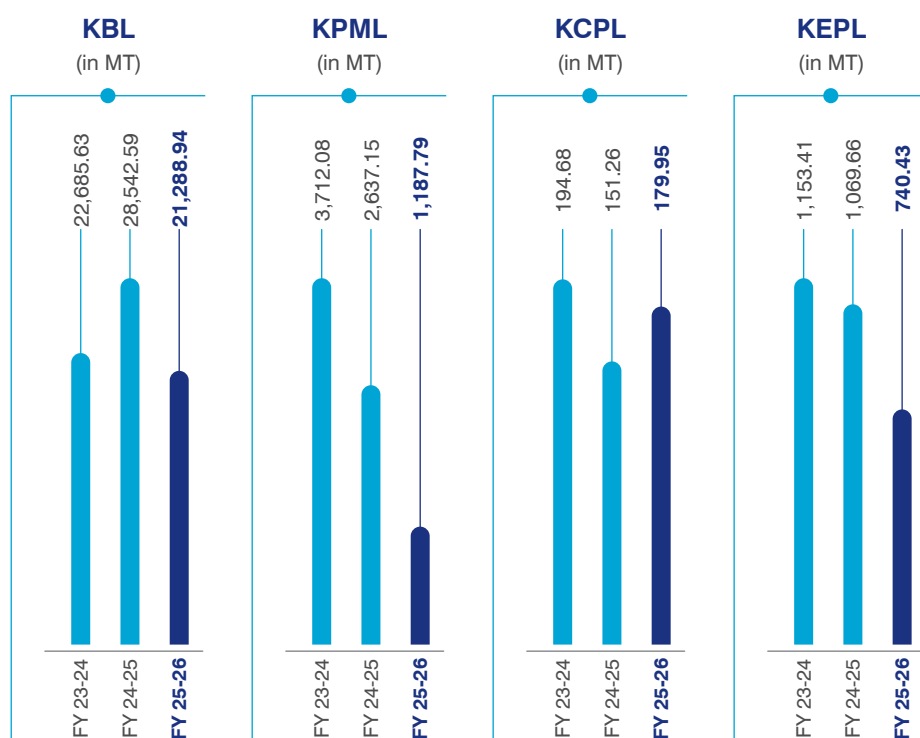
Through robust emissions accounting, continuous monitoring and alignment with global climate frameworks, we are systematically progressing on our decarbonisation roadmap, reinforcing our commitment to achieving Net Zero emissions and contributing to a climate-resilient future.

GHG Emissions

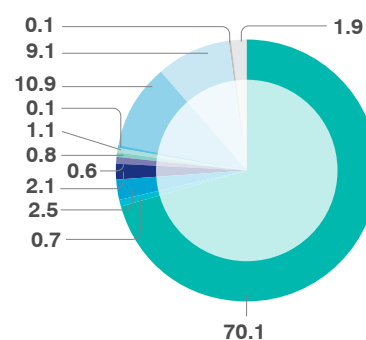
SCOPE 1 EMISSIONS IN MT



SCOPE 2 EMISSIONS IN MT



SCOPE 3 EMISSIONS (Category-wise %)



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

Management of Air Emissions

We have implemented advanced emission control systems, including dust extraction, scrubbers and filtration technologies, to reduce Particulate Matter (PM), Sulphur Oxides (SO_x) and Nitrogen Oxides (NO_x) generated from manufacturing processes. Preventive maintenance, process optimisation and equipment upgrades are undertaken regularly to enhance combustion efficiency and reduce emission intensity. Air emissions are continuously monitored through defined protocols to ensure compliance with statutory requirements and internal standards.

Air Emissions in MT	KBL	KPML	KCPL	KEPL
Suspended particulate matter (SPM)	39.562	1.420	0.134	2.705
Sulphur dioxide (SO ₂)	0.363	0.401	0.007	0.001
Nitrogen oxide	0.842	0.135	0.043	0.004
VOC	4.366	-	-	-
CO	0.018	-	-	-

MATERIAL CIRCULARITY & WASTE MANAGEMENT

Goal

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

At KBL, our strategy for material circularity is focused on minimising waste, maximising resource efficiency and extending the lifecycle of materials used in our operations. We are committed to integrating circular economy principles by promoting the reuse, recycling and recovery of materials.

Embedding Circularity in Product Design

We integrate circular economy principles at the design stage to minimise environmental impact across the product lifecycle. We focus on designing products that are durable, resource-efficient and easy to maintain, repair and refurbish, thereby extending their useful life and reducing material consumption.

Our Waste Management Hierarchy

Prioritising actions for a cleaner planet and a sustainable future

MOST
PREFERRED



REDUCE

Prevent waste generation. Use fewer resources and choose sustainable options.

REUSE

Extend the life of products by reusing or repurposing whenever possible.

RECYCLE

Process used materials into new products, reducing the need for virgin resources.

RECOVER

Recover energy from waste through safe and efficient methods.

DISPOSE

Dispose of waste responsibly as a last resort, with minimal environmental impact.

LEAST
PREFERRED



Every step we take towards responsible waste management today builds a better **tomorrow**.

Waste Management at Operations

We focus on reducing material intensity through process optimisation, lean manufacturing and efficient inventory management, thereby minimising scrap and waste generation at source. Waste streams generated are systematically segregated into hazardous and non-hazardous categories and managed in accordance with regulatory requirements and best practices.

A significant proportion of non-hazardous waste, including metal scrap, packaging materials and other recyclables, are channelled back into the production cycle or sent to authorised recyclers for material recovery. Hazardous waste is handled through authorised agencies, ensuring safe treatment, disposal or co-processing in line with environmental norms.

End-of-Life Treatment of Products

We adopt the 3R principle – Reduce, Reuse, and Recycle – across the design and manufacturing stages to optimise resource efficiency and minimise environmental impact. Our products are designed to facilitate reuse and recycling of components at the end of their lifecycle. With metallic components accounting for up to 95% of product composition, a significant portion can be recovered and reprocessed into raw materials for new production. Given that metals can be recycled multiple times without compromising quality, our end-of-life product treatment approach reinforces our commitment to sustainable practices.

Our Product end-of-life management guidelines are available on KBL Website

<https://www.kirloskarpumps.com/spares-and-services/end-of-life-management-procedure/>

Waste in MT	KBL	KPML	KCPL	KEPL
Plastic waste	14.26	1.76	3.42	0
E-waste	3.58	0	0.035	0
Bio-medical waste	0.0057	0	0	0
Construction and demolition waste	0	0	0	0
Battery waste	3.33	0	0	0
Radioactive waste	0	0	0	0
Other hazardous waste	175.31	18.24	61.39	48.61
Other non-hazardous waste	36,224.52	3,922.16	3.62	219.98
Total waste generated	36,421.03	3,942.16	68.47	268.59
Total waste recovered through recycling	5,540.50	674.40	68.47	267.54
Total waste recovered through reusing	8,200.73	0	0	0
Total waste recovered through other recovery options	39.23	0	0	0.22
Total waste incinerated	0.73	0	0	0
Total waste landfilled	22,628.11	3,267.75	0	0
Total waste disposed through other disposal operations	11.71	0	0	0.83

BIODIVERSITY

Goal

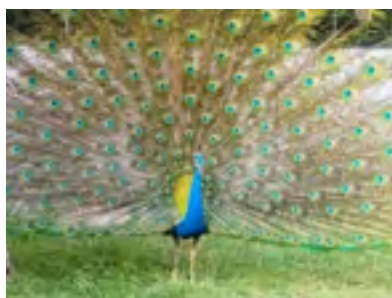
To ensure “No Net Loss” of Biodiversity across our operations

At KBL, we recognise the vital role of biodiversity in sustaining ecosystems and ensuring long-term environmental health. Our strategy for biodiversity conservation focusses on minimising the ecological impact of our operations and promoting the protection and restoration of natural habitats.



We integrate green practices across our facilities, including tree plantation drives, periodic biodiversity assessment, greenbelt development and the preservation of native species.

We have developed greenbelts across our manufacturing facilities by planting native and drought-resistant species, which help improve air quality, prevent soil erosion and create habitats for local flora and fauna.



PRODUCT SUSTAINABILITY



Goal

80% of the products
shall be Type 1
Ecolabel Products
by 2030



LIFE CYCLE ASSESSMENT

At KBL, we embed Life Cycle Assessment (LCA) as a key tool to understand and minimise the environmental footprint of our products from raw material extraction to manufacturing and usage. These assessments evaluate resource consumption, environmental impacts including greenhouse gas (GHG) emissions and ecological effects, as well as potential implications for human health, such as toxicity and exposure risks.

We quantify these impacts using recognised indicators, such as Global Warming Potential, Acidification Potential, Eutrophication Potential, Abiotic Resource Depletion, Ozone Layer Depletion and Photochemical Ozone Creation Potential, enabling us to drive informed decisions towards sustainable product development and reduced environmental footprint.

LCA METHODOLOGY AND APPROACH

By applying LCA principles, we evaluate environmental impacts across the entire product lifecycle. Using CII GreenPro Type 1 Ecolabelling approach, we have completed Cradle to Gate calculations, commonly referred to as supplier emissions, for the following models. The GreenPro Ecolabel has a lower environment impact and contributes significantly to enhancing the performance of Green Buildings and Green Companies.

Along with the pumps, our Cast Iron Foundry Castings and Alloy Cast Steel Foundry Castings are also CII GreenPro Type 1 ecolabelled.

**This year, 6 of the products' categories
have earned the CII Type 1 Ecolabelling
GreenPro Certification**

Pump Type	Pump Description	Application
End Suction Pump Series	DBxe	• Water supply • Sprinkler • Air conditioning • Industrial water • Swimming pool water • Hot water (Up to 90° C) • Fire fighting • Drinking water/Potable water • Cooling water • Condensate • Clean juice in sugar industry • Solvent in pharma industry • Alcohol in distillery
Horizontal Split Case Pumps	LLC™	• Water supply • Effluent treatment plant • Industrial utility services • Cooling tower circulation • Sea-water handling • Desalination plants

Pump Type	Pump Description	Application
Borewell Submersible Pumps	10 cm oil-filled and water-filled pumps	- Domestic and community water supply - Water supply for high rise building - Gardening and small farm irrigation - Construction site - Groundwater supply to waterworks
Self Priming Regenerative Pumps	0.5 HP and 1.0 HP mini pump series	- Water supply to overhead tanks in bungalows - Domestic water supply - Feed water to RO plants - Construction sites - Lawn sprinklers - Garden and fountains - Car washing
Vertical Inline Pump	KW LC, KW SC	- Air conditioning - HVAC
Hydropneumatic Pressure Boosting System - HYPN	KCIL Pump, AGNES Pump	- Residential housing - Small and Medium-sized commercial and residential buildings - Townships, hospitals, airports, malls and metros - Steel plants – cooling circuits
Single Phase Monobloc Pump	KDS	- Gardening and small farm irrigation - Lawn sprinklers - Water supply for high rise buildings - Domestic and community water supply
Openwell Submersible Pump	KOSi	- Gardening and small farm irrigation - Lawn sprinklers - Water supply for high rise buildings - Domestic and community water supply

AWARDS AND ACCOLADES



Golden Peacock Award for Sustainability by IOD

KBL has been honoured with the Golden Peacock Award for Sustainability and Environment domain by the Institute of Directors (IOD).

This prestigious recognition underscores KBL's unwavering commitment to sustainable practices, innovation-driven growth and environmental stewardship across all facets of its business. The Golden Peacock Awards for Corporate Leadership and Institutional Excellence are among the most distinguished symbols of recognition globally. This milestone marks KBL's third consecutive Golden Peacock recognition within a single year, following earlier wins in the Quality and Environment domains. These achievements reaffirm KBL's continuous pursuit of excellence, responsible growth and vision of shaping a sustainable future through integrity and innovation.

Contributing to UNSDGs

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

The United Nations Sustainable Development Goals (UNSDGs) provide a shared blueprint for addressing global environmental, social and economic challenges while fostering sustainable and inclusive growth. At Kirloskar Brothers Limited (KBL), sustainability is embedded within our business strategy and value creation approach, enabling us to contribute meaningfully towards these global goals.

Given the nature of our business and our purpose of delivering innovative and sustainable fluid management solutions, we have identified the SDGs where we can create the greatest positive impact

through our products, operations, supply chain and community engagement initiatives. These priority goals are aligned with our material sustainability priorities and guide our efforts towards responsible growth and long-term stakeholder value creation.

Our governance framework, policies, management systems and sustainability initiatives support the integration of these goals into our business practices. Through continuous monitoring, transparent disclosures and focused action, we track our progress and strengthen our contribution towards advancing sustainable development.



GOOD HEALTH AND WELL-BEING

KBL recognises that employee health, safety and well-being are fundamental to sustainable business success. The Company is committed to providing a safe, healthy and supportive work environment while contributing to the well-being of communities through responsible operations and social initiatives.

Key Initiatives:

- Comprehensive Environment and Occupational Health and Safety management systems across manufacturing facilities
- Regular health check-ups, wellness programmes and preventive healthcare initiatives for employees
- Safety awareness campaigns, emergency preparedness training and behavioural safety programmes
- Community health interventions through CSR initiatives, including healthcare camps and support for local healthcare infrastructure
- Focus on employee mental well-being and workplace wellness through “Kirlofit” Club
- Zero accident manufacturing plants
- Parivar Suraksha Yojna for employees



QUALITY EDUCATION

KBL believes that continuous learning, skill development and access to quality education are essential for individual growth and societal progress. The Company invests in building employee capabilities, fostering technical excellence and supporting educational initiatives that enhance employability and knowledge creation. Additionally, KBL focusses on extending education to community where we support local schools and skill development programs helping to uplift the society.

Key Initiatives:

- Skill development and technical training programmes for employees and apprentices
- Learning and development initiatives through digital learning platforms and leadership development programmes
- Scholarship and educational support programmes through CSR initiatives
- Industry-academia partnerships to promote technical education and employability
- Training programmes for dealers, channel partners and service personnel to enhance technical competencies
- Kirloskar High-School - open to all
- Higher education policy for employees



GENDER EQUALITY

KBL is committed to fostering a diverse, equitable and inclusive workplace where individuals are empowered to realise their full potential irrespective of gender. Through fair employment practices, equal opportunities and a safe working environment, the Company seeks to promote gender equality.

Key Initiatives:

- 100% Women-driven manufacturing plant at Kaniyur
- Equal opportunity employment practices and non-discriminatory workplace policies
- Initiatives to increase diversity and inclusion across the workforce
- Prevention of Sexual Harassment (POSH) framework and awareness programmes
- Leadership development and career advancement opportunities for women employees
- Safe and inclusive workplace practices



CLEAN WATER AND SANITATION

KBL follows a strong water management strategy focused on conservation, reuse and recycling. By emphasising these principles, we showcase our commitment to sustainable water practices and contribute to the preservation and responsible use of this essential resource.

Key Initiatives:

- Design and manufacture of fluid management solutions supporting water supply, wastewater treatment, irrigation and sanitation infrastructure
- Solutions for municipal water distribution and sewage management projects
- Water conservation initiatives within manufacturing operations
- Rainwater harvesting and water recycling measures at facilities
- CSR programmes supporting community access to safe drinking water and sanitation facilities
- Participation in projects that improve water accessibility and water-use efficiency



AFFORDABLE AND CLEAN ENERGY

KBL recognises the importance of clean and affordable energy in enabling sustainable economic development and climate resilience. Through the development of energy-efficient products and adoption of renewable energy sources within its operations, the Company contributes to improved energy efficiency and supports the transition towards a low-carbon future.

Key Initiatives:

- Development of energy-efficient pumping solutions that reduce energy consumption for customers
- Continuous product innovation aimed at improving pump efficiency
- 38% energy from renewable energy
- Energy conservation projects and energy management systems across operations



DECENT WORK AND ECONOMIC GROWTH

KBL is committed to creating sustainable economic value while ensuring safe, productive and rewarding employment opportunities. By promoting workforce development, employee well-being, responsible labour practices and inclusive growth across its value chain, the Company contributes to economic prosperity and decent work.

Key Initiatives:

- 6,000+ employee strength
- Being one of India's AtmaNirbhar and Make in India organisations
- Global presence and focus on high-growth market segment
- Creation of direct and indirect employment opportunities across operations and value chains
- Strong focus on employee welfare, skill enhancement and career development
- Responsible labour practices and compliance with labour regulations
- Supplier and dealer ecosystem development programmes
- Promotion of local sourcing and support for MSMEs within the supply chain
- Safe and healthy working conditions across facilities



INDUSTRY, INNOVATION AND INFRASTRUCTURE

Innovation and infrastructure development are central to KBL's long-term growth strategy. Through investments in research and development, advanced manufacturing technologies and infrastructure solutions that support water, energy and industrial sectors, the Company contributes to resilient infrastructure, sustainable industrialisation and innovation.

Key Initiatives:

- Significant investments in research, development and innovation
- Development of advanced pumping technologies and digital solutions
- One of Asia's largest hydraulic research centres at Kirloskarvadi
- 100+ research papers published
- 3D printing technology
- Lowest Lifecycle Cost (LLC™) design for pumps, offering longer life and minimum cost towards operations and maintenance
- Strengthening India's core sectors by supplying pumps to iconic structures
- Providing cutting-edge, energy-efficient and environment-friendly innovative solutions (Star-rated pumps, DBxe, PAT and PICO)
- Offering digital technologies through innovative solutions, such as KirloSmart™
- Special pumps for nuclear applications
- Pressure Boosting Hydro-Pneumatic (HYPN) System - one of the most cost-effective pressure-boosting solutions worldwide
- Redefining HVAC efficiency with the new vertical Inline Pump KW-SC
- Enhanced number of certified green products



REDUCED INEQUALITIES

KBL is committed to fostering an inclusive and equitable workplace and creating opportunities that contribute to shared economic and social progress. Through fair employment practices, equal opportunity policies, skill development initiatives and community engagement programmes, the Company strives to reduce inequalities and promote inclusive growth across its workforce, value chain and the communities.

Key Initiatives:

- Equal opportunity employment practices and non-discriminatory workplace policies
- Diversity, equity and inclusion initiatives aimed at creating a respectful and inclusive work environment
- Fair remuneration and employee welfare programmes
- Skill development, training and career advancement opportunities for employees across all levels
- Promotion of local employment opportunities in communities surrounding operational locations
- Support for education, vocational training and capacity-building programmes through CSR initiatives
- Responsible supply chain practices that encourage participation of local suppliers and small enterprises
- Accessible grievance redressal mechanisms and employee engagement platforms to ensure that all voices are heard and addressed fairly
- Commitment to human rights and ethical labour practices across operations and the value chain



SUSTAINABLE CITIES AND COMMUNITIES

We offer efficient and innovative pumping systems for water treatment plants, residential applications and commercial buildings, meeting the water needs of communities and provide support to them through our CSR initiatives.

Key Initiatives:

- Contributions to flood control, storm water management and water resilience projects
- Community development programmes in areas surrounding manufacturing facilities
- Support for sustainable urban infrastructure through reliable fluid management solutions
- Infrastructure development at schools
- KBL's Corporate Office is IGBC "LEED Platinum Certified" Green Building
- Village bus project through Rashtriya Life-Saving Society
- Assistance to medical institutions and hospitals infrastructure
- CII GreenCo certified plants



RESPONSIBLE CONSUMPTION AND PRODUCTION

KBL is committed to optimising resource utilisation and minimising environmental impacts throughout its operations and value chain. By promoting efficient use of materials, energy and water, reducing waste generation and adopting responsible business practices, the Company contributes to sustainable consumption and production patterns.

Key Initiatives:

- 97.52% diversion of waste from landfilling at Dewas & 96.8% diversion of waste from landfilling at Sanand meeting the best-in-class diversion standard
- Resource efficiency initiatives focused on energy, water and material conservation
- Waste reduction, recycling and circular economy practices across operations
- Sustainable procurement and responsible supply chain management
- Product lifecycle optimisation through durable and efficient product design
- Environmental management systems and continuous monitoring of resource consumption
- Recycling of metal in foundries
- Sand reclamation and reuse in foundries and brick manufacturing
- Implementation of sustainable sourcing policy



CLIMATE ACTION

KBL recognises climate change as a critical global challenge and is committed to reducing its environmental footprint while supporting climate resilience. Through greenhouse gas management, energy efficiency initiatives, renewable energy adoption and climate-conscious product innovation, the Company contributes to global climate action efforts.

Key Initiatives:

- Measurement and management of greenhouse gas emissions
- Implementation of energy efficiency and renewable energy projects
- Identification and execution of emission reduction initiatives across operations
- Carbon footprint study for key products
- Development of products that help customers reduce energy consumption and associated emissions
- CII GreenCo certification for manufacturing plants
- CII GreenPro certification for product group
- Mass tree plantation drive at Dewas
- Miyawaki forest afforestation at Dewas



KBL Centenary Forest, Dewas Plant



LIFE ON LAND

KBL recognises the importance of protecting ecosystems, conserving biodiversity and promoting the sustainable use of natural resources. Through responsible environmental management, pollution prevention measures, resource conservation initiatives and green infrastructure development, the Company seeks to minimise its ecological footprint and contribute to the preservation of land-based ecosystems.

Key Initiatives:

- Ensuring No Net Loss of Biodiversity across our manufacturing plants
- Animal Rescue project through RESQ
- Promoting environmental sustainability through ecological balance, conservation of natural resources and promoting biodiversity
- Kirloskar Centenary Forest at Dewas
- Tree plantation drive across plants



PARTNERSHIP FOR GOALS

KBL recognises that addressing complex sustainability challenges requires collaboration across sectors and stakeholders. Through partnerships with governments, customers, suppliers, industry bodies, academic institutions and communities, the Company works collectively to create sustainable solutions and accelerate progress towards the UNSDGs.

Key Initiatives:

- Collaboration with government bodies, municipalities and public utilities for water infrastructure development
- Partnerships with industry associations and academic institutions
- Engagement with suppliers, dealers and customers to advance sustainability objectives
- Participation in sustainability initiatives and industry forums
- Collaborative CSR projects addressing community development challenges
- 97% local sourcing
- Development of APOEM facilities with business partners
- Network of 650+ service centres and 16,000+ channel partners in India

Governance

Conducting Business with Ethics and Transparency

Our governance framework is built on a strong foundation of ethics, transparency and accountability. Guided by the objective of enhancing long-term stakeholder value, we pursue growth without compromising on ethical standards. Our corporate governance philosophy reflects the core values that shape our policies, practices and decision-making, fostering trust, strengthening oversight and reinforcing our commitment to responsible business conduct.



Board of Directors - Kirloskar Brothers Limited

GOVERNANCE STRUCTURE AND COMPOSITION

KBL is governed by a dynamic Board of Directors, the highest governing body, responsible for providing strategic direction, ensuring accountability and overseeing management. The Chairman and Managing Director (CMD) is responsible for day-to-day management and reports to the Board and its committees, as applicable, in accordance with the Company's governance framework, with the Joint Managing Director (JMD) reporting to him. Other key managerial personnel and senior management report to the CMD and JMD.

The Board is supported by various committees, including the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee, each with clearly-defined terms of reference.

The Audit Committee oversees financial reporting, internal controls and audit matters; the Nomination and Remuneration Committee oversees Board composition and compensation of directors and senior management; the Risk Management Committee oversees enterprise-level risks; the CSR Committee oversees social initiatives; and the Stakeholders Relationship Committee monitors the redressal of investors' grievances.

Detailed terms of reference of these committees are provided on page 199-204 in this report.

The Committee recommends the candidates based on evaluation of statutory requirements, independence and balancing diversity in skill, gender and experience, to the Board.

NOMINATION AND SELECTION OF THE HIGHEST GOVERNANCE BODY

The Company follows a structured and transparent process for the nomination and selection of members of the Board of Directors. The process is overseen by the Nomination and Remuneration Committee of the Board. The Committee recommends the candidates based on evaluation of statutory requirements, independence and balancing diversity in skill, gender and experience, to the Board. The objective is to ensure an appropriately balanced, skilled and independent Board capable of providing effective oversight of management and the Company's operations. The appointment of directors as made by the Board are subject to the approval of shareholders.

CHAIR OF HIGHEST GOVERNING BODY

Mr. Sanjay Kirloskar, Chairman, is also the Managing Director (CMD) of the Company. He holds a bachelor's degree in mechanical engineering from the Illinois Institute of

of Technology in Chicago, USA. He has been associated with the Company since 1983 and has over 42 years of rich and varied industrial experience with expertise in other functional areas like strategy, executive management and international business operations.

He reports to the Board of Directors. The Board of Directors consist of 70% independent directors. The Company adopts the highest levels of transparency in its dealings, including the transactions with the CMD. Such transactions are overseen by the Audit Committee of the Board independently and decisions are taken without any involvement of the management.

ROLE OF THE HIGHEST GOVERNANCE BODY IN IMPACT OVERSIGHT

The Board of Directors oversees the management of the Company's economic, environmental and social impacts. The Board regularly reviews Corporate Social Responsibility (CSR) initiatives, statutory compliances and investor grievances.

DELEGATING RESPONSIBILITY FOR IMPACT MANAGEMENT

The Board of Directors of the Company delegates responsibility for managing the Company's economic, environmental and social impacts to management through a clearly-defined governance structure. Oversight is exercised through Board-level committees, such as the Audit Committee, Risk Management Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, each acting within its respective mandate. Day-to-day responsibility for managing impacts is entrusted to the Managing Director and Joint Managing Director, supported by senior management and functional heads. The management reports periodically to the Board and its committees on material impacts, performance, risks, compliance status and mitigation measures, enabling the Board to monitor effectiveness, provide guidance and ensure alignment with the Company's strategy and stakeholder expectations.

CONFLICTS OF INTEREST

The Board has established a structured framework to prevent, identify, disclose and mitigate conflicts of interest at the Board level. The Directors are required to make initial and periodic disclosures of interest, including disclosure of any actual or potential conflicts, in accordance with applicable laws, the Company's Code of Conduct and internal governance policies. These disclosures are placed before the Board and relevant committees for noting and review.

To ensure independence of judgement, directors with a disclosed or perceived conflict of interest are required to abstain from discussions and decision-making on the concerned matters. Related-party transactions and other

matters involving potential conflicts are subject to enhanced scrutiny and approval processes, including review by the Audit Committee and, where applicable, the shareholders. In addition, annual declarations of independence are obtained from independent directors and the Board periodically reviews compliance with conflict of interest requirements to ensure that decisions are taken in the best interests of the Company and its stakeholders.

COMMUNICATION OF CRITICAL CONCERNS

KBL has established formal mechanisms to ensure that critical concerns are promptly identified, escalated and communicated to the Board of Directors, the highest governance body. Critical concerns are communicated through periodic Board and committee meetings, management reports, internal and external audit reports, risk and compliance updates, whistle blower reports and regulatory or legal correspondence, as applicable. Matters of an urgent nature may also be escalated to the Chairpersons of the relevant committees between meetings.

COLLECTIVE KNOWLEDGE OF THE HIGHEST GOVERNANCE BODY

The Company advances the collective sustainability-related knowledge of the Board through periodic presentations, familiarisation programmes, expert briefings, strategy and risk reviews, CSR oversight and management interactions.

EVALUATION OF THE PERFORMANCE OF THE HIGHEST GOVERNANCE BODY

The Board's performance, including its oversight of economic, environmental and social impacts, is annually evaluated through an online platform where Directors submit their feedback, with outcomes reviewed and improvement actions monitored by the Board.

REMUNERATION POLICIES

The Board determines the remuneration of Directors and Senior Management based on the recommendations of the Nomination and Remuneration Committee (NRC), within the limits prescribed under the Companies Act, applicable rules and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

The Company has established a comprehensive Remuneration Policy for Directors, Key Managerial Personnel (KMP) and Senior Management. The policy aims to ensure a transparent and structured approach to determining remuneration, thereby strengthening stakeholder confidence and supporting the creation of long-term value. It also seeks to maintain an appropriate balance between fixed and performance-linked components to attract, retain and motivate high-performing talent for critical roles, enabling sustained business growth. Any revisions in remuneration for KMP and Senior Management are carried out in accordance with the provisions of this policy.

BOARD DIVERSITY

The Board comprises an optimal mix of Executive and Non-Executive Directors, with approximately 70% Independent Directors, enabling balanced oversight and diverse perspectives that strengthen the decision-making process. The presence of three women Directors further enhances gender diversity and inclusivity at the Board level.

The Board brings together a rich blend of skills, experience and domain expertise aligned with the Company's business and sectoral requirements, ensuring effective governance and strategic direction. The diverse backgrounds of the Directors contribute to the adoption of high standards of corporate governance and support the Company's growth.



Management Team

Mr. Sanjay C. Kirloskar

Chairman and Managing Director

Year of appointment
1985

Tenure on Board
40 Years

No. of Directorships in other companies
5

Academic & professional qualifications
Bachelor's in Science, degree in Mechanical Engineering from the Illinois Institute of Technology in Chicago, USA.

Areas of expertise
Strategy, Executive Management, International, Human Resource

Committee Positions
Member - Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee

Ms. Rama Kirloskar

Joint Managing Director - Kirloskar Brothers Limited & Managing Director – Kirloskar Ebara Pumps Limited

Year of appointment
2017

Tenure on Board
8 Years

No. of Directorships in other companies
5

Academic & professional qualifications
Holds a double major in Mathematics and Biology from Bryn Mawr College, USA.

Areas of expertise
Strategy, IT, Executive Management, Human Resource

Committee Positions
Member - Corporate Social Responsibility Committee and Risk Management Committee.



Mr. Alok Kirloskar

Director – Kirloskar Brothers Limited
& Managing Director – Kirloskar
Brothers International B.V

Year of appointment
2012

Tenure on Board
13 Years

**No. of Directorships in other
companies**
15

Academic & professional qualifications

Bachelor of Science in Business
Administration with concentration
in Finance from Carnegie Mellon
University, Pittsburgh, PA, USA

Areas of expertise

Strategy, Executive Management,
International, Human Resource

Committee Positions

Member - Stakeholders'
Relationship Committee



Mr. Bhavesh Chheda

Chief Financial Officer

Year of appointment
2025

Tenure on Board
-

**No. of Directorships in other
companies**
-

Academic & professional qualifications

Chartered Accountant in year
2002 from Institute of Chartered
Accountants of India and
Executive Postgraduate Diploma
in Business Management
from Symbiosis Institute of
Management in 2010

Areas of expertise

Finance planning and analysis,
risk management, treasury
management, Merger and
acquisition, ERP Implementation,
International subsidiary operations

Committee Positions

Member – Risk
Management Committee



Mr. Devang Trivedi

Company Secretary and
Compliance Officer

Year of appointment
2022

Tenure on Board
-

**No. of Directorships in other
companies**
-

Academic & professional qualifications

Associate Member of Institute of
Company Secretaries of India
and LLB from Gujarat University

Areas of expertise

Overall company secretarial
functions involving mergers &
amalgamations, joint ventures

Committee Positions

-

Board of Directors

13

Total number
of Board members

2

Number of Executive
Board members

2

Number of Non-Executive - Non
Independent Board members

Apart from Mr. Sanjay C. Kirloskar, Chairman & Managing Director (DOA – Director on 19th November, 1985 and Managing Director on 21st September, 1998), Ms. Rama S. Kirloskar – Joint Managing Director (DOA – Director on 28th July, 2017 and Joint MD on 3rd August, 2021) and Mr. Alok Kirloskar – Non-Executive Non-Independent Director (18th July, 2012), below are the other Directors on the Board of the Company:



Mr. Shobinder Duggal

Non-Executive
Independent Director

Year of appointment
2021

Tenure on Board
4 years and 10 months

**No. of Directorships in other
companies**
4

**Academic & professional
qualifications**
Bachelor's degree in
Economics (Hons.) from
St. Stephens College, Delhi
University and is a member
of Institute of Chartered
Accountants of India.

Areas of expertise
Strategy, Finance,
Executive Management,
Commercial, International

Committee Positions
Chairman - Audit Committee



Mr. Shrinivas V. Dempo

Non-Executive
Independent Director

Year of appointment
2021

Tenure on Board
4 years and 10 months

**No. of Directorships in other
companies**
13

**Academic & professional
qualifications**
Bachelor's and Master's degrees
from the University of Mumbai
in 1990 and 1992 respectively.
In 1995, he completed his
Master of Science in Industrial
Administration & Finance from
Carnegie Mellon University,
Pittsburgh Pennsylvania, USA

Areas of expertise
Strategy, Executive
Management, International

Committee Positions
Chairman - Stakeholders'
Relationship Committee,
Nomination and
Remuneration Committee

9

Number of Non-Executive -
Independent Board members



Mrs. Ramni Nirula

Non-Executive
Independent Director

Year of appointment
2021

Tenure on Board
4 years and 10 months

**No. of Directorships in other
companies**
4

**Academic & professional
qualifications**
Bachelor's Degree in Economic
and a Master's degree in
Business Administration from
Delhi University.

Areas of expertise
Finance, Executive
Management, Commercial

Committee Positions
Member - Audit Committee

3

Number of women
Board members



Ms. Rekha Sethi

Non-Executive
Independent Director

Year of appointment
2021

Tenure on Board
4 years and 5 months

**No. of Directorships in other
companies**
4

**Academic & professional
qualifications**
Alumnus of St. Stephens College,
Delhi University

Areas of expertise
Strategy, Executive
Management, International

Committee Positions
Member - Corporate
Social Responsibility
Committee, Nomination and
Remuneration Committee

2

Number of women
Independent Board members



Mr. Vivek Pendharkar

Non-Executive
Independent Director

Year of appointment
2021

Tenure on Board
4 years and 5 months

**No. of Directorships in other
companies**
-

**Academic & professional
qualifications**
SEP, Business Administration
from Stanford University
Graduate School of Business,
MSEE, Computer Engineering
from Virginia Tech. BS Electrical
Engineering from Birla Institute of
Technology and Science Pilani

Areas of expertise
Strategy, Executive Management,
IT, International

Committee Positions
Chairman - Corporate Social
Responsibility Committee


Mr. Vinayak Deshpande

Non-Executive
Independent Director
(Lead ID)

Year of appointment
2023

Tenure on Board
2 years and 8 months

No. of Directorships in other companies
4

Academic & professional qualifications
Graduate in Chemical Engineering (1980) from IIT, Kharagpur.

Areas of expertise
Strategy, Executive Management, Commercial, International Finance and Legal Framework

Committee Positions
Member - Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Risk Management Committee


Mr. Pradyumna Vyas

Non-Executive
Independent Director

Year of appointment
2025

Tenure on Board
11 months

No. of Directorships in other companies
9

Academic & professional qualifications
Masters in Industrial Design (M Des.) from the Indian Institute of Technology, Bombay and was awarded an Honorary Master of Arts degree from the University for the Creative Arts in Farnham, United Kingdom in 2010.

Areas of expertise
Strategy, Policy, International

Committee Positions
Member - Audit Committee, Nomination and Remuneration Committee

SUBSIDIARY & JOINT VENTURE COMPANIES – BOARD OF DIRECTORS
Karad Projects and Motors Limited (KPML)

Mr. Achyut Dhadphale – Chairman

Mr. Ravindra Samant – Managing Director

Ms. Rama Kirloskar – Non-Executive Director

Mr. Chittaranjan Mate – Non-Executive Director

Mr. Ravindra Birajdar – Non-Executive Director

Mr. Suresh Deshpande – Non-Executive Director

Kirloskar Corrocoat Private Limited

Mr. Alok Kirloskar – Chairman

Mr. Chittaranjan Mate – Non-Executive Director

Mr. Clive Harper – Non-Executive Director


Mr. M.S. Unnikrishnan

Non-Executive
Non-Independent Director

Year of appointment
2025

Tenure on Board
10 months

No. of Directorships in other companies
5

Academic & professional qualifications
Graduate in Mechanical Engineering from VNIT, Nagpur, he has also completed his Advanced Management Program from the Harvard Business School, Boston, USA.

Areas of expertise
Strategy, Policy, Finance, Legal Framework, Executive Management, Commercial, International

Committee Positions
Chairman – Risk Management Committee, Member - Audit Committee, Nomination and Remuneration Committee


Mr. Harsh Vardhan Shringla

Non-Executive-
Independent Director

Year of appointment
2025

Tenure on Board
8 months

No. of Directorships in other companies
1

Academic & professional qualifications
Schooled at Mayo College, Ajmer and received a B.A. from St. Stephen's College, Delhi. He has been awarded a D.Litt. (doctorate) honoris causa by ICFAI University, Sikkim. Member of Parliament - Rajya Sabha.

Areas of expertise
Strategy, Advisory, Legal Framework, International Business

Committee Positions
-


Mr. Brij Bhushan Nagpal

Non-Executive-
Independent Director

Year of appointment
2025

Tenure on Board
5 months

No. of Directorships in other companies
2

Academic & professional qualifications
Post Graduate in Commerce and a Law graduate from Delhi University

Areas of expertise
Strategic planning and Business Management, Commercial and Business Controls, Acquisitions and sale of businesses and Companies, Private Equity inductions and exits, Digital transformation, Legal affairs and corporate litigations, besides routine functions of Finance, Audits, credit control, purchase and supply chain management.

Committee Positions
-

Kirloskar Ebara Pumps Limited (KEPL)

Mr. Sanjay C. Kirloskar – Chairman

Ms. Rama Kirloskar – Managing Director

Mr. Achyut Dhadphale – Independent Director

Mr. Akshay Dhar – Independent Director

Mr. Ajay Deshpande – Independent Director

Corporate Information

BOARD OF DIRECTORS

Sanjay C. Kirloskar
Chairman and Managing Director

Rama S. Kirloskar
Joint Managing Director

Alok S. Kirloskar

M. S. Unnikrishnan

Shrinivas V. Dempo
(Up to May 24, 2026)

Shobinder Duggal
(Up to May 24, 2026)

Ramni Nirula
(Up to May 24, 2026)

Vivek Pendharkar

Rekha Sethi

Vinayak Deshpande

Pradyumna Vyas
(w.e.f. May 14, 2025)

Harsh Vardhan Shringla
(w.e.f. August 02, 2025)

Brij Bhushan Nagpal
(w.e.f. November 03, 2025)

CHIEF FINANCIAL OFFICER

Bhavesh Chheda

COMPANY SECRETARY

Devang Trivedi

STATUTORY AUDITOR

M/s. Sharp & Tannan Associates
Chartered Accountants, Mumbai

BANKERS

Bank of India
Canara Bank
HDFC Bank Limited
Citibank N.A.
EXIM Bank
ICICI Bank Limited
Axis Bank Limited
HSBC Bank Limited

REGISTERED AND CORPORATE OFFICE

"Yamuna", Survey No. 98/(3-7), Plot No. 3,
Baner, Pune – 411 045, Maharashtra (India)
Phone: (020) 67214444
Fax: (020) 67211136
Email: grievance.redressal@kbl.co.in
Website: www.kirloskarpumps.com

WORKS

Kirloskarvadi, Shirwal, Kondhapuri (Maharashtra);
Dewas (Madhya Pradesh); Kaniyur (Tamil Nadu);
Sanand (Gujarat)

INFORMATION TO SHAREHOLDERS ON ANNUAL GENERAL MEETING (AGM)

AGM:

Day & Date : Friday, 31st July, 2026
Time : 03.00 p.m. (IST)
Venue : Video Conferencing/Other Audio Visual Means ("VC/OAVM")
Deemed Venue : "Yamuna", Survey No. 98/(3-7), Plot No. 3,
Baner, Pune – 411 045, Maharashtra (India)



SGS India Private Limited
4B, Adi Shankaracharya Marg,
Vikhroli (West), Mumbai – 400083

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INDEPENDENT ASSURANCE STATEMENT

Independent Limited Assurance Statement to Kirloskar Brothers Limited on its Integrated Annual Report for the FY 2025-26

To,
The Board of Directors and Management,

Kirloskar Brothers Limited

Yamuna," Survey No. 98 (3-7), Plot No 3,
Baner, Pune – 411 045, Maharashtra, India

Nature of the Assurance

SGS India Private Limited (hereinafter referred to as 'SGS India') was engaged by Kirloskar Brothers Limited (the 'Company') to conduct an independent assurance of the disclosures under the Sustainability Report (the 'Report') pertaining to the reporting period of 1st April 2025 to 31st March 2026. The Sustainability Report has been prepared with reference to the Global Reporting Initiatives (GRI 2021) Standards. This Limited Level Assurance Engagement was conducted in accordance with "International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410".

Intended Users of this Assurance Statement

This Assurance Statement is provided with the intention of informing all Kirloskar Brothers Limited's Stakeholders.

Responsibilities

The information in the report and its presentation are the responsibility of the management of the Company. SGS India has not been involved in the preparation of any of the material included in the report.

Our responsibility is to express an opinion on the text, data, and statements within the defined scope of assurance, aiming to inform the management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific scope. The statement shall not be used for interpreting the overall performance of the Company, except for the aspects explicitly mentioned within the scope. The Company holds the responsibility for preparing and ensuring the fair representation of the assurance scope.

Assurance Standard

SGS India has conducted a Limited Level Assurance engagement in accordance with the International Standard on Assurance Engagement (ISAE) 3000 (Revised) (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and ISAE 3410. Our evidence-gathering procedures were designed to obtain a '*Limited level of assurance*'. The procedures performed in a limited assurance engagement are designed to support expectations regarding the direction of trends, relationships and ratios rather than to identify misstatements with the level of precision expected in a reasonable assurance engagement.

Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS India affirms our independence from Kirloskar Brothers Limited, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance.



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Scope of Assurance

The assurance process involved assessing the quality, accuracy, and reliability of ESG indicators within the Integrated Annual Report for the period 1st April 2025 to 31st March 2026.

The reporting scope and boundaries include 1 Corporate Office and 8 Manufacturing Sites spread across different states of India as follows:

- Corporate Office- Yamuna, Survey No. 98/(3 to 7), Baner, Pune 411045, Maharashtra
- Kirloskarvadi Plant- Kirloskar Brothers Limited, Kirloskarvadi, Dist. Sangli 416308, Maharashtra
- Dewas Plant- Kirloskar Brothers Limited, Station Road, Dewas, 455 001, Madhya Pradesh
- Sanand Plant- Kirloskar Brothers Limited, 254/1 Chharodi Village, Sanand Ahmedabad Viramgam Highway, Ahmedabad- 382 170 Gujarat
- Kaniyur Plant- Kirloskar Brothers Limited S.F. No. 324/1- Moperipalaym Road, Thattampudur, Kaniyur Village, Karumathampatti Post, Coimbatore- 641 659 Tamil Nadu
- Shirwal Plant- Kirloskar Brothers Limited, Gate No 117, Shindevadi, Tal. Khandala, Dist. Satara- 412 801, Maharashtra
- Kirloskar Ebara Pumps Limited, Kirloskarvadi, Dist Sangli 416 308, Maharashtra
- Karad Projects & Motors Limited, Plot B-67 & 68, MIDC Karad Industrial Area, Taswade, Karad- 415 109, Dist- Satara, Maharashtra
- Kirloskar Corrocoat Private Limited, Kirloskarvadi, Dist Sangli 416 308, Maharashtra.

Assurance Methodology

The assurance comprised a combination of desktop review, interaction with the key personnel engaged in the process of developing the report, on-site visits, and remote verification of data. Specifically, SGS India undertook the following activities:

- Assessment of the suitability of the applicable criteria in terms of its comprehensiveness, reliability, and accuracy.
- Interaction with key personnel responsible for collecting, consolidating, and calculating the ESG KPIs and assessed the internal control mechanisms in place to ensure data quality.
- Application of analytical procedures and verification of documents on a sample basis for the compilation and reporting of the KPIs.
- Assessing the data reporting process at site as well as plant level and aggregation process of data at the Corporate Office level
- Critical review of the report regarding the plausibility and consistency of qualitative and quantitative information related to the KPIs.

Limitations

The assurance scope excludes:

- Disclosures other than those mentioned in the assurance scope.
- Data review outside the operational sites as mentioned in the reporting boundary.
- Validation of any data and information other than those presented in "Findings and Conclusion".
- The assurance engagement considers an uncertainty of $\pm 5\%$ based on the materiality threshold for assumption/estimation/measurement errors and omissions.
- The Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Strategy and other related linkages expressed in the report.
- Mapping of the report with reporting frameworks other than those mentioned in the reporting criteria above
- The assurance scope excluded forward-looking statements, product- or service-related information, external information sources and expert opinions.

SGS India verified data on a sample basis; the responsibility for the authenticity of the data entirely lies with the Company. The assurance scope excluded forward-looking statements, product or service related information, external information sources and expert opinions. SGS India has not been involved in the evaluation or assessment of any financial data/performance of the company. Our opinion on financial indicators is based on the third-party audited financial reports of the Company. SGS India does not take any responsibility for the financial data reported in the audited financial reports of the Company.



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Findings and Conclusions

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the ESG KPIs (listed below) reported in the Sustainability Report are not prepared, in all material respects, in accordance with the reporting criteria.

The list of ESG KPIs that were verified within this assurance engagement is given below:

Indicator	GRI 2021 Disclosures
General Disclosure	2-1-2-30
Procurement Practices	204-1
Anti-Corruption	205-2, 205-3
Anticompetitive Behavior	206-1
Energy	302-1, 302-3, 302-4, 302-5
Water and Effluents	303-3, 303-4, 303-5
Emissions	305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7
Waste	306-3, 306-4, 306-5
Supplier Environmental Assessment	308-1
Employment	401-1, 401-2
Occupational Health and Safety	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-9, 403-10
Training and Education	404-1, 404-2
Diversity and Equal Opportunity	405-1, 405-2
Non-discrimination	406-1
Freedom of Association and Collective Bargaining	407-1
Child Labor, Forced or Compulsory Labor	408-1, 409-1
Local Communities	413-1, 413-2
Supplier Social Assessment	414-1, 414-2
Customer Privacy	418-1

For and on behalf of SGS India Private Limited

 Kalpesh Thombare Technical Reviewer and National Manager – ESG & Sustainability Services, SGS India. 26 th June 2026.	 Chirag Bafna Lead Verifier and Senior Technical Associate – ESG & Sustainability Services, SGS India. Team Member: Ms. Vaibhavi Kulkarni. 26 th June 2026.

Management Discussion and Analysis



Kirloskar Brothers Limited wins the National Energy Conservation Award for its openwell submersible pump, KOSi, recognised as the “Appliance of the Year” under the Pump Set category. The award was presented by the Hon’ble President of India, Smt. Droupadi Murmu, to the Chairman and Managing Director, Mr. Sanjay Kirloskar in the esteemed presence of Shri Manohar Lal Khattar, Union Minister of Power and Shri Shripad Naik, Union Minister of State for Power and New & Renewable Energy.

ECONOMIC REVIEW

Global Economy

The global economy entered 2026 on a firmer footing than previously expected. Although tariff-related uncertainty weighed on activity in 2025, tariff rates ultimately settled at levels lower than initially feared. World GDP is forecast to grow by 2.6% in 2026, while fixed investment is projected to rise by 4.0%, reflecting stronger AI-related investment and lower levels of uncertainty compared to a year ago. However, the outlook has been tempered by geopolitical risks, particularly the Iran conflict and the associated disruption to the Strait of Hormuz, which have pushed up energy prices and intensified inflationary pressures across the global economy.

The sector outlook is mixed, with energy and energy-intensive industries such as chemicals being the most directly impacted by the conflict. Several Asian petrochemical firms have had to curtail production due to feedstock shortages, while high fertiliser and fuel costs are weighing on farming margins.

Overall, the global economy continues to expand, but growth is becoming increasingly uneven across regions and sectors, with energy prices and geopolitical tensions shaping the pace of recovery.

Source:

OECD Economic Outlook, Interim Report Spring 2026

Indian Economy

India's growth outlook has softened as higher energy prices and supply risks feed into inflation and weigh on real incomes. GDP growth of 6.2% is now expected for 2026, reflecting the persistent drag from elevated fuel and fertiliser costs, along with the risk of supply disruptions. While policy measures have limited the initial pass-through effects, second-round impacts are building and are likely to drive inflation higher. This is expected to erode purchasing power and dampen consumption, while tighter financial conditions weigh on private investment.

India's reliance on imported energy leaves it exposed to sustained geopolitical tensions, increasing risks to both the current account and the currency. Policy support is likely to focus on subsidies and short-term relief measures, potentially crowding out public investment.

Source:

OECD Economic Outlook, Interim Report Spring 2026

INDUSTRY OVERVIEW AND DEVELOPMENTS

Global Pump Market

World pump consumption rose by 1.3% in 2025 to reach USD 60.9 billion. Centrifugal pumps remained the largest segment, accounting for 50.2% of total pump consumption. Looking ahead, pump demand is expected to grow by 2.6% in 2026, reaching USD 62.5 billion. Global demand for centrifugal pumps is expected to grow from USD 30.58 billion in 2025 to USD 31.44 billion in 2026. The Middle East & Africa region is expected to record the weakest pump demand growth this year, primarily due to cutbacks in hydrocarbon production. In Europe, pump demand is forecast to grow by 1.6% in 2026, marking a slowdown from the upwardly revised growth recorded in 2025. In North America, strong demand from the US is expected to support growth, aided by a favourable investment climate. Pump demand in South America is forecast to grow by 2.3% in 2026.

In Asia, pump demand is expected to increase by 4.1%. China has demonstrated resilience in the face of tariffs, while India's growth continues to outperform that of more mature markets. Despite its relatively strong growth prospects, Asia remains particularly vulnerable to any prolonged closure of the Strait of Hormuz due to its dependence on imports from the region.

Source:

OECD Economic Outlook, Interim Report Spring 2026

Indian Pump market

India's pump consumption is expected to grow steadily in 2026. In 2025, Indian pump consumption (excluding parts) is

estimated to have expanded by 6.0% to a total of USD 2,409 million, equivalent to 4.0% of global consumption, making the Indian market amongst the biggest globally. The Indian centrifugal pump market is expected to grow from USD 1.48 billion in 2025 to USD 1.57 billion in 2026. Pump demand (excluding parts) is set to remain subdued in 2026, as the energy shock weighs on growth and undermines demand conditions. Firms are likely to stay cautious amid rising input costs and heightened uncertainty linked to Middle East tensions, while households face a squeeze on real incomes as inflation picks up.

Pump consumption growth is anticipated to ease to 6.4% in 2026, following a stronger 7.8% expansion in 2025. Within the water and wastewater segment, which accounts for the largest share of pump demand, growth is expected to remain steady at 4.9% in 2026. In general industry, demand is set to remain robust, although slightly below last year's pace, with growth of 11.3% in 2026 compared with 12.1% in 2025.

Source:

OECD Economic Outlook, Interim Report Spring 2026

COMPANY OVERVIEW

With a legacy of over 138 years, Kirloskar Brothers Limited (KBL) stands as the flagship company of the Kirloskar Group. Driven by engineering excellence, KBL has grown into a trusted Indian multinational, renowned globally for its innovative solutions in pumps, valves, hydro-turbines and fluid management systems across diverse applications.

The Company addresses the pumping needs of a wide spectrum of sectors – ranging from large-scale infrastructure projects like water supply, power generation, irrigation, oil & gas, construction, industry and marine & defence, to compact solutions for domestic and agricultural applications. With a steadfast commitment to empowering communities, expanding its global footprint, strengthening infrastructure and driving innovation, KBL continues to lead the way in comprehensive fluid management solutions.

KBL manufactures over 75 types of pumps, with power ratings up to 50 MW, flow capacities reaching 1,20,000 m³/hr (33,333.34 litres per second) and heads up to 3,200 metres, efficiently serving clients across domestic and international markets. The Company also manufactures over 30 types of valves with diameters ranging from 6 mm to 5 metres, along with low-tension induction motors and PICO, PAT and mini hydel turbines (from 0.5 kW to 10 MW).

The Company operates through 17 technologically advanced manufacturing facilities, including 7 located overseas. With a global network of over 16,000 channel partners, KBL is further supported by a best-in-class, pan-India network of authorised service and refurbishment centres.

It is the first Indian pump manufacturing company to be certified for Integrated Management System (ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ISO 50001:2018). Its factories deploy Total Quality Management tools using the European Foundation for Quality Management (EFQM) model.

INTERNATIONAL BUSINESS

The KBI BV Group continued to demonstrate resilience and operational strength in FY 2024-25, delivering sales of Euro 133.3 million and PBT of Euro 11.4 million compared to sales of Euro 136.3 million and PBT of Euro 13.08 million in FY 2023-24. It is important to note that the prior year included foreign exchange gains of Euro 1.4 million, whereas FY 2025 recorded a marginal foreign exchange loss of Euro 0.16 million. Excluding this impact, the Group's underlying performance remained consistent year-on-year, reflecting the stability and robustness of its core operations. Operating profit margins remained resilient at 8.4% in 2024-25 versus 8.3% in 2023-24, supported by sustained cost and process optimisation initiatives across entities and prioritisation of internal resources to drive efficiency. Notably, FY 2024-25 marks a significant milestone for KBI BV, as all Group companies achieved profitability for the first time since inception, underscoring the effectiveness of the Group's strategic direction and operational discipline. The Group also enters FY 2025-26 with a strong and healthy pending order board providing positive visibility for the year ahead.

Across regions, performance remained robust and strategically aligned. SPP Pumps Ltd (UK Standalone) reported sales of

Euro 66 million and a PBT of Euro 4.5 million, maintaining a strong cash position while achieving record performance in its Fire division and increasing the contribution of long-term Framework Contracts to 56% of total ESD order intake. SPP Pumps has been awarded the Pump Industry Awards, UK – Manufacturer of the Year for the fourth consecutive year, further reinforcing its leadership position in the industry. This achievement reflects the exceptional skill, dedication and teamwork demonstrated across the organisation and highlights not only the quality of its products but also the unwavering commitment to delivering excellence for its customers.

The U.S. operations of SPP Pumps delivered an outstanding performance with record sales of USD 63 million and a PBT of USD 8.6 million, driven by strong cash generation, enhanced distributor engagement and expansion into South America and Canada, alongside focused growth in warehouse, data centre and complex systems segments. KBI BV's South African operations, including SPP Pumps and Braybar, achieved sales of ZAR 132 million with a PBT of ZAR 23.6 million (17.7% margin), supported by strengthened long-term partnerships, repeat business, enhanced value of service framework contracts and increased government-led demand. The Dutch operations recorded a significant improvement in profitability, driven by cost optimisation measures and expanded market reach in water and power generation sectors, with continued focus on high-efficiency and sustainable solutions with sales of Euro 11.5 million and PBT of Euro 0.5 million.



A historic achievement for SPP Pumps, honoured with the "Manufacturer of the Year" award at the Pump industry Awards for the fourth consecutive year.

A key highlight during the year was the successful turnaround of KBTL, which achieved profitability following strategic initiatives implemented in the prior year, supported by improved sales mix and material cost efficiencies. Sales were THB 491 million and PBT was THB 19.8 million. The certification of the Thai operations as an FM/UL approved manufacturing facility represents a major strategic advancement, enhancing the Group's competitive position in the Middle East and Far East markets and enabling the delivery of cost-competitive, high-quality fire protection solutions.

The Group has continued to invest in digital transformation and process optimisation through the deployment of systems such as 'Phoenix' for production labour tracking, 'Colligo' for real-time shop floor data capture as well as documenting the repair process and costing for services. 'Apollo', an AI-enabled tender reading/scoping and documentation platform. These initiatives are enhancing productivity, strengthening knowledge management and improving data-driven decision-making across the organisation.

The Group has also strengthened its governance framework and continues to implement de-risking initiatives across functions to support sustainable growth. Despite a challenging global macroeconomic environment, including slower investment cycles in certain European markets and broader economic pressures in key regions, KBI BV has maintained



A key highlight during the year was the successful turnaround of KBTL, which achieved profitability following strategic initiatives implemented in the prior year, supported by improved sales mix and material cost efficiencies.

strong underlying performance while adapting its strategy to align with private and government-led investments, regulatory developments, particularly in water, power and infrastructure sectors. Overall, the Group has delivered a resilient and well-balanced performance, achieved profitability across all entities and established a solid foundation for sustained growth in the years ahead.

MANUFACTURING PLANTS

KIRLOSKARVADI PLANT

The Kirloskarvadi Plant, KBL's flagship manufacturing facility, which has been engaged in design and pump manufacturing operations since 1926, continued to demonstrate consistent performance in manufacturing excellence during FY 2025-26. The implementation of Total Productive Maintenance (TPM) contributed significantly to improvements in operational efficiency, equipment reliability and enhanced workforce participation. The small and medium pump segment was impacted by the implementation of the Foundry ERP at the Kirloskarvadi plant. The order booking remained strong during this period. With the stabilisation of the foundry post ERP implementation, improved operational visibility and cost control are expected to enable efficient execution of orders across Industry, Building, Construction, Customer, Service, Support Spares segments.

As part of its ongoing commitment to strengthening business and operational excellence practices, the Kirloskarvadi plant received several prestigious recognitions and certifications during the year.

AWARDS AND CERTIFICATIONS

ISO 19443 certification, a global Quality Management System standard for organisations in the nuclear supply chain (ITNS)

Winner of the Gold Award in the CII Business Excellence Maturity Assessment

Winner of the TPM (Total Productive Maintenance) Excellence Award from the Japan Institute of Plant Maintenance (JIPM)

NABL accreditation for HRC (Hydraulic Research Centre) Pump Testing Laboratory

HIS approval from the Hydraulic Institute (HI), USA for the new R&D Pump Testing Laboratory

Winner of the 18th State Energy Conservation Award (Maharashtra Energy Development Agency) for the "Automobile & Engineering" category

DEWAS PLANT

In line with its commitment to excellence and continuous improvement, plant achieved several significant milestones during the year. Thirty-eight new variants across various pump series were launched, enhancing the product portfolio and market responsiveness. Installation of the CW Line and commissioning of DG sets of 650 KVA / 520 kW done in compliance with CPCB IV norms. The plant utilises PNG (Piped Natural Gas) as a cleaner fuel for canteen, CED and foundry operations.

AWARDS AND CERTIFICATIONS

Winner of National Energy Conservation Award 2025 for openwell submersible pump KOSi-135 under “Best Performing Appliance” in pump category by Ministry of Power, Government of India

Winner of the Platinum Award in the Restorative category and the Gold Award in the Renovative category in the CII National Kaizen Competition

Runners-up - Lakaki Business Excellence Award (Small Pump Business)

SANAND PLANT

To address evolving customer requirements, the product portfolio was expanded with the addition of seventy-seven new variants, including the KS8ASF and KS6100 series. Focused efforts on implementing TPM practices, advancing GreenPro Ecolabel certification and improving inventory management systems have significantly enhanced operational efficiency.

AWARDS AND CERTIFICATIONS

Received GreenPro EcoLabel certification for 373 products in the 10 cm oil-filled & water-filled borewell submersible pump series

Winner of Excellence in Safety Practices Award at QCFI – Safety Convention (Vadodara Chapter 2025)

KANIYUR PLANT

Reinforcing its commitment to innovation and customer satisfaction, eight new variants across multiple pump series were launched. The new factory building equipped with advanced infrastructure like High Density Racking (HDR) system and Very Narrow Aisle (VNA) setup, was inaugurated. Installation of 130 kWp rooftop solar power plant is underway. State-of-the-art firefighting system installed.

AWARDS AND CERTIFICATIONS

Winner of two Gold Awards at the QCFI Coimbatore Chapter

Winner of the Meritorious Award from the Indian Society for Quality (ISQ)

OPERATIONAL OVERVIEW

Water Resource Management

In FY 2025-26 the Water Resource Management sector secured orders from end users, major OEMs and contractors across Maharashtra, Madhya Pradesh, West Bengal, Gujarat and Uttar Pradesh. Notable electro-mechanical project orders were received from the Water Resources Department, Maharashtra and Kolkata Municipal Corporation. The sector also secured orders for Auto-Prime pumps, KirloSmart™ 2.0 and KirloSmart™ 2.1, while continuing to strengthen its focus on the spares and replacement business. The direct export business witnessed a significant boost and this positive momentum is expected to remain bullish in FY 2026-27. The Company continues to explore opportunities in the solar segment through Solar Hybrid Control Systems for open and institutional markets.

Irrigation

In FY 2025-26, the Company secured prestigious orders from Narmada Valley Development Authority (NVDA) and Water Resources Department, MP for 70 large vertical turbine pumps/pump sets. The Company also received orders from the Uttar Pradesh Irrigation Department for E&M Works of Flood Control Pumping Stations, including Auto prime pumps and replacement and upgradation of existing pumps with advanced IoT-enabled solutions.

Power

In FY 2025-26, KBL achieved significant milestones across both the Nuclear and Thermal business segments, reinforcing its strong position in India's power infrastructure ecosystem. The year also marked notable performance achievements in the Thermal Power segment order booking, reflecting growing customer confidence and market traction.

With the Shanti Bill expected to unlock substantial growth opportunities in the Nuclear Power sector, KBL foresees a strong expansion in this segment over the coming years. To meet the anticipated demand adequately, the sector will leverage PHWR technology while also pursuing strategic collaborations with foreign Original Equipment Manufacturers (OEMs) to enhance capability and capacity.

Recognising this strategic requirement, the Company has successfully obtained ISO 19443 Nuclear Quality Management System certification, making it on par with leading global nuclear OEMs in terms of quality standards and positioning the company as a credible supplier for advanced nuclear applications.

KBL secured major orders from Adani Power and its group companies for Concrete Volute Pumps (CVP), reinforcing our

position as the world's largest CVP supplier. This achievement has significantly enhanced KBL's visibility in the thermal power market and has triggered strong interest from other end-users, many of whom are now evaluating Concrete Volute Pump technology for their upcoming greenfield power projects. The Total Order Booking from the Power Sector reached ₹ 228 Crore, reflecting strong business momentum during the year.

The Company strengthened its international presence in sustainable energy solutions by successfully executing export orders for hydropower generators, including a PICO (5 kW) unit despatched to a customer in Dubai and a PAT (35 kW) unit despatched to the Democratic Republic of Congo. Additionally, the first domestic order for a PAT (90 kW) unit, featuring Duplex Stainless Steel MOC from Thermax Ltd for the RSPL Dwarka Greenfield Nano Seawater Reject Plant, further validates the product's technological capability and acceptance in critical applications.

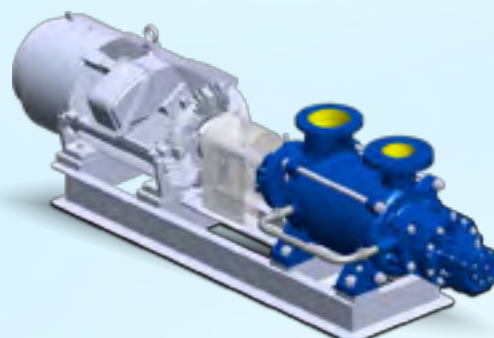


KBL highlights its engineering expertise with canned motor pumps for future-ready nuclear reactors at World Nuclear Exhibition, 2025

PRODUCTS LAUNCHED IN FY 2025-26



**MULTISTAGE RING-SECTION
PUMP - RKBx**



**HIGH HEAD MULTISTAGE
PUMP - KRO**



**VERTICAL INLINE
MONOBLOC MARINE PUMP - INM**



**SUBMERSIBLE WASTE
WATER PUMP - iNSx**



**VERTICAL INLINE LONG COUPLED
MARINE PUMP - INIL**



JALRAAJ-I MAX
1 HP MINI SERIES PUMPS



JALRAAJ-II MAX
0.5 HP MINI SERIES PUMPS

AUTOMATION & INTEGRATION SOLUTIONS



**Kirlo
Logic**



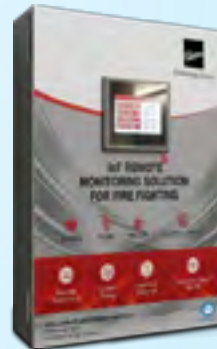
KirloSmart™ NANO



KirloVeriSpeed



KirloOptiSpeed



**KIRLOSMART™
FIRE PANEL**



**CONTROL FOR
FLD PUMPSET**



CHHOTU-I
1.0 HP MINI SERIES PUMPS



CHHOTU-II
0.5 HP MINI SERIES PUMPS



KOSi 128
SINGLE PHASE OPENWELL SUBMERSIBLE PUMP

Valves

During FY 2025-26, the Valves sector received repeat orders from water and irrigation projects for large and mid-size valves, reflecting customer confidence in KBL's capability to manufacture and deliver critical project requirements. The government's continued focus on water and sanitation, coupled with increased focus of the sector on MRO business and the addition of new customers, led to higher order inflows and a more diversified revenue mix. Ongoing initiatives to improve capacity utilisation, drive manufacturing efficiencies and enhance supply chain resilience, supported by a strong focus on product innovation and cost optimisation, will strengthen the sector's competitive positioning and margin performance. Sustained investments across infrastructure, power, steel, water and irrigation projects are expected to support steady growth in this sector going forward.

Building and Construction

India's infrastructure sector has continued its growth momentum over the past few years, driven by sustained investments in airports, urban infrastructure, commercial development and disaster resilience. Increasing focus on safety, energy efficiency and smart building solutions has further strengthened demand for advanced pumping, firefighting, HVAC and dewatering systems. Against this backdrop, KBL reinforced its position as a trusted partner for critical building and construction applications.

During the year, KBL executed several high visibility projects across airports, industrial facilities and urban infrastructure. The Company supplied firefighting and HVAC pumping solutions for the Navi Mumbai International Airport, supporting reliable and efficient building services. The firefighting pumps and systems were deployed at key aviation projects, including the Bamboo Orchid Terminal, Guwahati Airport and the Noida International Airport, ensuring adherence to stringent safety standards. To support urban safety and disaster preparedness, KBL supplied heavy-duty mobile flood control units with Autoprime technology to the District Disaster Management Department in Kochi, Kerala, enhancing flood response and preparedness capabilities. Technology and innovation remained key focus areas. KBL launched and supplied the Smart Integrated Skid Firefighting System, enabled with KiroSmart™ Fire (IoT) for real-time monitoring and improved system reliability. The Company also introduced advanced automation solutions like IoT-ready controller KirloLogic and Variable Frequency Drives, KirloVeriSpeed and KirloOptiSpeed.

KBL strengthened its engagement with consultants, developers and industry stakeholders through participation in key exhibitions and forums, including PLUMBEX India 2025, Indian Plumbing Premier League, Indian Plumbing Conference 2025, Cool Conclave 2025, FSIE-2025, ACREX-2026 and PACC-2026. Additionally, Customer meets and Consultants' meets were conducted throughout the year, reinforcing long-standing relationships and enabling closer collaboration on specification-driven projects.



KBL launched and supplied the Smart Integrated Skid Firefighting System, enabled with KiroSmart™ Fire (IoT) for real-time monitoring and improved system reliability.

Industry

In FY 2025-26, the Industry sector recorded strong growth, driven primarily by the steel, chemical, coal and mining segments. The addition of new clients significantly contributed to 15% of the overall booking. The sector achieved new milestones with breakthrough orders across key segments, including steel, chemicals and the emerging solar industry. A drive to promote special products delivered 5% growth, particularly in Hydro-Pneumatic (HYPN) pressure boosting systems across multiple applications. The Authorised Pumpset Original Equipment Manufacturer (APOEM) concept was successfully established across all zones, enhancing market presence and enabling faster response to urgent customer requirements. A focused approach towards replacing conventional pumps with energy-efficient solutions resulted in improved revenue generation, while also supporting sustainability goals. Additionally, the introduction and growing adoption of new products such as Pump as Turbine (PAT) systems contributed positively to business performance and are expected to further strengthen the sector going forward.

Oil & Gas

KBL continues to actively support the Make in India initiative by participating in indigenisation programmes across key industries. In the Oil & Gas sector, during the last financial year, KBL has strengthened its position as a major player in the retail market by securing significant orders from PSUs for its PetroTurbo® pumps, designed specifically for retail petrol pump outlets.

Marine and Defence

KBL plays a pivotal role in India's self-reliance journey by delivering fully indigenised pump solutions across conventional and specialised applications, while providing advanced firefighting systems to Defence establishments in support of the Atmanirbhar Bharat and Make in India missions.



Strengthening India's naval capabilities: KBL's canned motor pumps aboard guided-missile stealth frigate, INS Taragiri deliver reliable performance for warship's critical onboard systems.

Small Pump Business (SPB)

The Small Pump Business segment demonstrated resilience in FY 2025-26, navigating a challenging market environment with steady improvement over the course of the year. The business gained momentum from Q2 onwards, supported by fast execution and improvement in market conditions. The company continued to focus on expanding its portfolio of energy-efficient products, aligning with evolving customer preferences for sustainable and cost-effective solutions.

The operating environment remained challenging due to geopolitical uncertainties and war-related disruptions, which led to rising commodity prices exerting pressure on product pricing. Additionally, liquidity constraints in the market impacted overall demand and cash flows, particularly in rural and semi-urban segments. Despite these headwinds, SPB sustained its performance through strategic interventions. The introduction of new products, continued enhancement of channel networks and the digitisation of key business processes played a crucial role in maintaining momentum. Through these focused efforts, SPB was able to navigate external challenges while continuing to deliver value to its customers and stakeholders.

Customer Service and Spares (CSS)

CSS continued its stable and positive performance, supported by consistent demand from power and industrial segments. Focused service support and energy audits enabled successful replacement of competitor pumps, improving customer satisfaction. KBL's nationwide service and spares network ensured dependable end-to-end support, reinforcing the division's strong customer-centric reputation.

Engineered Services Division (ESD)

In FY 2025-26, ESD sustained its performance from the previous year, maintaining steady growth. Customer re-engagement initiatives strengthened market trust, while the power sector, along with replacement and retrofit opportunities, remained key contributors.

Strong execution, swift issue resolution and successful performance tests reinforced ESD's service leadership. Energy audits and reverse engineering initiatives further opened new avenues for strategic growth.

HUMAN RESOURCES

Across every function and geography, our workforce drives the innovation and service excellence that define KBL as a global technology leader in complete fluid management solutions. FY 2025-26 was a year of meaningful progress across all dimensions, from talent development and performance culture to diversity, employee well-being and recognition.

Talent management remained a strategic priority, with KBL's Leadership Competency Framework providing the foundation for identifying, developing and evaluating talent across critical roles. Structured talent reviews and potential assessments enabled data-driven decisions on succession planning and leadership readiness. As a result, 65% of key and leadership positions are now supported by an internally developed talent pool, reinforcing continuity, reducing dependence on external hiring.

Capability building was pursued at scale through a robust learning ecosystem with over 200 learning and development programmes conducted during the year. These programmes spanned technical skills, leadership development, compliance, safety awareness and cultural alignment. A distinctive strength of KBL's approach is its pool of in-house superannuated experts who actively mentor and coach younger talent, transferring critical institutional knowledge through structured programmes. Further reinforcing a culture of life-long learning, the Higher Education Support Policy enabled employees to pursue advanced qualifications aligned with organisational and professional requirements.

Performance excellence is embedded through a structured, multi-layered framework. New employees benefit from a 30-60-90-120-day feedback mechanism. Monthly performance reviews with senior management, mid-year assessments and a 360-degree feedback process for leaders ensure transparency and continuous improvement.

KBL's commitment to diversity, equity and inclusion was demonstrated through concrete action. There is an increasing number of women in mid-senior and leadership roles, contributing valuable perspectives, innovation and resilience to our operations. Functions like HR, Product Portfolio Management and Kaniyur plant have women leadership. Also, critical roles such as Foundry operations, Software IT applications, Oil & Gas have women presence handling high-impact deliverables.

Employee engagement and well-being were brought to life through the KirloSphere ecosystem, comprising KirloFit, KirloMind and KirloConnect. The organisation recorded an employee engagement score of 72% with an engagement initiative participation coverage of 80%, reflecting a connected and motivated workforce.

Employee well-being was further anchored through the KBL Commitment programme. Its key elements include life and medical insurance coverage and Employee Assistance

Programme (EAP). Monthly wellness sessions were conducted by qualified medical practitioners. Key people policies were revisited and enhanced during the year, including Higher Education Support, Health Club Reimbursement, Travel Policy and the Advanced Salary Disbursement Date. The National Pension Scheme was extended to mid-level and junior-level employees, broadening financial security across the workforce.

Recognition and communication played a central role in sustaining engagement and organisational alignment. The Exemplary Award, CMD Award and 'I Appreciate' card collectively reached over 450 employees. Long Service Awards were distributed to over 100 employees with 15 or more years of service. Communication platforms such as Maha Sabha, enabled direct dialogue between employees and senior leadership, along with weekly newsletters and quarterly business-sharing sessions, ensured that every employee remained informed, inspired and aligned with KBL's strategic direction.

INFORMATION TECHNOLOGY

The Company continues to reimagine its digital future by embedding advanced technologies at the core of its operations, reinforcing its vision of becoming a technology driven, intelligent enterprise.

Artificial Intelligence (AI) and Machine Learning (ML) are playing a transformative role across the value chain. In manufacturing and operations, intelligent systems support real time machine monitoring, advanced data analytics and predictive quality management, driving superior product quality and operational excellence. Aligned with Industry 5.0 principles, ML-led initiatives are enhancing plant efficiency, labour productivity and workforce safety, creating a more resilient and human centric manufacturing ecosystem.

The Company has also harnessed AI to redefine customer engagement and service operations. AI-powered contact centre solutions enable deep insights into customer sentiment, service performance and agent skill optimisation, supporting consistently enhanced customer experiences. In parallel, the Human Resources function has embraced AI-enabled hiring and talent intelligence platforms to accelerate recruitment cycles and ensure that right skills are deployed to support future growth.

Looking ahead, the Company is making strategic investments in Generative AI (GenAI) to build intelligent, conversational interfaces for both employees and customers. GenAI-based chatbots are being developed to enable seamless internal knowledge access, improve employee productivity and deliver personalised customer interactions across digital and e-commerce platforms.

Through sustained investments in AI, ML, GenAI and digital platforms, the Company is laying the foundation for a smart, connected and future-ready enterprise – driving innovation, efficiency and long-term value creation through technology.

FINANCIAL REVIEW

- Consolidated Net Revenue from operations grew to ₹ 45,380 million, up 1% from ₹ 44,922 million in FY 2024-25
- EBITDA was ₹ 6,213 million with an EBITDA margin of 13.7%
- Profit After Tax (PAT) at ₹ 3,772 million with a PAT margin of 8.3%

Key Financial Ratios at Standalone Level

(Reasons where variation is more than 25%)

	Year ended March 31, 2026	Year ended March 31, 2025	Absolute Variance (%)
Current Ratio	1.72	1.72	0.06
Debt-Equity Ratio (Reduction in borrowings along with increase in net worth due to higher profits)	0.01	0.01	-
Debt Service Coverage Ratio (Reduction in borrowings along with profits)	38.60	26.03	48.31
Interest Coverage Ratio (Lower profits)	67.50	131.77	48.77
Return on Net Worth (%)	15.97	16.14	1.06
Inventory Turnover (Number of Times)	2.83	3.10	8.59
Debtors Turnover (Number of Times)	7.00	6.48	7.98
Operating Profit Margin (%)	13.80	12.40	11.29
Net-Profit Margin (%)	9.91	8.66	14.43

RESEARCH AND DEVELOPMENT

The Research and Development (R&D) division sustained its strategic focus on innovation and new product development during FY 2025-26. The Company expanded its product portfolio with the launch of the INM pump series for marine and defence applications, designed in compliance with the Indian Navy's DME 465 standard. The vertical submersible sewage pump series iNSx, featuring a modular design concept, was also introduced. Further strengthening its offerings in the water infrastructure segment, the Company launched the high-pressure multistage KRO pump series tailored for desalination projects. An all-new high-efficiency prototype for the range extension of its KW-LC series of Vertical inline pumps was also completed.

In the civilian nuclear segment, recognising their long-term growth potential, the Company has invested in the development of Containment Spray Pump (CSP) and Emergency Core Cooling System (ECCS) pumps for safety Class 2 applications. Significant progress has been achieved on the order development of the primary coolant pumps for 700 MW nuclear power plants. In addition, the automation of the 3D models and general assembly drawings creation provides the customers with ease of integration of the Company's offerings in their plant layout.

The Advanced Technology Product Division received ISO 19443 certificate from DNV for Quality management systems for offering Important to Nuclear Safety (ITNS) components and products for nuclear power plants. The R&D laboratory in Kirloskarvadi has also received Hydraulic Institute's (HIS)

approval as per program guideline HI 40.7, demonstrating compliance with world-class standards for product testing and validation.

Energy efficiency continued to be a key focus area for KBL's product development within the Small Pump Business Division. The openwell submersible pump KOSi was honoured with the "Appliance of the Year Award" at the prestigious National Energy Conservation Awards 2025. During the year, the new energy-efficient BEE Star labelled openwell pump series JOS Ultra, 150 mm KS6 100 series (4-star rated), along with 12 solar borewell submersible variants were developed for the agriculture sector. The shallow well jet pump series, Lifter Ultra with Non-Return-Valve (NRV) arrangement and self-priming regenerative pump variant, Jalraaj Ultra-II Max were introduced for the residential segment. For drainage and dewatering applications, the CW+ single phase pump series was developed. With a total of 501 models, including 451 borewell submersible pumps, now BEE Star-rated, the Company has further strengthened its position as a leader in energy-efficient product manufacturing.

RISK MANAGEMENT

The Company's robust risk management framework is compliant with the requirements under Regulation 21 of the SEBI Listing Regulations 2015. The risk management policy enables the Company to monitor and mitigate various internal and external risks. The Board of Directors has constituted a Risk Management Committee, tasked with continuous monitoring of strategic, operational and financial risks. The committee meets at regular intervals to identify

and prioritise key risks and formulates appropriate mitigation plans to address foreseeable challenges. It also closely monitors changes in the internal and external environment to identify emerging threats.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Given the diverse business operations and wide range of products, it was essential for the Company to establish and continuously review effectiveness of internal control mechanism. A detailed Code of Conduct has been established to guide interactions with all stakeholders and the Company has also implemented a whistle-blower policy. Internal controls have been strengthened through budgetary controls, clearly-defined roles and responsibilities, a schedule of authorities, documented policies and guidelines to enable appropriate decision-making along with an effective review mechanism. Built-in checks and balances ensure that business operations are not adversely affected while maintaining high standards of business ethics. The internal control mechanism is aligned with the size and complexity of the business and continues to evolve with changing business needs. Internal financial controls established by the Company cover all significant business processes and operations in compliance with the Companies Act 2013. These processes and controls are regularly updated to keep pace with the evolving business environment. The internal audit department periodically reviews the internal controls and significant observations are reported to the Audit Committee of the Board, with necessary corrective actions undertaken. Senior management and the Audit Committee are regularly apprised of the Company's internal processes related to internal controls adherence.

QUALITY ASSURANCE

The year was marked by several notable achievements, with KBL demonstrating excellence across various national-level Kaizen competitions. The Company was honoured with the prestigious Golden Peacock Award for Quality, regarded as a benchmark of excellence in the manufacturing domain. Teams across multiple manufacturing facilities also secured recognition at various national problem-solving competitions, reflecting strong capabilities in continuous improvement and innovation.

Sustainable problem-solving practices were further strengthened across the organisation, supporting the elimination of inefficiencies and waste (MUDA). Competence agility was identified as a key focus area across KBL. Pump testing laboratories underwent significant infrastructure and technology upgrades, enhancing test reliability and robustness. The implementation of SCADA systems and state-of-the-art pump testing facilities stands as a testament to this advancement.

In addition, the Company continued to maintain a strong emphasis on digitisation and digital transformation, with several AI-enabled initiatives implemented to enhance system agility and operational efficiency. Process health check-ups were further strengthened through structured benchmarking, which has now been institutionalised as an ongoing practice.

Functional synergies were aligned as part of a comprehensive knowledge management framework, fostering an inclusive learning environment across KBL. Supplier training and empowerment programmes were conducted under the channel partner excellence initiative, with key strategic suppliers being supported through training in quality and core tools deployment. Dealer partners at key locations were also supported through targeted process and productivity improvements, driven by sustainable bottleneck elimination.

Process excellence was reinforced through the deployment of PFMEA and core quality tools across manufacturing facilities, alongside the implementation of lean projects across operations. The organisational culture was further strengthened through Quality Month celebrations and a continued focus on Kaizen.

This quality-centric approach culminated in the achievement of prestigious recognitions, including ISO 19443 certification for nuclear safety and Business Excellence Awards by CII. KBL also became the first company to receive NABL certification for testing facilities in the 10,000 cubic metre and 4 MW range, marking a significant milestone in its pursuit of excellence.

SUSTAINABILITY

KBL has a long-standing legacy of sustainability, dating back to its foundation in 1888. Over the years, the company has consistently integrated sustainability into its core operations and product offerings, ensuring that growth is aligned with sustainable development. This deep-rooted philosophy has enabled KBL to evolve into a purpose-driven organisation that delivers not only business value but also meaningful environmental and social impact.

KBL has demonstrated strong environmental stewardship through its focus on energy-efficient technologies and responsible manufacturing practices. The company's advanced products are designed to minimise energy consumption across their lifecycle, enabling customers to significantly reduce greenhouse gas emissions. In addition, KBL has taken proactive measures to reduce its environmental footprint by increasing the adoption of renewable energy, improving energy efficiency across operations and implementing robust water and waste management systems. The Company's emphasis on resource optimisation and circular economy principles ensures reduced material usage, enhanced recycling and minimised waste generation.

The Company's Corporate Social Responsibility (CSR) initiatives are strategically focused on education, healthcare and environmental sustainability, addressing critical societal needs in communities where it operates. Through sustained efforts, KBL has improved access to quality education, supported healthcare infrastructure and contributed to community well-being. A distinguishing aspect of KBL's social commitment is its proactive involvement in disaster response and rescue operations at both national and international levels. Working alongside local authorities and partners, the company's advanced pumps helped drain floodwaters from critical infrastructure zones, industrial areas and residential regions, significantly reducing downtime and economic losses.

The Company follows a well-defined ESG roadmap that is closely aligned with its business strategy, ensuring that sustainability is not treated as a parallel function but as an integral part of value creation. The governance framework is built on a strong foundation of ethics, transparency and accountability. By integrating ESG principles into the decision-making processes and aligning disclosures with globally recognised frameworks, KBL ensures credibility and continuous improvement. The Company focusses on integrating sustainability into its supply chain by encouraging responsible sourcing, enhancing supplier awareness and promoting ethical business practices beyond its direct operations. This extends its impact across the value chain and reinforces its commitment to holistic sustainability. Through sustained efforts across environmental stewardship, social inclusion and strong governance, KBL continues to drive long-term impact while maintaining business resilience.

GLOBAL MARKETING

During FY 2025-26, Kirloskar Brothers Limited (KBL) further strengthened its marketing approach by leveraging digital platforms, data-driven insights and AI-enabled tools to enhance customer engagement and improve campaign

effectiveness. The company adopted AI-powered analytics and marketing automation tools to understand customer behaviour better, optimise digital campaigns and enable targeted communication across key customer segments. KBL continued to expand its digital marketing initiatives through integrated campaigns across websites, social media, search platforms and email marketing, improving brand visibility and lead generation. Data-backed performance marketing and content-driven strategies enabled the company to reach a wider audience and strengthen engagement with industrial, infrastructure and retail customers.

From a strategic standpoint, marketing efforts focused on promoting key products, including energy-efficient pumps and smart pumping solutions such as KirloSmart™ & KirloSmart™ Fire, the company's IoT-enabled remote monitoring system. Campaigns highlighted product reliability, operational efficiency and lifecycle cost benefits, reinforcing KBL's position as a trusted provider of advanced pumping solutions.

The company adopted a phygital approach by combining digital outreach with on-ground engagement through participation in global and domestic industry exhibitions, trade fairs and customer events, enabling live demonstrations of product capabilities.

Through the continued integration of AI tools, digital marketing and focused product campaigns, KBL aims to further strengthen brand presence, expand market reach and drive sustainable business growth.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's projections and estimates are forward-looking statements and progressive within the meaning of applicable security laws and regulations. Actual results may vary from those expressed and incidental factors.



Redefining the future of the energy sector with KBL and KEPL's advanced pumping solutions at the Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC) 2025.

Business Responsibility & Sustainability Report (BRSR)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L29113PN1920PLC000670
2	Name of the Listed Entity	Kirloskar Brothers Limited
3	Year of incorporation	1920
4	Registered office address	"Yamuna" Survey No. 98 / (3 to 7), Plot No. 3, Baner, Pune - 411 045, Maharashtra, India
5	Corporate address	"Yamuna" Survey No. 98 / (3 to 7), Plot No. 3, Baner, Pune - 411 045, Maharashtra, India
6	E-mail	marketing@kbl.co.in
7	Telephone	+91 (20) 6721 4444
8	Website	www.kirloskarpumps.com
9	Financial year for which reporting is being done	FY 2025-26
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	₹ 158,817,852
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Abhijeet Shinde – Assistant General Manager and Head – Corporate Sustainability & Excellence abhijeet.shinde@kbl.co.in +91 (20) 6721 4444
13	Reporting boundary	Standalone basis (the reporting boundary for BRSR is limited to performance of Kirloskar Brothers Limited)
14	Name of assurance provider	M/s SGS India Private Limited
15	Type of assurance obtained	Reasonable assurance as per Master Circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities: BRSR Core and Non-Core Framework for Assurance and ESG Disclosures for Value Chain (Circular No. HO/49/14/14(7)2025-CFD-POD2/1/3762/2026), dated 30 January 2026

II. Products / services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Manufacture of fluid power equipment	94.30

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacture of fluid management solutions including Pumps, Valves, Turbine, PICO and PAT (operates as a turbine in reverse), Auto-prime, Fire-fighting pumps, pumps for Building and Construction, Industry, Water and Irrigation, Marine and Defence, Oil and Gas and Power sectors	2812	94.30

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	6	9	15
International	0	0	0

19. Markets served by the entity:**a. Number of locations**

Locations	Number
National (No. of States)	28 States and 8 Union Territories
International (No. of Countries)	120+ Countries

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Contribution of exports – 7.70%

c. A brief on types of customers

We manufacture pumps, valves, hydro-turbines and other fluid power equipment, serving diverse customers in sectors such as Building and Construction, Marine, Defence, Nuclear, Water, Irrigation, Power, Oil & Gas, Chemical, pharmaceutical, and Retail sectors, both directly as well as through distributors, driving our business objective of leading innovative and sustainable solutions for fluid management.

IV. Employees**20. Details as at the end of the Financial Year:****a. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B / A)	No. (C)	% (C / A)	No. (H)	% (H/ A)
EMPLOYEES								
1.	Permanent (D)	1,574	1,459	92.69	115	7.31	0	0
2.	Other than Permanent (E)	219	197	89.95	22	10.05	0	0
3.	Total employees (D + E)	1,793	1,656	92.36	137	7.64	0	0
WORKERS								
4.	Permanent (F)	1,008	937	92.96	71	7.04	0	0
5.	Other than Permanent (G)	297	247	83.16	50	16.84	0	0
6.	Total workers (F + G)	1,305	1,184	90.73	121	9.27	0	0

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B / A)	No. (C)	% (C / A)	No. (H)	% (H/ A)
DIFFERENTLY ABLED EMPLOYEES								
1.	Permanent (D)	1	1	100	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0	0	0
3.	Total Differently abled employees (D + E)	1	1	100	0	0	0	0
DIFFERENTLY ABLED WORKERS								
4.	Permanent (F)	3	3	100	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0	0	0
6.	Total Differently abled workers (F + G)	3	3	100	0	0	0	0

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	13	3	23.08
Key Management Personnel	2*	0	0

*This excludes Chairman and Managing Director as already covered under Board of Directors

22. Turnover rate (%) for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2025-26				FY 2024-25				FY 2023-24			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
Permanent Employees	13	20	0	14	12	19	0	13	16	23	0	16
Permanent Workers	0.64	2.82	0	0.79	1	6	0	1	2	2	0	2

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Karad Projects and Motors Limited	Subsidiary	100	No
2	Kirloskar Brothers International B.V.	Subsidiary	100	No
3	Kirloskar Corrocoat Private Limited	Subsidiary and Joint Venture	65	No
4	Kirloskar Ebara Pumps Limited	Joint Venture	45	No

Note- Details of stepdown subsidiaries have been reported in the Integrated Annual Report Page No 07

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

(ii) Turnover (in ₹) - ₹ 28,281 mn

(iii) Net worth (in ₹) - ₹ 18,486 mn

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in place (Yes/ No) If yes, then provide web-link for grievance redressal policy **	FY 2025-26			FY 2024-25		
		No. of complaints filed during the year	No. of complaints pending resolution at close of year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	Yes**	2	1***	NA	0	0	NA
Investors (other than Shareholders)	Yes**	0	0	NA	0	0	NA
Shareholders	Yes**	11	0	NA	0	0	NA
Employees and workers	Yes**	185	11***	NA	145	0	NA
Customers	Yes**	0	0	NA	0	0	NA
Value Chain Partners -Suppliers	Yes**	0	0	NA	0	0	NA
Value Chain Partners – dealers	Yes**	0	0	NA	0	0	NA
Business and Governing Bodies	Yes**	0	0	NA	0	0	NA
Financial Institutes	Yes**	0	0	NA	0	0	NA

Notes**

- Communities, Investors and Shareholders can report their grievances through the email ID (grievance.redressal@kbl.co.in) given on the KBL website
- Besides, the Company Secretary and Compliance Officer are directly accessible to investors and shareholders through their designated email address
- Employee and workers can raise their grievances on Company's intranet through helpdesk
- Customers can report their grievance through CRM (Customer Relationship Management) portal and email ID (kblcare@kbl.co.in) given on the KBL website, toll-free number

- Suppliers can report their grievances through the email ID provided in the Purchase Order
- Dealers can report their grievances during Annual Dealer Meet, Regional Dealer Meets
- Business and Governing Bodies can report their grievances through various email ID, letters, online government portals
- Financial Institutes can report their grievances through KBL finance email ID
- All stakeholders can report their ESG related grievances on sustainability email ID (sustainability@kbl.co.in)

***All grievances, except few, received during the reporting year have been resolved successfully in a fair and transparent manner. Open grievances are under evaluation and shall be resolved in FY 2026-27

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for Identifying the Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
1	Climate Change and GHG Emissions	Risk and Opportunity	Climate change can affect KBL's operations, supply chain continuity and cost structure through changing regulations, carbon reduction requirements and extreme weather events. At the same time, the growing global focus on decarbonisation is increasing demand for energy-efficient pumping solutions, creating opportunities for innovation and business growth.	KBL's strategic focus includes improving energy efficiency, optimising operational processes, reducing emissions, and integrating sustainability considerations into products and technologies. The company's energy-efficient pumping solutions and sustainable infrastructure applications support energy optimisation, water efficiency, industrial decarbonisation, and climate resilience across customer sectors.	Negative Implications: Increased compliance and transition costs; Positive Implications: savings from energy efficiency; revenue from sustainable products.
2	Energy Management and Efficiency	Opportunity	Energy Management includes aspects of energy consumption, energy efficiency and energy intensity in operations. It also involves strategising the deployment of renewable energy options for cost saving along with greening the business operations to move towards Net Zero	NA	Positive Implications: Reduced energy costs, improved operating margins and enhanced resource productivity

S. No	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for Identifying the Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
3	Occupational Health and Safety	Risk	The safety of employees, contractors and other workers remains a priority for KBL owing to the nature of its industrial operations. Manufacturing processes involving heavy equipment, welding, foundry activities and material handling require stringent safety measures to address workplace hazards and prevent incidents. Strong occupational health and safety practices contribute to workforce protection, operational efficiency and sustainable business performance.	Strong EHS management systems, trainings, audits, incident investigation, safety culture.	Negative Implications: Costs related to incidents, compensation, insurance, legal liabilities, operational downtime and regulatory penalties.
4	Innovation and Sustainable Product Development	Opportunity	KBL recognises Innovation and Sustainable Product Development as a material opportunity because technological advancement is a key driver of business resilience, market differentiation and sustainable growth. The Company's focus on developing high-performance and energy-efficient pumping solutions enables it to address emerging customer requirements, support resource efficiency and contribute to sustainable industrial and infrastructure development.	NA	Positive Implications: Revenue growth, market differentiation, improved profitability and market share

S. No	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for Identifying the Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
5	Sustainability Strategy and Climate Transition	Risk and Opportunity	Transition to a low-carbon economy may alter customer expectations, regulations, and capital allocation.	Climate risk assessment, transition planning, sustainability targets, governance oversight.	Negative Implications: Capital expenditure required to transition to low-carbon operations, potential impairment of assets exposed to transition risks, increased compliance costs, and potential loss of competitiveness if market expectations are not met. Positive Implications: Access to emerging markets and green business opportunities, improved investor confidence, preferential financing terms, enhanced business resilience, and long-term value creation through sustainable growth strategies.
6	Waste Management and Circular Economy	Risk	Waste Management includes the risks related to waste generation and disposal, as well as the associated impacts for enhancing the circularity measures across business operations, leading to social and regulatory impacts for us	• Implementation of waste reduction initiatives across operations • Segregation and safe handling of hazardous and non-hazardous waste • Recycling, reuse and recovery of materials wherever feasible • Strengthening circular economy practices and resource efficiency measures • Regular monitoring of waste generation, disposal and regulatory compliance • Employee awareness and training on responsible waste management practices	Negative Implications: • Waste treatment and disposal costs • Compliance and environmental management expenditures • Potential penalties or remediation costs arising from non-compliance

S. No	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for Identifying the Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
7	Workforce Development and Employee Well-being	Opportunity	A skilled, engaged and healthy workforce is essential for maintaining operational excellence, innovation and business growth. Investing in employee development and well-being enhances productivity, supports talent retention and strengthens organisational capabilities.	NA	Positive Implications: Higher productivity, lower attrition costs, stronger talent attraction and retention.
8	Community Engagement and Social Impact	Opportunity	Supporting Community development through CSR and other social initiatives can make positive difference for the less privileged communities while also bettering the brand image and business reputation of the Company	NA	Positive Implications: stronger stakeholder relationships and improved social licence to operate.
9	Regulatory Compliance and Business Ethics	Risk	Evolving regulations and stakeholder expectations are reshaping the governance landscape. At KBL, we view governance as more than a compliance obligation—it is a strategic enabler that supports responsible growth, effective oversight and long-term business sustainability.	• LEGATRIX tool with strong focus and monitoring for effective compliance management • Robust Code of Conduct with strict adherence to the Code through periodic trainings, audits and strong leadership insights	Negative Implications: Regulatory penalties, legal expenses, reputational damage and potential business disruptions.
10	Customer Satisfaction and Product Responsibility	Opportunity	Delivering reliable, high-quality products and services is fundamental to maintaining customer trust and loyalty. High levels of customer satisfaction contribute to repeat business, stronger market reputation and long-term revenue growth.	NA	Positive Implications: Increased sales, customer retention and long-term revenue growth.

S. No	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for Identifying the Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
11	Cybersecurity and Data Protection	Risk	Digital transformation is essential for maintaining the highest efficiency in the business and is characterised by faster adoption of new technologies while also ensuring the safety and security of systems that safeguard business and customer information. Lack of efficient systems will affect ease of doing business and increase susceptibility to cyber threats	Cybersecurity controls, employee awareness, incident response plans, regular assessments.	Negative Implications: business interruption, data recovery, legal liabilities
12	Sustainability Disclosure and Reporting	Opportunity	Stakeholders, investors and regulators increasingly expect transparent and reliable sustainability disclosures. While evolving reporting requirements may increase compliance obligations, robust disclosure practices enhance transparency, strengthen stakeholder confidence and improve access to capital.	NA	Positive Implications: Increased credibility with investors, customers and other stakeholders, supporting long-term financial resilience and value creation.
13	Responsible Supply Chain Management	Risk	KBL relies on a diverse network of suppliers for raw materials, components and services. Supply chain disruptions, ethical concerns or environmental and social issues within the supply chain can impact operational continuity, increase costs and expose the company to reputational risks.	Supplier assessments, diversification, , supplier engagements	Negative Implications: Increased procurement costs, supply disruptions, production delays and reputational impacts

S. No	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for Identifying the Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
14	Water Stewardship and Water Management	Risk	Water availability and quality are becoming increasingly important business considerations due to climate change, population growth and regulatory requirements. Inadequate management of water resources could lead to operational constraints, increased costs and stakeholder concerns.	Water efficiency projects, recycling, rainwater harvesting, monitoring.	Negative Implications: loss arising from water scarcity and operational disruptions.
15	Human Rights and Labour Practices	Risk	Respect for human rights and fair labour practices is essential to maintaining a responsible and sustainable business. Any actual or perceived violations within KBL's operations or value chain could lead to legal liabilities, reputational damage and loss of stakeholder trust.	We have strengthened the due diligence for increased accountability voiding human rights related risks in operations and value chain by conducting periodic training for promoting fairness in business and ensuring social accountability for the stakeholders.	Negative Implications: Legal liabilities, remediation costs, reputational impacts and potential business disruptions.
16	Environmental Management and Biodiversity	Risk	Manufacturing activities can have direct and indirect impacts on the environment and surrounding ecosystems. Failure to effectively manage environmental aspects may result in regulatory action, operational restrictions and negative stakeholder perceptions	Environmental management systems, biodiversity assessments, conservation initiatives	Negative Implications: Compliance costs, environmental remediation expenses, penalties and project delays
17	Corporate Governance and Transparency	Opportunity	Strong governance and transparent decision-making processes support accountability, effective risk management and stakeholder confidence. A robust governance framework enhances organisational resilience, facilitates informed decision-making and contributes to sustainable value creation.	NA	Positive Implications: Lower cost of capital, improved investor confidence, enhanced business valuation.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
b. Has the policy been approved by the Board? (Yes/No)	The Policies have been approved by Chairman and Managing Director on behalf of Board of Directors								
c. Web Link of the Policies, if available	https://www.kirloskarpumps.com/investors/policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	- Integrated Management System (IMS) certification comprising of - ISO 9001:2015, Quality Management System - ISO 14001:2015, Environment Management System - ISO 45001:2018, OH&S Management System - ISO 50001:2018, Energy Management System - ISO 19443:2018 certification - Nuclear-specific Quality Management System - ISO/IEC 17025:2017 NABL Accreditation for competence of Testing & Calibration Laboratories - BIS Accreditations for Products - BEE Star Rating for Products - FM/UL certification of Products - CE Marking for products - IS 210 quality and excellence in manufacturing grey iron castings - CII GreenPro certification for eight types of products - CII GreenCo certification for four manufacturing plants - CII "Approaching to Zero Waste to Landfill" certification for Dewas plant and CII "Aspiring to Zero Waste to Landfill" certification for Sanand Plant								
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any	- To enhance renewable energy contribution for KBL group of companies up to 70% by FY 2029-30 - Continue development of Borewell Submersible pumps complying with 3-star rating and above as per BEE/BIS standard by 25% over FY 2022-23 in next 5 years - Achieve Water Neutrality by FY 2029-30 "Zero Waste to Landfill" for our manufacturing plants by FY 2029-30 40% reduction in Scope 2 emission intensity (MT/Pump) by 2029-30 over the baseline of FY 2022-23 - Sustain zero reportable accident year on year - Enhance female workforce up to 20% by FY 2029-30 - Awareness training on ESG and NGRBC principles for 100% employees by FY 2026-27 - Sustainable sourcing up to 60% by FY 2029-30 - Implementation of BRSR CORE KPIs for value chain partners as per business spend by FY 2026-27 - GreenPro certification for 80% products by FY 2029-30								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9										
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met	• The Renewable Energy share in operations increased from 15% in FY 2024-25 to 35% in FY 2025-26 • 71% reduction in Scope 1 Emission Intensity (MT/Pump) over the baseline FY 2022-23 • 6% reduction in Scope 2 emission intensity (MT/Pump) over the baseline FY 2022-23 • 49% reduction in absolute scope 1 emissions and 21% reduction in absolute scope 2 emissions over FY 2024-25 • Zero reportable accidents • Development of E-learning module for ESG and BRSR awareness • Sustainable sourcing enhanced to 48% • 510 BEE star rated products • ESG trainings conducted for value chain partners • GreenPro certification for additional product ranges • 5 Mandays training per employee																		
Governance, leadership, and oversight																			
7. Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure) Kindly refer page 10 from Integrated Annual Report for message from our Chairman and Managing Director																			
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Sanjay C. Kirloskar–Chairman & Managing Director (CMD)																		
9. Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. • We have formed a corporate level Sustainability Committee under the authority of our CMD consisting of non-board members with the Chairmanship of Associate Vice President and Head – Corporate Quality Assurance with facilitation provided by Assistant General Manager and Head- Corporate Sustainability and Excellence. • We have also formed plant level sustainability committees that in turn reports to the corporate sustainability committee. • The corporate sustainability committee reports progress of ESG initiatives along with other updates to the Board generally twice a year.																		
10. Details of Review of NGRBCs by the Company:																			
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee																		
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	
Performance against above policies and follow up action	• Our ESG policies are assessed and updated periodically or on a need basis by Corporate Sustainability Committee and Senior Leadership including CMD. • Performance of all policies is being monitored through review of goals and commitments identified against each policy. This is done by the Corporate Sustainability Committee and also by other respective functions through monthly reviews of their functional annual operating plans. The committee findings are also reviewed by CMD																		

Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances

- We have implemented the Legatrix tool company-wide to ensure regular monitoring of compliance with relevant statutes. In the event of any delay or potential non-compliance, our CMD is promptly notified. This ensures effective monitoring of the company's compliance activities
- Additionally, the Legal team regularly releases a compliance dashboard that encompasses all applicable compliances across the different company sectors, thereby promoting preparedness among stakeholders
- The quarterly compliance certificate from CMD (based on compliance certificates by respective HODs) is placed before the Board on a quarterly basis
- A certificate for compliance with specific laws/Acts, applicable to the Company is also obtained from the external auditors/certifying agencies

11. Has the Company carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/ No), If yes provide name of the agency.

- M/s SGS India Private Ltd. has assessed our Integrated Annual Report and BRSR Core and issued Reasonable Assurance Letter
- IMS audit covering ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 50001:2018 by M/s DNV GL.
- ISO 19443:2018 Certification- Nuclear-specific Quality Management System BY M/s DNV GL
- ISO/IEC 17025:2017 NABL Accreditation for competence of Testing & Calibration Laboratories by NABL
- Cost audit by M/s Harshad Deshpande and Associates
- Statutory audit by M/s Sharp & Tannan Associates
- Secretarial audit by M/s. Dinesh Birla & Associates

12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:

Not Applicable

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURES

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandatory to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

ESSENTIAL INDICATORS

1. Percentage coverage of training and awareness Programmes conducted on any of the principles during the financial year

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in a respective category covered by the awareness programmes
Board of Directors (BoD)	2	Governance, ESG & BRSR Core	100
Key Managerial Personnel (KMP)	2	Code of Ethics, Governance, ESG & BRSR Core	100
Employees other than BoD and KMPs	1000+	Integrity, ethics, transparency & accountability, Behavioural & Safety, Employee well-being, TPM awareness, POSH, ESG & Sustainability, Waste management, Effective customer service etc.	100
Workers			

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Monetary					
Penalty/ Fine				Nil	
Settlement/ Award	Principle 1	Regional Provident Fund Commissioner, Kolhapur	35,97,409/-	An order was passed by Regional Provident Fund Commissioner, Kolhapur, under the Employees Provident Fund & Miscellaneous Provisions Act, 1952, fixing joint and several liability of the Company and Sangli Shikshan Sanstha ('SSS') towards Employer's contribution of ₹ 35,97,409/- (Rupees thirty-five lakh ninety-seven thousand four hundred and nine only) towards PF, pension and insurance for the period from March, 1982 to June, 2008, pertaining to the employees engaged at educational institutes being run at Kirloskarvadi. In view of the larger interests of the employees of the said educational institutes and strict compliance of the Order and without prejudice to Company's rights and contentions, the Company has deposited the stipulated amount of ₹ 35,97,409/- with Regional Provident Fund Commissioner, Kolhapur.	No
Compounding Fee				Nil	
Non-Monetary					
Imprisonment				Nil	
Punishment				Nil	

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Not applicable as no appeal has been preferred

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

KBL is committed to conducting its business with integrity, transparency and accountability. The Company maintains a robust Anti-Corruption and Anti-Bribery Policy that reflects its zero-tolerance approach towards bribery, corruption and other unethical practices. This commitment extends across its operations and value chain, encouraging employees, business partners and other stakeholders to uphold the highest standards of ethical conduct.

The policy is supported by established governance mechanisms and internal controls aimed at preventing, detecting and addressing instances of fraud, bribery and corruption. Appropriate reporting, investigation and disciplinary processes are in place to ensure compliance and reinforce a strong culture of ethics and responsible business conduct throughout the organisation.

Web link- <https://www.kirloskarpumps.com/wp-content/uploads/2023/06/Policy-on-Anti-Bribery-Anti-Corruption.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2025-26	FY 2024-25
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable as there were no such cases of corruption and conflict of interest

8. Number of days of accounts payable (Accounts payable*360/cost of goods/services procured) in following format:

	FY 2025-26	FY 2024-25
Number of days of account payables	111	114

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	10.44	11
	b. Number of trading houses where purchases are made from	527	540
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	40.84	38.21
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	76.45	75.70
	b. Number of dealers/distributors to whom sales are made	1,271	1,152
	c. Sales to top 10 dealers / distributors as % of total sales to dealers/distributors	24.11	24.70
Share of RPTs in (Related party transactions)	a. Purchases (Purchases with related parties/Total Purchases)	25.42	21.65
	b. Sales (Sales to related parties / Total Sales)	5.94	5
	c. Loans & advances (Loans & advances given to related parties/ total loans & advances)	0	100
	d. Investments (Investments in related parties / Total investments made)	33.06	40

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
2 Training Sessions for Suppliers and Dealers	Nine Principles of NGRBC & ESG Initiatives, ESG assessment of Value Chain Partners. BRSR Core	35

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, we have a Code of Conduct in place for the Board of Directors and Senior Management to identify actual or potential conflicts of interest, which may arise during the course of its business activities. According to the Code of Conduct, the Board is required to scrupulously avoid a 'conflict of interest' with the Company. A conflict of interest exists where the interest of a director or member of senior management conflicts with those of the Company. We have implemented organisational processes and appropriate safeguards to mitigate, prevent and manage conflicts of interest that may arise. The Directors make a declaration every year, affirming compliance with the Code of Conduct.

In addition to provisions of the Companies Act, 2013, the Directors disclose their interest in the form of their other directorships/memberships in other entities either directly or indirectly through their relatives. Such disclosures are being made to the Board annually and from time to time as and when such interest arises. We have established processes to identify the related parties based on the disclosures. If any transactions are conducted with these related parties, the Company strictly adheres to the disclosure requirements and procedures outlined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as well as the Companies Act, 2013.

Web link:- https://www.kirloskarpumps.com/wp-content/uploads/2023/05/Code-of-Conduct-For-Board-Of-Directors-And-Senior-Management-Of-Kirloskar-Brothers-Limited_Revised-2023-1.pdf

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D	45	40	R&D investments are directed towards developing innovative and sustainable products and process technologies that improve environmental and social performance while enhancing operational and resource efficiency
CAPEX	27	22	Capital expenditure (CAPEX) investments are focused on technologies and initiatives that enhance operational efficiency, improve material and energy efficiency, accelerate digital transformation and deliver positive environmental and social impacts across the organisation's products and processes.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, we have established a policy on sustainable sourcing, which is also available on our website at - <https://www.kirloskarpumps.com/wp-content/uploads/2023/06/Policy-on-Sustainable-Sourcing.pdf>.

We have implemented sustainable sourcing criteria which aligns with Company's commitment to promote local and responsible sourcing practices. Accordingly, we conduct training sessions and also encourage our suppliers to opt for sustainable sourcing practices like use of renewable energy, water & waste management, emission management, Environmental & Energy Management Systems, compliance to human rights, Ethics and Quality, etc.

b. If yes, what percentage of inputs were sourced sustainably?

48%

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste, and (d) other waste.

Almost all of our products are made up of metallic components up to 95% by weight and content negligible amount of plastic or hazardous materials. As a part of End-of-Life treatment of our products, we have established guidelines for our customers with following objectives

- To guide our customers on environment friendly and responsible disposal of our products at the end-of-life stage
- To minimise the impact caused by product disposal on society & environment
- To reuse the recyclable components as a secondary source of raw material

Web link:- <https://www.kirloskarpumps.com/spares-and-services/end-of-life-management-procedure/>

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, Extended Producer Responsibility (EPR) is applicable to us and we file annual return of plastic waste as per CPCB requirements.

LEADERSHIP INDICATORS

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format.**

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
2812	Single Phase Openwell Submersible Pumpset- KOSi	50	Cradle to Gate	Yes, from CII (2025-26)	No
	Single Phase Monobloc Pumpset - KDS		Cradle to Gate	Yes, from CII (2025-26)	No
	Hydro Pneumatic System with Vertical Inline Pumpsets		Cradle to Gate	Yes, from CII (2025-26)	No
	Hydro Pneumatic System with Horizontal Multistage Pumpsets		Cradle to Gate	Yes, from CII (2025-26)	No
	Vertical inline Long Coupled Pump-KW-LC		Cradle to Gate	Yes, from CII (2025-26)	No
	Vertical Inline Short Coupled Pump - KW-SC		Cradle to Gate	Yes, from CII (2025-26)	No
	1.0 HP Mini Pump Series		Cradle to Gate	Yes, from CII (2024-25)	No
	0.5 HP Mini Pump series		Cradle to Gate	Yes, from CII (2024-25)	No
	10 CM Water filled Submersible Pump Series		Cradle to Gate	Yes, from CII (2024-25)	No
	10 CM Oil Filled Submersible Pump Series		Cradle to Gate	Yes, from CII (2024-25)	No
	Alloy Cast Steel Foundry Castings		Cradle to Gate	Yes, from CII (2023-24)	No
	Cast Iron Foundry Castings		Cradle to Gate	Yes, from CII (2023-24)	No
	LLC™ Horizontal Axially Split Case Pump Series		Cradle to Gate	Yes, from CII (2023-24)	No
	DBxe End Suction Pump Series		Cradle to Gate	Yes, from CII (2023-24)	No
	Monobloc Pump-set Series		Cradle to Gate	Yes, from CII (2021-22)	No

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk/ Concern	Action Taken

No significant social or environmental concerns/risks were identified

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate Input material	Recycled or re-used input material to total material	
	FY 2025-26	FY 2024-25
Metal	40	40

Note : Figures reported above are only specific to foundry operations within our KBL manufacturing plants.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2025-26			FY 2024-25		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	Nil	Nil	Nil	Nil	Nil
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste (MT) (Metal waste)	Nil	7,932.17	Nil	Nil	82	Nil

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Considering the wide geographical spread and transportation challenges involved, reclaiming products at their end-of-life stage is currently not feasible. Therefore, we have established End-of-Life treatment guidelines for our customers to ensure the safe, responsible and environmentally safe disposal of our products and packaging materials at the end of their useful life.

However, we do reclaim certain products that are replaced during the warranty period and ensure their safe disposal at our respective manufacturing plants. These reclaimed products primarily belong to the small pumps business and comprise approximately 90–95% metallic components.

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1,459	1,459	100	1,459	100	0	0	NA	NA	0	0
Female	115	115	100	115	100	115	100	NA	NA	115	100
Others	0	0	0	0	0	0	0	NA	NA	0	0
Total	1,574	1,574	100	1,574	100	115	7.31*	NA	NA	115	7.31*
Other than Permanent employees											
Male	197	197	100	197	100	0	0	NA	NA	0	0
Female	22	22	100	22	100	22	100	NA	NA	22	100
Others	0	0	0	0	0	0	0	NA	NA	0	0
Total	219	219	100	219	100	22	10.05*	NA	NA	22	10.05*

*Maternity benefits and Day Care facilities have been provided to 100% eligible female employees

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	937	937	100	937	100	0	0	NA	NA	0	0
Female	71	71	100	71	100	71	100	NA	NA	71	100
Others	0	0	0	0	0	0	0	NA	NA	0	0
Total	1,008	1,008	100	1,008	100	71	7.04*	NA	NA	71	7.04*
Other than Permanent workers											
Male	247	0	0	247	100	0	0	NA	NA	0	0
Female	50	0	0	50	100	0	0	NA	NA	0	0
Others	0	0	0	0	0	0	0	NA	NA	0	0
Total	297	0	0	297	100	0	0	NA	NA	0	0

*Maternity benefits and Day Care facilities have been provided to 100% eligible female employees

c. Spending on measures towards wellbeing of employees and workers (including permanent and other than permanent) in the following format

	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the company (%)	0.62	0.63

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the Authority (Y/N/NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/ NA)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	100	100	Yes	100	100	Yes
Others – please specify National Pension Scheme (NPS)	21.6	0	Yes	13.3	0	Yes

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, differently abled persons need special arrangements in the environment for their mobility and independent functioning. At every premises / office, we have provided facilities at entry & exit points, washrooms, workstations, canteen & special vehicle parking spaces near entry gate. Such employees are given suitable job profile based on their capacity for doing the work. As per the Rights of Persons with Disabilities Act, 2016, our organisation is accessible for differently abled employees and workers, and similar provisions are set across our global footprint.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

Yes, KBL has a policy that ensures fair employment practices and equal opportunities for all employees and workers without discrimination on the grounds of race, caste, creed, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability or any other category protected under applicable laws.

The policy reflects KBL's commitment to fostering a diverse, inclusive, and respectful workplace where all individuals are treated fairly and provided with equal opportunities for growth and development.

For information relating to this policy, refer the weblink – <https://www.kirloskarpumps.com/wp-content/uploads/2023/06/Policy-on-Inclusive-Growth-Equatable-Development.pdf>

5. Return to work and Retention rates of permanent employees and workers that took parental leave

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	100	100	100	100
Others	NA	NA	NA	NA
Total	100	100	100	100

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Yes, we have established robust grievance redressal mechanisms for employees and workers to report their concerns. Our HR function, along with other Functional Heads, diligently assess the nature of grievances and promptly initiate appropriate corrective actions. In addition, employees can report grievances as outlined in the whistle-blower policy on grounds of any unethical behaviour, fraud, or violation of the Company's Code of Conduct. Various grievance reporting channels available for different employee levels are mapped below –

Permanent Workers	Works Committee, Canteen Committee, Grievance Register by HR, Suggestion box, ICC, Safety Committee
Other than Permanent Workers	HR function helps to resolve issues if any
Permanent Employees	Suggestion box, ICC, Grievance Register by HR, Intranet Portal Head of each functions helps to resolve issues if any
Other than Permanent Employees	HR function helps to resolve issues if any

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

	FY 2025-26			FY 2024-25		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of Employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
Male	1,459	0	0	1,428	0	0
Female	115	0	0	111	0	0
Other	0	0	0	0	0	0
Total Permanent Workers						
Male	937	860	91.78	997	932	93.48
Female	71	2	2.81	70	2	2.86
Other	0	0	0	0	0	0

8. Details of training given to employees and workers:

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and safety measures		On skill upgradation		Total (D)	On Health and safety measures		On skill upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Male	1,656	1,656	100	1,656	100	1,569	1,569	100	1,569	100
Female	137	137	100	137	100	123	123	100	123	100
Other	0	0	0	0	0	0	0	0	0	0
Total	1,793	1,793	100	1,793	100	1,692	1,692	100	1,692	100
Workers										
Male	1,184	1,184	100	1,184	100	1,176	1,176	100	1,176	100
Female	121	121	100	121	100	111	111	100	111	100
Other	0	0	0	0	0	0	0	0	0	0
Total	1,305	1,305	100	1,305	100	1,287	1,287	100	1,287	100

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1,656	1656	100	1,569	1,569	100
Female	137	137	100	123	123	100
Other	0	0	0	0	0	0
Total	1,793	1793	100	1,692	1,692	100
Workers						
Male	1184	1184	100	1,176	1,176	100
Female	121	121	100	111	111	100
Other	0	0	0	0	0	0
Total	1305	1305	100	1,287	1,287	100

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes. All our manufacturing plants are ISO 45001:2018 certified (Occupational Health and Safety Management System Standard). The system focuses on identifying and mitigating workplace hazards, promoting safe work practices, ensuring regulatory compliance, conducting regular safety training and awareness programmes, and driving continuous improvement in health and safety performance across manufacturing plants and offices.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We have adopted a systematic Hazard Identification and Risk Assessment (HIRA) approach to regularly identify work-related hazards. Trained professionals conduct regular audits for identifying the potential work-related hazards across operating locations. We identify and implement safety controls for the safe execution of business operations. We have a well-defined work permit system to identify potential hazards on a non-routine basis. Employees and workers are encouraged to report the near miss cases through safety committees and other channels. The safety team analyses the grievance of the employees and takes necessary corrective actions for ensuring the safe working environment.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, as a part of ISO 45001:2018 Management System certification, we have established procedures and Emergency Evacuation Plan to report the work-related hazards and to remove themselves from risks. We have also implemented 'Safety Yellow Tag System' by which worker can raise the issue using yellow tags available in the shop floor. There is a Safety committee as well through which workmen can report hazards to the management. All workmen are instructed to not to take any risk and are authorised to stop the work if there is any immediate risk to health and safety. Regular review of HIRA is adopted.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, we facilitate the accessibility of non-occupational health services to our workers through medical camps, vaccination drives and medical health check-ups. Our employees can avail financial assistance through medical claims. We also have voluntary health promotion services like health awareness webinars on 'Mental Health', 'Healthy Heart Program', etc. We also have an Occupational Health Centre at our manufacturing plants, where nurses with qualified doctor are available where workmen can avail non-occupational medical service.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.19	0
Total recordable work-related injuries	Employees	0	0
	Workers	1	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Ensuring safe and healthy workplace in a factory requires a structured approach combining policies, training, equipment and continuous monitoring. Below are the key safety measure implemented across all facilities –

- Compliance to OH&S Management System as per ISO 45001:2018 certification
- Workplace risk assessment (HIRA)
 - Regular identification and evaluation of hazards
 - Implementation of control measures to eliminate and reduce risks
- DDS+ Safety perception survey for employees to improve workplace safety
- Safety Policies and Procedures
 - Clear safety guidelines for all operations
 - Standard Operating Procedures (SOPs) for machinery and hazardous tasks
 - Emergency response plans (fire, chemical spills, accidents)
- Employee training and awareness
 - Safety Induction for new employees
 - Regular training on equipment handling, fire safety and first aid
 - Mock drills for emergencies

6. Personal Protective Equipments
 - Provision of safety gears such as helmets, gloves, goggles, ear protection and safety shoes
 - Mandatory use of PPE in designated areas
7. Housekeeping and cleanliness
 - Keeping floor clean and free from spills or obstructions
 - Proper storage of materials to avoid accidents
 - Waste management systems
8. Machine safety measures
 - Installation of machine guards and emergency stop buttons
 - Regular maintenance and inspection of equipments
 - Lockout/ tagout procedures during maintenance
9. Fire safety measures
 - Fire extinguishers, alarms, sprinkler systems installed and maintained
 - Clearly marked emergency exits and evacuation routes
 - Regular fire drills
10. Health and hygiene facilities
 - Clean drinking water and sanitation facilities
 - Adequate ventilation and lighting
 - Medical rooms for first aid facilities
11. Monitoring and reporting systems
 - Incident reporting and monitoring systems
 - Safety audits and inspections
 - Encouraging workers to report unsafe conditions
12. Compliance to legal standards
 - Adherence to health and safety regulations set by authorities
 - Regular inspection by regulatory bodies
13. Ergonomic practices

13. Number of Complaints on the following made by employees and workers:

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	45	0	NA
Health & Safety	0	0	NA	21	0	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	
Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Few of the actions initiated to address safety related concerns are as below -

- Creation of safety training centre with demonstration of shopfloor hazards
- Access control provided for rooftop and crane maintenance ladder

- LPG Gas detection system with auto cut off valve in case of emergency
- Enhancement of interlocking system to machines
- Various safety related kaizens implemented at shop
- Strengthening work permit system
- EHS change control system initiated across KBL plants
- Enhanced safety awareness to shopfloor employees
- Structural stability survey conducted by competent agency

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of the death of (A) Employees (B) Workers(Y/N)

Yes, we extend life insurance coverage for all our employees and permanent workers. In addition to this, Parivar Suraksha Yojana and Benevolent Fund Scheme are also available for our employees and permanent workers.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

We expect our value chain partners to uphold highest standards of business responsibility principles. We conduct periodic audits of key suppliers ensuring the compliance with statutory regulations including applicable statutory deductions like Provident fund and Employees' State Insurance Corporation (ESIC). The same is also ensured during the selection of new suppliers. We have also initiated ESG assessment of our value chain partners to assess and promote ESG compliance and initiatives in specific areas.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

Yes, we continually invest in human capital development which includes skill enhancement that is contemporary while providing employees with a diverse and enriching experience for mutual growth. This enhances the employability of workforce and enables a smooth transition for exploring alternate employment opportunities. In addition, we provide pension benefits and post-retirement medical benefits for qualified staff. Workers are provided with pension benefits as covered under the relevant statute.

5. Details on assessment of value chain partners:

We conduct periodic assessments of our value chain partners during which we ensure that they comply with requirements related to Occupational Health & Safety practices and working conditions.

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	90.4
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The results of our supplier and dealer assessments have indicated a satisfactory level of compliance with regards to Occupational Health and Safety practices and working conditions. We maintain a zero-tolerance whenever significant deviations are observed from our established standards.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

KBL identifies its key stakeholder groups through a structured and ongoing stakeholder engagement process based on the nature of business operations, strategic priorities, and the extent to which stakeholders are impacted by or can influence the Company's activities. KBL's key stakeholder groups are:

- 1) Customers – To build long-term relationship for continual growth in business
- 2) Employees – To attract and develop strong people asset for better results and contribution
- 3) Business and Governing Stakeholders – Ensure continuous support
- 4) Partners and Suppliers – Build relationship for mutual growth
- 5) Society – To contribute towards well-being of the society

We actively engage with all our stakeholders and collect their need, expectations, and feedback at appropriate stage to develop our strategy.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement Annually/ Half yearly/ Quarterly / others - please specify)	Purpose & scope of engagement including key topics & concerns raised during such engagement
Shareholders/ Investors	No	Meetings, analyst/ earnings calls, emails, telecommunication, post/ courier, website of Company, Stock Exchanges, RTA, Newspaper publication	Regular / Ongoing	1) Periodic information sharing about operations & performance of the Company, 2) updates on Company Policies/Codes, payment of dividend & claiming of unpaid/unclaimed dividend, statutory filings & correspondence
Customers	No	Customer perception Survey, Business Meetings, Email communications, Training Programs, Webinars, Advertisement	Regular / Ongoing	1) To collect customer feedback on our products and services 2) To market features of our products and update about new products 3) Impart training on safe & responsible usage of our products
Suppliers	No	Supplier meets, Business Meetings, Email communications, Training Programs, Webinars, Supplier Quality Improvement Program	Regular / Ongoing	1) To collect their need and expectations 2) To update about our strategies, business plans, new product development & ESG initiatives 3) To resolve their concerns related to business and payment if any 4) Assess their processes through supplier quality improvement program

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement Annually/ Half yearly/ Quarterly / others - please specify)	Purpose & scope of engagement including key topics & concerns raised during such engagement
Dealers and retailers	No	Dealer Meets, Email communications, Leaflets, Presentations, Online & physical meetings, Training programs, Conferences, Dealer portal, KBL website etc.	Regular / Ongoing	1) To collect their need and expectations 2) To update about our strategies, business plans, new product development & ESG initiatives 3) To resolve their concerns related to business and payment if any
Employees and Workers	No	Employee Engagement Survey, Performance Management reviews, Monthly Reviews, E-mail communications, Mahasabha, Speak-out sessions, Newsletter, website, Tele communication & SMS, various training/ awareness programs etc.	Regular / Ongoing	1) To collect their feedback on growth, work-life balance, and other facilities 2) To update about our annual and long-range business plans 3) To review the performance on monthly basis 4) Collect training needs and impart trainings
Financial Institutions	No	Meetings (Virtual/personal), E-mail communications, Newsletter, website, Tele-communication & SMS	Regular / Ongoing	1) To understand their need & expectations 2) To resolve their concerns related to business and payment if any 3) To seek continuity in their financial support
Communities	No	Focused Group Interactions, Impact Surveys, Grievance Redressal channels, NGO partners	Need-based	1) To gather needs and expectations of various components of society 2) Contribute in well-being through CSR activities
Business and Government Bodies	No	Annual Reports, Compliance Reports, Meetings and discussions by regulatory bodies	Regular, Ongoing	1) To understand their need & expectations 2) To resolve their concerns if any 3) To ensure compliance to regulatory requirements

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Stakeholder consultations are conducted through various channels such as meetings, reviews, surveys, feedback mechanisms, customer interactions, employee engagement forums, investor communications, supplier discussions, community outreach programmes, and grievance redressal systems. We have formed a corporate level Sustainability Committee under the authority of our CMD consisting of non-board members. The corporate sustainability committee reports progress of ESG initiatives along with other updates to the Board twice a year. This process enables the Board to consider stakeholder perspectives while overseeing the Company's strategic, economic, environmental, social, and governance priorities.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, we consult our stakeholders for identification of impact of material issues on our business. We work collaboratively with all stakeholder groups for the management of identified issues thereby utilising opportunities and mitigating the risks

related to environment, social and governance aspects. We also deliberate each material issue based on its impact and identify goals to reduce its impact.

For more details, refer to Section A (General Disclosures) and Materiality section on Page 20

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.

We take special efforts to help and uplift the underserved and unprivileged groups of society. We work for benefits of women, differently abled, vulnerable, disadvantaged, and marginalised groups and take extra efforts to address their concerns and grievances. Our CSR activities are focused in the areas of education, health and hygiene, environment, disaster management and rural development for above groups.

During the reporting period, no critical issues were reported by vulnerable / marginalised stakeholder groups.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	1,574	1,574	100	1,539	1,539	100
Other than permanent	219	219	100	153	153	100
Total Employees	1,793	1,793	100	1,692	1,692	100
Workers						
Permanent	1,008	1,008	100	1,067	1,067	100
Other than permanent	297	297	100	220	220	100
Total Workers	1,305	1,305	100	1,287	1,287	100

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to Minimum wage		More than Minimum wage		Total (D)	Equal to minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	1,459	0	0	1,459	100	1,428	0	0	1,428	100
Female	115	0	0	115	100	111	0	0	111	100
Other	0	0	0	0	0	0	0	0	0	0
Other than Permanent										
Male	197	0	0	197	100	141	0	0	141	100
Female	22	0	0	22	100	12	0	0	12	100
Other	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent										
Male	937	0	0	937	100	997	0	0	997	100
Female	71	0	0	71	100	70	0	0	70	100
Other	0	0	0	0	0	0	0	0	0	0
Other than Permanent										
Male	247	0	0	247	100	179	0	0	179	100
Female	50	0	0	50	100	41	0	0	41	100
Other	0	0	0	0	0	0	0	0	0	0

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration/ wages:

	Male		Female		Other	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	10	₹ 2.99 mn	3	₹ 3.23 mn	0	0
Key Managerial Personnel (Excluding CMD)	2	₹ 8.36 mn	0	0	0	0
Employees other than BoD and KMP	1,654	₹ 1.03 mn	136	₹ 0.82 mn	0	0
Workers	1,184	₹ 0.92 mn	121	₹ 0.30 mn	0	0

*These details include independent directors who ceased to be on the Board of the Company during FY 2025-26

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	6.02	5.36

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, HR Head through the functional heads of the departments / unit heads of the Company is responsible for addressing human right related issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

- We have a robust grievance mechanism that helps us to have a stronger and stable workforce. It helps to resolve all concerns and facilitate in communicating people suggestions to the management through different channels.
- Speak out session are organised giving opportunity to our employees to raise their grievances.
- Our Whistle Blower Policy help employees to report to the management, instances of any unethical behaviour, actual or suspected fraud or violation of the company's code of conduct.
- KBL has a Human Rights Policy that emphasises respect for human rights and prohibits child labor, forced labor and workplace discrimination. This policy is communicated to all employees and is available internally
- Buddy system helps new employees to learn their jobs and roles in a better way and to make them understand various processes and systems of the organisation.
- Different committees are formed like safety, canteen, IR, PF and joint council committee to resolve grievances and also to improve the process.

6. Number of Complaints on the following made by employees and workers:

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, in the following format

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment of Women at Workplace (prevention, prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

As part of Whistle-blower Policy and POSH Policy, we protect the identity of the complainant. All such matters are dealt in strict confidence. Also, as part of our Code of Ethics, we do not tolerate any form of retaliation against anyone reporting legitimate concerns. Any efforts of targeting such individuals are strictly dealt with disciplinary action.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, we expect our business partners to comply all applicable laws and regulations including human right requirements. For example, pertinent clause in Purchase order—The Supplier shall comply with all statutory and regulatory provisions as are applicable to its establishment, including but not limited to the Factories Act, 1948, the Child Labour (Prohibition and Regulation) Act, 1986 and the applicable Human Right requirements as spelt in KBL Human Right Policy uploaded at <https://www.kirloskarpumps.com/investors/policies>

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	NA

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Not Applicable, as no significant risks/concerns were identified as a part of the assessments undertaken.

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

We extend our commitment to responsible business practices by integrating fair working conditions and good environmental practices throughout the value chain. We strive to find business partners that share our values concerning human rights, labour standards and health and safety. Labour practices assessment is part of our new evaluation system for suppliers. Suppliers, who fail to comply with labour practices requirement are asked to implement the same.

Our Human Right policy is also extended to our value chain and we ensure compliance by our partners through ESG assessment.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Human rights-related aspects are covered as part of the Company's regular internal audit process and compliance reviews. However, the Company does not currently undertake a separate standalone human rights due diligence assessment.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, at every premise / office, we have provided facilities at entry & exit points, washrooms, workstations, canteen, and vehicle parking spaces near the entry gate for differently abled visitors

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	90.4
Wages	
Others – Statutory Deductions like PF & ESIC	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

As per our assessment process, no major non-compliance observed in terms of Occupational Health and Safety practices and working conditions. We do not engage with value chain partners if we observe major deviation with respect to above.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2025-26	FY 2024-25
From renewable sources		
Total electricity consumption (A) GJ	58,981.82	24,622.42
Total fuel consumption (B) GJ	0	0
Energy consumption through other sources (C) GJ	0	0
Total energy consumption renewable sources (A+B+C) GJ	58,981.82	24,622.42
From non- renewable sources		
Total electricity consumption (D) GJ	1,07,686.10	1,41,338.80
Total fuel consumption (E) GJ	19,614.95	26,551.42
Energy consumption through other sources (F) GJ	0	0
Total energy consumed from non-renewable sources (D+E+F) (GJ)	1,27,301.06	1,67,890.22
Total energy consumed (GJ) (A+B+C+D+E+F)	1,86,282.88	1,92,512.63
Energy intensity per rupee of turnover in GJ / ₹ of turnover (Total energy consumption/ Revenue from operations)	0.000006587	0.000006635
Energy intensity in GJ per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumption/ Revenue from operations adjusted for PPP)	0.00013397	0.000001621
Energy intensity in GJ per unit of product sold	0.145	0.141
Energy intensity- optional – the relevant metric may be selected by the entity	Not Applicable	Not Applicable

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

Yes, independent Sustainability Assessment and Assurance has been carried out by M/s SGS India Pvt Ltd., Pune

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in Kilolitres)		
(i) Surface water	2,07,468.13	2,16,899
(ii) Groundwater	6,681.78	36,272
(iii) Third party water	31,777.77	1,071
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in Kilolitres) (i + ii + iii + iv + v)	2,45,927.68	2,54,242
Total volume of water consumption (in Kilolitres)	2,45,927.68	2,54,242

Parameter	FY 2025-26	FY 2024-25
Water intensity in Kilolitres per rupee of turnover in kl / ₹ of turnover (Water consumed / turnover)	0.00000869	0.00000876
Water intensity in Kilolitres per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP)	0.000176872	0.00000214
Water intensity in Kilolitres per unit of product sold	0.19	0.19
Water intensity- optional – the relevant metric may be selected by the entity	Not Applicable	Not Applicable

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

Yes, independent Sustainability Assessment and Assurance has been carried out by M/s SGS India Pvt Ltd., Pune

4. Provide the following details related to water discharged:

Our Corporate Office and manufacturing plants have Effluent and/or Sewage treatment plants and water treated in these treatment plants is reused for domestic / industrial purpose.

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Our Corporate Office and manufacturing plants have facilities to treat wastewater and/or effluent generated during operations through sewage / effluent treatment plants (STP/ETP) and then reused for domestic/industrial purposes.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx	MT/ Year	0.84	1.80
SOx	MT/ Year	0.36	0.72
Particulate Matter (PM)	MT/ Year	39.56	37.50
Persistent organic pollutants (POP)	-	0	0
Volatile organic compounds (VOC)	MT/ Year	4.37	5.57
Others- Please specify	-	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency. –

Yes, independent Sustainability Assessment and Assurance has been carried out by M/s SGS India Pvt Ltd., Pune

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1,337.68	2,630.14
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	21,288.94	28,542.59
Total Scope 1 and Scope 2 emissions per rupee of turnover in MT / ₹ of turnover (Total Scope 1 & Scope 2 GHG emissions/ Revenue from operations)	Metric tonnes of CO ₂ equivalent per ₹ turnover	0.0000008001	0.000001074
Total scope 1 & 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 & Scope 2 GHG emissions/ Revenue from operations adjusted for PPP)	Metric tonnes of CO ₂ equivalent per ₹ turnover	0.00001627	0.0000002624
Total Scope 1 and Scope 2 emission intensity in terms of physical output (MT per unit of product sold)	Metric tonnes of CO ₂ equivalent per product	0.018	0.02
Total Scope 1 and Scope 2 emission intensity - optional – the relevant metric may be selected by the entity		Not Applicable	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency. –

Yes, independent Sustainability Assessment and Assurance has been carried out by M/s SGS India Pvt Ltd., Pune

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, we are working on multiple fronts that shall help us in reducing GHG emission, few of those are listed below -

- KBL upload its value of "Commitment towards environment" and strive to implement innovative technologies and practices across value chain to combat climate change. KBL has developed and implemented a Climate Change Policy that outlines our commitment to reducing GHG emissions and mitigating climate change. This policy is in line with global frameworks like the Paris Agreement and national/regional regulations regarding climate action
- 49% reduction in Scope 1 emissions and 6% reduction in scope 2 emissions as compared to FY 2024-25
- KBL has implemented 13.5 MW of open access sola power, complemented by rooftop solar of 4.75 MW and 4 MW Wind Power across facilities. This integrated approach to renewable energy sourcing has enabled KBL to increase its overall renewable energy share to 38% of its total energy consumption. As a result of this transition, KBL has achieved a substantial reduction in greenhouse gas (GHG) emissions, contributing to our broader environmental and climate action goals.
- Replacement of diesel operated forklift to battery operated forklift
- KBL monitors all applicable categories of scope 3 emissions
- Promoting carpooling, use of e-vehicles and bicycle for commuting among employees
- Switching to CNC fuelled transportation from Diesel fuel vehicles by suppliers thereby reducing significant amount of emissions during transportation phase
- KBL has implemented several energy efficiency initiatives, such as upgrading our facilities with LED lighting, optimising Heating, Ventilation and Air Conditioning (HVAC) systems, and transitioning to high-efficiency equipment
- KBL has adopted zero-waste practices in its facilities and works towards reducing the amount of waste sent to landfills. This includes improving recycling rates and reducing Scope 3 emissions from waste disposal

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in MT)		
Plastic waste (A)	14.27	18.80
E-waste (B)	3.59	3.85
Bio-medical waste (C)	0.01	0.01
Construction and demolition waste (D)	0	0
Battery waste (E)	3.33	6.07

Parameter	FY 2025-26	FY 2024-25
Radioactive waste (F)	*	*
Other Hazardous waste. Please specify, if any. (G) – Paint sludge, used oil, ETP sludge	175.32	186.58
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) – Food waste, metal scrap, wooden scrap, burnt sand, corrugated sheets	36,224.52	47,807.67
Total (A+B + C + D + E + F + G + H)	36,421.03	48,022.98
Waste intensity per rupee of turnover in MT / ₹ of turnover (Total waste generated/Revenue from operations)	0.00000129	0.000001655
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste generated / Revenue from operations adjusted for PPP)	0.000026194	0.000000404
Waste intensity per unit of product sold	0.0284	0.0352
Waste intensity - optional – the relevant metric may be selected by the entity For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in MT)	Not Applicable	Not Applicable
Category of waste in MT		
(i) Recycled	5540.50	3,984.04
(ii) Re-used	8,200.73	6,607.55
(iii) Other recovery operations (Co-processing)	39.24	57.73
Total	13,780.47	10,649.32
For each category of waste generated, total waste disposed by nature of disposal method (in MT)		
Category of waste in MT		
(i) Incineration	0.74	38.76
(ii) Landfilling	22,628.11	11,211.17
(iii) Other disposal operations	11.71	26,123.72
Total	22,640.56	37,373.65

*We manage radioactive wastes in line with AERB (Atomic Energy Regulatory Board) rules and dispose it back to original suppliers. The weight of radioactive wastes generated in current year is negligible (50 gm approx.)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

Yes, independent Sustainability Assessment and Assurance has been carried out by M/s SGS India Pvt Ltd., Pune

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

- We have implemented specific initiatives to promote the principles of the 3R's (Reduce, Reuse, Recycle) for effective waste management. Hazardous waste is regularly disposed of through agencies authorised by the State Pollution Control Board. Our waste generation is well within the limits prescribed under the consent of the State Pollution Control Board (SPCB) or the Central Pollution Control Board (CPCB).
- All our manufacturing plants hold ISO 14001:2015 (Environmental Management System) Standard certification. We have established dedicated procedures that align with ISO requirements and statutory obligations. These systems and processes are designed to minimise hazardous waste generation, and they undergo internal audits twice a year and annual external audit through an authorised agency. By maintaining a sound waste management system, we go beyond mere compliance with state regulations.
- Our waste management approach involves comprehensive monitoring of hazardous and non-hazardous waste generation streams at each plant. Waste is segregated and stored separately in designated waste management sheds. Disposal of waste follows the prescribed conditions set by the State Pollution Control Board. Moreover, organic waste generated in our kitchens are utilised to derive energy.
- We are also in the process of assessing our waste management practices to explore further scope of improvement and as a next step towards achieving Zero Waste to Landfill certification for our plants.
- Dewas plant achieved "Approaching to Zero Waste to Landfill" certification and Sanand plant achieved "Aspiring to Zero Waste to Landfill" certification

Process for Waste management -

- (a) Plastics (including packaging) – Procedure in place at all the manufacturing locations as per ISO 14001:2015 certification
- (b) E-waste – Corporate guidelines are available for safe disposal of e-waste
- (c) Hazardous waste – Procedure in place at all the manufacturing locations as per ISO 14001:2015 certification
- (d) Other waste (Metal Waste) – Procedure in place at all the manufacturing locations as per ISO 14001:2015 certification for Metal waste. Most of the metal scrap is recycled in our foundry units

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

This is not applicable for us as none of our plants are located in ecologically sensitive areas.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, we are complying with all the applicable laws.

LEADERSHIP INDICATORS

1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

- I. Name of the area: The water stress areas have been identified based on Block-wise Categorisation as per GWRA-2025 Report by the Central Ground Water Board. According to this report, Dewas and Coimbatore plant location has been classified as 'Over-Exploited', while all other plant locations are classified as 'Safe'.
- II. Nature of operations: Small Pump Business
- III. Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in Kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	1,146.91	31,320
(iii) Third party water	31,346.49	659.68
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in Kilolitres) (i + ii + iii + iv + v)	32,493.40	31,980.40
Total volume of water consumption (in Kilolitres)	32,493.40	31,980.40
Water intensity in Kilolitres per rupee of turnover in kl / ₹ of turnover (Water consumed / turnover)	Not Applicable	Not Applicable
Water intensity in Kilolitres per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP)	Not Applicable	Not Applicable
Water intensity in Kilolitres per unit of product sold	Not Applicable	Not Applicable
Water intensity - optional – the relevant metric may be selected by the entity	Not Applicable	Not Applicable

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N): No

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric Tonnes of CO ₂ equivalent	2,01,834.36	2,08,010.63
Total Scope 3 emissions per rupee of turnover	Tonnes of CO ₂ equivalent / ₹ of turnover	0.00000713	0.00000717

- Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
- All applicable categories of scope 3 emissions are considered except category 11, whereas for category 15, investment only in India has been considered.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	CII GreenPro Eco Label certification for our pumps and castings	We have conducted Life Cycle Analysis for several products. Various features in our products and processes like use of renewable energy, high efficiency, low maintenance, less reduction in efficiency due to wear & tear in operations has resulted in achieving GreenPro Eco Label Certification from CII for our castings from foundries and products. http://ciigreenpro.com/ecolabelled-products/categories	GreenPro Eco Label Certification from CII demonstrating our leadership in Product Stewardship and Innovation
2	High efficiency motor-IE4/ IE5 motors for Monoblock pumps	Energy efficient motor driven monoblock pump. Refer our website for more details at below link - https://www.kirloskarpumps.com/kirloskar-pumps/products/product_type/Monobloc-Pumps/	Reduced carbon footprints / Energy saving due to higher efficiency
3	Development of FGD pumps	These pumps are used for flue-gas desulphurisation application in thermal power plants.	Used in power plants to minimise sulphur content in flue gas
4	Solar pumping system	Pump-set driven by solar energy https://www.kirloskarpumps.com/kirloskar-pumps/product/SOLAR+PUMPING+SYSTEM/	Zero carbon emission during operation phase
5	Micro hydro power generator- PAT/PICO	KBL's Pump as Turbine (PAT) is a unique pumping solution that can be operated in reverse as a turbine for generating micro hydroelectricity (up to 100 kW) PICO pump, like PAT, is designed for meeting energy requirements in industries https://www.kirloskarpumps.com/product/Micro+Hydro+Power+Generator+-+PICO/ https://www.kirloskarpumps.com/product/Pump+As+Turbine/	Generation of clean hydroelectric power
6	Submersible pumps for desalination industry-CW	Pumping water at high pressure across the membrane https://www.kirloskarpumps.com/kirloskar-pumps/wp-content/uploads/2020/07/KVM-Leaflet.pdf	Import substitution reducing transportation and cost
7	Products for nuclear industry	We are leading manufacturer of pumping solutions for various critical applications in the nuclear industry	Import substitution reducing transportation and cost
8	Fire-fighting pumps with FM/ UL approval	FM/UL approvals to meet quality norms of The National Fire Protection Association (NFPA) https://www.kirloskarpumps.com/product/FM-approved+and+UL-listed+Fire+Fighting+Pump/	International approvals have greater reliability when preventing property damage in case of fire
9	Induction Furnace for CI Foundry	We have replaced our cupola furnaces with induction furnaces, which shall now avoid the use of high GHG emission fossil fuel like coke	Reduction in emission

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
10	BEE star rating certification for borewell submersible pumps	Energy efficient borewell submersible pumps meeting BIS specifications and star rating from Bureau of Energy Efficiency https://www.kirloskarpumps.com/kirloskar-pumps/products/market/Submersible-Pumps/	Energy saving / lower life cycle cost
11	Development of high-efficient DBXe end suction pump series	Developed Energy efficient end suction DBXe pumps with MEI Norms https://www.kirloskarpumps.com/product/End+Suction+Pump+-+DBXe/	Energy saving / lower life cycle cost
12	HPML Technology for Cast Iron foundry at Dewas	We have installed High Pressure Molding Line (HPML) technology for Cast Iron foundry at our Dewas plant. This is expected to improve the accuracy and productivity of castings.	Reduction in carbon emission
13	High efficiency product for process application	Energy efficient End Suction Process Pumps – KPD Series https://www.kirloskarpumps.com/product/End+Suction+Process+Pump+-+KPD/	Energy saving

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

- The entity maintains a comprehensive Business Continuity and Disaster Management Plan to ensure operational resilience during disruptions
- The plan identifies critical business functions, risk scenarios and recovery priorities. It outlines preventive controls and communication protocols for stakeholders. Data backup systems, alternate work locations and IT disaster recovery machines are established to minimise downtime
- Periodic trainings as per annual training plan, mock drills and plan reviews are conducted to ensure effectiveness and readiness
- A dedicated crisis management team oversees implementation and continuous improvement, ensuring the entity can respond swiftly and restore normal operations with minimal impacts.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard

We do not envisage any adverse impact from the activities of our value chain.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

90.4% of our value chain partners were assessed for environmental impacts

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/ associations.

There are 15 + number of affiliations with trade and industry chambers/ associations

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Hydraulic Institute (HI)	International
2	American Society of Mechanical Engineers(ASME)	International
3	Confederation of Indian Industry (CII)	National
4	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
5	Indian Pump Manufacturers Association (IPMA)	National
6	Indian Valve and Actuator Manufacturers Association (IVAMA)	National
7	Bureau of Energy Efficiency (BEE)	National
8	National Safety Council (NSC)	National
9	Mahratta Chamber of Commerce & Industries (MCCIA)	State
10	Indore Management Association	State

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
None, as we did not receive any adverse orders from regulatory authorities related to anti-competitive conduct		

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Web Link, if available
1	Standard formulations and Amendments in Indian Standards on centrifugal pumps	Updating/amending the standards based on advancement of technology such as energy efficiency through BIS Technical Committee	Yes, after the final draft is approved	-	-
2	ISO Standards formulations, changes, guidebooks	Through Hydraulic Institute (ANSI/HI) committee meetings	Yes, once documents are published	-	www.pumps.org
3	Policy related pumps/ pumping systems/scheme	Through IPMA/BEE committee meetings and discussions	Yes, once policy is formulated it is made available in public domain	-	-
4	Use of Energy efficient products, like LLC™ IE3/ IE4/IE5 products	CII conferences/BEE/ National conferences held by Educational Institutes/ Industrial forums	No	-	-
5	Firefighting system and Fire pump recommendations for commercial and residential buildings, Factories	FIRE & SECURITY ASSOCIATION OF INDIA (FSAI) conference and National Building Code (NBC)	Yes (in parts)	-	-

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project or which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

We have implemented a well-defined process to receive and address concerns and grievances from the community. At the site level, a committee is formed comprising members from different functions such as administration, security, HR and other functions. This committee is responsible for receiving concerns, whether in written or verbal form and diligently

working towards their resolution. To ensure a thorough investigation and resolution, joint field visits are conducted and the concerns are appropriately addressed in a timely manner. Throughout this process, the concerns are documented, recorded and actively tracked to ensure closure and satisfactory resolution.

In addition, committee members as well as our senior leadership proactively engage with the community as a part of the development work. Throughout the year, a number of informal and formal sessions are conducted which help interactions with the community apart from program specific meetings to facilitate working together. There is a targeted approach for engaging with various sections viz. youth, women and community leaders.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers (SME)	68.45	36.00
Directly from within India	96.76	96.00

5. Job creation in small towns- Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location	FY 2025-26	FY 2024-25
Rural	33.10	0.09
Semi-urban	15.77	41.98
Urban	9.94	16.12
Metropolitan	41.19	41.81

(Place to be categorised as per RBI Classification System-rural/semi-urban/urban/metropolitan)

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

We have not undertaken any projects in aspirational districts

S. No.	State	Aspirational District	Amount spent (In ₹)
Not Applicable			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

Our Sustainable Sourcing Policy encourage local sourcing of goods and services. However, we do not have any preferential procurement policy for purchasing from marginalised/vulnerable suppliers.

(b) From which marginalised /vulnerable groups do you procure?

Whenever feasible, we procure from socially disadvantaged sections of the society like Karnataka Khadi Gram Udyog, Khadi Gram-udyog Sahakari Bhandar

(c) What percentage of total procurement (by value) does it constitute?

< 0.01%

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
	Not Applicable	

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Infrastructure and medical healthcare support	13,520 patients	Though not evaluated, % of beneficiaries from vulnerable and marginalised groups would vary from each activity from 20% to 100%
2	Projects in the field of healthcare and education through Karve Institute of Social Services	29,92,240 students and patients	
3	Plumber Skill Development	8,470 plumbers	
4	Animal Welfare & Biodiversity Conservation	28,200	
5	Local CSR Initiatives in the field of healthcare, biodiversity and Education	18,129	

*For more details on CSR, Kindly refer to Social and Relationship Capital on Page 76

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

To enhance customer support, we have established a dedicated customer call centre and a user-friendly online portal. These platforms enable existing customers to conveniently log product and service-related complaints. Depending on the nature of each complaint, appropriate escalation procedures are in place, ensuring that all issues are addressed within specified timeframes. We also have a customer care toll-free number 1800 123 4443 to connect with our technical experts for hassle-free customer service and technical support. Apart from this, we have provided an email ID (kblcare@kbl.co.in) and WhatsApp number (+91 9922710710) to facilitate our customers for resolving service related concerns and feedback. These facilities are available 24*7.

Customers can also scan the QR code on their pumps & pump boxes and they can get all the technical details and specifications of the pump on their smartphone instantly.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

As a percentage to total turnover	
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and /or safe disposal	We have established separate procedure guiding our customers about end-of-life treatment for our products and same has been uploaded on our website

3. Number of consumer complaints in respect of the following:

	FY 2025-26			FY 2024-25		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive trade practices	0	0	NA	0	0	NA
Unfair trade practices	0	0	NA	0	0	NA
Others-Legal	1	0	Reported case is resolved	3	0	NA

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework /policy on cyber security and risks related to data privacy? (Yes/No) if available, provide a web-link to the policy.

Yes, we have internal guideline document on cyber security and data privacy and same has been uploaded on our Company's intranet for internal reference.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/ services.

None, as no such major issue has been observed by us.

7. Provide the following information relating to data breaches-

- Number of instances of data breaches along – Nil
- Percentage of data breaches involving personally identifiable information of Customers- Nil
- Impact, if any, of the data breaches- Nil

LEADERSHIP INDICATORS**1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Information related to all the products and services provided by us are available on our website, <https://www.kirloskarpumps.com/>. Technical and service-related information about the products is also available in hard print in the form of brochures, flyers, manuals etc.

We actively use various social media and digital platforms to disseminate information about our products and services. We have introduced an effective and faster medium where customers / stakeholders can call our toll-free number 1800 123 4443 and connect with the experts for hassle-free customer service and technical support.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.

The Installation and Operation Manual (IOM) containing details of our products is provided to all customers during delivery of product. Also, customers are informed and educated on the safe and responsible usage of the products.

We provide Augmented reality/Virtual reality trainings to educate our customer and stakeholders. We also conduct customer meets and exhibitions to inform and educate our customers about safe & responsible usage of our products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not applicable, as we are not in the business of providing essential services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/no/not Applicable) If yes, provide details in brief. Did your entity carry out any survey about consumer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/ No)

Yes, we provide information relating to products over and above mandatory requirements wherever relevant for safe and responsible usage of our products.

We regularly undertake Customer Perception Survey (CPS) to know customer satisfaction level with respect to our brand, manufacturing capabilities, products, and services. This survey is generally conducted biennial across all business verticals and prompt improvement measures are implemented against feedback received.



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INDEPENDENT ASSURANCE STATEMENT

Independent Reasonable Assurance Statement to Kirloskar Brothers Limited on its BRSR Core Report for FY 2025-26

To,

The Board of Directors and Management,

Kirloskar Brothers Limited,
Yamuna, Survey No. 98/ (3-7), Plot No 3
Baner, Pune – 411 045, Maharashtra, India.

Nature of the Assurance

SGS India Private Limited (hereinafter referred to as 'SGS India') was engaged by Kirloskar Brothers Limited (the 'Company' or 'KBL') to conduct an independent assurance of the Company's Business Responsibility and Sustainability Reporting (BRSR Core) (the 'Report') pertaining to the reporting period of April 1, 2025, to March 31, 2026. SGS India has conducted a Reasonable level of Assurance for BRSR Core parameters. This assurance engagement was conducted in accordance with "International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410.

Reporting framework

The Report has been prepared following

1. Master Circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities: BRSR Core and Non-Core Framework for Assurance and ESG Disclosures for Value Chain (Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026), dated 30 January 2026.
2. Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

Intended Users of this Assurance Statement

This Assurance Statement is provided with the intention of informing all Kirloskar Brothers Limited's Stakeholders.

Responsibilities

The information in the report and its presentation are the responsibility of the management of the Company. SGS India has not been involved in the preparation of any of the material included in the report.

Our responsibility is to express an opinion on the text, data, and statements within the defined scope of assurance, aiming to inform the management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific scope. The statement shall not be used for interpreting the overall performance of the Company, except for the aspects explicitly mentioned within the scope.

Assurance Standard

SGS India has conducted an engagement in accordance with the International Standard on Assurance Engagement (ISAE) 3000(revised) and ISAE 3410 (Assurance Engagements other than Audits or Reviews of Historical Financial Information). Our evidence-gathering procedures were designed to obtain a 'Reasonable' level of assurance, which is a high level of assurance in accordance with ISAE 3000(revised) standard but is not absolute certainty. It involves obtaining sufficient appropriate evidence to support the conclusion that the information presented in the report is fairly stated and is free from material misstatements.



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Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS India affirms our independence from Kirloskar Brothers Limited, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance.

Scope of Assurance

The assurance process involved assessing the quality, accuracy, and reliability of BRSR Core Indicators (KPIs) within the report for the period 1st April 2025 to 31st March 2026. The reporting scope and boundaries include 1 Corporate Office and 5 Manufacturing Plants spread across different states in India (Standalone basis)

- Corporate Office- Yamuna, Survey No. 98/(3 to 7), Baner, Pune 411045, Maharashtra
- Kirloskarvadi Plant- Kirloskar Brothers Limited, Kirloskarvadi, Dist. Sangli 416308, Maharashtra
- Dewas Plant- Kirloskar Brothers Limited, Station Road, Dewas, 455 001, Madhya Pradesh
- Sanand Plant- Kirloskar Brothers Limited, 254/1 Chharodi Village, Sanand Ahmedabad Viramgam Highway, Ahmedabad- 382 170 Gujarat
- Kaniyur Plant- Kirloskar Brothers Limited, S.F. No. 324/1- Moperipalaym Road, Thattampudur, Kaniyur Village, Karumathampatti Post, Coimbatore- 641 659, Tamil Nadu
- Shirwal Plant- Kirloskar Brothers Limited, Gate No 117, Shindevadi, Tal. Khandala, Dist. Satara- 412 801, Maharashtra

Assurance Methodology

The assurance comprised a combination of desktop review, interaction with the key personnel engaged in the process of developing the report, on-site visits, and remote verification of data. Specifically, SGS India undertook the following activities:

- Assessment of the suitability of the applicable criteria in terms of its comprehensiveness, reliability, and accuracy.
- Interaction with key personnel responsible for collecting, consolidating, and calculating the BRSR Core KPIs and assessing the internal control mechanisms in place to ensure data quality.
- Application of analytical procedures and verification of documents on a sample basis for the compilation and reporting of the KPIs.
- Assessing the aggregation process of data at the KBL Corporate Office level.
- Critical review of the report regarding the plausibility and consistency of qualitative and quantitative information related to the KPIs.

Limitations

The assurance scope excludes:

- Disclosures other than those mentioned in the assurance scope.
- Data review outside the operational sites as mentioned in the reporting boundary.
- Validation of any data and information other than those presented in "Findings and Conclusion."
- The assurance engagement considers an uncertainty of $\pm 5\%$ based on the materiality threshold for Assumption/estimation/measurement errors and omissions.
- The Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Strategy and other related linkages expressed in the report.
- Mapping of the report with reporting frameworks other than those mentioned in the reporting criteria above.

SGS India verified data on a sample basis; the responsibility for the authenticity of the data entirely lies with the Company. The assurance scope excluded forward-looking statements, product or service related information, external information sources and

Page no.2



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expert opinions. SGS India has not been involved in the evaluation or assessment of any financial data/performance of the company. Our opinion on financial indicators is based on the third-party audited financial reports of the Company. SGS India does not take responsibility for the financial data reported in the Company's audited financial reports.

Findings and Conclusions

Based on the procedures we have performed and the evidence we have obtained, we are satisfied that the information presented by the Company in its report on the Core Indicators (as per Annexure A) is complete, accurate, reliable, has been fairly stated in all material respects, and is prepared in line with the BRSR Core requirements.

For and on behalf of SGS India Private Limited

 Kalpesh Thombare Technical Reviewer and National Manager – ESG & Sustainability Services, SGS India. 26th June 2026.	 Chirag Bafna Lead Verifier and Senior Technical Associate – ESG & Sustainability Services, SGS India. Team Member: Ms. Vaibhavi Kulkarni. 26th June 2026.



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Annexure A

The list of BRSR Core Indicators that were verified within this assurance engagement is given below:

S.No.	BRSR Core Attributes	BRSR Core Indicators
1	Greenhouse gas (GHG) footprint	≈ Total Scope 1 emissions ≈ Total Scope 2 emissions ≈ GHG Emission Intensity (Scope 1 +2)
2	Water footprint	≈ Total water extraction ≈ Total water consumption ≈ Water consumption intensity ≈ Water Discharge by destination and levels of Treatment
3	Energy footprint	≈ Total energy consumed ≈ % of energy consumed from renewable sources ≈ Energy intensity
4	Embracing circularity	≈ Plastic waste ≈ E-waste ≈ Bio-Medical waste ≈ Construction and Demolition waste ≈ Battery waste ≈ Radioactive waste ≈ Other hazardous waste ≈ Other non-hazardous waste ≈ Total waste generated ≈ Waste intensity ≈ Total waste recovered through recycling, re-using or other recovery operations ≈ Total waste disposed by nature of disposal method
5	Employee well-being and safety	≈ Spending on measures towards well-being of employees as a % of total revenue from operations of the Company ≈ Details of safety related incidents for employees
6	Enabling gender diversity in business	≈ Gross wages paid to females as % of total wages paid ≈ Complaints on POSH
7	Enabling inclusive development	≈ Input material sourced from MSMEs/ small producers as % of total purchases directly sourced from MSMEs/ small producers and directly from within India ≈ Job creation in smaller towns - Wages paid to persons employed in smaller towns as % of total wage cost
8	Fairness in engaging with customers and suppliers	≈ Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events ≈ Number of days of accounts payable
9	Open-ness of business	≈ Concentration of purchases & sales done with trading houses, dealers, and related parties ≈ Loans and advances & investments with related parties

Board's Report

TO THE MEMBERS

Your Directors present the 106th Board Report and the Audited Financial Statements of the Company for the Financial Year ended March 31, 2026 together with the reports of the Auditors thereon.

FINANCIAL RESULTS

The financial results of the Company for the Financial Year 2025-26 as compared with the previous Financial Year are as under:

	(₹ Million)	
	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from operations	28,281	29,014
Other income	474	408
Total	28,755	29,422
Profit before tax	3,232	3,473
Tax expense	842	852
Profit for the period	2,390	2,621
Other comprehensive income	26	(41)
Surplus in Profit & Loss Account brought forward from previous year	10,260	8,157
Dividend	(556)	(476)
Available surplus	12,120	10,261

DIVIDEND

The Board of Directors have recommended a Dividend of ₹ 7/- per equity share i.e. @ 350% of face value of ₹ 2/- each, for the Financial Year 2025-26 (₹ 7/- per equity share as Dividend for the Financial Year 2024-25) as per the Dividend Distribution Policy.

The total outflow towards dividend recommended for the Financial Year 2025-26 will be ₹ 555.86 Million as against ₹ 555.86 Million for the previous financial year.

Your Company has formulated a policy for Dividend Distribution which is disclosed on the website of the Company and can be accessed at <https://www.kirloskarpumps.com/wp-content/uploads/2025/02/Dividend-Distribution-Policy.pdf>

OPERATIONS OF THE COMPANY

On a consolidated basis, the revenue from operations for the year under review is ₹45,380 Million, which represents an increase of 1% as compared to the previous financial year. The revenue from operations for the year under review is ₹28,281 Million, on a standalone basis, which represents a decrease of 2.6% as compared to the previous financial year.

During FY 2025-26, Kirloskar Brothers Limited (KBL/the Company) operated in a global environment marked by

slowing yet resilient economic growth, elevated energy prices and cautious capital spending. Despite these challenges, the Company demonstrated operational resilience, strengthened its market position across core segments and continued its focus on technology, quality and customer-centric execution.

Operational Performance

The Company sustained stable performance across its domestic and international operations, supported by diversified end-market exposure, disciplined execution and a strong order pipeline in infrastructure, water, power and industrial segments. Robust demand from government-led initiatives, urban infrastructure investments and industrial modernisation programmes in India offset global macro uncertainties and ensured healthy capacity utilisation across manufacturing facilities.

Focused initiatives around operational excellence, digitalisation and cost optimisation enhanced productivity and responsiveness, enabling the Company to meet customer commitments while maintaining high standards of quality and safety.

During FY 2025-26, KBL recorded strong momentum across infrastructure-linked verticals. The Water Resource Management business secured significant orders from government bodies, OEMs and EPC contractors across multiple states, including marquee projects from the Water Resources Department, Maharashtra and the Kolkata Municipal Corporation. Demand for Auto Prime pumps, KirloSmart™ 2.0 IoT solutions and spares remained healthy, while direct exports and opportunities in solar hybrid pumping systems further strengthened growth prospects. The Irrigation segment also performed well, with major orders from NVDA and the Government of Madhya Pradesh, along with flood control and pump modernisation projects for the Uttar Pradesh Irrigation Department. The Valves business benefited from repeat project orders and higher MRO focus, while the Building and Construction segment delivered robust performance through supplies to major airports, urban infrastructure and disaster management projects, supported by growing adoption of smart firefighting and automation solutions.

The Industry segment recorded strong growth led by steel, chemicals, coal and mining sectors, with new customer additions and increased adoption of energy-efficient and special products. The Small Pump Business demonstrated resilience amid macro challenges, supported by improved execution, portfolio expansion and digitalisation. Customer Service and Spares and the Engineered Services Division maintained stable growth, driven by energy audits, retrofit opportunities and strong service execution, reinforcing KBL's leadership across the lifecycle of pumping solutions.

Strategic Achievements and Technology Leadership

During the year, the Company recorded significant milestones reinforcing its leadership in engineering excellence, advanced technology and strategic sectors:

- **Kalpakkam Fast Breeder Reactor (PFBR):** KBL engineered and supplied Primary Heat Transport Pumps and Secondary Heat Transport Pumps for the 500 MWe Prototype Fast Breeder Reactor at Kalpakkam, which attained criticality during the year. These pumps are critical to reactor safety as the only rotating equipment in the reactor island. KBL also supplied Concrete Volute Circulating Water Pumps and firefighting systems, marking a major contribution to India's nuclear energy programme and long-term energy security.
- **Nuclear Capability Strengthening:** The Advanced Technology Product Development Centre (ATPD) achieved ISO 19443 certification, demonstrating KBL's capability to meet stringent global nuclear standards and reinforcing its leadership in nuclear-grade manufacturing.
- **Power Sector Growth – Concrete Volute Pumps:** The Company secured significant orders from Adani Power for large concrete volute pumps used in cooling water systems, showcasing its global capability in high-capacity pumping solutions for energy infrastructure.
- **Indigenisation and Atmanirbhar Bharat:** KBL successfully developed and supplied an indigenous pumping solution for retail petroleum outlets, enabling import substitution and contributing to India's self-reliance in specialised applications.
- **Marine & Defence:** The Company continued supporting India's defence programmes by supplying advanced pumping systems for indigenous naval platforms such as INS Udaygiri and INS Taragiri.

Digital and Smart Solutions

KBL strengthened its position in intelligent pumping systems through innovative digital solutions:

- **KirloSmart™ Nano:** A compact, intelligent remote monitoring platform enabling predictive maintenance, performance optimisation and energy efficiency improvements.
- **KirloSmart™ Fire:** A dedicated smart solution for firefighting systems ensuring real-time monitoring, reliability and regulatory compliance.
- **Smart Skid Mounted Fire Pump Set:** A factory-assembled integrated firefighting solution designed to simplify installation, reduce execution timelines and enhance reliability.

Manufacturing Excellence and Infrastructure

The Company's manufacturing operations across Kirloskarvadi, Dewas, Kaniyur and Sanand delivered consistent performance, supported by TPM deployment,

capacity expansion, product innovation and ESG-focused practices.

- The Kirloskarvadi plant received the prestigious TPM Excellence Award from the Japan Institute of Plant Maintenance (JIPM), recognising world-class manufacturing practices and a strong culture of continuous improvement.
- The Hydraulic Research Centre at Kirloskarvadi achieved NABL accreditation (ISO/IEC 17025:2017) along with approval from the Hydraulic Institute, USA, establishing it among globally recognised pump testing facilities.
- Karad Projects and Motors Limited (KPML), a wholly owned subsidiary, earned the Platinum Rating under the CII Green Co framework, highlighting excellence in sustainable manufacturing practices including energy efficiency, water conservation and environmental stewardship.

The small and medium pump segment was impacted by the implementation of the Foundry ERP at the Kirloskarvadi plant. With stabilisation achieved, improved operational visibility and efficiency are expected going forward.

International Operations

During FY 2025–26, the Company's international operations delivered resilient and balanced performance despite global uncertainties. Overseas businesses benefited from strong execution, disciplined cost management and a healthy order book across segments.

SPP Pumps Ltd., the Company's flagship international subsidiary, maintained its leadership position in the UK pump industry and was awarded the Pump Industry Awards (UK) – Manufacturer of the Year for the fourth consecutive year, reflecting consistent performance and engineering excellence.

Corporate Social Responsibility (CSR)

KBL's CSR initiatives remain aligned with Schedule VII of the Companies Act, 2013 and the United Nations Sustainable Development Goals (SDGs), focusing on education, healthcare, skill development and biodiversity conservation. Key initiatives include:

- **Arogya Sakhi Programme:** Impacted 23,498 beneficiaries and supported 21 Anganwadi centres in Sangli, focusing on maternal and child healthcare.
- **Environmental Sustainability:** Partnership with Aaranyak to address wildlife protection and human-wildlife conflict, contributing to improved conservation outcomes and reduced casualties.

These initiatives reflect KBL's commitment to responsible growth and community development.

AWARDS AND RECOGNITION

During FY 2025–26, KBL received multiple national and international recognitions for quality, operational excellence, energy efficiency and sustainability.

A key highlight was the Openwell Submersible Pump KOSi 135 receiving the “Appliance of the Year” award at the National Energy Conservation Awards 2025, presented by the Hon’ble President of India.

There were no material changes or commitments to report that affected the Company’s financial position that occurred between the end of the Financial Year and the date of this report.

TRANSFER TO RESERVE

The Board has decided to retain the entire amount of profit for the Financial Year 2025-26 and not to transfer any amount to general reserve.

STATUTORY DISCLOSURES

1. SHARE CAPITAL

The Paid-up Equity Share Capital of the Company as on March 31, 2026 was ₹ 158.82 Million comprising of 79,408,926 equity shares of ₹ 2/- each. The Company does not have any shares with differential voting rights or sweat equity.

2. ANNUAL RETURN

As per provisions of Section 92(3) read with Section 134 of the Companies Act, 2013 (‘the Act’), the Annual Return of the Company is placed on the website of the Company at https://www.kirloskarpumps.com/investors/statutory-filings/annual_return/

3. NUMBER OF MEETINGS OF THE BOARD

During the Financial Year under review, 6 (Six) Board meetings were held, the details of which are appearing in the Report on Corporate Governance.

4. DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Act, the Board of Directors to the best of its knowledge and ability confirm that:

- in preparation of the annual accounts, the applicable accounting standards have been followed.
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period.
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- they have prepared the annual accounts on a going concern basis.

- they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

5. INDEPENDENT DIRECTORS’ DECLARATION

All Independent Directors of the Company have given declaration under Section 149(7) of the Act, that they meet the criteria laid down in Section 149(6) of the Act.

6. DISCLOSURE REQUIRED UNDER SECTION 134(3)(e)

The Board has adopted a Board Diversity Policy which sets the criterion for appointment as well as continuance of Directors, at the time of re-appointment of a director in the Company. As per the policy, the Board has an optimum combination of members with appropriate balance of skill, experience, background, gender and other qualities as required by the directors for the effective functioning of the Board.

The Nomination and Remuneration Committee recommends remuneration of the Directors, subject to overall limits set under the Act, as outlined in the Remuneration Policy and other applicable statutes. As per the policy, the Executive Directors are entitled to a fixed salary, commission based on performance evaluation and other non-monetary benefits. In case of Non-Executive Directors, apart from receiving sitting fees, they are entitled to commission on the basis of criterion as per the policy.

The Remuneration Policy is available on the website of the Company at <https://www.kirloskarpumps.com/wp-content/uploads/2023/01/Remuneration-Policy.pdf>. The salient features of this policy are as follows:

- Philosophy:** The Company strongly believes that the system of Corporate Governance protects the interest of all stakeholders by inculcating transparent business operations and accountability from management towards fulfilling the consistently high standards of Corporate Governance in all facets of the Company’s operations.
- Objective:** Transparent process of determining remuneration at the Board and Senior Management level and appropriate balance between the elements comprising the remuneration.
- Coverage:** The policy covers remuneration to Executive, Non-Executive Directors, Key Managerial Personnel and Senior Management Personnel.

7. REPORT OF AUDITORS

During the Financial Year under review, there are no qualifications, adverse remarks, or disclaimers made by

the Statutory Auditor on the financial statements of the Company and by the Secretarial Auditors in his Secretarial Audit Report, which is annexed herewith as **Annexure V**. There are no cases of fraud detected and reported by the Auditor under Section 143(12) during the Financial Year.

M/s. Sharp & Tannan Associates, Chartered Accountants (Firm Registration No. 109983W) have been appointed as Statutory Auditors of the Company for the second term of 5 consecutive years by the shareholders with effect from the conclusion of 102nd Annual General Meeting till the conclusion of 107th Annual General Meeting.

M/s. Dinesh Birla & Associates (C.P. No. 13029 and Peer Review No. 1668), Practicing Company Secretary have been appointed as Secretarial Auditors of the Company for a term of 5 consecutive years by the shareholders with effect from the conclusion of 105th Annual General Meeting i.e. from the Financial Year 2025-26 till the conclusion of 110th Annual General Meeting i.e. till Financial Year 2029-2030.

M/s. Harshad S. Deshpande & Associates, (Firm Registration No. 00378) have been appointed as the Cost Auditors, as per Section 148 of the Act, read with applicable rules made thereunder, for the Financial Year 2026-27. Their remuneration is subject to ratification by the Members at the ensuing Annual General Meeting.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of loans, guarantees or investments under Section 186 of the Act, are available under Note no. 5, 7, 32E and 33 of notes to accounts, attached to the Standalone Financial Statements.

The full particulars are available in the Register maintained under Section 186 of the Act, which is available for inspection during business hours on all working days (except Saturday and Sunday).

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The details of all contracts / arrangements / transactions entered by the Company during the Financial Year 2025-26 with the related parties were in the ordinary course of business and at arm's length basis. There are no transactions required to be disclosed in Form AOC-2 (**Annexure IV**). During the Financial Year, the Company has not entered into contracts / arrangements / transactions with the related parties which could be considered material in accordance with the Company's 'Policy on Related Party Transactions'. The said policy is available on the website of the Company.

Further, attention is drawn to Note no. 32 of the Standalone Financial Statements of the Company for details of related party transactions.

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

Details of energy conservation, technology absorption, research and development and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act, read with the applicable rules, are given as an **Annexure I** to this Report.

11. RISK MANAGEMENT

The Risk Management Committee of the Company meets at regular intervals and identifies the top risks and prioritises those risks. Particulars of the Committee and salient features of the Risk Management Policy of the Company are given in the Report on Corporate Governance. The Risk Management Policy, inter alia, includes identification of major risks and also those risks which in the opinion of the Board may threaten the existence of the Company.

12. CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

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

The key drivers of this policy are as follows:

- The Company believes that serving society is a primary purpose.
- Perceivable improvement in attitude, culture and values amongst employees and community.
- Conservation of natural resources and commitment to Green Environment.
- Developing business processes which are environmentally and socially sustainable.

The details of CSR Policy of the Company and the status of implementation of CSR activities are covered in the Corporate Social Responsibility Report in the required format is given as **Annexure II** to this report.

13. BOARD EVALUATION

The Board has formulated a Board Evaluation Policy for evaluation of individual Directors as well as the entire Board and Committees thereof. The evaluation framework is divided into parameters based on various performance criteria. The evaluation process for the Financial Year ended on March 31, 2026 has been carried out.

As a part of the evaluation process, the Directors submitted their feedback regarding the evaluation of the Board, of its Committees and other individual Directors of the Company for the Financial Year 2025-26, through an online platform. The performance evaluation of the Non-Independent Directors and the Board as a whole, was carried out by the Independent Directors. The Performance evaluation of the Chairman and the Managing Director was also carried out by

the Independent Directors, considering the views of the Executive and Non-Executive Directors. The performance evaluation of the Joint Managing Director of the Company was carried out by the Independent Directors. The results of the said evaluation were shared with the Board, Chairman of the respective Committees and individual directors. The results showed high level of commitment and engagement of the Board and its various committees.

In compliance with the requirements under Schedule IV of the Act, read with Regulation 25(3) of the SEBI Listing Regulations, 2015, a meeting of Independent Directors was held on March 27, 2026 primarily to discuss the matters mentioned under the said Schedule. The feedback of the said meeting was shared with the Board of the Company.

14. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES

Following are the highlights of performance of subsidiaries, associate and joint venture companies and their contribution to the overall performance of the Company during the period under review.

i. Kirloskar Brothers International B.V. (consolidated)

The revenue for the year under review is ₹ 16,284 Million which is 6.70% more as compared to the previous year. This constitutes 35.90% of consolidated revenue of your Company.

ii. Karad Projects and Motors Limited

The revenue for the year under review is ₹ 6,872 Million which is 14.20% more as compared to the previous year. This constitutes 15.10% of consolidated revenue of your Company.

iii. Kirloskar Corrocoat Private Limited

The revenue for the year under review is ₹ 677 Million which is 12.60% more as compared to the previous year. This constitutes 1.50% of consolidated revenue of your Company.

iv. Kirloskar Ebara Pumps Limited (Joint Venture)

The revenue for the year under review is ₹ 2,788 Million which is 21.87% lower as compared to the previous year.

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

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

- Financial summary/highlights are included in the Report.
- There was no change in the nature of business during the year under review.

(iii) Details of Directors are given in the Report of Corporate Governance, forming part of this Integrated Annual Report.

- Ms. Rama Kirloskar (DIN: 07474724) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. Further, she was re-appointed as Joint Managing Director of the Company, with effect from August 03, 2026, for a period of 5 years i.e. upto August 02, 2031. The Board recommends her re-appointment at the ensuing Annual General Meeting of the Company.
- Mr. M.S. Unnikrishnan (DIN: 01460245) ceased to be independent director of the Company on June 04, 2025, on completion of his term of 5 years. He was appointed as an Additional Director in the category of Non-Executive and Non-Independent Director with effect from June 25, 2025. The said appointment was approved by the Members at 105th Annual General Meeting held on August 01, 2025.
- Mr. Harsh Vardhan Shringla (DIN: 11203013) was appointed as an Additional Director in the category of Independent Director, for a term of 5 years with effect from August 02, 2025. The said appointment was approved by the Members on September 10, 2025, through postal ballot.
- Mr. Brij Bhushan Nagpal (DIN: 01853613) was appointed as an Additional Director in the category of Independent Director, for a term of 5 years with effect from November 03, 2025. The said appointment was approved by the Members on December 08, 2025, through postal ballot.
- Details of the Key Managerial Personnel (KMP) of the Company and changes therein during the year under review, are as under:
 - Mr. Sanjay Kirloskar - Chairman and Managing Director (Re-appointed w.e.f. November 19, 2025 till March 21, 2027)
 - Mr. Devang Trivedi - Company Secretary
 - Mr. Bhavesh Chheda - Chief Financial Officer (CFO) (w.e.f. May 14, 2025)

(iv) During the year under review, The Kolhapur Steel Limited/TKSL, stands dissolved and ceased to be a step down wholly owned unlisted subsidiary of the Company (i.e. wholly owned subsidiary of Karad Projects and Motors Limited/KPML), with effect from December 05, 2025 and amalgamated with KPML, a material wholly owned unlisted subsidiary of the Company, pursuant to an Order dated

November 03, 2025, passed by the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) approving the Scheme of Amalgamation between TKSL, KPML and their respective shareholders as per the provisions of Section 230 to 232 of the Companies Act, 2013.

Material Subsidiaries

Regulation 16 of the SEBI Listing Regulations, 2015 defines a 'material subsidiary' to mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Under this definition, Karad Projects & Motors Limited, Karad, Maharashtra ('KPML'), incorporated on April 02, 2001, an Unlisted Indian Subsidiary and SPP Pumps Limited ('SPP'), UK, incorporated on July 21, 2003, an Unlisted Foreign Subsidiary, are material subsidiaries of the Company.

The subsidiaries of the Company function independently, under the supervision and control of the Board of Directors of respective companies. The minutes of Board Meetings of subsidiaries of the Company are placed before the Board of Directors of the Company for their review, at every quarterly meeting.

In addition to the above, Regulation 24 of the SEBI Listing Regulations, 2015 requires that at least one Independent Director on the Board of Directors of the listed entity shall be a Director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not. For this provision, material subsidiary means a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

However, there is no such subsidiary which falls under this definition of unlisted material subsidiary for the financial year ended March 31, 2026.

M/s. Sharp & Tannan Associates, Chartered Accountants, Mumbai, are the statutory auditors of KPML. Saffery LLP, Chartered Accountants, UK, are the statutory auditors of SPP.

The other requirements as prescribed under Regulation 24 of the SEBI Listing Regulations, 2015 for Subsidiary Companies have been complied with.

Secretarial Audit of Material Unlisted Indian Subsidiary

KPML, a material subsidiary of the Company carried out Secretarial Audit for the Financial Year 2025-26 pursuant to Section 204 of the Act and Regulation 24A of the SEBI Listing Regulations, 2015. The Secretarial Audit Report of KPML submitted by Mr. Abhijit Dakhawe, Practicing Company Secretary, is attached as **Annexure VI** to this Report, and it

does not contain any qualification, reservation or adverse remark or disclaimer.

(v) Details relating to Deposits:

The Company has neither accepted nor renewed matured deposits since January 2003 and there were no deposits accepted by the Company as covered under Chapter V of the Act read with Rules made thereunder.

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

(vii) No significant and material orders were passed by the regulators or court or tribunals impacting the going concern status and Company's operations in future.

(viii) Details in respect of adequacy of internal financial controls with reference to the financial statements:

The Company has adequate internal financial control systems in place. The control systems are regularly reviewed by the external auditors and their reports are presented to the Audit Committee.

The Company has an Internal Audit Charter specifying mission, scope of work, independence, accountability, responsibility and authority of Internal Audit Department. The internal audit reports are placed before the Audit Committee meeting along with management response.

(ix) Your Company is required to maintain the cost records as required under Section 148(1) of the Act and accordingly, such accounts and records are maintained by the Company for the Financial Year ended on March 31, 2026 .

(x) The details of application made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the Financial Year – Nil.

(xi) The details of the difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reason thereof–Nil

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

- Composition of the Audit Committee has been disclosed in Corporate Governance Report. All the recommendations of the Audit Committee were accepted by the Board.
- Establishment of Vigil Mechanism: The Company has already in place a 'Whistle Blower Policy' as a Vigil Mechanism since 2008. The details of which are reported in Corporate Governance Report.
- Disclosure as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014 is given as **Annexure III**. Details of employees required pursuant to Rule 5(2) of the said rules, will be provided on request, by the Company Secretary.

(xiii) **Other Disclosure:**

- The Company has filed a suit against Kirloskar Proprietary Limited (KPL) relating to the use, assignment and ownership of the trademark "Kirloskar". The Company has made appropriate pleadings in the said Suit as advised by the Legal Advisors of KBL and has inter-alia, challenged the unlawful termination and sought declaration, injunction and other appropriate relief/s. KPL subsequently has withdrawn the termination letters with effect from March 03, 2020.
- The Company has, without prejudice to its rights and contentions, including those in the pending proceedings, in compliance with the directions of the Order dated 05.12.2023 of the Hon'ble Commercial Court, Pune, deposited the claimed Royalty amount with the Court from the quarter ended October 2018 onwards until 1st quarter of FY 2025-26. Pending dispute, the Hon'ble Commercial Court, has directed its treasury to invest the said deposited royalty amount in a Nationalised bank for a fixed term of three years.
- In July 2024, KPL once again communicated its intent to terminate the Trademark License/User Agreement vide its communication dated July 11, 2024. Being aggrieved by the same, KBL had filed an Interim Application in the Suit inter alia challenging such communication. The Hon'ble Pune District Court, vide its Order dated January 09, 2025, was pleased to allow KBL's Interim Application and stayed the effect and operation of the termination letter dated July 11, 2024. The Hon'ble Court further restrained KPL from taking any steps to terminate the Trademark License/User Agreements, pending the hearing and final disposal of the above Suit.
- KPL filed Appeal on February 09, 2025 before Hon'ble Bombay High Court (BHC) challenging the said Order dated January 09, 2025.
- On July 25, 2025, BHC has passed an Order granting stay on interim stay Order passed by Pune Court with regard to 'Clause F' which states that 'KPL is restrained from creating third party interest including granting of license to any third party as Registered User'.
- Therein, KBL has filed Clarification Application before Bombay High Court, which on October 10, 2025 allowed the said application and modified the Order dated July 25, 2025 stating that as per 'Para 22' 'KPL is restrained

from licensing or assigning the marks to other Kirloskar group of companies for use in respect of similar / overlapping business of Kirloskar Brothers'.

- Thereafter, KPL filed Special Leave Petition on October 14, 2025 before the Supreme Court challenging the Order dated July 25, 2025 of BHC and Order dated October 10, 2025.
- On January 09, 2026, the Supreme Court disposed of the SLP making interim stay granted on October 17, 2025 to the effect and operation of the Order dated October 10, 2025, as absolute and further requesting the Bombay High Court to ensure that the appeal is disposed of expeditiously within a period of three months from the date a copy of the order is placed before it.
- In terms of requirement under Regulation 30A(2) of the SEBI Listing Regulations, 2015, details of the agreements, are available on the website of the Company at https://www.kirloskarpumps.com/investors/statutory-filings/regulation_30a_disclosures/.

16. CASH FLOW

Cash flow statement for the Financial Year ended on March 31, 2026 forms part of the Financial Statements attached to this report.

17. SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating efficiently.

SAFETY, HEALTH AND ENVIRONMENT

Safety and Health

- All manufacturing plants of the Company are ISO 45001:2018 certified (Occupational Health and Safety Management System Standard). The Company strives to maintain a safe working environment through regular audits that help identify and monitor health and safety-related incidents. Periodic fire drills and mock drills are conducted to test preparedness, while targeted safety training programmes sensitise employees and workers to precautionary measures.
- Reporting of unsafe acts, unsafe conditions and near-miss incidents, prevents future accidents. It does not only foster a culture of safety but increases accountability among employees. Reporting of these safety opportunities helps the organisation to identify areas where improvements can be made and create a safer work environment for employees. 6 per staff safety opportunities (unsafe conditions etc.) were reported in the year 2025-26.

- Corrective and Preventive Actions (CAPA) are crucial for accident prevention by addressing existing problems and proactively mitigating future risks. Corrective actions, taken after an incident, focus on fixing the immediate issue and preventing it from re-occurring, while preventive actions aim to eliminate the root cause of potential problems before they escalate and potentially lead to accidents. The Company has complied with more than 90% of CAPA in the year 2025-26.
- The Company has reviewed internal audit check sheet and made it more comprehensive and going beyond the requirements mentioned in IS14489. All manufacturing plants of the Company are audited by cross plant safety auditors. Major findings were communicated as non-compliances and minor findings were communicated as area for improvement.
- Employees with the knowledge and skills to identify hazards, implement safety procedures and handle emergencies effectively, ultimately fostering a safer workplace. The Company has provided more than 4.2-man hours safety training per employee in the year 2025-26.
- Behaviour-Based Safety (BBS) proactively addresses the human element in workplace safety, reducing unsafe behaviour by correcting it and reinforcing safe practices. By focusing on what people do, not just what's wrong, BBS fosters a safer and more engaged workforce resulting improved safety culture. More than 7500 BBS checks were carried out in the year 2025-26, which then analysed and used to improve safety at workplace.
- No major accident has occurred during the Year 2025-26. However, there was 1 reportable incident. Efforts taken by all employees resulted into improvement of safety culture.
- The target is not only to have zero reportable accidents, but also to have zero injury. Small injuries are the indication of safety performance. Control over small injuries leads to less chance of any big injury. There is 67% reduction in first aid injuries in the year 2025-26 as compared to year 2024-25.
- The Company follows a systematic Hazard Identification and Risk Assessment (HIRA) approach to identify and evaluate work-related hazards. Trained professionals conduct regular audits, and appropriate safety measures are implemented to ensure safe execution of operations. Employees and workers are encouraged to proactively report near-miss incidents through safety committees and established reporting channels.
- In line with ISO 45001:2018 framework, the Company has developed clear procedures to report and manage hazards. The Safety Yellow Tag System enables shop-floor workers to flag safety concerns promptly, while the Safety Committee provides a formal platform to escalate issues to management. Employees are empowered to stop work in the event of any immediate risk to health or safety.

Environment and Energy

Kirloskar Brothers Limited (KBL) integrates sustainability at the core of its business strategy, embedding environmental, social, and economic considerations across all aspects of its operations.

Guided by a comprehensive Sustainability Policy and aligned with Sustainability Vision and Mission, the Company is committed to achieving excellence in sustainable performance through responsible resource utilisation, reduction of carbon emissions, development of environmentally efficient products, promotion of renewable energy, conservation of biodiversity, and active stakeholder engagement.

KBL's approach reflects its belief in sustainable development-meeting present needs without compromising future generations-while supporting national priorities such as Make in India and Swachh Bharat Mission.

As a pioneer in green infrastructure, KBL established Pune's first LEED Platinum-certified building and continues to strengthen its sustainability performance through initiatives such as GreenCo-certified plants, Zero Waste to Landfill certifications, focused water conservation projects, biodiversity assessments, implementation of Zero Liquid Discharge (ZLD) systems, and the development of GreenPro-certified products. These initiatives collectively contribute to minimising environmental impact while enabling the Company to assess and reduce greenhouse gas (GHG) emissions across its manufacturing processes.

KBL has made significant progress in advancing its energy transition and climate action agenda by increasing the share of renewable energy and improving operational efficiency. KBL has implemented 13.5 MW of open access solar power, complemented by rooftop solar of 4.4 MW and an additional 4 MW Wind Power across its facilities. This integrated approach to renewable energy sourcing has enabled KBL to increase its overall renewable energy share to approximately 35% of its total energy consumption.

KBL operates under a robust Integrated Management System (IMS), certified to ISO 9001, ISO 14001, ISO 45001, and ISO 50001 standards, ensuring excellence in quality, environmental management, occupational health and safety, and energy efficiency. Recognising climate change as a critical global challenge, the Company has adopted the GHG Protocol to systematically measure, monitor, and manage its emissions and has implemented a comprehensive Climate Change Policy aligned with international frameworks such as the Paris Agreement.

As part of its long-term climate commitments, KBL has established clear targets to reduce its carbon footprint, energy consumption, and waste generation, while aiming to achieve Operational Net Zero by 2040 and Overall Net Zero by 2047 - well ahead of India's national Net Zero target of 2070.

KBL plays a vital role in supporting India's rapidly evolving infrastructure and energy landscape by delivering innovative, energy-efficient solutions across irrigation, power, defence,

and public utilities. Sustainability is embedded throughout the product lifecycle, from design and manufacturing to usage and end-of-life management.

The Company has implemented Life Cycle Assessment (LCA) methodologies across a significant portion of its GreenPro-certified products to evaluate environmental impacts and identify opportunities for improvement. With 12 GreenPro-certified products and 5 GreenCo-certified plants, KBL demonstrates strong leadership in green manufacturing and sustainable product innovation, ensuring that its offerings meet evolving regulatory requirements and customer expectations for environmentally responsible solutions.

Beyond its direct operations, KBL extends its sustainability commitment across its value chain by encouraging suppliers, partners, and stakeholders to adopt environmentally and socially responsible practices. The Company focuses on strengthening ethical governance, ensuring employee health, safety, and well-being, promoting diversity and inclusion, and contributing to community development.

Biodiversity conservation initiatives and environmental protection measures are integrated into site-level operations, ensuring the preservation and enhancement of local ecosystems and reinforcing long-term ecological balance.

KBL's sustained commitment to sustainability and responsible manufacturing has been widely recognised through prestigious national and international accolades, including Golden Peacock Awards for Environment and Sustainability from Institute of Directors, along with certifications such as GreenCo, GreenPro, and Zero Waste to Landfill from CII.

As the Company continues to expand into high-growth sectors such as nuclear power, desalination, and wastewater management, it is building a resilient and diversified portfolio aligned with global priorities of clean energy, water security, and environmental protection. Guided by the vision of Shri. Laxmanrao Kirloskar, KBL remains steadfast in its commitment to innovation, sustainability, and advancing India's industrial self-reliance, while creating long-term value for stakeholders and contributing to a sustainable future.

REPORTS ON MANAGEMENT DISCUSSION AND ANALYSIS, CORPORATE GOVERNANCE

Pursuant to the SEBI Listing Regulations 2015, Management Discussion and Analysis Report, Report on Corporate Governance, Auditor's Certificate on Corporate Governance, Certificate pursuant to Schedule V read with Regulation 34(3) and the declaration by the Chairman and Managing Director regarding affirmations for compliance with the Company's Code of Conduct are annexed to this report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Your Company has been reporting its sustainability performance for the past 16 years. Further, the Company started presenting Integrated Annual Report since 2018-19. The Annual Report for the Financial Year 2025-26 is the 8th Integrated Annual Report of the Company. Pursuant to the provisions of Regulation 34(2)(f) of the SEBI Listing Regulations, 2015, the Business Responsibility and Sustainability Report for the Financial Year 2025-26 is annexed to this report.

DISCLOSURE UNDER THE "SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013"

Your Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013. For the Financial Year ended on March 31, 2026, it is reported as under:

1	No. of complaints received in the year	Nil
2	No. of complaints disposed-off in the year	NA
3	Cases pending for more than 90 days	NA
4	No. of workshops and awareness programmes conducted in the year	26
5	Nature of action by employer or District Officer, if any	NA

COMPLIANCE WITH MATERNITY BENEFIT ACT, 1961

The Company has complied with all the applicable provisions of the Maternity Benefit Act, 1961.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors,

Sanjay C. Kirloskar

Chairman & Managing Director

Pune: May 13, 2026

DIN: 00007885

ANNEXURE I

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

A) CONSERVATION OF ENERGY:

(i) Steps taken or impact on conservation of energy

- Third party Open Access Power Purchase Agreement with M/s SunSure SolarPark Nineteen Pvt. Ltd. for 13.5 MWp solar power leading to generation of 1,74,37,500 solar units.
- Cooling tower renovation (replacement of fills and waterproofing) improved cooling efficiency and reduced AC compressor load, resulting in annual savings of 44,268 kWh and ₹ 8,51,273/-.
- Replacement of conventional CFL lighting with energy-efficient LED lighting across facilities led to savings of 50,265 kWh and ₹ 9,66,595/- per year.
- In-house maintenance of cooling tower and HVAC systems reduced AMC costs by ₹ 3,50,000/- per year.
- Optimised DG set usage (160 kVA instead of 500 kVA during low load conditions) reduced fuel consumption, saving 1,200 kWh equivalent and ₹ 68,400/- annually.
- Installation of power factor correction panel resulted in savings of 28,800 kWh and ₹ 3,60,000/- annually.
- Variable Frequency Drive (VFD) installation at Laempe compressor reduced energy consumption, saving 24,000 kWh and ₹ 3,00,000/- annually.
- Installation of sub-zero system for centralised AC resulted in savings of 1,94,064 kWh and ₹ 24,25,800/- annually.
- Furnace upgradation from SCR to IGBT technology led to major savings of 5,28,000 kWh and ₹ 66,00,000/- annually.
- Replacement of DC motor with energy-efficient AC induction motor achieved savings of 1,81,350 kWh and ₹ 22,66,875/- annually.
- Replacement of compressed air pipeline with aluminium piping reduced losses, saving 1,73,340 kWh and ₹ 21,66,750/- annually.
- VFD installed at balancing machine at Large Pump Division shop resulted in saving 17,707 kWh and cost saving of ₹ 2,21,337/-.
- Installed VFD at 36" Vertical Turret Lathe for main and hydraulic motor at Large Pump Division resulted saving 54,202 kWh and cost saving of ₹ 6,77,525/-.
- Upgraded blasting booths at Large Pump Division composite with VFD application resulted savings 1,50,393 kWh and ₹ 18,79,912/-.

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

- KBL has implemented 13.5 MW of open access solar power, complemented by rooftop solar of 4.4 MW and an additional 4 MW Wind Power across its facilities. This integrated approach to renewable energy sourcing has enabled KBL to increase its overall renewable energy share to approximately 35% of its total energy consumption. It has resulted in enhancing renewable energy contribution for the group companies from earlier 23% to around 35% by FY 2025-26.
- Exploring both CAPEX as well as Open Access solutions for 2.5 MW Solar Power for Dewas plant.
- Apart from KBL pumps, KBL turbines are engineered with a strong focus on energy efficiency, precision manufacturing, and advanced hydraulic design, ensuring optimal performance and reduced lifecycle costs.

Accordingly, our esteemed customers have been able to generate 9,500 MW of green energy and contribute to avoiding 6.83 million tons of GHG emissions till date and more to enhance day by day.

- The Company continues to innovate in energy recovery through its PICO and Pump As Turbine (PAT) patented pump models, designed to meet low-to-moderate energy requirements across diverse industries. These pumps can operate in reverse mode as turbines to generate electricity.

While PICO is generally used for meeting energy requirements of up to 5 kW, PAT is used for meeting comparatively higher energy requirements of up to 100 kW.

When deployed as complete energy-generation systems, these solutions help customers reduce energy costs while offering an effective alternative for lowering carbon emissions bringing clean, decentralised energy to remote communities where grid electricity is a big challenge.

- Using solar energy for street light within factories of the Company.
- Kirloskarvadi plant has established biogas plant where food waste is converted into energy and which is being used in the canteen.
- Maximum usage of natural light during daytime on shop floor through sky light sheets.
- Use of solar water heater for washing & utensil cleaning.

(iii) The capital investment on energy conservation:

Particulars	Amount (₹ Million)
Replaced old GI based compressed air pipe line with new Aluminium based pipe line	9.5
Rooftop solar panel 200 kWp including operation and maintenance for 5 years at Sanand plant	8.59
Replaced old servo stabilisers with 15 new static stabilisers at SMPD and LPD	6.0
Rooftop solar panel 130kWp including Operation and Maintenance cost for 5 years at Kaniyur plant	4.8
Cooling Tower Renovation - Replacement of cooling fills and waterproofing works	1.18
VFD installation at Laempe compressor	0.6
76 CFM/15 kW Oil Injected Rotary Screw VFD Compressor	0.46
Replaced CFLs with advanced energy-efficient LED lighting	0.25
HVLS Fan for new building. "24 Feet x 6 Blade" (PMSM direct drive motor) One fan will cover Stores seating & QA area	0.14
2 Ton, 5 Star Air conditioner for server room	0.05
Repaired 160 KVA DG set for minimum load operation	0.04
Total	31.61

B) TECHNOLOGY ABSORPTION:
i) Efforts made towards technology absorption

- The Company's Research and Development (R&D) division continued with key initiatives for developing new and innovative products in FY 2025-26.
- Completed range extension of KW(LC) pump series for HVAC application.
- Completed development of highly efficient vertical turbine pumps, giving an edge over competition.
- Completed prototype testing of ATx pump series for thermic fluid application.
- Developed INM pump series to address the requirement of Marine and Defence application.
- Developed prototype with special material in white cast iron for slurry pump application.
- Addressed customer special requirements in development of i-NSx, with modular Design.
- Development of high pressure multistage feed pump KRO for Desalination.
- Next generation IoT devices KirloSmart 2.1 and compact series KirloSmart Nano Module developed for HYPN and firefighting, which can be expanded for various applications.

- In order to maintain technological edge in nuclear applications, R&D team continued development of Safety class 1 and 2 pumps and high pressure and temperature canned motor pumps.
- Extended the product basket with special pumps for nuclear applications.
- Development of high temperature large split case pumps, Satellite ring fitted large split case pumps as per clients' demands.
- Launched India's first 20 cm submersible pump with ASF feature KS8-ASF Series for handling high sand-content applications.
- JOS Ultra (phase to phase) introduced to capture and grow market share in the agricultural segment.
- Mini Eco range – Chotu Ultra I & II strategically developed to capture and expand share in the residential segment.
- Solar submersible and mono-block pumps developed to strengthen presence in the rapidly growing solar market.
- Developed High performance sewage/ drainage dewatering series Sewage (CW+ & BW+)
- New 5-star KOSi ULTRA – 128 model launched to expand presence in the residential open well market.
- Extended the range of Multi-door non return valve (MDNRV) and Dual-plate check valve (DPCV) to address market requirements.
- Developed single-chamber triple-function air valve and high-performance butterfly valve.

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

- Portfolio of products to address different application requirements.
- Most efficient pumps in the market.
- Competitive edge with ultra-premium efficiency products.
- Reduction in product development time and cost.
- Capability enhancement / range extension to meet customer requirements.
- Addressing export market.
- Import substitution.

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

- Details of technology imported - Silicon Carbide coating for Flue-gas Desulfurisation pump
- Year of import - 2024
- Whether the technology been fully absorbed- Yes
- If not fully absorbed, area where absorption has not taken place, and the reason thereof - NA

iv) Expenditure incurred on Research and Development

(₹ Million)

Revenue expenditure	295.41
Capital Expenditure	0.50
Total	295.91

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ Million)

Foreign Exchange earned in terms of actual inflows during the year	2,143.86
Foreign Exchange outgo during the year in terms of actual outflows	618.55

ANNEXURE II

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

Kirloskar Brothers Limited enjoys a legacy of over a century of making a positive difference in the area of socio-economic development of the less privileged communities and other stakeholders, by being a responsible business house through adoption of appropriate business processes and strategies and by carrying out various initiatives towards its social obligations for the society in the vicinity of all its manufacturing locations. The activities are carried out by the Company and its implementing agencies.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Vivek Pendharkar	Chairman	2	2
2.	Mr. Sanjay C. Kirloskar	Member	2	2
3.	Ms. Rama Kirloskar	Member	2	2
4.	Ms. Rekha Sethi	Member	2	2

3. Provide the web-link where following are disclosed on the website of the Company:

Composition of CSR committee:

<https://www.kirloskarpumps.com/investors/board-of-directors/compositionBoard/>

CSR Policy:

<https://www.kirloskarpumps.com/investors/policies-and-governance-documents/csr-policy/>

CSR projects approved by the board:

https://www.kirloskarpumps.com/wp-content/uploads/2026/02/Revised_Annual-Action-Plan_2025-26.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not applicable. As the average CSR obligation of the Company, in the three immediately preceding financial years, is less than ₹ 10 Crores.

5.	(a) Average net profit of the company as per Section 135(5) of the Companies Act, 2013, (the Act')	₹ 3,05,74,87,951/-
	(b) Two percent of average net profit of the Company as per Section 135(5) of the Act	₹ 6,11,49,759/-
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
	(d) Amount required to be set off for the financial year, if any.	Nil
	(e) Total CSR obligation for the financial year (5b + 5c – 5d)	₹ 6,11,49,759/-
6.	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹ 4,75,00,000/-
	(b) Amount spent in Administrative Overheads	0
	(c) Amount spent on Impact Assessment, if applicable	0
	(d) Total amount spent for the Financial Year [(a) + (b) + (c)]	₹ 4,75,00,000/-
	(e) CSR amount spent or unspent for the financial year :	

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub section 6 of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub section 5 of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
4,75,00,000/-	1,97,00,000/-	April 18, 2026	NA	Nil	NA

(f) Excess amount for set off, if any - ₹ 60,50,241/-

Sl. No.	Particulars	Amount (in ₹)
i.	Two percent of average net profit of the Company as per Section 135(5)	6,11,49,759/-
ii.	Total amount spent for the Financial Year	6,72,00,000/-
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	60,50,241/-
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	60,50,241/-

7. Details of Unspent CSR amount for the preceding three financial years: NIL

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second proviso to Sub-Section (5) of Section 135, if any	Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
1	FY 2024-25	1,92,15,000/-	NIL	1,92,15,000/-	NIL	NIL	NIL
2	FY - 2						
3	FY - 3				NIL		

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired:—Nil

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner
(1)	(2)	(3)	(4)	(5)	(6)
					CSR Registration Number, if applicable
					Name Registered Address

Not Applicable

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

Not Applicable.

Sd/-

Sanjay C. Kirloskar

Member

(DIN: 00007885)

Sd/-

Vivek Pendharkar

Chairman CSR Committee

(DIN: 02791043)

ANNEXURE III

Disclosure as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year	Name of Director / Key Managerial Personnel	Designation	Ratio to Median remuneration (times)	Increase / (Decrease) %
(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year	Mr. Sanjay Kirloskar	Chairman and Managing Director	77.35	(30.26)
	Ms. Rama Kirloskar	Joint Managing Director	77.50	(27.46)
	Mr. Alok Kirloskar	Non-Executive Director	3.12	(10.82)
	Mr. M.S. Unnikrishnan	Non-Executive Director	3.96	(3.10)
	Mr. Shobinder Duggal	Independent Director	3.63	(9.45)
	Mr. Shrinivas Dempo	Independent Director	3.38	(5.88)
	Ms. Ramni Nirula	Independent Director	3.63	(9.45)
	Mr. Vivek Pendharkar	Independent Director	3.21	(10.56)
	Ms. Rekha Sethi	Independent Director	3.46	(7.85)
	Mr. Vinayak Deshpande	Independent Director	3.96	(1.06)
	Mr. Pradyumna Vyas	Independent Director	3.33	*
	Mr. Harsh Vardhan Shringla	Independent Director	*	*
	Mr. Brij Bhushan Nagpal	Independent Director	*	*
	Mr. Bhavesh Chheda	Chief Financial Officer	NA	*
	Mr. Devang Trivedi	Company Secretary	NA	13.19
(iii) The percentage increase in the median remuneration of employees in the Financial Year	1.02%			
(iv) The number of permanent employees on the rolls of the Company	As on March 31, 2026 Staff – 1,793 Workmen – 1,305			
(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out, if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase in the salary of employees (other than Key Managerial Personnel) for the Financial Year 2025-26, as compared to Financial Year 2024-25 is 12.30% (including performance-based incentive). Refer abovementioned point no.(ii) for comparison with the percentile increase in the managerial remuneration.			
(vi) Affirmation that the remuneration is as per the remuneration policy of the Company	Yes			

Notes:

- 1) The aforesaid details are calculated on the basis of remuneration for the Financial Year 2025-26 .
- 2) Remuneration to Non-Executive Directors include sitting fees paid during the Financial Year 2025-26 .
- 3) The median remuneration of employees of the Company for the Financial Year 2025-26 is ₹ 8,92,101.
- 4) *The % increase in remuneration is provided only for those Directors and Key Managerial Personnel who have drawn remuneration from the Company for the entire Financial Year 2024-25 and 2025-26. The ratio to median remuneration is provided only for those Directors who have drawn remuneration from the Company for the entire Financial Year 2025-26.
- 5) Mr. Harsh Vardhan Shringla was appointed as Non-Executive Independent Director of the Company w.e.f. August 02, 2025. Mr. Brij Bhushan Nagpal was appointed as Non-Executive Independent Director of the Company w.e.f. November 03, 2025.
- 6) Mr. Bhavesh Chheda was appointed as Chief Financial Officer of the Company from May 14, 2025.

ANNEXURE IV

Form No. AOC-2

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

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

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the resolution was passed in general meeting as required under first proviso to Section 188

- NIL -

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board.	Amount paid as advances, if any

- NIL -

Please refer Note No. 32 of the Standalone Financial Statements of the Company.

ANNEXURE V

FORM NO. MR 3

SECRETARIAL AUDIT REPORT

(For the Financial Year ended 31st March, 2026)

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

To,
The Members of
M/s Kirloskar Brothers Limited

CIN: L29113PN1920PLC000670,
Yamuna, S. No. 98/3-7, Plot No. 3,
Baner, Pune - 411 045.

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31st March, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Kirloskar Brothers Limited ("The Company")** for the financial year ended on 31st March, 2026 according to the provisions of:

- i. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as amended by Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (**Not applicable to the Company during the Audit Period**)
- f. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (**Not applicable to the Company during the Audit Period**)
- g. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**Not applicable to the Company during the Audit Period**)
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (**Not applicable to the Company during the Audit Period**)
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (**Not applicable to the Company during the Audit Period**)

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

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

I further report that:

As on March 31, 2026, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and Woman Director. The composition of the Board of Directors

during the period under review was in compliance with the provisions of the Act.

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

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

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

I further report that during the audit period, there was no other event/action having major bearing on affairs of the Company.

For **Dinesh Birla & Associates**
Company Secretaries

Dinesh Birla

Proprietor

FCS: 7658, CP No. : 13029

PRC No. : 1668/2022

UDIN: F007658H000343455

Place: Pune

Date: 13th May, 2026

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

Annexure - A

To
The Members of
M/s Kirloskar Brothers Limited
CIN: L29113PN1920PLC000670,
Yamuna, S. No. 98/3-7, Plot No. 3,
Baner, Pune - 411 045.

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

I further report that:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes, as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. Wherever required, I have obtained Management representation(s) about the compliance of Laws, Rules, regulations and happening of events etc.
4. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, and Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
5. I have not verified the correctness and appropriateness of financial records, Accounting Standards and Books of Accounts of the Company.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **Dinesh Birla & Associates**
Company Secretaries

Dinesh Birla
Proprietor
FCS: 7658, CP No. : 13029
PRC No. : 1668/2022
UDIN: F007658H000343455

Place: Pune
Date: 13th May, 2026

ANNEXURE VI

Form No. MR-3

Secretarial Audit Report

For the Financial Year Ended 31.03.2026

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

To,
The Members,
Karad Projects and Motors Limited,
Yamuna, Survey No. 98/(3 to 7), Plot No. 3,
Baner, Pune 411045

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Karad Projects and Motors Limited (CIN: U45203PN2001PLC149623)** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **31st March, 2026** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2026** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder (during the year under review not applicable to the Company);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (during the year under review not applicable to the Company, as the shares of the company are not in dematerialised form);
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (during the year under review not applicable to the Company as the Company does not have any foreign direct investment, overseas direct investment and external commercial borrowings);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (during the year under review not applicable to the Company as the Company is an unlisted company);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (during the year under review not applicable to the Company as the Company is an unlisted company);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (during the year under review not applicable to the Company as the Company is an unlisted company and not proposing to get its securities listed);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (during the year under review not applicable to the Company as the Company is an unlisted company);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (during the year under review not applicable to the Company as the Company is an unlisted company);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with Client (during the year under review not applicable to the Company as the Company is not availing services of Registrars to an Issue and Share Transfer Agents);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (during the year under review not applicable to the Company as the Company has not done delisting of shares);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (during the year under review not applicable to the Company as the Company is an unlisted company); and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (during the year under review not applicable to the Company as the Company is an unlisted company).

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

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

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

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

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

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Women Director. Being an unlisted public company, which is a wholly owned subsidiary, appointment of independent directors is exempted.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions at Board Meetings and Committee Meetings were carried out unanimously. As per the records provided by the Company, none of the members of the Board or Committees of the Board dissented on any resolution(s) passed at the meetings.

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

I further report that during the audit period:

- a) The Scheme of Amalgamation of The Kolhapur Steel Limited (Transferor Company) with the Company (Transferee Company) and their respective shareholders was approved by The National Company Law Tribunal, Mumbai Bench, vide its Order dated November 03, 2025. The appointed date for the said scheme was fixed as October 03, 2024. The Company filed Form INC-28 with Register of Companies on December 05, 2025, accordingly the scheme became effective from December 05, 2025.
- b) Pursuant the Scheme of Amalgamation becoming effective, the Authorised Capital of the Company stands revised to ₹ 98,00,00,000/- (Rupees Ninety-Eight Crores Only).

Abhijit Dakhawe

Company Secretary

FCS # 6126, CP # 4474

PR No. 5690/2024

UDIN: F006126H000203070

Place: Pune

Date: 27-APR-2026

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

Annexure A

To,
The Members,
Karad Projects and Motors Limited,
Yamuna, Survey No. 98/(3 to 7), Plot No. 3,
Baner, Pune 411045

Auditor's responsibility

Based on audit, my responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. I conducted audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Abhijit Dakhawe

Company Secretary
FCS # 6126, CP # 4474
PR No. 5690/2024
UDIN: F006126H000203070

Place: Pune

Date: 27-APR-2026

Report on Corporate Governance

1. THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company strongly believes that the system of Corporate Governance protects the interest of all the stakeholders by inculcating transparent business operations and accountability from management towards fulfilling consistently the high standard of Corporate Governance in all facets of the Company's operations.

2. BOARD OF DIRECTORS:

As on March 31, 2026, there were 13 (Thirteen) Directors on the Board, comprising of Managing Director, Joint Managing Director and 11 (Eleven) (84.00%) Non-Executive Directors of whom, 9 (Nine) (69.00%) were Independent Directors. There were 3 (Three) Woman Directors including 2 (Two) Independent Directors.

The Board's composition is an optimal complement of independent professionals having an in-depth knowledge of business.

During the year under review, 6 (Six) Board meetings were held on the following dates:

May 14, 2025, August 01, 2025, November 03, 2025, December 11, 2025, February 05, 2026 and March 09, 2026.

According to the provisions of Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015'), none of the Directors on the Board hold the office of director, including an alternate directorship if any, in more than 7 listed entities at the same time.

None of the Directors are holding directorship in more than 7 listed entities or holding membership of committees of the Board in more than 10 committees or chairpersonship of more than 5 committees across all listed entities in which he/she is a Director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2026 have been made by the Directors.

In accordance with Regulation 26 (1) (a) and (b) of the SEBI Listing Regulations, 2015, the above limits are determined as follows:

- a. the limit of the committees on which a director is serving in all public limited companies, whether listed or not, are included and all other companies including private limited companies, foreign companies and companies formed under Section 8 of the Companies Act, 2013, are excluded.
- b. for the purpose of determination of the limit, chairpersonship and membership of only Audit Committee and Stakeholders' Relationship Committee, are considered.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations, 2015 read with Section 149(6) of the Companies Act, 2013 ('the Act'). The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations, 2015 read with Section 149(6) and 150 of the Act read with relevant rules thereunder. Mr. Vinayak Deshpande is the Lead Independent Director.

The Chairman and Managing Director and Joint Managing Director of the Company served as an Independent Director in two listed companies each, during the year.

None of the Directors except Mr. Sanjay C. Kirloskar, Mr. Alok Kirloskar (son of Mr. Sanjay C. Kirloskar) and Ms. Rama Kirloskar (daughter of Mr. Sanjay C. Kirloskar), are related to each other.

The details of Directors, their Directorship/Committee positions, attendance etc. are furnished in the Table below:

Name of Director	Designation / Category of Directorship [@]	Board Meetings attended	Attendance at last AGM	No. of other Directorships held*	No. of Committees of which Member / Chairperson in other Companies	Names of the listed Companies where the person is director	Category of directorship in other listed companies [@]
Mr. Sanjay Kirloskar	CMD (P)	6	Present	5	2/1	1) DCM Shriram Industries Limited 2) DCM Shriram International Limited	INED INED
Ms. Rama Kirloskar	JMD (P)	6	Present	5	1/0	1) KPT Industries Limited 2) DCM Shriram Fine Chemicals Limited	INED INED
Mr. Alok Kirloskar	NED (P)	6	Present	15	0/0	-	-
Mr. M.S. Unnikrishnan	NED	6	Present	5	1/0	1) KEC International Limited 2) Greaves Cotton Limited 3) Blue Star Limited	INED INED INED
Mr. Shobinder Duggal	INED	6	Present	4	2/4	1) SBI Life Insurance Company Ltd. 2) PI Industries Ltd. 3) Sanofi Consumer Healthcare Limited 4) ABB India Limited	INED INED INED INED
Mr. Shrinivas Dempo	INED	6	Present	13	1/0	1) Hindustan Foods Ltd. 2) Goa Carbon Ltd.	NED NED
Ms. Ramni Nirula	INED	6	Present	4	1/0	1) Usha Martin Ltd. 2) HEG Ltd.	INED INED
Mr. Vivek Pendharkar	INED	6	Present	0	0/0	-	-
Ms. Rekha Sethi	INED	6	Present	4	3/1	1) Samvardhana Motherson International Limited 2) Spencer's Retail Ltd. 3) Firstsource Solutions Limited	INED INED INED
Mr. Vinayak Deshpande	INED (Lead ID)	5	Present	4	2/3	1) Voltas Limited 2) Praj Industries Limited	NED INED
Mr. Pradyumna Vyas	INED	5	Present	9	2/1	1) Carysil Limited 2) Dynamatic Technologies Limited	INED INED
Mr. Harsh Vardhan Shringla [#]	INED	3	NA	1	0/0	KEC International Limited	INED
Mr. Brij Bhushan Nagpal [#]	INED	3	NA	2	0/2	-	-

[@]CMD – Chairman and Managing Director, JMD – Joint Managing Director, NED – Non-Executive Director, INED – Independent Non-Executive Director and P – Promoter.

*Directorships and committee positions in private and public limited companies, foreign companies are included in the above table excluding Kirloskar Brothers Limited and Section 8 Companies.

[#]Mr. Harsh Vardhan Shringla was appointed as Non-Executive Independent Director of the Company w.e.f. August 02, 2025. Mr. Brij Bhushan Nagpal was appointed as Non-Executive Independent Director of the Company w.e.f. November 03, 2025.

All the relevant information suggested under Schedule II of the SEBI Listing Regulations, 2015 is furnished to the Board from time to time.

During the year under review, a separate meeting of the Independent Directors was held on March 27, 2026. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Chairman of the Company and the Board as a whole including Committees thereof. The suggestions received from Independent Directors were discussed at the subsequent meeting of the Board of Directors.

Statement showing number of Equity Shares of ₹ 2/- each of the Company, held by the Non-Executive Directors as on March 31, 2026:

Non-Executive Directors	No. of Shares	% of Paid up Capital
Mr. Alok Kirloskar	6,187	0.01
Mr. M.S. Unnikrishnan	0	0.00
Mr. Shobinder Duggal	0	0.00
Mr. Shrinivas Dempo	0	0.00
Ms. Ramni Nirula	0	0.00
Mr. Vivek Pendharkar	0	0.00
Ms. Rekha Sethi	0	0.00
Mr. Vinayak Deshpande	0	0.00
Mr. Pradyumna Vyas	95	0.01
Mr. Harsh Vardhan Shringla	0	0.00
Mr. Brij Bhushan Nagpal	0	0.00

The details of familiarisation programme imparted to the Directors is available at:

kirloskarpumps.com/wp-content/uploads/2026/05/Familiarization-Programme-2025-26.pdf

The List of core skills/expertise/competencies identified by the Board as required in the context of its business(es) and sector(s) for the Company to function effectively and those actually available with the Board:

The Board has formulated a Policy on Board Skill Matrix of the Company. In terms of the said policy, the Board of the Company comprising of directors who collectively, have the skills, knowledge and experience to effectively govern and direct the organisation as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board. The list of core skills/expertise/competencies identified and collectively possessed by the Board are as under:

- Governance skills (that is, skills directly relevant in performing the Board's key functions);
- Industry skills (that is, skills relevant to the industry or sector in which the organisation predominantly operates); and
- Personal attributes or qualities that are generally considered desirable to be an effective director.

Personnel Details		Committee®								Areas of expertise						
Name	Director since	NED/ EXE /INED	Audit	NRC	SRC	CSR	RMC	Strategy	Policy	Finance	Legal Framework	IT	Exec. Mgmt.	Commercial	Inter-national	Human Resource
Mr. Sanjay Kirloskar	1985	EXE	-	Yes	Yes	Yes	-	Yes	-	-	-	-	Yes	-	Yes	Yes
Mr. Alok Kirloskar	2012	NED	-	-	Yes	-	-	Yes	-	-	-	-	Yes	-	Yes	Yes
Ms. Rama Kirloskar	2017	EXE	-	-	-	Yes	Yes	Yes	-	-	-	Yes	Yes	-	-	Yes
Mr. M.S. Unnikrishnan	2025	NED	Yes	Yes	-	-	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes	Yes	Yes
Mr. Shobinder Duggal	2021	INED	Yes	-	-	-	-	Yes	-	Yes	-	-	Yes	Yes	Yes	-
Mr. Shrinivas Dempo	2021	INED	-	Yes	Yes	-	-	Yes	-	-	-	-	Yes	-	Yes	Yes
Ms. Ramni Nirula	2021	INED	Yes	-	-	-	-	-	-	Yes	-	-	Yes	Yes	-	-
Mr. Vivek Pendharkar	2021	INED	-	-	-	Yes	-	Yes	-	-	-	Yes	Yes	-	Yes	-
Ms. Rekha Sethi	2021	INED	-	Yes	-	Yes	-	Yes	-	-	-	-	Yes	-	Yes	Yes
Mr. Vinayak Deshpande	2023	INED	Yes	Yes	Yes	-	Yes	Yes	-	Yes	Yes	-	Yes	Yes	Yes	Yes
Mr. Pradyumna Vyas	2025	INED	Yes	Yes	-	-	-	Yes	-	-	-	-	Yes	-	Yes	-
Mr. Harsh Vardhan Shringla	2025	INED	-	-	-	-	-	Yes	Yes	-	-	-	Yes	Yes	Yes	Yes
Mr. Brij Bhushan Nagpal	2025	INED	-	-	-	-	-	Yes	-	Yes	Yes	-	Yes	Yes	Yes	-

EXE- Executive Director, NED – Non-Executive Director, INED – Independent Non-Executive Director.

®NRC – Nomination and Remuneration Committee, SRC – Stakeholders' Relationship Committee, CSR – Corporate Social Responsibility, RMC – Risk Management Committee.

Confirmation from the Board on Independent Directors:

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations, 2015 and are independent of the management.

Resignation of Independent Director:

None of the Independent Directors have resigned during the Financial Year ended at March 31, 2026.

3. AUDIT COMMITTEE:

The Audit Committee is constituted in compliance with the requirements under Regulation 18 of the SEBI Listing Regulations, 2015 read with Section 177 of the Act.

The terms of reference of the Audit Committee include the matters specified in Schedule II (Part C) of the SEBI Listing Regulations, 2015. The terms of reference of the Audit Committee of the Company include the following:

- A)
- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - Recommending the appointment, remuneration and terms of appointment of auditors of the Company.
 - Approving payment to statutory auditors for any other services rendered by the statutory auditors.
 - Reviewing with the management, the annual financial statements and auditors' report thereto before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act.
 - b. Changes, if any, in the accounting policies & practices and reasons for the same.
 - c. Major accounting entries involving estimates based on exercise of judgement by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Qualification in draft audit report.
 - Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
 - Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
 - Review and monitor the auditor's independence and performance and effectiveness of audit process.
 - Approval or any subsequent modification of transactions of the Company with related parties.
 - Scrutiny of inter-corporate loans and investments.
 - Valuation of undertakings or assets of the Company, wherever it is necessary.
 - Evaluation of internal financial controls and risk management systems.
 - Reviewing with management, performance of statutory and internal auditors, adequacy of the internal control systems.
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - Discussion with internal auditors of any significant findings and follow up thereon.
 - Reviewing the findings of any internal investigations by the internal auditor into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
 - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - To review the functioning of the Whistle Blower mechanism.
 - Approval for appointment of CFO (i.e. the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

- Carrying out any other function as is mentioned in the terms of reference of the Committee by the Board and to carry out investigation in relation to the items specified above.
- To review the following information:
 - 1) management discussion and analysis of financial condition and results of operations.
 - 2) statement of significant related party transactions (as defined by the audit committee), submitted by the management.
 - 3) management letters / letters of internal control weaknesses issued by the statutory auditors.
 - 4) internal audit reports relating to internal control weaknesses.
 - 5) the appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the audit committee.
 - 6) statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s).
 - (b) Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice.

- B)
- Power to investigate any activity within its terms of reference.
 - Power to seek information from any employee.
 - Power to obtain outside legal or other professional advice.
 - Power to secure attendance of outsiders with relevant expertise, if considered necessary.

Mr. Shobinder Duggal – Chairman and Mr. M. S. Unnikrishnan, Ms. Ramni Nirula, Mr. Vinayak Deshpande and Mr. Pradyumna Vyas were the Members of the Committee as on March 31, 2026.

Mr. Shobinder Duggal is a Non-Executive Independent Director and was present at the AGM of the Company held for the Financial Year 2024-25 as the Chairman of the Committee.

The Committee was re-constituted on May 14, 2025 with the induction of Mr. Pradyumna Vyas, Additional Director (Independent) as a member of the Committee. Subsequently, the Committee was re-constituted on June 18, 2025 and re-inducted Mr. M. S. Unnikrishnan as a member of the Committee with effect from June 25, 2025 on his re-appointment by the Board as Non-Executive and Non-Independent Director of the Company, who ceased to be a member of the Committee consequent upon cessation of his term as an Independent Director on June 04, 2025.

During the year, 7 (Seven) meetings of Audit Committee were held on May 13, 2025, July 14, 2025, July 31, 2025, November 03, 2025, January 12, 2026, February 05, 2026 and March 27, 2026.

Attendance at Audit Committee meetings:

Member's Name	No. of Meetings attended	Member's Name	No. of Meetings attended
Mr. Shobinder Duggal	7	Mr. Vinayak Deshpande	6
Mr. M.S. Unnikrishnan	6	Mr. Pradyumna Vyas	5
Ms. Ramni Nirula	7		

All the recommendations of the Audit Committee were accepted by the Board.

4. NOMINATION AND REMUNERATION COMMITTEE (NRC):

The NRC is constituted in compliance with the requirements under Regulation 19 of the SEBI Listing Regulations, 2015 read with Section 178 of the Act.

The terms of reference of the Committee are as follows:

- Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes.
- To identify and nominate for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- To evaluate the balance of skills, knowledge, experience and diversity of the person to be appointed on the Board and in the light of this evaluation prepare a description of the role and capabilities for a particular appointment.

- To make recommendations to the Board concerning suitable candidates for the role of Senior Independent Director.
- To formulate policy relating to the remuneration of the Directors and Key Managerial Personnel.
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Devising a Policy on diversity of Board of Directors.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- To recommend to the Board, whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

Mr. Shrinivas Dempo – Chairman and Mr. M. S. Unnikrishnan, Mr. Sanjay Kirloskar, Ms. Rekha Sethi, Mr. Vinayak Deshpande and Mr. Pradyumna Vyas were the Members of the Committee as on March 31, 2026.

Mr. Shrinivas Dempo is a Non-Executive Independent Director and was present at the AGM of the Company held for the Financial Year 2024-25 as the Chairman of the Committee.

The Committee was re-constituted on June 18, 2025, with the induction of Mr. Pradyumna Vyas, Additional Director (Independent) as a member of the Committee with effect from June 25, 2025. Further, Mr. M. S. Unnikrishnan who ceased to be a member of the Committee consequent upon cessation of his term as an Independent Director on June 04, 2025 was re-inducted into the Committee as a member of the Committee with effect from June 25, 2025 on his re-appointment by the Board as Non-Executive and Non-Independent Director of the Company.

During the year, 3 (Three) meetings of NRC were held on May 13, 2025, July 31, 2025 and on November 03, 2025.

Attendance at NRC meetings:

Member's Name	No. of Meetings attended	Member's Name	No. of Meetings attended
Mr. Shrinivas Dempo	3	Ms. Rekha Sethi	3
Mr. M.S. Unnikrishnan	3	Mr. Vinayak Deshpande	3
Mr. Sanjay Kirloskar	3	Mr. Pradyumna Vyas	2

Criteria for performance evaluation of Independent Directors:

As required under Regulation 19 (4) & Schedule II, Part D of the SEBI Listing Regulations, 2015 and in terms of the Act, the criteria for performance evaluation of the Independent Directors and Board of Directors have been laid down in the 'Board Evaluation Policy' formulated by the Company. This policy prescribes criteria for evaluation of the performance of the Board, including its Committees and individual directors. Evaluation criteria include ethical conduct, objectivity, value addition, participation, attendance and various other qualitative as well as quantitative parameters which have had an impact on the Board process becoming more and more effective.

5. REMUNERATION TO DIRECTORS:

Remuneration Policy has been formulated for the Directors, Key Managerial Personnel (KMP) and Senior Management Personnel. The major objectives of the Policy are transparent process of determining remuneration at Board and Senior Management level of the Company which would strengthen confidence of stakeholders in the Company and its management and help in creation of long-term value for them and appropriate balance between the elements comprising the remuneration so as to attract potentially high performing candidates for critical positions in the Company for attaining continual growth in business. The revisions in the remunerations of the KMP and Senior Management Personnel will be made as per the terms of the Policy.

- There are no pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.
- The payments made to the Executive Director have been reviewed by the NRC from time to time and approved by the Board of Directors.
- All elements of remuneration package for all Directors have been provided in the statement hereinafter.
- The salient features and a link on the website of the Company regarding the remuneration policy of the Directors, KMP and Senior Management has been included in this Annual Report.
- Except whatever is stated in the statement, there is no other fixed component or performance linked incentives to any director.

Criteria of making payment to Non-Executive Directors

Non-Executive Directors have been paid sitting fees for attending Board / Committee meetings. On recommendation of NRC, the Board approves the payment of commission to Non-Executive Directors.

The Company does not have any employee stock options scheme.

Details of remuneration paid to Directors for the Financial Year 2025-26 are as under:

(₹ Million)

Name of Director	Sitting Fees	Commission/ Bonus on Profits	Salary	Contribution to Statutory Funds	Perquisites	Others	Total
Executive Directors							
Mr. Sanjay Kirloskar	-	39.50	12.55	4.78	12.18	-	69.00
Ms. Rama Kirloskar	-	54.00	6.04	1.52	3.50	-	65.06
Non-Executive Directors							
Mr. Alok Kirloskar	0.53	2.26	-	-	-	-	2.79
Mr. M.S. Unnikrishnan	1.28	2.26	-	-	-	-	3.54
Mr. Shobinder Duggal	0.98	2.26	-	-	-	-	3.24
Mr. Shrinivas Dempo	0.75	2.26	-	-	-	-	3.01
Ms. Ramni Nirula	0.98	2.26	-	-	-	-	3.24
Mr. Vivek Pendharkar	0.60	2.26	-	-	-	-	2.86
Ms. Rekha Sethi	0.83	2.26	-	-	-	-	3.09
Mr. Vinayak Deshpande (Lead ID)	1.28	2.26	-	-	-	-	3.54
Mr. Pradyumna Vyas	0.90	2.07	-	-	-	-	2.97
Mr. Harsh Vardhan Shringla	0.23	1.50	-	-	-	-	1.73
Mr. Brij Bhushan Nagpal	0.23	0.94	-	-	-	-	1.17

Figures are rounded off to the next figure.

The Board of Directors of the Company decides the remuneration of Directors on the basis of recommendation from NRC subject to the overall limits provided under the Act, rules made thereunder and as per the SEBI Listing Regulations, 2015 including any amendments, modifications and re-enactments thereto and compliance of related provisions provided therein.

Directors' Service Contract Details:

Executive Director	Service Contract and Period	Severance Fees
Mr. Sanjay C. Kirloskar	Agreement dt. 19.11.2025 Period: 19.11.2025 to 21.03.2027	Unexpired period
Ms. Rama Kirloskar	Agreement dt. 09.09.2021 Period: 03.08.2021 to 02.08.2026	Three years or unexpired period, whichever is less.

6. PARTICULARS OF DIRECTORS TO BE APPOINTED/RE-APPOINTED AT THE ENSUING ANNUAL GENERAL MEETING:

Details of Directors who are to be appointed / re-appointed at the ensuing Annual General Meeting are included in the Notice for the 106th Annual General Meeting.

7. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC):

The SRC is constituted in compliance with the requirements under Regulation 20 of the SEBI Listing Regulations, 2015 read with Section 178 of the Act.

The terms of reference of the Committee are as follows:

- Specifically looks into the mechanism of redressal of grievances of shareholders.
- Looks into the redressal of investors' complaints relating to transfer / transmission of shares, non-receipt of Annual Reports, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.

- Considers and resolves the grievances of security holders of the Company.
- Approves transmission of shares held in physical mode beyond threshold limit of 1500 shares of ₹2/- each without the succession certificate, probate, letter of administration or Court Decree, subject to the fulfilment of other conditions as may be deemed necessary.
- Considers the issue of duplicate share certificates under the Common Seal of the Company in terms of the requirements of the Companies (Share Capital and Debenture) Rules, 2014.
- Review of measures taken for effective exercise of voting rights by the shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the R&T Agent.
- Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual report / statutory notices by the shareholders of the Company.

The Committee consists of Mr. Shrinivas Dempo – Chairman and Mr. Sanjay C. Kirloskar, Mr. Alok Kirloskar and Mr. Vinayak Deshpande as Members.

Mr. Shrinivas Dempo is a Non-Executive Independent Director and was present at the AGM of the Company held for the Financial Year 2024-25 as the Chairman of the Committee.

During the year, 1 (one) SRC meeting was held on May 13, 2025.

Attendance at SRC meeting:

Member's Name	No. of Meeting(s) attended	Member's Name	No. of Meeting(s) attended
Mr. Shrinivas Dempo	1	Mr. Vinayak Deshpande	1
Mr. Alok Kirloskar	1	Mr. Sanjay Kirloskar	1

The Company Secretary is designated as “Compliance Officer” who oversees the redressal of the investors’ grievances.

Name and designation of Compliance Officer:

Mr. Devang Trivedi, Company Secretary
Associate Vice President and Head – Corporate Secretarial

The Company has always valued its relationship with its stakeholders. This philosophy has been extended to investors’ relationship. The Company’s Secretarial department is continuously monitoring the complaints / grievances of the investors and is always taking efforts to reduce the response time in resolving the complaints / grievances.

Details of Shareholders’ complaints received:

11 (Eleven) complaints were received and disposed-off during the year ended March 31, 2026.

With reference to Regulation 13 of the SEBI Listing Regulations, 2015, the Company is registered on the SCORES platform, which enables handling of Investor Complaints electronically.

The Company has also designated an exclusive e-mail Id grievance.redressal@kbl.co.in for investors to register their grievances, if any. This helps the Company to resolve investors’ grievances, immediately. The Company has displayed the said e-mail Id on its website.

The ‘Frequently Asked Questions’ by the shareholders along with the requisite formats are placed under the Investors Section of the website of the Company at <https://www.kirloskarpumps.com/investors/shareholders-information/faq/>

The shareholders are requested to give their feedback through the ‘feedback form’, which is available in the FAQs to Shareholders on the website of the Company.

The shareholders may also use “iConnect” of the Company’s portal Registrar and Transfer Agent (RTA) at <https://iconnect.bigshareonline.com/Account/Login> for efficient communication of their complaints, requests and tracking the same on real-time.

8. RISK MANAGEMENT COMMITTEE (RMC):

The RMC is constituted in compliance with the requirements under Regulation 21 of the SEBI Listing Regulations, 2015.

The terms of reference of the Committee are as under:

- To formulate a detailed Risk Management Policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of Risk Management Systems.
- To periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations, and actions to be taken.
- The appointment, removal, and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Committee was re-constituted on May 14, 2025, with the induction of Mr. Vinayak Deshpande, Independent Director as a member of the Committee with effect from May 14, 2025. Besides, Mr. Bhavesh Chheda, Chief Financial Officer (CFO), was inducted as a member of the Committee in place of Mr. Sunil Nair, with effect from May 14, 2025. The Committee was further re-constituted on June 18, 2025 and re-inducted Mr. M. S. Unnikrishnan as the Chairman of the Committee with effect from June 25, 2025 on his re-appointment by the Board as Non-Executive and Non-Independent Director of the Company, who ceased to be the Chairman of the Committee consequent upon cessation of his term as an Independent Director on June 04, 2025.

The Committee comprises Mr. M. S. Unnikrishnan – Chairman, Ms. Rama Kirloskar, Mr. Vinayak Deshpande and Mr. Bhavesh Chheda being the Members as on March 31, 2026.

The Committee inter-alia, reviews the business risk including strategic, operational, financial, sustainability (particularly, ESG related risks), information, cyber security and compliance risks and approves its mitigation plans and monitors effectiveness thereof. The Company has an Enterprise Risk Management framework to identify emerging risk, assign ownership and assessing and monitoring of controls.

Chief Internal Auditor of the Company, who also functions as Chief Risk Officer, is a permanent invitee for the Committee meetings. Members of Senior Management team also attend the meetings depending on the agenda.

During the year, 2 (Two) RMC meetings were held on June 30, 2025 and January 17, 2026.

Attendance at RMC meetings:

Member's Name	No. of Meetings attended	Member's Name	No. of Meetings attended
Mr. M. S. Unnikrishnan [@]	2	Mr. Vinayak Deshpande [#]	2
Ms. Rama Kirloskar	2	Mr. Bhavesh Chheda [#]	2
Mr. Sunil Nair [*]	NA	-	-

[@]Ceased to be the Chairman on June 04, 2025 and re-inducted as the Chairman w.e.f. June 25, 2025

^{*}Ceased to be a Member since May 14, 2025.

[#]Appointed as Member w.e.f. May 14, 2025.

9. GENERAL MEETINGS:

Details of last three Annual General Meetings held:

i) 103rd Annual General Meeting (Virtual AGM was held pursuant to MCA circulars)

August 01, 2023: 02.00 P.M.

Yamuna, Survey No. 98 (3-7),

Baner, Pune – 411 045.

No special resolution was passed at this meeting.

ii) 104th Annual General Meeting (Virtual AGM was held pursuant to MCA circulars)

August 02, 2024: 02.00 P.M.

Yamuna, Survey No. 98 (3-7),

Baner, Pune – 411 045.

No special resolution was passed at this meeting.

iii) 105th Annual General Meeting (Virtual AGM was held pursuant to MCA circulars)

August 01, 2025: 02.00 P.M.

Yamuna, Survey No. 98 (3-7),

Baner, Pune – 411 045.

Special Resolution for appointment of Mr. Pradyumna Vyas was passed under Regulation 25(2A) of the SEBI Listing Regulations, 2015.

Postal Ballot

1. The Company had sought the approval of the shareholders by way of a Special Resolution [subject to Regulation 25(2A) of the SEBI Listing Regulations, 2015] through notice of postal ballot dated August 11, 2025 for the appointment of Mr. Harsh Vardhan Shringla (DIN: 11203013), as an Independent Director of the Company. The Resolution was duly passed with requisite majority and the results were announced on September 11, 2025. The Board of Directors had appointed Mr. Dinesh Birla, Company Secretary in Practice (ICSI Membership No. FCS 7658; Certificate of Practice No.: 13029) as the scrutiniser to conduct the process of the postal ballot by voting through electronic means only (remote e-voting) in a fair and transparent manner.
2. The Company had also approval of the shareholders by way of a Special Resolution [subject to Regulation 25(2A) of the SEBI Listing Regulations, 2015] through another notice of postal ballot dated November 06, 2025 for the appointment of Mr. Brij Bhushan Nagpal (DIN: 01853613), as an Independent Director of the Company. The Resolution was duly passed with requisite majority and the results were announced on December 08, 2025. The Board of Directors had appointed Mr. Dinesh Birla, Company Secretary in Practice (ICSI Membership No. FCS 7658; Certificate of Practice No.: 13029) as the scrutiniser to conduct the process of the postal ballot by voting through electronic means only (remote e-voting) in a fair and transparent manner.

Procedure for postal ballot:

Both the Postal Ballots were carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circulars No. 14/2020 dated April 08, 2020, No. 17/2020 dated April 13, 2020, read with other relevant circulars issued in this regard, the latest being General Circular No. 09/2024 dated September 19, 2024 issued by the Ministry of Corporate Affairs, Government of India (the "MCA Circulars") and all the applicable rules framed under the Act, and Regulation 44 of the SEBI Listing Regulations, 2015.

The Company had engaged the services of National Securities Depository Limited for providing remote e-Voting facilities to the Members, enabling them to cast their vote electronically and in a secure manner.

In accordance with the MCA Circulars, the Postal Ballot Notices, were sent only through electronic mode on August 11, 2025 and November 06, 2025 respectively, to those members whose e-mail addresses were registered with the Company/Depositories/Registrar and Share Transfer Agent and whose names were recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on August 08, 2025 and as on October 31, 2025 respectively ("Cut-off date"). Members exercised their vote(s) by e-voting during the period from Tuesday, August 12, 2025 at 9.00 A.M. (IST) ended on Wednesday, September 10, 2025 at 5.00 P.M. (IST) and for another postal ballot,

from Friday, November 07, 2025 at 09.00 A.M. (IST) ended on Saturday, December 06, 2025 at 5.00 P.M. (IST), respectively. The Scrutiniser submitted its reports after the completion of scrutiny and results of the e-voting were announced on September 11, 2025 and on December 08, 2025 respectively. The summary of voting results is given below:

Resolution passed through Postal Ballot	Resolution Required	% of Votes in favour on votes polled	% of Votes against on votes polled	Result
Appointment of Mr. Harsh Vardhan Shringla (DIN: 11203013), as an Independent Director of the Company.	Special Resolution [subject to Regulation 25(2A) of the SEBI Listing Regulations, 2015]	65.31	34.69	Passed with requisite majority.
Appointment of Mr. Brij Bhushan Nagpal (DIN: 01853613), as an Independent Director of the Company.	Special Resolution [subject to Regulation 25(2A) of the SEBI Listing Regulations, 2015]	67.62	32.38	Passed with requisite majority.

The voting results are available on Company's website at https://www.kirloskarpumps.com/investors/statutory-filings/annual_return/

No Special Resolution is being proposed at the ensuing AGM of the Company.

10. MEANS OF COMMUNICATION:

- The Company promptly discloses information and other events as required under the SEBI Listing Regulations, 2015. The Company disseminates such information through various channels of communications like online portal of the Stock Exchanges, Press Releases, Annual Reports and by placing relevant information on its website.
- Quarterly, half-yearly and annual financial results are displayed on the Company's website 'www.kirloskarpumps.com' immediately after its submission to the Stock Exchanges. The annual financial results are also shared with the members who have registered their email-id with the Company, through email. The Company's website also displays official news releases.
- The financial results are published in the newspapers viz. Financial Express and LokSatta.
- Presentations for analysts are uploaded on the Company's website and also disclosed to the stock exchanges prior to such analysts meet.
- Communication is sent to shareholders for registering their PAN, KYC & Nomination details, for claiming dividends lying unclaimed with the Company and for claiming dividend/shares which are due for transfer to Investor Education & Protection Fund A/c.
- Communication is sent to shareholders for various initiatives undertaken by the Company for effective services to the investors.
- Green Initiatives—In compliance with the provisions of Section 20 of the Act and as a continuing endeavour towards the 'Go Green' initiative, the Company proposes to send all correspondence/communications through email to those shareholders who have registered their email id with their depository participants/Company's RTA.

11. GENERAL SHAREHOLDERS INFORMATION:

106th Annual General Meeting (through VC/OVAM)

Day & Date	: Friday, July 31, 2026
Time	: 3.00 P.M. (IST)
Deemed Venue	: Registered Office at "Yamuna" Survey No. 98 (3 to 7), Plot No.3, Baner, Pune-411 045.
Financial Year	: 1 st April to 31 st March
Record Date for dividend	: July 24, 2026
Dividend payment date	: August 29, 2026
Corporate Identification No. (CIN)	: L29113PN1920PLC000670
Listing on Stock Exchanges	: Company's equity shares are listed on BSE Limited and National Stock Exchange of India Limited, Mumbai.
ISIN	: INE732A01036

Addresses of stock exchanges:**BSE Limited**

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.
Tel. No. (022) 2272 1233/34
Fax No. (022) 2272 1919

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1,G Block
Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
Tel. No. (022) 2659 8100/8114
Fax No. (022) 2659 8120

The Annual Listing Fees have been paid to both BSE Limited and National Stock Exchange of India Limited (NSE).

Registrar and Transfer Agent (RTA):

M/s. Bigshare Services Private Limited has been appointed as RTA of the Company.

Share transmission, issuance of duplicate share certificates, dematerialisation of shares, dividend payment and all other investor related activities are attended and processed at the office of the RTA at the following address:

M/s. Bigshare Services Private Limited

(Unit: Kirloskar Brothers Limited),
Office No. S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai – 400093.
Email id: investor@bigshareonline.com
Tel.: 022-62638200 / 08069219060 / 08069219061

Share transfer system:

Pursuant to Regulation 40 of SEBI Listing Regulations, 2015 as amended, the shares held in dematerialised (demat) form only can be transferred.

Members who had submitted transfer deeds for physical shares before April 01, 2019, and whose requests were rejected, returned, or remained unprocessed due to deficiencies, have been provided a special re-lodgement window till February 04, 2027, to re-lodge the transfer requests. Shareholders are requested to contact RTA in this regard.

Out of total paid-up share capital, 98.87% share capital is held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited, the Depositories as on March 31, 2026.

The Company has established connectivity with both the Depositories through its RTA, M/s. Bigshare Services Private Limited.

Shareholders are advised to notify to the Company or RTA, any change of address and Bank details, immediately.

Dematerialisation of equity shares and liquidity as on March 31, 2026:

Equity shares	Number of shares	% of total shares
Held in dematerialised form in NSDL	7,51,54,320	94.64
Held in dematerialised form in CDSL	33,60,567	4.23
Physical	8,94,039	1.13
Total	7,94,08,926	100.00

Distribution of Shareholding as on March 31, 2026:

Nominal value of shares (In ₹)		Number of holders	% to total holders	Total face value (In ₹)	% to total face value
From	To				
1	5000	66,487	98.65	11004424	6.93
5001	10000	484	0.72	3341448	2.10
10001	20000	202	0.30	2751270	1.73
20001	30000	59	0.09	1447126	0.91
30001	40000	44	0.07	1573466	0.99
40001	50000	20	0.03	885566	0.56
50001	100000	39	0.06	2837980	1.79
100001 and above		59	0.09	134976572	84.99
TOTAL		67,394	100.00	15,88,17,852	100.00

Outstanding GDRs/ ADRs / warrants or any convertible instruments etc.:

As of date, the Company has not issued these types of Securities.

Foreign Exchange and Commodity Risk:

During the Financial Year 2025-26, the Company has managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposure are disclosed in Note No. 36D to the Financial Statements.

The Company manages financial risks emanating from commodity price movements through various tools such as price variation clauses embedded in the contracts with customers, price increases for made to stock products, bulk procurement etc., if required.

Plant locations:

1. Kirloskarvadi Dist. Sangli - 416 308 Maharashtra. Tel. No. (02346) 222301	2. Dewas Station Road, Dewas - 455 001, Madhya Pradesh. Tel. No. (07272) 227397
3. Shirwal Gate No. 117, Shindevadi, Tal. Khandala, Dist. Satara - 412 801, Maharashtra. Tel. No. (02169) 244360	4. Kondhapuri Gat No. 252/2 + 254/2, Kondhapuri, Tal. Shirur, Dist. Pune - 412 208, Maharashtra. Tel. No. (02137) 240041, 240025, 240047
5. Kaniyur Village S.F. No. 324/1, Moperipalayam Road, Thattampudur, Kaniyur Village, Karumathampatti - PO, Coimbatore - 641 659, Tamil Nadu. Tel. No. 08111018180	6. Sanand 254/1, Chharodi Village, Sanand, Ahmedabad - Viramgam Highway, Ahmedabad - 382 170, Gujarat. Tel. No. (02717) 273310

Address for correspondence / Investor contacts:

Company Address (Registered Office)	Registrar and Transfer Agent
Secretarial Department, Kirloskar Brothers Limited, "Yamuna", Survey No. 98 (3 to 7), Plot No. 3, Baner, Pune – 411 045. Tel. No. (020) 2721 1030, (020) 6721 1030 Fax No. (020) 2721 1136 E-mail : grievance.redressal@kbl.co.in	Bigshare Services Private Limited, Office No S6-2, 6 th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400 093. Tel.: 022-62638200 / 08069219060 / 08069219061 Fax No.: 022-6263 8299 Email id: investor@bigshareonline.com

Depositories for equity shares

National Securities Depository Limited Trade World – A Wing, 4 th & 5 th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400 013. Tel. No. (022) 4886 7000	Central Depository Services (India) Ltd. Marathon Futurex, A-Wing, 25 th floor, NM Joshi Marg, Lower Parel, Mumbai - 400 013. Tel. No. (022) 2305 8640

Credit Rating obtained by the entity along with revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds whether in India or abroad:

The Company received Credit rating of "CRISIL A1+(CRISIL A one plus rating)" on ₹ 100 Crore Commercial Paper programme / short term bank loan facilities and the rating of "CRISIL AA/Positive" for long term bank loan facilities.

12. OTHER DISCLOSURES:

- There were no materially significant transactions entered into by the Company with its promoters, directors or their relatives or with the management, subsidiaries etc. during the year which have potential conflict with the interests of the Company at large.
- The details of transactions of the Company with persons, entities belonging to the promoter/promoter group which hold 10% or more shareholding in the Company:

The details of transactions with Mr. Sanjay Kirloskar and Mrs. Pratima Kirloskar, during the Financial Year 2025-26 are provided in Note No. 32 to the Financial Statements attached to the Board's Report. A dividend amounting to ₹ 132.92 Million was paid to Kirloskar Industries Limited during the Financial Year 2025-26.
- The details of material subsidiaries of the Company and their statutory auditors are provided in the Board's Report.
- Loans and advances by Company / subsidiaries in entities where Directors are interested–Nil

- v. There is no non-compliance by the Company, no penalties and strictures imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets, during the last three years except inadvertent omission of filing of Annual Secretarial Compliance Report (ASCR) for FY 2024-25 as per Regulation 24A of the SEBI Listing Regulations, 2015 with BSE Limited in PDF format. However, the Company has filed ASCR in XBRL format within the due date. The BSE Limited has levied a fine of ₹ 50,000/- for the above omission. The Company has filed an appeal with the BSE Limited for waiver of the fine amount on July 11, 2025. The status of appeal is pending as on date.
- vi. a. Whistle Blower Policy:
- The Whistle Blower Policy ('the Policy') inter alia provides a mechanism for employees of the Company and other persons dealing with the Company to approach the Chief Ethics Counsellor / the Chairperson of the Audit Committee or other channels set out in the Policy to report any instance of illegal or unethical behaviour or violation of the Company's code of conduct. Thus, any employee / stakeholder has access to the Audit Committee. During the year, no personnel has been denied access to the audit committee.
- The Policy has been communicated to all the employees of the Company and other persons dealing with the Company, through circular/display on the Notice Board/ display on the Intranet and through training programmes from time to time. The Policy has also been uploaded on the Company's website.
- b. Policy for prevention of sexual harassment at work:
- The Company has also in place and implemented a policy for prevention of sexual harassment at work. This provides a mechanism to prevent or deter the commission of acts of sexual harassment or inappropriate behaviour at work and to ensure that all employees are treated with respect and dignity. Under the said policy, the procedures for the resolution, settlement or prosecution of acts or instances of Sexual Harassment have also been provided for.
- Disclosure under the 'Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013':
- In terms of Section 22 of the above-mentioned Act, read with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, during the year ended on March 31, 2026, the status of complaint(s) is as follows:
1. No. of Complaints received in the year: Nil
 2. No. of Complaints disposed off in the year: NA
 3. Cases pending for more than 90 days: NA
 4. No. of workshops and awareness programmes conducted in the year: 26
 5. Nature of action by employer or District Officer, if any: NA
- c. Code of Ethics:
- The Company released its 'Code of Ethics' on March 10, 2019. This is one of the most important documents of the Company and a guide to ethical behaviour for personnel with the Company.
- vii. The Board has adopted certain policies viz. 'Code of Conduct for Board of Directors and Senior Management', 'Corporate Disclosure Policy' (amended on February 12, 2025), 'Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to Regulate, Monitor and Report Trading by Insider of Kirloskar Brothers Limited' under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (amended on May 14, 2025).
- viii. **Web links for following on www.kirloskarpumps.com:**
- a) Familiarisation programme of Independent Directors:
[Familiarization-Programme-2025-26.pdf](#)
 - b) Policy for determining 'material' subsidiaries:
<https://www.kirloskarpumps.com/wp-content/uploads/2024/07/Policy-on-Material-Subsidiaries-October-1-2014.pdf>
 - c) Policy on dealing with related party transactions:
kirloskarpumps.com/wp-content/uploads/2025/02/Related-Party-Transactions-Policy.pdf
 - d) Enterprise Risk Management Policy:
kirloskarpumps.com/wp-content/uploads/2025/02/Enterprise-Risk-Management-Policy.pdf

- e) Corporate Disclosure Policy:

<https://www.kirloskarpumps.com/wp-content/uploads/2025/02/Corporate-Disclosure-Policy.pdf>

- ix. **Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

The Company has not raised any fund through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

- x. **Separate meeting of Independent Directors:**

Independent Directors of the Company met on March 27, 2026 to review and discuss on the matters required under the SEBI Listing Regulations, 2015.

- xi. **Payment of consolidated fees to the Statutory Auditor:**

The Company has paid fees of ₹12.79 Million on consolidated basis to Statutory Auditor M/s. Sharp and Tannan Associates (Firm Registration No.109983W)-Chartered Accountants, Mumbai during the Financial Year ended on March 31, 2026.

- xii. The particulars of senior management as on date and the changes therein since the close of the previous financial year:

Name	Designation
Mr. Vikas Agarwal	Vice President and Head - Water, Irrigation & Power (Indian Sub-continent, Middle East and North Africa)
Mr. Suman Chakraborty	Vice President & Head - Small Pump Business Sales
Mr. Kiran Gosavi	Vice President & Head - Research and Development
Mr. Ashok Jade	Global CIO (CIC)
Mr. Sudhir Mali	Vice President & Head - R&D - Small Pump Business
Mr. Sunil Nair	Vice President & Head - Procurement & Strategic Projects
Mr. Shingo Nakamura	Vice President & Head - Total Quality & Productivity Maintenance (TQPM)
Mr. Devang Trivedi	Associate Vice President & Company Secretary
Mr. Amit Oswal	General Manager & Head - Legal
Mr. Gangappan B.	Vice President - Manufacturing, Kirloskarvadi Plant
Mr. Bhavesh Chheda	Chief Financial Officer, Vice President & Head – Corporate Finance & Accounts
Ms. Mohini Kudtarkar	Head - Corporate Human Resource Management & Communication (w.e.f. June 16, 2025)
Mr. Supriyo Bhowmik	Vice President & Head - Engineered Service Division & Customer Support & Services (Service & Spares) (Ceased w.e.f. October 14, 2025)

- xiii. All mandatory requirements of the SEBI Listing Regulations, 2015 have been complied with by the Company.

The extent of adoption of non-mandatory requirements is given hereunder:

Discretionary requirements as per Schedule II Part E:

1. The Board:

The Company has an Executive Chairman and the office with required facilities is provided and maintained at the Company's expenses for use by the Chairman.

2. Shareholders' Rights:

The quarterly, half-yearly and annual financial results are published in the English and Vernacular newspapers and are also displayed on the Company's website. The Company has shared the annual financial results to shareholders who have registered their email addresses with the Company after filing of the same with stock exchanges.

3. Modified Opinion in Audit Report:

The Company is already in the regime of financial statements with unmodified audit opinion.

4. Reporting of Internal Auditor:

The Internal Auditor's reports are presented to the Audit Committee, on a regular periodical basis.

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

To the members of **KIRLOSKAR BROTHERS LIMITED**

Pursuant to Regulation 34 (3) read with Schedule V Para D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015), I hereby declare that all Board members and Senior Management Personnel are aware of the provisions of the Code of Conduct laid down by the Board. All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct.

For **Kirloskar Brothers Limited**

Sanjay C. Kirloskar

Chairman and Managing Director

DIN: 00007885

Pune: 13th May, 2026

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

[Pursuant to Clause E of Schedule V to the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors
M/s Kirloskar Brothers Limited
CIN: L29113PN1920PLC000670,
Yamuna, S. No. 98/3 – 7, Plot No.3,
Baner, Pune – 411 045.

I have examined the compliance of conditions of corporate governance by **Kirloskar Brothers Limited** (CIN L29113PN1920PLC000670), for the year ended on 31st March, 2026, under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-Regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance with conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to us and the representations made by the Directors and Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchanges.

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

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For **Dinesh Birla & Associates**
Company Secretaries

Dinesh Birla
Proprietor
FCS: 7658, CP No.: 13029
Peer Review Certificate No.: 1668/2022
UDIN: F007658H000343477

Place: Pune
Date: 13th May, 2026

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Board of Directors
M/s Kirloskar Brothers Limited
CIN: L29113PN1920PLC000670,
Yamuna, S. No. 98/3-7, Plot No. 3,
Baner, Pune – 411 045.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kirloskar Brothers Limited having CIN L29113PN1920PLC000670 and having registered office at Yamuna, S. No. 98/3 – 7, Plot No. 3, Baner, Pune 411045 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN
1	Mr. Sanjay Chandrakant Kirloskar	00007885
2	Mr. Alok Sanjay Kirloskar	05324745
3	Ms. Rama Sanjay Kirloskar	07474724
4	Mr. Mangalath Unnikrishnan	01460245
5	Mrs. Ramni Nirula	00015330
6	Mr. Shobinder Duggal	00039580
7	Mr. Shrinivas Vasudeva Dempo	00043413
8	Mr. Vivek Sharad Pendharkar	02791043
9	Ms. Rekha Sethi	06809515
10	Mr. Vinayak Kashinath Deshpande	00036827
11	Mr. Brij Bhushan Nagpal	01853613
12	Mr. Pradyumna Rameshchandra Vyas	02359563
13	Mr. Harsh Vardhan Shringla	11203013

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

For **Dinesh Birla & Associates**
Company Secretaries

Dinesh Birla
Proprietor
FCS: 7658, CP No.: 13029
Peer Review Certificate No.: 1668/2022
UDIN: F007658H000343488

Place: Pune
Date: 13th May, 2026

Independent Auditor's Report

To the members of **KIRLOSKAR BROTHERS LIMITED**

Report on the audit of the **standalone financial statements**

Opinion

We have audited the accompanying standalone financial statements of **Kirloskar Brothers Limited** (hereinafter referred as "the Company"), which comprise the balance sheet as at 31 March 2026, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year ended on that date and notes to the standalone financial statements, including a summary of material accounting policies, other accounting policies, and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (hereinafter referred as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (hereinafter referred as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31 March 2026, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (hereinafter referred as "SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key audit matters

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

on these matters. We have determined the key audit matter as described below:

Accounting treatment for customer contracts where performance obligations are satisfied over time

Description of key audit matter:

Revenue amounting to ₹ 686 million reported in the Company's standalone financial statements pertains to customer specific long-term contracts and the same are required to satisfy the recognition and measurement criteria as enunciated in IND AS 115, 'Revenue from Contracts with Customers'. In case of these contracts the revenue is recognised over time and is based on a percentage completion method (POC) for each of such contracts. The stage of project completion is determined based on a ratio of project costs actually incurred till the period / year end to the planned / estimated total cost to complete the said project. This necessarily involves estimations and certain assumptions to be made by the management in determining the total planned costs and an appropriate allocation of costs actually incurred on each project. This inherently creates certain uncertainties and results in complexities in accounting treatment wherein incorrect assumptions and estimates can lead to revenue being recognised in incorrect accounting periods thereby impacting the results. In addition, in POC method revenue recognition and respective collections do not follow a linear trend irrespective of stage completion determined by the company. Collections do depend on satisfaction of certain other performance obligations as laid down in the respective project agreements. Consequently, those amounts that remain as receivables whose due dates for payments depend on other conditions give rise to certain receivables that are due and others not due for payment, requiring the Company to adopt a differential accounting classification and treatment. While assessing the contractual obligations as at any period close, change orders and / or cancellations are required to be considered by the Company to adopt an appropriate accounting treatment for revenues already recognised, valuation of work in progress and respective receivables. Considering these factors, in the context of our audit this matter was of significance and hence a key audit matter (Refer note 20 A to the standalone financial statements).

Description of Auditor's response:

With a view to verify the alignment of the Company's project accounting system with the actual progress of the project and its status at any period close, we designed our audit procedures related to this area to obtain an understanding of project acceptance and execution process and the related accounting controls including verification of compliance with IND AS 115 – 'Revenue from contracts with customers'. These included inter-alia, reading through the material contracts and formation of a standard checklist to note the terms and conditions and considerations required to be taken note of for appropriate financial accounting till a project is finally

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executed and closed. We discussed with the management the risks associated with the project execution to understand requirement of any specific recognition of financial accounting considerations and developed requisite key controls requiring audit attention and review. The Company has automated through its accounting software the method of calculating the percentage of completion method which we have verified on test basis. We reviewed planned costs, their latest estimates, rationale for revision in estimates based on information shared by the management in our discussions, approvals to such revisions in the estimates and compared them with latest costs to complete, related mathematical accuracy and, on a sample, basis validated resulting recognition of revenue. We discussed with management the status of amount receivable and have verified the evidence supporting the recoverability in sample cases. We verified the calculations of expected credit loss provisions and corroborated with specific management discussions on major projects.

Information other than the standalone financial statements and auditor's report thereon

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the Board's report and management discussion and analysis included in the annual report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Director's responsibilities for the standalone financial statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities;

selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Company's Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- A. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the central government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act and based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph 2(i)(vi) below on reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on 31 March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of section 164 (2) of the Act;
 - f) With respect to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2 (b) above and refer to our comment in paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
 - g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements;
 - h) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as

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amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

i) With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its standalone financial statements - refer note 28 to the standalone financial statements.

ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long term contracts including derivative contracts - refer note 17 B to the standalone financial statements.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. Reporting on rule 11(e):

(a) The Management has represented that, to the best of its knowledge and belief, as stated in note no. 43 (2), no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as stated in note no. 43 (3), no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The dividend for the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which have a feature of recording audit trail (Edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software except that the audit trail feature was not enabled at the database level to capture direct changes. Further during our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention

– Refer note 41 to the Standalone financial statements

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration no. 109983W
by the hand of

CA Pramod Bhise
Partner

Membership no.(F) 047751
UDIN: 26047751SRAHHM5793

Pune, 13 May 2026

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under the heading, "Report on Other Legal and Regulatory Requirements" of our report on even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment have been physically verified by the management at regular intervals based on the programme of verification in a phased manner which in our opinion is reasonable. No material discrepancies were noticed during such physical verification conducted by the Company during the year.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) The Company has neither revalued its Property, Plant and Equipment (including Right of Use assets) nor intangible assets during the year. Accordingly, reporting under paragraph 3(i)(d) of the Order is not applicable.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under paragraph 3(i)(e) of the Order is not applicable.
- (ii) (a) Physical verification of inventory, except goods-in-transit has been conducted at reasonable intervals by the management and in our opinion the coverage and procedure of such verification is appropriate. Discrepancies noticed on physical verification were less than 10% in the aggregate for each class of inventory and the same have been properly dealt with in the books of account.
- (b) During the year, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The management of the Company has provided us the quarterly returns/ statements, which they have represented to us have been filed by the Company

with such banks or financial institutions. These quarterly returns/ statements are in agreement or have been reconciled with the books of account.

- (iii) The Company has not provided any security or granted any secured loans or secured or unsecured advances in the nature of loans, to Companies, firms, limited liability partnerships or any other parties during the year. The Company has made investment or provided guarantee to Companies & and has not made investment or provided guarantee to firms, limited liability partnerships or any other parties during the year.

- (a) During the year, the Company has provided guarantee to its subsidiaries and other than subsidiaries (direct and indirect). Details of guarantees provided are as follows (also refer note 32E for details):

Particulars	Guarantees	
	Provided during the year*	Balance outstanding as at 31 Mar 2026
Aggregate amount during the year		
(A) Subsidiaries (not including joint ventures and associates)	₹ 113.62 Mn.	₹ 1,278.75 Mn.
(B) Other than Subsidiaries, joint ventures and associates	₹ 686.48 Mn.	₹ 3,304.52 Mn.

* Excludes cancelled during the year [refer note no. 32C (14) and (15)].

- (b) The unsecured loan given to The Kolhapur Steel Limited in FY 2008-09 was under an order from Board for Industrial and Financial Reconstruction (BIFR), without any specific agreed terms for charge of interest and repayment. Unsecured loan given to TKSL during FY 19-20 is with specified terms and conditions.

Pursuant to the Scheme of Merger approved by the Hon'ble NCLT, Mumbai Bench vide its order dated 03 November 2025, filed with the Registrar of Companies on 05 December 2025, The Kolhapur Steel Limited (TKSL) merged with Karad Project Motors Limited (KPML) with effect from the appointed date of 03 October 2024. Consequently, the aforesaid loan obligations of TKSL stand vested in KPML.

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Considering the above-mentioned facts and materiality of the amounts, in our opinion the terms and conditions of all loans and advances in the nature of loans and guarantees provided, investment made are prima facie, not prejudicial to the Company's interest.

- (c) Schedule of repayment of principal and payment of interest has been stipulated for loan given to TKSL during the financial year 2019-20 and repayments/ receipts are regular. There are no amounts outstanding as at the balance sheet date (Refer para 3(iii)(b) above).
- (d) In furtherance to the reporting under para 3 (iii) above, no amount is overdue for more than ninety days. Accordingly, the reporting under para 3(iii)d is not applicable.
- (e) No loan or advance in the nature of loan granted has fallen due during the year. Accordingly, the reporting under para 3(iii)(e) is not applicable.
- (f) The unsecured loan given to TKSL in FY 2008-09 was under an Order from Board for Industrial and Financial Reconstruction (BIFR), without any specific agreed terms for charge of interest and repayment, details are as follows (Refer para 3(iii)(b)&(c) above).

Particulars of loans given to TKSL	Reference	Amt. in ₹ Mn.
Aggregate amount of loans/ advances in nature of loans to related party (other than promoters)		
- Repayable on demand	A	-
- Agreement does not specify any terms or period of repayment (loan up to 30 September 2025)	B	9.41
Total	C = A + B	9.41
Total loans granted		40.94
Loans granted during the year		-
Percentage of loans/ advances in nature of loans to the total loans outstanding		23%
Note: Advance against purchases is not considered as advance in the nature of loan.		

- (iv) The Company has complied with provisions of sections 185 and 186 in respect of grants of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted deposits or deemed deposits to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed there under, are applicable. Accordingly, reporting under para 3(v) is not applicable.
- (vi) The Central Government has specified maintenance of cost records under section 148(1) of the Act. We have broadly reviewed these records relating to materials, labour and other items of cost maintained by the Company and are of the opinion that, prima facie; the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of records with a view to determine whether they are accurate and complete.
- (vii) In respect of statutory dues:
- (a) The Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and any other statutory dues, as applicable, to the appropriate authorities. On test basis, there are no arrears of statutory dues outstanding as on the last day of the financial year concerned for a period of more than six months from the date, they became payable except as follows.

Statement of arrears of Statutory Dues Outstanding for More than Six Months.

Name of the Statute	Nature of the Dues	Amount in (₹)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Employees provident fund organisation India	Provident fund	13,981	April 2025 to September 2025	Various	-	Due to inherent system limitations, pension contributions for new joiners may remain temporarily unpaid, as pension eligibility is determined only at the challan payment stage.

- (b) The details of statutory dues referred to in sub- paragraph (a) above which have not been deposited with the concerned authorities as on 31 March, 2026, on account of dispute are given below:

Name of Statute	Nature of dues	Amount involved ₹ Million	Amount unpaid ₹ Million	Period to which amount Relates	Forum where Dispute is Pending
Local Sales Tax of Various States	LST, GST, Sales Tax, CST, VAT, WCT (including interest, penalty etc. if any)	118.75	118.75	2008-09, 2009-10, 2010-11 & 2013-14	C.T.O., Telangana
		3.18	3.18	2016-17, 2017-18	Commissioner of Appeal, Jharkhand
		38.67	38.67	2013-14	Tribunal Maharashtra
Chapter V of Finance Act, 1994	(Tax including interest, penalty etc. if any)	1.14	1.14	2012-13	Superintendent
		902.52	902.52	2012-13	Supreme Court
Goods and Service tax Act, 2017	(Tax including interest, penalty etc. if any)	154.80*	154.80	2017-18	Deputy Commissioner
		105.90	100.90	2018-19 to 2023-24	Superintendent
Central Excise Act, 1944	(Tax including interest, penalty etc. if any)	1.05	1.05	2003-04	CESTAT
		6.36	6.36	2013-17	DGGI
		0.14	0.14	1996-97	Deputy Commissioner
		6.06	6.06	2015-16 & 2017	Assistant commissioner
		10.62	10.62	2017-18	High court
Income Tax Act, 1961	(Tax including interest, penalty etc. if any)	119.42	119.42	2017-18	CIT (Appeals) Pune
		72.95	72.95	2018-19	
		86.50	86.50	2020-21	
Total		1,628.06	1,623.06		

*Refer note no. 27(B)

- (viii) The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income tax act, 1961 as income during the year. Accordingly, reporting under para 3(viii) is not applicable.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Accordingly, reporting under para 3(ix)(a) is not applicable.
- (b) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender. Accordingly, reporting under para 3(ix)(b) is not applicable.
- (c) No additional term loans availed by the Company during the year, Accordingly, reporting under para 3(ix)(c) is not applicable.
- (d) Funds raised on short term basis have not been utilised for long term purposes. Accordingly, reporting under para 3(ix)(d) is not applicable.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, reporting under para 3(ix)(e) is not applicable.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, reporting under para 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting on para 3(x)(a) is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting on para 3(x)(b) is not applicable.

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- (xi) (a) No fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have considered whistle blower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company. Accordingly, reporting on para 3(xii) of the order is not applicable.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable, and the details have been disclosed in the financial statements as required by the applicable IND AS.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports issued during the year and pertaining to the year under audit.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, reporting on para 3(xv) of the order is not applicable.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting on para 3(xvi)(a) is not applicable.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, reporting on para 3(xvi)(b) is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting on para 3(xvi)(c) of the order is not applicable.
- (d) The group does not have CIC as part of the group. Accordingly, reporting on para 3(xvi)(d) of the order is not applicable.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, reporting on para 3(xvii) of the order is not applicable.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting on para 3(xviii) of the order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There is no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects which required a transfer to a Fund specified in Schedule VII to the companies Act in compliance with second proviso to sub section (5) of section 135 of the Act. Accordingly, reporting on para 3(xx)(a) of the order is not applicable.
- (b) The Company has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) under sub-section (5) of Section 135 of the Act, in respect of ongoing projects, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration no. 109983W
by the hand of

CA Pramod Bhise
Partner

Membership no.(F) 047751
UDIN: 26047751SRAHHM5793

Pune, 13 May 2026

Annexure B to the Independent Auditor's Report

Referred to in paragraph 2 (f) under the heading, "Report on other legal and regulatory requirements" of our report on even date:

Report on the Internal Financial Controls

[under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")]

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Kirloskar Brothers Limited (hereinafter referred as "the Company") as of 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2026, based on the internal financial control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (hereinafter referred as "the guidance note") issued by the Institute of Chartered Accountants of India (hereinafter referred as "ICAI").

Managements and Board of Directors responsibility for internal financial controls

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the guidance note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the guidance note and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent

applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of internal financial controls with reference to standalone financial statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely

STANDALONE

detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent limitations of internal financial controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including

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

For Sharp & Tannan Associates

Chartered Accountants

Firm's Registration no. 109983W

by the hand of

CA Pramod Bhise

Partner

Membership no.(F) 047751

UDIN: 26047751SRAHHM5793

Pune, 13 May 2026

Standalone Balance Sheet

As at 31st March 2026

(Amount in Million ₹ except otherwise stated)

Particulars	Note No.	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3A	4,330.228	4196.689
Capital work-in-progress	3A	372.206	283.919
Investment property	4	5.020	5.020
Other intangible assets	3A	59.841	58.996
Right to use assets	3B	287.036	131.164
Financial assets			
Investments	5	4,814.997	4,444.997
Trade receivables	6	856.251	367.920
Loans	7	-	-
Other financial assets	8	104.455	63.237
Deferred tax assets (net)	19	570.195	622.438
Other non-current assets	9	753.399	712.519
Total non-current assets		12,153.628	10,886.899
Current assets			
Inventories	10	5,752.349	5,105.021
Financial assets			
Investments	5	4,213.967	2,920.414
Trade receivables	6	2,973.687	3,884.232
Cash and cash equivalents	11 A	758.152	924.369
Other bank balances	11 B	42.848	39.512
Loans	7	-	40.942
Other financial assets	8	1,221.704	953.262
Other current assets	9	3,077.031	2,505.750
Total current assets		18,039.738	16,373.502
TOTAL ASSETS		30,193.366	27,260.401
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	158.818	158.818
Other equity	13	18,326.261	16,466.660
Total equity		18,485.079	16,625.478
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	39	178.307	81.889
Trade payables	15	72.357	74.923
Provisions	17	227.947	200.805
Other non-current liabilities	18	725.931	738.339
Total non-current liabilities		1,204.542	1,095.956
Current liabilities			
Financial liabilities			
Borrowings	14	41.919	94.072
Lease liabilities	39	118.454	56.468
Trade payables			
- Micro, small and medium enterprises	15	1,024.063	661.446
- Others	15	3,881.960	4,008.860
Other financial liabilities	16	1,129.040	1,095.199
Other current liabilities	18	3,335.110	3,083.562
Provisions	17	973.199	539.360
Total current liabilities		10,503.745	9,538.967
Total liabilities		11,708.287	10,634.923
TOTAL EQUITY AND LIABILITIES		30,193.366	27,260.401
Corporate information	1		
Material accounting policies	2		
See accompanying notes to financial statements	3 - 43		

The accompanying notes 1 to 43 form an integral part of the financial statements

As per our report of even date attached

For SHARP & TANNAN ASSOCIATES

Chartered Accountants
(ICAI Firm Regn. No. 109983W)

Pramod Bhise

Partner

Membership No: (F) - 047751

Pune: 13 May 2026

Sanjay Kirloskar
Chairman and Managing Director
DIN: 00007885

Bhaves Chheda
Chief Financial Officer

Pune: 13 May 2026

For and on behalf of the Board of Directors

Rama Kirloskar
Joint Managing Director
DIN: 07474724

Devang Trivedi
Company Secretary

Pune: 13 May 2026

Standalone Statement of Profit and Loss

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Particulars	Note No.	Year ended 31 March 2026	Year ended 31 March 2025
Income			
Revenue from operations	20	28,281.232	29,013.914
Other income	21	473.812	407.818
Total income		28,755.044	29,421.732
Expenses			
Cost of raw materials consumed	22	14,868.953	14,552.564
Purchases of stock-in-trade		984.463	1,101.124
Changes in inventories of finished goods, stock -in- trade and work-in-progress	22	(478.791)	(129.408)
Employee benefits expense	23	3,752.767	3,533.138
Finance costs	24	67.840	50.997
Depreciation and amortisation expense	25	642.851	584.107
Other expenses	26	5,271.245	6,363.942
Total expenses		25,109.328	26,056.464
Profit before exceptional items and tax		3,645.716	3,365.268
Less: Exceptional items	42	413.636	(107.646)
Profit before tax		3,232.080	3,472.914
Tax expenses	19		
(1) Current tax		790.264	948.918
(2) Deferred tax		52.243	(142.829)
(3) Short provision of earlier years		-	45.713
Total tax expenses		842.507	851.802
Profit after tax for the year		2,389.573	2,621.112
Other comprehensive income	27		
Items that will not be reclassified to profit or loss			
Remeasurement gains and (losses) on post employment benefits		34.598	(55.301)
Income tax relating to remeasurement gains and losses		(8.708)	13.918
Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income		25.890	(41.383)
Total comprehensive income for the year (comprising of profit for the year and other comprehensive income for the year)		2,415.463	2,579.729
Earnings per equity share (₹)	30		
(1) Basic		30.09	33.01
(2) Diluted		30.09	33.01
Corporate information	1		
Material accounting policies	2		
See accompanying notes to financial statements	3 - 43		

The accompanying notes 1 to 43 form an integral part of the financial statements

As per our report of even date attached

For **SHARP & TANNAN ASSOCIATES**

Chartered Accountants
(ICAI Firm Regn. No. 109983W)

Pramod Bhise

Partner

Membership No: (F) - 047751

Pune: 13 May 2026

Sanjay Kirloskar

Chairman and Managing Director
DIN: 00007885

Bhavesh Chheda

Chief Financial Officer

Pune: 13 May 2026

For and on behalf of the Board of Directors

Rama Kirloskar

Joint Managing Director
DIN: 07474724

Devang Trivedi

Company Secretary

Pune: 13 May 2026

Standalone Statement of Cash Flows

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
A Cash flow from operating activities		
Profit before tax	3,232.080	3,472.914
Adjustments for:-		
1 Depreciation / amortisation including on right to use	642.851	584.107
2 (Profit) /loss on sale / write-off of Property, plant and equipment	4.262	(5.200)
3 Bad debts written off	29.569	4.598
4 Advances, deposits and claims written off	12.581	0.026
5 Liquidated damages	28.789	44.133
6 Provision for loss on long term contracts	0.862	(2.170)
7 Provision slow-non moving inventory	(26.773)	24.944
8 Provision for doubtful debts, advances and claims	(554.555)	410.514
9 Interest income	(268.233)	(194.822)
10 Dividend income	(26.750)	(38.575)
11 Interest expenses	67.840	50.997
12 Unrealised exchange (gain)/ loss - others	70.202	56.831
13 Profit on sale of mutual funds	(98.859)	(108.300)
14 Impairment of investment	-	(107.646)
Operating profit before working capital changes	3,113.866	4,192.351
Adjustments for:-		
1 (Increase)/ decrease in inventories	(620.555)	(211.643)
2 (Increase)/ decrease in trade receivables	856.078	(57.689)
3 (Increase)/ decrease in financial assets	(209.492)	4.945
4 (Increase)/ decrease in non-financial assets	(516.723)	(133.389)
5 Increase/ (decrease) in trade payable	248.918	(335.493)
6 Increase/ (decrease) in financial liabilities	11.948	109.848
7 Increase/ (decrease) in non-financial liabilities	239.140	85.638
8 Increase/ (decrease) in provisions	539.537	(52.568)
Cash generated from operations	3,662.717	3,602.000
9 Income tax (paid) / refunded (net)	(894.410)	(1,008.937)
Net cash from operating activities	2,768.307	2,593.063
B Cash flow from investing activities		
1 Purchase of Property, plant and equipment	(781.175)	(631.881)
2 Sale of Property, plant and equipment	8.077	6.788
3 Investment in Associate Company	-	(39.581)
4 Sale of investment in Subsidiary Company	-	107.646
5 Investment in mutual funds and deposits with NBFC	(23,976.156)	(18,089.908)
6 Sale of investment in mutual funds and deposits with NBFC	22,411.462	16,140.006
7 Interest received	120.919	135.765
8 Dividend received	26.750	38.575
9 Repayment of loans from subsidiaries	40.942	50.100
Net cash from/ (used in) investment activities	(2,149.181)	(2,282.490)

Standalone Statement of Cash Flows

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
C Cash flow from financing activities		
1 Proceeds from borrowing	41.919	94.072
2 Repayment of borrowings	(94.072)	(391.257)
3 Interest paid	(27.032)	(30.738)
4 Payment of dividend and tax thereon	(553.826)	(472.522)
5 Payment of lease liabilities	(115.105)	(68.732)
Net cash used in financing activities	(748.116)	(869.177)
a Unrealised exchange gain / (loss) in cash and cash equivalents	(37.227)	(33.728)
b Net increase / (decrease) in cash and cash equivalents (A+B+C)	(128.990)	(558.604)
c Cash & cash equivalents at beginning of year	924.369	1,516.701
d Cash & cash equivalents at end of year (refer note 11A)	758.152	924.369

Note:- The above statements of cash flow has been prepared using the "indirect method" as per Ind AS 7.

For disclosure of investing and financing transactions that do not require the use of cash and cash equivalents, refer note 39

Refer note 26 (A) for cash outflow on account of corporate social responsibility.

As per our report of even date attached

For **SHARP & TANNAN ASSOCIATES**
Chartered Accountants
(ICAI Firm Regn. No. 109983W)

Pramod Bhise
Partner
Membership No: (F) - 047751
Pune: 13 May 2026

Sanjay Kirloskar
Chairman and Managing Director
DIN: 00007885

Bhavesh Chheda
Chief Financial Officer
Pune: 13 May 2026

For and on behalf of the Board of Directors

Rama Kirloskar
Joint Managing Director
DIN: 07474724

Devang Trivedi
Company Secretary
Pune: 13 May 2026

Standalone Statement of Changes in Equity

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	Amt (₹ in Mn)
Balance as at 1 April 2024	158.818
Changes in equity share capital during the year	-
Balance as at 31 March 2025	158.818
Changes in equity share capital during the year	-
Balance as at 31 March 2026	158.818

B. OTHER EQUITY*

	Reserves and Surplus					Total
	Capital Reserve	Capital Redemption reserve	Securities Premium	General Reserve	Retained Earnings	
Balance as at 1 April 2024	0.172	4.000	414.604	5,787.407	8,157.202	14,363.385
Profit for the year	-	-	-	-	2,621.112	2,621.112
Other comprehensive income	-	-	-	-	(41.383)	(41.383)
Dividend	-	-	-	-	(476.454)	(476.454)
Transfer to / from retained earnings	-	-	-	-	-	-
Balance as at 31 March 2025	0.172	4.000	414.604	5,787.407	10,260.477	16,466.660
Profit for the year	-	-	-	-	2,389.573	2,389.573
Other comprehensive income	-	-	-	-	25.890	25.890
Dividend	-	-	-	-	(555.862)	(555.862)
Balance as at 31 March 2026	0.172	4.000	414.604	5,787.407	12,120.078	18,326.261

*There are no adjustments on account of prior period errors or due to changes in accounting policies.

As per our report of even date attached

For **SHARP & TANNAN ASSOCIATES**
Chartered Accountants
(ICAI Firm Regn. No. 109983W)

Pramod Bhise
Partner
Membership No: (F) - 047751
Pune: 13 May 2026

Sanjay Kirloskar
Chairman and Managing Director
DIN: 00007885

Bhavesh Chheda
Chief Financial Officer
Pune: 13 May 2026

For and on behalf of the Board of Directors

Rama Kirloskar
Joint Managing Director
DIN: 07474724

Devang Trivedi
Company Secretary
Pune: 13 May 2026

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

(All amounts are in Indian rupees rounded to the nearest millions, unless 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 13 May 2026.

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

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

plan, and the present value of the gratuity/pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. (Refer note – 23)

- **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 17)
- **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 36)
- **Decommissioning liability** – Initial estimate of dismantling and restoration liability requires significant judgement about cost inflation index and other factors. (Refer note 17)
- **Provision for warranty claims** – Provision is recognised based on the key assumptions about likelihood and magnitude of an outflow of resources. (Refer note 17)
- **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 17)
- **Recognition of deferred tax asset** – Availability of future taxable profit against which deductible temporary differences can be utilised
- **Revenue recognition** – Variable consideration such as discounts, rebates is recognised considering historical trend of payout as adjusted for any amendment in rebate scheme.

2.6 Inventories

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

- **Raw materials:** cost includes cost of purchase excluding taxes subsequently recoverable from

tax authorities and other costs incurred in bringing the inventories to their present location and condition. However, these items are considered to be realisable 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 realisable value.

Based on ageing of inventory and its 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 realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. 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.

2.8 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

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

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, unrealised 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 recognised 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 capitalised 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 capitalised 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 derecognised. 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 derecognised 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 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

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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.

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

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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 recognises 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 recognises 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 recognised when control of the goods is transferred to the buyer. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised 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 recognised 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 recognised over the time as and when customer receives the benefit of company's performance and the company has an enforceable right to payment for services transferred.

Construction Contracts

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

Contract revenue and contract cost arising from fixed price contract are recognised 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 recognises 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 recognised profits (or recognised 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 recognised profits (or recognised 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.

Notes to the Standalone Financial Statements

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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 recognised 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 realisation.

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. are recognised 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 recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities 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.

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

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 recognised 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.

Deferred tax is recognised 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 recognised for all timing differences. Deferred tax assets are recognised 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 realised.

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

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

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

2.19 Provisions

A Provision is recognised 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

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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.

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

- the amount of the initial measurement of the lease liability

(Amount in Million ₹ except otherwise stated)

- 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.

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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.

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, maximising the use of relevant observable inputs and minimising 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

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determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (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 recognised initially at fair value plus or minus the transaction cost. Trade receivables that do not contain financial component are measured at transaction price in accordance with Ind AS 115. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset

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.

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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.

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 a CODM, consists of Managing Director, Chief Financial Officer and 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. In May 2025, MCA notified amendments to Ind AS 21-The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. 1 April 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements. In August 2025, MCA notified the following amendments to:

- Ind AS 1, Presentation of Financial Statements, applicable w.e.f. 1 April 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

- Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. 1 April 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and

(Amount in Million ₹ except otherwise stated)

explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact on its financial statements.

- Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately – The Company has no impact of these amendments in its financial statements.

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 3A: PROPERTY, PLANT AND EQUIPMENT

Particulars	Property, plant and equipment						
	Land free hold	Land lease hold	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles
							Railway siding
Gross Block							
As at 1 April 2024	425.049	75.157	2,274.643	6,708.964	156.980	116.568	116.739
Additions	16.685	-	38.342	403.006	8.992	12.999	47.407
Disposals	-	-	-	(158.173)	(2.519)	(1.570)	(24.097)
As at 31 March 2025	441.734	75.157	2,312.985	6,953.797	163.453	127.997	140.049
Additions	-	-	148.583	458.505	19.060	20.630	12.172
Disposals	-	-	-	(115.987)	(0.251)	(0.875)	(12.870)
As at 31 March 2026	441.734	75.157	2,461.568	7,296.315	182.262	147.752	139.351
Depreciation/ Amortisation							
As at 1 April 2024	-	9.646	634.753	4,790.985	135.216	57.702	76.372
Charge for the year	-	1.003	58.733	408.485	4.517	16.425	9.417
Depreciation on disposal	-	-	-	(156.625)	(2.519)	(1.570)	(24.057)
As at 31 March 2025	-	10.649	693.486	5,042.845	137.214	72.557	61.732
Charge for the year	-	1.003	59.545	417.008	5.018	18.527	11.971
Depreciation on disposal	-	-	-	(111.587)	(0.251)	(0.875)	(4.931)
As at 31 March 2026	-	11.652	753.031	5,348.266	141.981	90.209	68.772
Net block							
As at 1 April 2024	425.049	65.511	1,639.890	1,917.979	21.764	58.866	40.367
As at 31 March 2025	441.734	64.508	1,619.499	1,910.952	26.239	55.440	78.317
As at 31 March 2026	441.734	63.505	1,708.537	1,948.049	40.281	57.543	70.579

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 2025-26 and FY 2024-25
- All title deeds of immovable properties are held in the name of Company

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 3A: OTHER INTANGIBLE ASSETS

Particulars	Intangible Assets		Total
	Computer software	Other Intangible Assets	
Gross Block			
As at 1 April 2024	337.828	31.730	369.558
Additions	57.373	-	57.373
Disposals	-	-	-
As at 31 March 2025	395.201	31.730	426.931
Additions	33.938	-	33.938
Disposals	-	-	-
As at 31 March 2026	429.139	31.730	460.869
Depreciation/ Amortisation			
As at 1 April 2024	308.688	31.730	340.418
Charge for the year	27.517	-	27.517
Depreciation on disposal	-	-	-
As at 31 March 2025	336.205	31.730	367.935
Charge for the year	33.093	-	33.093
Depreciation on disposal	-	-	-
As at 31 March 2026	369.298	31.730	401.028
Net block			
As at 1 April 2024	29.140	-	29.140
As at 31 March 2025	58.996	-	58.996
As at 31 March 2026	59.841	-	59.841

NOTE 3A: CAPITAL WORK-IN-PROGRESS

Additional disclosure required as per sch III

Particulars	Year	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2026	201.941	143.150	23.893	3.222	372.206
	2025	225.518	24.249	30.980	3.172	283.919
Projects temporarily suspended	2026	-	-	-	-	-
	2025	-	-	-	-	-

Following projects which were expected to be completed by March 26, got delayed and now expected to get completed as per following table.

Particulars	Year	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Automation projects	2026	44.209	1.100	-	-	45.309
	2025	8.482	-	-	-	8.482
Expansion of manufacturing plant and Load enhancement	2026	35.651	-	-	-	35.651
	2025	56.236	-	-	-	56.236

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 3B: RIGHT TO USE ASSETS

Particulars	Amt (₹ in Mn)
Opening balance as at 1 April 2024	96.748
Net addition / (deletion) during the year	92.426
Depreciation	(58.010)
Balance as at 31 March 2025	131.164
Net addition / (deletion) during the year	252.558
Depreciation	(96.686)
Balance as at 31 March 2026	287.036

NOTE 4: INVESTMENT PROPERTY

Particulars	Amt (₹ in Mn)
Land	
Gross Block	
As at 1 April 2024	5.020
Additions	-
Disposals	-
As at 31 March 2025	5.020
Additions	-
Disposals	-
As at 31 March 2026	5.020
Depreciation and Impairment	
As at 1 April 2024	-
Charge for the year	-
Depreciation on disposals	-
As at 31 March 2025	-
Charge for the year	-
Depreciation on disposals	-
As at 31 March 2026	-
Net block	
As at 1 April 2024	5.020
As at 31 March 2025	5.020
As at 31 March 2026	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 2026 is ₹ 65.923 Mn (Fair value as at 31 March 2023 was ₹ 60.717 Mn).

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 5: FINANCIAL ASSETS: INVESTMENTS

Sr No	Particulars	As at 31 March 2026	As at 31 March 2025
I	Long term investments		
	Trade Investments		
	Investment in Equity and Preference instruments	3,014.997	3,014.997
	Other long term investment in mutual funds and corporate FDs	1,800.000	1,430.000
		4,814.997	4,444.997
II	Current investments		
	Investments in fixed deposit	2,030.000	1,500.000
	Investments in mutual funds	2,183.967	1,420.414
		4,213.967	2,920.414
	Total	9,028.964	7,365.411

Sr No	Particulars	As at 31 March 2026	As at 31 March 2025
I	Aggregate amount of quoted investments	2,183.967	1,620.414
II	Aggregate amount of unquoted investments	6,844.997	5,744.997

Sr No	Particulars	Face Value	Partly Paid / Fully paid	Extent of holding (%)		No. of Shares / Units		Amount in Million Rupees	
				As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
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%	37.52%	31,020	31,020	39.582	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%	2,25,000	2,25,000	2.747	2.747
b	Investment in Subsidiaries								
1	Kirloskar Corrocoat Private Limited	₹ 10	Fully Paid	65%	65%	32,50,000	32,50,000	94.000	94.000
2	Kirloskar Brothers International B V	Euro 100	Fully Paid	100%	100%	2,36,851	2,36,851	1,398.025	1,398.025
3	Karad Projects & Motors Ltd.	₹ 10	Fully Paid	100%	100%	1,39,52,450	1,39,52,450	1,480.643	1,480.643

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(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 Rupees	
				As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
(3)	Total investment in equity shares of subsidiaries and joint venture							3,014.997	3,014.997
(4)	Investments at amortised cost								
	Investment in fixed deposit with financial institutions - (Int rate - 7.10% to 8.15%)							1,800.000	1,230.000
(5)	Investments at fair value through profit and loss								
	Investment in mutual funds							0.000	200.000
	Total non-current investment							4,814.997	4,444.997
	Current investments								
(6)	Investments at amortised cost								
	Investment in fixed deposit with financial institutions - (Int rate - 7.10% to 8.15%)							2,030.000	1,500.000
(7)	Investments at fair value through profit and loss								
	Investment in mutual funds							2,183.967	1,420.414
	Total current investment							4,213.967	2,920.414

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

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 The Netherlands.

Refer note 35 for determination of fair value.

NOTE 6: FINANCIAL ASSETS: TRADE RECEIVABLES

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
Unsecured, considered good	856.251	367.920
Trade Receivables with significant increase in credit risk for credit impaired	1,058.487	1,625.091
	1,914.738	1,993.011
Less: Allowance for expected credit loss	1,058.487	1,625.091
	856.251	367.920
Current		
Unsecured, considered good		
From related parties (Refer note 32)	386.035	1,315.141
Others	2,587.652	2,569.091
	2,973.687	3,884.232
Total trade receivables	3,829.938	4,252.152

Trade receivables are non-interest bearing and are generally on terms of 1 to 90 days. Refer note 36 (A) for movement in loss allowance.

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

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

A): Trade receivables as at 31 March 2026

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivable							
Considered good	2,394.397	500.384	185.640	173.963	101.993	406.751	3,763.128
Which have significant increase in credit risk	-	-	20.905	42.082	54.725	856.015	973.727
Credit impaired							
Total undisputed trade receivables (a)	2,394.397	500.384	206.545	216.045	156.718	1,262.766	4,736.855
Disputed trade receivables							
Considered good	2.755	-	0.804	1.799	-	61.451	66.809
Which have significant increase in credit risk	-	-	0.268	2.774	3.137	78.582	84.761
Credit impaired	-	-	-	-	-	-	-
Total Disputed trade receivables (b)	2.755	-	1.072	4.573	3.137	140.033	151.570
Total trade receivables (a+b)	2,397.152	500.384	207.617	220.618	159.855	1,402.799	4,888.425
Provision for increase in significant risk and credit impaired							1,058.487
Net trade receivables							3,829.938

Trade receivables as at 31 March 2025

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	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 Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 7: FINANCIAL ASSETS: LOANS

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
Loans to related parties (Refer note 33)		
Unsecured, considered good	-	-
	-	-
Current		
Loans to related parties (Refer note 33)		
Unsecured, considered good	-	40.942
	-	40.942
Total loans	-	40.942

NOTE 8: FINANCIAL ASSETS: OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
(a) Claims receivable		
Unsecured, considered good		
Other Miscellaneous Claim	3.629	8.547
Claims receivable with significant increase in credit risk for credit impaired	12.528	19.361
	16.157	27.908
Less: Allowance for expected credit loss	12.528	19.361
	3.629	8.547
(b) Fixed deposits with the original and remaining maturity of more than 12 months	82.494	3.097
(c) Security deposits		
Unsecured, considered good	18.332	51.593
Security deposits with significant increase in credit risk for credit impaired	46.293	15.064
	64.625	66.657
Less: Allowance for expected credit loss	46.293	15.064
	18.332	51.593
	104.455	63.237
Current		
(a) Claims receivable		
Unsecured, considered good	-	7.610
(b) Interest accrued	234.541	87.227
(c) Security deposits	787.753	772.446
Unsecured, considered good		
(d) Investments in mutual funds pending allotment	190.000	-
(e) Fixed deposits with the original maturity of more than 12 months but remaining maturity of less than 12 months	9.410	85.979
	1,221.704	953.262
Total other financial asset	1,326.159	1,016.499

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 9: OTHER ASSETS

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
(a) Advances to supplier of capital goods	143.185	146.084
(b) Advances to supplier and others		
Unsecured, considered good	245.632	272.253
Advances with significant increase in credit risk for credit impaired	71.758	71.925
	317.390	344.178
Less: Allowance for expected credit loss	71.758	71.925
	245.632	272.253
(c) Prepaid expenses	16.903	20.157
(d) Retention (Net of provision)	158.204	179.988
(e) Advance income tax (Net of provision)	189.475	94.037
	753.399	712.519
Current		
(a) Advances to supplier and others		
Unsecured, considered good		
Advances to related parties	528.400	81.830
Others	384.609	237.956
	913.009	319.786
(b) Prepaid expenses	119.095	145.235
(c) Unbilled Revenue for project related contract work	67.296	16.433
(d) Retention	1,216.403	1,179.977
(e) Balances with government authorities	761.228	844.319
	3,077.031	2,505.750
Total other assets	3,830.430	3,218.269

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.

NOTE 10: INVENTORIES

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Raw Materials *	1,269.258	1,164.018
(b) Work-in-progress	2,405.295	1,796.005
(c) Finished goods	1,402.426	1,420.547
(d) Stock-in-trade	355.929	468.307
(e) Stores and spares	319.441	256.144
(Mode of valuation refer note 2.6)		
Total inventories	5,752.349	5,105.021

* Include goods in transit - ₹ 43.76 Mn (PY 2024-25: ₹ 68.20 Mn)

Amounts recognised in profit or loss

Value of inventories above is stated after provisions (net of reversal) ₹ 26.773 Mn (PY 2024-25: ₹ 24.099 Mn) for write-downs to net realisable value and provision for slow-moving and obsolete items.

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 11 A: CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Balances with bank		
In current account	599.358	681.896
In EEFC accounts	157.965	241.055
Fixed deposits with original maturity of less than 3 months	-	-
(b) Cash on hand	0.829	1.418
Total cash and cash equivalents	758.152	924.369

NOTE 11 B: OTHER BANK BALANCES

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Earmarked balances with bank		
Unpaid dividend accounts	18.701	16.665
(b) Margin money	24.147	22.847
Total other bank balances	42.848	39.512

NOTE 12: EQUITY SHARE CAPITAL

Particulars	As at 31 March 2026	As at 31 March 2025
Authorised		
250,000,000 (250,000,000) equity shares of ₹ 2/- each (₹ 2/-) each	500.000	500.000
Issued, subscribed & fully paid up		
79,408,926 (79,408,926) equity shares of ₹ 2/- each (₹ 2/-) each	158.818	158.818
Total equity share capital	158.818	158.818

(a) Terms/ rights attached to equity shares

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

Dividend

Particulars	As at 31 March 2026	As at 31 March 2025
Equity Shares		
(i) Interim dividend for the year	Nil	Nil
(ii) Proposed Dividend	555.862	555.862

Since year end the directors have recommended the payment of a final dividend of ₹ 7.0 per fully paid equity share (31 March 2025 - ₹ 7.0). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

(b) Reconciliation of share capital

Particulars	As at 31 March 2026	As at 31 March 2026	As at 31 March 2025	As at 31 March 2025
	Number	Amount (Mn ₹)	Number	Amount (Mn ₹)
Shares outstanding at the beginning of the year	7,94,08,926	158.818	7,94,08,926	158.818
Shares Issued during the year under ESOS	-	-	-	-
Shares outstanding at the end of the year	7,94,08,926	158.818	7,94,08,926	158.818

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

Particulars	As at 31 March 2026	As at 31 March 2026	As at 31 March 2025	As at 31 March 2025
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kirloskar Industries Limited	1,89,88,038	23.91%	1,89,88,038	23.91%
Mr. Sanjay Chandrakant Kirloskar *	1,78,50,090	22.48%	1,78,47,465	22.48%
Mrs. Pratima Sanjay Kirloskar	1,38,49,488	17.44%	1,38,49,488	17.44%
Nippon Life India Trustee Ltd. (A/C Nippon India Small Cap Fund)	45,25,148	5.70%	45,05,646	5.67%

(d) Details of shares held by promoters

Particulars	As at 31 March 2026	As at 31 March 2026	As at 31 March 2025	As at 31 March 2025
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mr. Sanjay Chandrakant Kirloskar *	1,78,50,090	22.48%	1,78,47,465	22.48%
Mr. Rahul Chandrakant Kirloskar	4,04,501	0.51%	4,04,501	0.51%
Mr. Atul Chandrakant Kirloskar	4,66,499	0.59%	4,66,499	0.59%
Ms. Jyotsna Gautam Kulkarni	4,41,805	0.56%	4,41,805	0.56%
Ms. Geetanjali Vikram Kirloskar	-	0.00%	2,625	0.00%

Details of shares held by promoter's group are available on Company's website.

* includes 17,61,919 (PY: 1,761,919), 2% (PY: 2%) shares held in the capacity of a trustee.

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

i. allotted as fully paid up pursuant to contracts without payment being received in cash

ii. allotted as fully paid shares by way of bonus shares

iii. bought back.

NOTE 13: OTHER EQUITY

Particulars	As at 31 March 2026	As at 31 March 2025
(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	10,260.477	8,157.202
Add: Total comprehensive income for the year	2,415.463	2,579.729
Balance available for appropriation	12,675.940	10,736.931
Less: Appropriations:		
Final dividend paid during the year	555.862	476.454
Closing balance	12,120.078	10,260.477
Total other equity	18,326.261	16,466.660

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

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.

NOTE 14: FINANCIAL LIABILITIES: BORROWINGS

Particulars	As at 31 March 2026	As at 31 March 2025
Current		
Secured		
1) Loans repayable on demand from bank		
(i) Cash / export credit facilities	41.919	94.072
(Loan o/s as at 31 March 26, consists of bill discounting. PY includes bill discounted and export packing credit loans: Loans carrying interest @ 7.00% to 8.00% per annum and secured against the inventory and receivables)		
Total secured loan - Current	41.919	94.072
Total current borrowings	41.919	94.072
Total borrowings	41.919	94.072

- 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 utilised 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.

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 15: FINANCIAL LIABILITIES: TRADE PAYABLES

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
(a) Total outstanding dues of creditors other than micro, small and medium enterprises	72.357	74.923
	72.357	74.923
Current		
(a) Total outstanding dues of micro, small and medium enterprises	1,024.063	661.446
(b) Total outstanding dues of creditors other than micro, small and medium enterprises		
To related parties (Refer note 32)	801.388	1,045.189
Others	3,080.572	2,963.671
Total	4,906.023	4,670.306
Total trade payables	4,978.380	4,745.229

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.

A) The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at 31 March 2026. The disclosure pursuant to the said Act is as under:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Total outstanding amount in respect of micro, small and medium enterprises including capex creditors	1,024.063	661.446
Other disclosures in respect of micro and small enterprises		
Principal amount due and remaining unpaid	113.192	42.256
Interest due on above and unpaid interest	1.285	1.025
Interest paid	-	-
Payment made beyond appointment day	2,363.770	1,605.699
Interest due and payable for the period of delay	18.573	9.837
Interest accrued and remaining unpaid (excluding interest accrued for earlier years)	19.858	10.862
Amount of further interest remaining due and payable in succeeding years	19.858	10.862

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.

B) Trade payables ageing

Year	Particulars	Outstanding for following periods from due date of payment						Total
		Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
2026	1. MSME - Non disputed	845.671	159.371	-	-	-	19.018	1,024.060
2025		569.411	59.832	3.789	6.120	6.645	15.649	661.446
2026	2. MSME - disputed	-	-	-	-	-	-	-
2025		-	-	-	-	-	-	-
2026	3. Others - Non disputed	2,537.537	360.407	70.244	86.507	98.176	694.799	3,847.670
2025		2,172.183	757.881	166.112	98.835	44.973	828.003	4,067.987
2026	4. Others - disputed	20.227	28.620	-	-	-	57.803	106.650
2025		-	0.072	0.005	-	-	15.719	15.796

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

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 16: OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
<u>Current</u>		
(a) Unclaimed dividends	18.701	16.665
Investor Education & Protection fund (will be credited as and when due).		
(b) Others		
Trade deposits	139.742	151.904
Interest accrued	64.160	44.303
Salary and reimbursements	445.433	477.089
Payables on account of purchases of fixed assets	29.379	26.343
Provision for expenses	427.294	374.211
Financial guarantee contracts with bank for subsidiaries	4.331	4.684
Forward contract liability	-	-
	1,110.339	1,078.534
Total other financial liabilities	1,129.040	1,095.199

Terms and conditions of the above financial liabilities:

- Other payables are non-interest bearing.
- For explanations on the Company's credit risk management processes. (refer note 36(A))

NOTE 17: PROVISIONS

Particulars	As at 31 March 2026	As at 31 March 2025
<u>Non-current</u>		
Provisions for employee benefits		
(a) Compensated absences	129.996	127.451
(b) Pension scheme (refer note 23)	19.617	21.373
	149.613	148.824
Other provisions		
(a) Provision for product warranty	66.145	40.716
(b) Provision for decommissioning and restoration costs	12.189	11.265
	78.334	51.981
	227.947	200.805
<u>Current</u>		
Provisions for employee benefits		
(a) Compensated absences	194.101	192.397
(b) Gratuity and provident fund (refer note 23)	525.799	85.071
	719.900	277.468
Other provisions		
(a) Provision for product warranty	240.821	250.276
(b) Provision for loss on long term contracts	12.478	11.616
	253.299	261.892
	973.199	539.360
Total provisions	1,201.146	740.165

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

A): Details of provisions and movements in each class of provisions

	Provision for compensated absences	Provision for product warranty
Carrying amount as at 1 April 2024	403.301	304.351
Add: Provision during the year 2024-25 (net of excess/ short provision of earlier year)	55.440	242.756
Add: Unwinding of discounts	-	6.071
Less: Amount utilised during the year 2024-25	(138.893)	(262.186)
Carrying amount as at 31 March 2025	319.848	290.992
Add: Provision during the year 2025-26 (net of excess/ short provision of earlier year)	41.292	327.908
Add: Unwinding of discounts	-	10.399
Less: Amount utilised during the year 2025-26	(37.043)	(322.333)
Carrying amount as at 31 March 2026	324.097	306.966
Non-current provision	129.996	66.145
Current provision	194.101	240.821

B): Details of provisions and movements in each class of provisions

	Provision for decommissioning and restoration cost	Provision for loss on long term contracts
Carrying amount as at 1 April 2024	10.412	13.787
Add: Provision during the year 2024-25 (net of excess/ short provision of earlier year)	-	0.570
Add: Unwinding of discounts	0.853	-
Less: Amount utilised during the year 2024-25	-	(2.741)
Carrying amount as at 31 March 2025	11.265	11.616
Add: Provision during the year 2025-26 (net of excess/ short provision of earlier year)	-	1.554
Add: Unwinding of discounts	0.924	-
Less: Amount utilised during the year 2025-26	-	(0.692)
Carrying amount as at 31 March 2026	12.189	12.478
Non-current provision	12.189	-
Current provision	-	12.478

Compensated absences

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

Provision for warranty

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

Provision for decommissioning and restoration cost

A provision has been recognised for decommissioning and restoration costs associated with windmills on lease hold land.

The Company is committed to restore the site at the end of useful life of windmills.

Provision for long term contract

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

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 18: OTHER LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
(a) Unearned Revenue for project related contract work	185.510	201.216
(b) Advances from customer	540.421	537.123
	725.931	738.339
Current		
(a) Unearned Revenue for project related contract work	1,729.595	1,673.428
(b) Advances from customer	1,497.412	1,265.884
(c) Contribution to provident fund and superannuation fund	2.717	1.285
(d) Statutory dues	80.477	104.400
(e) Deferred revenue	24.909	38.565
	3,335.110	3,083.562
Total other non-financial liabilities	4,061.041	3,821.901

NOTE 19: INCOME TAX

- 1) The major components of income tax expense for the year ended 31 March 2026 and 31 March 2025 are:

(a) Statement of profit and loss

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Current income tax:		
Current income tax charge	790.264	948.918
Adjustments in respect of income tax of previous year	-	45.713
Deferred tax:		
Relating to origination and reversal of temporary differences	52.243	(142.829)
Income tax expense reported in the statement of profit and loss	842.507	851.802

(b) Statement of other comprehensive income (OCI)

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

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Income tax charged/ (credited) to OCI	8.708	(13.918)

- (2) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31 March 2026 and 31 March 2025:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Accounting profit before tax	3,232.080	3,472.914
At India's statutory income tax rate of 25.168% (a)	813.450	874.063
Adjustments for -		
Dividend / adjustment for deduction in respect of certain inter-corporate dividends u/s 80 M of income tax act, 1961	26.750	38.575
Permanent differences (Includes Int to MSME, donation, fine, penalties, gain on sale of investment, provision for impairment etc)	(142.202)	231.507
Subtotal (b)	(115.452)	270.082
Tax impact of above adjustments	(29.057)	67.974
Short provision for earlier years	-	(45.713)
Total (c)	(29.057)	22.261
Tax expenses at effective rate (a-c)	842.507	851.802
Tax expenses recorded in books	842.507	851.802

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

(3) Movement in deferred tax

(a) Balance sheet

Deferred tax relates to the following: DTL/ (DTA)	As at 31 March 2026	As at 31 March 2025
Property, plant and equipment (Depreciation)	59.215	60.194
Provision for post retirement benefits and other employee benefits	(213.503)	(103.904)
Provision for doubtful debts and advances	(389.320)	(536.750)
Impact of ROU asset & Lease Liability	2.448	1.805
Other temporary differences	(29.035)	(43.783)
	(570.195)	(622.438)
Reflected in balance sheet as	As at 31 March 2026	As at 31 March 2025
Deferred tax asset	631.858	684.437
Deferred tax liability	61.663	61.999
Net deferred tax asset	570.195	622.438

(b) Statement of profit and loss

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Property, plant and equipment (Depreciation)	(0.979)	(14.838)
Provision for post retirement benefits and other employee benefits	(109.599)	9.967
Provision for doubtful debts and advances	147.430	(102.695)
Impact of ROU asset & Lease Liability	0.643	0.021
Other temporary differences	14.748	(35.284)
Deferred tax expenses /(Income recognised in profit and loss)	52.243	(142.829)

(4) Movement in Current tax

(a) Balance sheet

Reflected in balance sheet as	Year ended 31 March 2026	Year ended 31 March 2025
Non- current advance tax	189.475	94.037

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

Movement in current tax	Year ended 31 March 2026	Year ended 31 March 2025
Current tax (asset)/ liability as at beginning of year	(94.037)	(65.813)
Add: Additional provision during the year - Statement of Profit and loss account	790.264	994.631
Add/ (Less): Additional provision during the year - Other comprehensive income	8.708	(13.918)
Less: Current tax paid during the year (Net of refund received for previous year and adjustment for TDS receivable for previous years)	(894.410)	(1,008.937)
Non Current tax (asset)/ liability as at end of year	(189.475)	(94.037)

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 20: REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(a) Revenue from projects and products	27,623.188	28,276.725
(b) Revenue from services	377.905	363.149
	28,001.093	28,639.874
(c) Other operating revenues (majorly includes scrap sales and exports benefits)	280.139	374.040
Total	28,281.232	29,013.914

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

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
a) Contract revenue recognised as revenue for the year	685.603	681.434
b) Advances received	934.981	925.522
c) Amount of retentions	1,374.607	1,359.965
d) Unbilled revenue for project related contract work		
Contract costs incurred	3,599.593	3,559.057
Recognised profits less recognised losses	573.290	552.187
Less: Progress billing	4,061.436	4,051.662
Less: Provision for gross amount due from customer	44.152	43.148
Unbilled revenue for project related contract work	67.295	16.434
e) Unearned revenue for project related contract work		
Contract costs incurred	25,841.729	25,310.310
Recognised profits less recognised losses	4,666.078	4,573.533
Less: Progress billing	32,422.913	31,758.487
Unearned revenue for project related contract work	(1,915.106)	(1,874.644)

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

B) Disaggregation of revenue from sale of products / services

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
a) Within India	25,845.895	26,900.854
b) Outside India	2,155.198	1,739.020
Total	28,001.093	28,639.874

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

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
a) Contracted price	28,424.459	29,065.778
Less - trade discounts, volume rebates, late delivery charges etc	423.366	425.904
Total	28,001.093	28,639.874

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Opening contracted price of orders as at start of the year	45,771.938	48,593.938
Add - Fresh orders/change orders received (net) including exchange rate movement	394.350	322.240
Less- Orders completed during year	(225.429)	(3,144.240)
Closing contracted price of orders as at the end of the year	45,940.859	45,771.938
a. Revenue out of orders completed during the year	-	6.230
b. Revenue out of orders under execution at the end of the year (I)	685.603	675.204
Total Revenue recognised during the year	685.603	681.434
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	34,306.178	33,855.512
Balance revenue to be recognised in future (III)	10,949.078	11,241.222
Closing contracted price of orders as at the end of the year (I+II+III)	45,940.859	45,771.938

D) Cost to obtain the contract

Amount recognised as asset as at 31 March 2026 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 31 March are, as follows

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Balance revenue to be recognised in future		
Revenue to be recognised within 1 year	1,094.759	754.974
Revenue to be recognised after 1 year	9,854.319	10,486.248
Total balance revenue to be recognised in future	10,949.078	11,241.222

NOTE 21: OTHER INCOME

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(a) Interest Income		
From customers and others	303.819	225.074
(b) Unwinding of deferred liability	5.451	8.756
(c) Profit on sale of mutual fund investment	98.859	108.300
(d) Dividend income from subsidiary and joint venture companies	26.750	38.575
(e) Foreign exchange difference (net)	32.387	0.270
(f) Other non-operating income	6.546	26.843
Total	473.812	407.818

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(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 2026	Year ended 31 March 2025
(a) Cost of raw material consumed	14,868.953	14,552.564
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening 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
Closing Stock (refer note 10)		
Finished goods	1,402.426	1,420.547
Work-in- progress	2,405.295	1,796.005
Stock in trade	355.929	468.307
	4,163.650	3,684.859
Total change in inventories	(478.791)	(129.408)

NOTE 23: EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(a) Salaries, wages and bonus	3,316.462	3,126.232
(b) Defined contribution plans		
Contribution to provident fund, superannuation fund and ESIC	67.785	63.238
(c) Defined benefit plans		
Gratuity, Provident fund and Pension	193.515	160.047
(d) Welfare expenses	175.005	183.621
Total	3,752.767	3,533.138

i. Defined Contribution Plans:

Amount of ₹ 67.785 Mn (PY - ₹ 63.238 Mn.) is recognised as an expense towards defined contribution plan and included in Employees benefits expense

ii. Defined Benefit Plans:

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	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	1,206.914	2,276.668	787.243	2,112.519
Less: Fair Value of Plan Assets	696.316	2,261.467	715.623	2,099.068
Amount to be recognised as liability or (asset)	510.598	15.201	71.620	13.451

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

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

Particulars	2025-26		2024-25	
	Gratuity Plan	Provident Fund	Gratuity Plan	Provident Fund
	(Funded)	(Funded)	(Funded)	(Funded)
1 Current Service Cost	70.327	88.426	55.285	79.028
2 Acquisition (gain)/ loss	-	-	-	-
3 Past Service Cost	403.429	-	-	-
4 Net Interest (income)/expenses	4.786	(7.044)	1.077	(9.405)
5 Actuarial Losses/(Gains)	-	-	-	-
6 Curtailment (Gain)/ loss	-	-	-	-
7 Settlement (Gain)/loss	-	-	-	-
8 Others (Transfer In / (Out))	0.013	-	0.621	-
Net periodic benefit cost recognised in the statement of profit & loss	478.555	81.382	56.983	69.623

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

Particulars	2025-26		2024-25	
	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	(45.611)	72.530	18.435	(44.756)
3 Remeasurement for the year - Plan assets (Gain) / Loss	5.795	(66.439)	(6.736)	87.043
4 Total Remeasurements Cost / (Credit) for the year recognised in OCI	(39.816)	6.091	11.699	42.287
5 Less: Accumulated balances transferred to retained earnings	(39.816)	6.091	11.699	42.287
Closing balances (remeasurement (gain)/loss recognised OCI	-	-	-	-

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	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	787.244	2,112.519	726.235	2,050.830
2 Acquisition adjustment	-	-	-	-
3 Transfer in/ (out)	0.294	(44.679)	0.962	(0.739)
4 Interest expenses	50.761	133.594	50.013	138.619
5 Past Service Cost	403.429	-	-	-
6 Current Service Cost	70.327	88.426	55.285	79.028
7 Curtailment Cost / (credit)	-	-	-	-
8 Settlement Cost/ (credit)	-	-	-	-

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Gratuity Plan	Provident Fund	Gratuity Plan	Provident Fund
	(Funded)	(Funded)	(Funded)	(Funded)
9 Benefits paid	(59.530)	(237.166)	(63.687)	(251.127)
10 Employee Contribution	-	151.444	-	140.664
11 Remeasurements on obligation - (Gain) / Loss	(45.611)	72.530	18.435	(44.756)
Present value of obligation as at the end of the period	1,206.914	2,276.668	787.243	2,112.519

- 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 2026		As at 31 March 2025	
	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	715.623	2,099.068	698.914	2,072.965
2 Acquisition adjustment	-	-	-	-
3 Transfer in/(out)	0.282	(44.679)	0.341	(0.739)
4 Interest income	45.975	140.638	48.937	148.024
5 Contributions	0.390	237.167	25.044	216.988
6 Benefits paid	(59.530)	(237.166)	(63.687)	(251.127)
7 Mortality Charges and Taxes	(0.629)	-	(0.661)	-
8 Remeasurement Gain / (Loss)	(5.795)	66.439	6.735	(87.043)
Fair value of plan assets as at the end of the period	696.316	2,261.467	715.623	2,099.068

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

Particulars	2025-26		2024-25	
	Gratuity Plan	Provident Fund	Gratuity Plan	Provident Fund
	(Funded)	(Funded)	(Funded)	(Funded)
1 Interest (Income) / Expense – Obligation	50.761	133.594	50.013	138.619
2 Interest (Income) / Expense – Plan assets	(45.975)	(140.638)	(48.937)	(148.024)
3 Net Interest (Income) / Expense for the year	4.786	(7.044)	1.076	(9.405)

- 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.

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	Gratuity Plan	Provident Fund	Gratuity Plan	Provident Fund
	(Funded)	(Funded)	(Funded)	(Funded)
Defined Benefit Obligation	1,206.914	2,276.668	787.243	2,112.519
Plan Assets	696.316	2,261.467	715.623	2,099.068
Surplus/(Deficit)	(510.598)	(15.201)	(71.620)	(13.451)

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

Particulars	As at 31 March 2026	As at 31 March 2025
	Pension Scheme	Pension Scheme
	(Non-Funded)	(Non-Funded)
A. Amount to be recognised in Balance Sheet		
Present Value of Defined Benefit Obligation	19.617	21.373
Less: Fair Value of Plan Assets	-	-
Amount to be recognised as liability or (asset)	19.617	21.373
B. Amounts reflected in the Balance Sheet		
Liabilities	19.617	21.373
Assets	-	-
Net Liability/(Assets)	19.617	21.373

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

Particulars	As at 31 March 2026	As at 31 March 2025
	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	1.420	1.455
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	1.420	1.455

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

Particulars	As at 31 March 2026	As at 31 March 2025
	Pension Scheme	Pension Scheme
	(Non-Funded)	(Non-Funded)
1 Opening amount recognised in OCI outside profit and loss account	-	-
2 Remeasurements for the year - Obligation (Gain)/loss	0.440	1.315
3 Remeasurement for the year - Plan assets (Gain) / Loss	-	-
4 Total Remeasurements Cost / (Credit) for the year recognised in OCI	0.440	1.315
5 Less: Accumulated balances transferred to retained earnings	0.440	1.315
Closing balances (remeasurement (gain)/loss recognised OCI)	-	-

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

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

Particulars	As at	As at
	31 March 2026	31 March 2025
	Pension Scheme (Non-Funded)	Pension Scheme (Non-Funded)
1 Balance of the present value of Defined benefit Obligation as at beginning of the period	21.373	21.823
2 Acquisition adjustment	-	-
3 Transfer in/ (out)	-	-
4 Interest expenses	1.420	1.455
5 Past Service Cost	-	-
6 Current Service Cost	-	-
7 Curtailment Cost / (credit)	-	-
8 Settlement Cost/ (credit)	-	-
9 Benefits paid	(3.616)	(3.221)
10 Remeasurements on obligation - (Gain) / Loss	0.440	1.315
Present value of obligation as at the end of the period	19.617	21.373

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

Particulars	Pension Scheme (Non Funded)	
	2025-26	2024-25
1 Interest (Income) / Expense – Obligation	1.420	1.455
2 Interest (Income) / Expense – Plan assets	-	-
3 Net Interest (Income) / Expense for the year	1.420	1.455

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

Particulars	Pension Scheme (Non Funded)	
	2025-26	2024-25
Defined Benefit Obligation	19.617	21.373
Plan Assets	-	-
Surplus/(Deficit)	(19.617)	(21.373)

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 6.7% (PY 7.2%) has been used for the valuation purpose.

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

- Discount rate as at 31-03-2026 - 7.2% (PY- 6.7%)
- Expected return on plan assets as at 31-03-2026- 6.7%(PY- 7.2%)
- Salary growth rate: For Gratuity Scheme - 8% to 10% (PY - 8% to 10%). Impact for change in accounting estimate along with other remeasurmnt impact is recognised in other comprehensive income.
- Attrition rate: For gratuity scheme the attrition rate is taken at 8% to 10% (PY - 8% to 10%)
- 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.
- Weighted average duration of the Gratuity plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 8.65 years and for Pension plan 6.09 years.

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

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 ₹ 510.598 Mn (P.Y ₹ 71.620 Mn) towards its gratuity plan in the year 2026-27.

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 2026	As at 31 March 2025
1 Discount rate		
Increase by 1.0% to 8.2% (PY - 7.7%)	1,136.231	738.105
Decrease by 1.0% to 6.2% (PY - 5.7%)	1,286.900	843.078
2 Salary increase rate		
Increase by 1.0% to 12.0% (PY - 11.0%)	1,273.940	834.051
Decrease by 1.0% to 8.0% (PY - 9.0%)	1,146.267	745.030
3 Withdrawal rate		
Increase by 1.0% to 13.0% (PY - 12.0%)	1,198.258	779.958
Decrease by 1.0% to 9.0% (PY - 10.0%)	1,216.513	795.358

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 2026	As at 31 March 2025
1 Discount rate		
Increase by 0.5% to 7.7% (PY- 7.2%)	2,249.774	2,090.589
Decrease by 0.5% to 6.7% (PY- 6.2%)	2,309.317	2,135.903
2 Interest rate		
Increase by 0.50% to 8.75% (PY- 8.75%)	2,308.021	2,140.154
Decrease by 0.50% to 7.75% (PY - 7.75%)	2,249.714	2,084.906

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 2026	As at 31 March 2025
1 Discount rate		
Increase by 1% to 8.2% (PY - 7.8%)	18.739	20.391
Decrease by 1% to 6.2% (PY- 5.8%)	20.577	22.448

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 24: FINANCE COSTS

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(a) Interest expense	48.608	25.926
(b) Other borrowing costs (includes bank guarantee commission, LC charges)	19.232	25.071
Total	67.840	50.997

NOTE 25: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(a) Depreciation on property, plant and equipment	513.072	498.580
(b) Amortisation of intangible assets	33.093	27.517
(c) Amortisation of right to use assets (Lease)	96.686	58.010
Total	642.851	584.107

NOTE 26: OTHER EXPENSES

	Year ended 31 March 2026	Year ended 31 March 2025
Stores and spares consumed	1,150.071	1,220.170
Processing charges	604.729	637.731
Power and fuel	440.530	482.156
Repairs and maintenance		
Plant and machinery	153.355	170.335
Buildings	64.245	45.301
Other	73.050	56.817
Rent	30.252	43.950
Rates and taxes	48.192	34.374
Travelling and conveyance	317.267	276.870
Communication expenses	55.408	64.504
Insurance	38.785	32.005
Directors' sitting fees	8.550	6.450
Royalties and fees *	69.478	70.792
Freight and forwarding charges	284.505	335.397
Brokerage and commission	22.301	22.549
Advertisements and publicity	223.037	329.102
Provision for product warranty	327.908	242.756
Loss on sale/disposal of fixed assets	5.269	-
Claims written off	12.545	-
Provision for doubtful debts, advances and claims	(554.556)	410.514
Bad debts written off	29.569	4.598
Advances, deposits and claims written off	0.036	0.026
Auditor's remuneration	9.854	9.109
Professional, consultancy and legal expenses	514.180	668.932
Security services	72.569	61.275
Computer services	498.764	395.475
Non-executive directors remuneration	26.500	20.800
Stationery and Printing	9.533	11.916
Training course expenses	8.674	9.430
Outside labour charges	498.669	508.481
Corporate social responsibility expenses	67.200	43.013
Other miscellaneous expenses	160.776	149.114
Total	5,271.245	6,363.942

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

* 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. Pending dispute, the Hon'ble Commercial Court, has directed its treasury to invest the said deposited royalty amount in a Nationalised bank for a fixed term of three years.

A) Corporate social responsibility expenditures

- (a) Amount required to be spent by the Company during the current year is ₹ 67.200 Mn (PY - ₹ 42.442 Mn)
- (b) Amount spent by the Company during the current year is ₹ 47.500 Mn (PY - ₹ 23.798 Mn) and a provision for ₹ 19.700 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 ₹ 37.300 Mn towards projects on Education and Health undertaken by implementing agency, ₹ 8.200 Mn towards Animal Welfare Rescue and balance ₹ 2.000 Mn towards other miscellaneous eligible activities. The Company has not spent any amount towards construction or acquisition of asset.

The provision of ₹ 19.700 Mn accounted towards ongoing projects which would be used for the purpose of Education and health, Medical Support and Skill development

B) Remuneration to auditors

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
a) Audit fees	6.500	5.600
b) Limited review fees	2.700	2.400
c) Certification services	0.344	0.400
d) Expenses reimbursed	0.310	0.709
	9.854	9.109

NOTE 27: OTHER COMPREHENSIVE INCOME

	Year ended 31 March 2026	Year ended 31 March 2025
Items that will not be reclassified to profit or loss		
Remeasurements gains and losses on post employments benefits	34.598	(55.301)
Tax on remeasurements gains and losses	(8.708)	13.918
Total	25.890	(41.383)

NOTE 28 (A): CONTINGENT LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
a) Claims against the Company not acknowledged as debt		
i) Legal cases (Matter Subjudice)	76.119	79.500
b) Other money for which the Company is contingently liable for (Matter Subjudice)		
i) Central excise, service tax and GST	1,033.787	1,023.623
ii) Sales tax	160.600	165.066
iii) Income tax	278.878	119.080
iv) Labour matters	49.478	45.494
Total	1,598.862	1,432.763

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 28 (B): CONTINGENT LIABILITIES OF JOINT VENTURES

During the year, one of unlisted JV (IVRCL-KBL-MEIL) received notice from GST department of ₹ 154.803 Mn and it is not practicable to identify exact share of group.

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 29: COMMITMENTS

Particulars	As at 31 March 2026	As at 31 March 2025
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	732.493	794.535
b) Letters of credit outstanding	1,053.332	865.753

NOTE 30: EARNING PER SHARE (BASIC AND DILUTED)

Particulars	As at 31 March 2026	As at 31 March 2025
a) Profit before tax	3,232.080	3,472.914
Less: Tax expenses	842.507	851.802
Profit after tax	2,389.573	2,621.112
b) Weighted average number of equity shares used as denominator	7,94,08,926	7,94,08,926
c) Basic and diluted earning per share of nominal value of ₹ 2/- each	30.09	33.01

NOTE 31: EXPENDITURE ON RESEARCH & DEVELOPMENT ACTIVITIES

Particulars	As at 31 March 2026	As at 31 March 2025
a) Revenue expenditure	295.407	277.556
b) Capital Expenditure	0.501	30.921
	295.908	308.477

NOTE 32: 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	SPP Pumps Limited	Subsidiary of Kirloskar Brothers International B.V.
5	Kirloskar Brothers(Thailand) Limited	Subsidiary of Kirloskar Brothers International B.V.
6	SPP Pumps (MENA) LLC	Subsidiary of Kirloskar Brothers International B.V.
7	Kirloskar Pompen BV	Subsidiary of Kirloskar Brothers International B.V.
8	Micawber 784 Proprietary Limited	Subsidiary of Kirloskar Brothers International B.V.
9	SPP Pumps International Proprietary Limited	Subsidiary of Kirloskar Brothers International B.V.
10	Rotaserve Limited	Subsidiary of Kirloskar Brothers International B.V.
11	SPP France S.A.S	Subsidiary of SPP Pumps Limited
12	SPP Pumps Inc	Subsidiary of SPP Pumps Limited
13	SPP Pumps South Africa Proprietary Limited	Subsidiary of SPP Pumps International Proprietary Limited
14	Braybar Pumps Proprietary Limited	Subsidiary of SPP Pumps International Proprietary Limited
15	Rodelta Pumps International BV	Subsidiary of Kirloskar Brothers International B.V.
16	Rotaserve BV	Subsidiary of Kirloskar Pompen BV
17	SPP Pumps Real Estate LLC	Subsidiary of SPP Pumps Inc
18	SyncroFlo Inc.	Subsidiary of SPP Pumps Inc
19	SPP Pumps (Asia) Ltd	Subsidiary of Kirloskar Brothers (Thailand) Ltd
20	SPP Pumps (Singapore) Ltd	Subsidiary of Kirloskar Brothers (Thailand) Ltd
21	Kirloskar Ebara Pumps Limited	Joint venture of Kirloskar Brothers Limited
22	Sunsure Solarpark Nineteen Private Limited	Associate of Kirloskar Brothers Limited

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

**During the year, the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"), passed an order dated 3 November 2025 approving the merger of the Company's step down subsidiary, The Kolhapur Steel Limited ("TKSL"), into the Company's wholly owned subsidiary, Karad Projects and Motors Limited ("KPML"), with an appointed date of 3 October 2024. The order was subsequently filed with the Registrar of Companies ("ROC") on 5 December 2025.*

**Following the merger, the financial information of TKSL for previous periods has been included in KPML from the beginning of previous financial year.*

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

1)	Subsidiary Companies	Karad Projects and Motors Limited [Refer Note 32 (A)] 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 Ms. Ramni Nirula (Upto 24 May 2026) Mr. Shrinivas Dempo (Upto 24 May 2026) Mr. Shobinder Duggal (Upto 24 May 2026) Mr. Vivek Pendharkar Mr. Vinayak Deshpande Mr. Pradyumna Vyas (From 14 May 2025) Mr. Harsh Vardhan Shringla (From 02 August 2025) Mr. Brij Bhushan Nagpal (From 03 November 2025) Mr. Bhavesh Chheda Mr. Devang Trivedi Mr. Ravish Mittal (Upto 28 February 2025)
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
7)	Entities controlled by Key Management Personnel	Prakar Investments Private Limited

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(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	2025-26		2024-25	
		Amount	Amount	Amount	Amount
1	Purchase of goods (*)	5,108.842		4,621.386	
	Subsidiary/Fellow subsidiary Companies				
	Karad Projects and Motors Limited [Refer Note 32 (A)]		5,040.280		4,566.877
2	Sale of goods/contract revenue (*)	1,527.347		1,225.279	
	Subsidiary/Fellow subsidiary Companies				
	SPP Pumps Limited		303.229		310.400
	Kirloskar Brothers (Thailand) Limited		239.216		188.203
	SPP Pumps Inc.		294.445		262.406
	Karad Projects and Motors Limited [Refer Note 32 (A)]		132.004		155.403
	Kirloskar Pompen B.V.		393.545		166.534
3	Rendering Services (*)	136.814		137.034	
	Subsidiary/Fellow subsidiary Companies/Joint venture				
	Kirloskar Ebara Pumps Limited		54.580		50.058
	SPP Pumps Limited		30.773		39.770
4	Receiving Services (*)	140.143		116.592	
	Subsidiary/Fellow subsidiary Companies /Joint Venture				
	Rodelta Pumps International BV		33.642		42.264
	Kirloskar Ebara Pumps Limited		31.836		39.181
	Karad Projects and Motors Limited [Refer Note 32 (A)]		8.736		20.956
	Sunsure Solarpark Nineteen Private Limited		57.528		-
	Close Members of family of Key Management Personnel				
	Mrs Pratima Kirloskar		7.848		7.319
5	Interest Received	1.371		5.336	
	Karad Projects and Motors Limited [Refer Note 32 (A)]		1.371		5.336
6	Dividend Paid	223.809		191.837	
	Key Management Personnel				
	Mr. Sanjay Kirloskar (**)		124.932		107.085
	Mr. Alok Kirloskar		0.043		0.037
	Close Members of family of Key Management Personnel				
	Mrs. Pratima Kirloskar		96.946		83.097
	Entities controlled by Key Managerial Personnel				
	Prakar Investments Private Limited		1.888		1.618
7	Dividend Received	26.750		38.575	
	Subsidiary/Fellow subsidiary Companies/Joint Venture				
	Kirloskar Ebara Pumps Limited		20.250		13.500
	Kirloskar Corrocoat Pvt Ltd.		6.500		1.950
	Kirloskar Brothers International B.V.		-		23.125

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Sr No	Nature of transaction/relationship/major parties	2025-26		2024-25	
		Amount	Amount	Amount	Amount
8	Remuneration Paid	181.957		239.103	
	Key Management Personnel				
	Short Term Employee Benefit				
	Mr. Sanjay Kirloskar		64.229		95.768
	Ms. Rama Kirloskar		63.538		92.156
	Mr. Chittaranjan Mate		-		1.125
	Mr. Devang Trivedi		6.431		5.591
	Mr. Bhavesh Chheda		9.060		-
	Mr. Ravish Mittal		-		9.372
	(**) Includes dividend received in capacity of trustee of ₹ 12.375 Mn. (PY- ₹ 10.572 Mn.)				
	Purchases and sales reported are net of discounts, returns etc.				
	Commission on profits				
	Mr. Alok Kirloskar		2.262		2.600
	Mr. M S Unnikrishnan		2.262		2.600
	Mr. Shobinder Duggal		2.262		2.600
	Mr. Shrinivas Dempo		2.262		2.600
	Ms. Ramni Nirula		2.262		2.600
	Mr. Vivek Pendharkar		2.262		2.600
	Ms. Rekha Sethi		2.262		2.600
	Mr. Vinayak Deshpande		2.262		2.600
	Mr. Brij Bhushan Nagpal		0.943		-
	Mr. Harsh Vardhan Shringla		1.508		-
	Mr. Pradyumna Vyas		2.074		-
	Key Management Personnel				
	Sitting Fees				
	Mr. Alok Kirloskar		0.525		0.525
	Mr. M S Unnikrishnan		1.275		1.050
	Mr. Shobinder Duggal		0.975		0.975
	Mr. Shrinivas Dempo		0.750		0.600
	Ms. Ramni Nirula		0.975		0.975
	Mr. Vivek Pendharkar		0.600		0.600
	Ms. Rekha Sethi		0.825		0.750
	Mr. Vinayak Deshpande		1.275		0.975
	Mr. Brij Bhushan Nagpal		0.225		-
	Mr. Harsh Vardhan Shringla		0.225		-
	Mr. Pradyumna Vyas		0.900		-
	Post Employment Benefit				
	Mr. Sanjay Kirloskar		4.776		3.180
	Ms. Rama Kirloskar		1.520		3.150
	Mr. Chittaranjan Mate		-		0.141
	Mr. Devang Trivedi		0.461		0.498

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Sr No	Nature of transaction/relationship/major parties	2025-26		2024-25	
		Amount	Amount	Amount	Amount
	Mr. Bhavesh Chheda		0.771		-
	Mr. Ravish Mittal		-		0.872
9	Reimbursement Received (*)	15.366		14.137	
	Subsidiary/ Fellow Subsidiary Company/Joint Venture				
	Kirloskar Ebara Pumps Limited		2.730		9.565
	SPP Pumps Limited		8.769		3.819
10	Reimbursement Paid (*)	12.765		1.215	
	Subsidiary/ Fellow Subsidiary Company				
	Kirloskar Ebara Pumps Limited		7.175		-
	Rodelta Pumps International BV		-		0.291
11	Advance given to vendors	551.839		56.797	
	i) Business advance				
	Subsidiary/ Fellow Subsidiary Company				
	Karad Projects and Motors Limited [Refer Note 32 (A)]		551.839		56.311
	Kirloskar Brothers (Thailand) Limited		-		0.134
	SPP Pumps Limited		-		0.352
12	Advance adjusted against vendors (Business advance)	67.638		33.849	
	Subsidiary/ Fellow Subsidiary Company				
	Karad Projects and Motors Limited [Refer Note 32 (A)]		67.638		33.363
	Kirloskar Brothers (Thailand) Limited		-		0.134
	SPP Pumps Limited		-		0.352
13	Contribution Paid for Post Employment Benefit Plan	88.708		103.702	
	Provident Fund		86.704		76.696
	Superannuation Trust		1.614		1.962
	Gratuity		0.390		25.044
14	Corporate Guarantees Given	113.615		526.296	
	Rodelta Pumps International BV		113.615		-
	Kirloskar Brothers(Thailand) Limited		-		314.506
	Kirloskar Pompen B.V.		-		211.790
15	Corporate Guarantees Cancelled	529.207		2,833.073	
	Karad Projects and Motors Limited [Refer Note 32 (A)]		185.500		-
	SPP Pumps Ltd. - UK		-		1,505.112
	Kirloskar Pompen B.V.		343.707		386.747
	SPP Pumps International Proprietary Limited		-		122.229
	Kirloskar Brothers (Thailand) Limited		-		564.135
	Kirloskar Corrocoat Private Limited		-		254.850
16	Purchase of Investment	-		39.582	
	Sunsure Solarpark Nineteen Private Limited		-		39.582
17	Sale of Investment	-		107.646	
	Karad Projects and Motors Limited [Sale of investment in The Kolhapur Steel Ltd (Refer note 42)]		-		107.646

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

(D) Amount due to/from related parties

Sr No	Nature of transaction/relationship/major parties	31 March 2026		31 March 2025	
		Amount	Amount	Amount	Amount
1	Accounts receivable				
	Subsidiary/Fellow subsidiary Companies/Joint Venture	386.035		1,315.141	
	SPP Pumps Limited		36.593		58.661
	Kirloskar Brothers (Thailand) Limited		39.893		37.654
	SPP Pumps (MENA) L.L.C.		0.017		0.681
	Spp Pumps Inc.		42.338		74.207
	Kirloskar Ebara Pumps Limited		10.921		31.221
	SyncroFlo Inc.		-		0.032
	Rodelta Pumps International BV		5.458		1.725
	SPP Pumps International Proprietary Limited		25.045		37.047
	Kirloskar Brothers Pompen BV		139.608		32.214
	Rotaserve B.V.		2.243		1.553
	Karad Projects and Motors Limited [Refer Note 32 (A)]		83.919		1,036.928
	Kirloskar Corrocoat Private Limited		-		3.218
	Advance/ loan receivable	-		40.942	
	Karad Projects and Motors Limited [Refer Note 32 (A)]		-		40.942
2	Accounts payable				
(a)	Subsidiary/Fellow subsidiary Companies/Joint Venture	801.388		1,045.189	
	Karad Projects and Motors Limited [Refer Note 32 (A)]		730.175		1,015.404
	Kirloskar Corrocoat Pvt Ltd.		3.928		1.604
	Rodelta Pumps International BV		4.625		2.028
	SPP Pumps Limited		0.085		-
	Kirloskar Brothers (Thailand) Limited		1.072		0.045
	Spp Pumps Inc.		0.120		1.588
	Rotaserve B.V.		0.671		0.671
	Kirloskar Ebara Pumps Limited		49.805		22.940
	Braybar Pumps Proprietary Limited		0.909		0.909
	Sunsure Solarpark Nineteen Private Limited		9.999		-
(b)	Key Management Personnel (#)	116.121		178.200	
	Mr. Sanjay Kirloskar		39.500		77.000
	Mr. Alok Kirloskar		2.262		2.600
	Ms. Rama Kirloskar		54.000		83.000
	Mr. M S Unnikrishnan		2.262		2.600
	Ms. Rekha Sethi		2.262		2.600
	MS. Ramni Nirula		2.262		2.600
	Mr. Shrinivas Dempo		2.262		2.600
	Mr. Shobinder Duggal		2.262		2.600
	Mr. Vivek Pendharkar		2.262		2.600
	Mr. Vinayak Deshpande		2.262		-
	Mr. Brij Bhushan Nagpal		0.943		-
	Mr. Harsh Vardhan Shringla		1.508		-
	Mr. Pradyumna Vyas		2.074		-

(#) Commission to Chairman and Managing Director and Non-Executive Directors is approved in board meeting held on 13th May 2026. Payment will be made in the year 2026-27.

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(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 2026	31 March 2025
		Amount	Amount
1	By the Company to ICICI Bank Ltd. on behalf of Karad Projects and Motors Limited [Refer Note 32 (A)]	-	185.500
2	By the Company to Citi Bank on behalf of Kirloskar Pompen B.V. (CY: USD NIL, PY: USD 1,000,000)	-	85.475
3	By the Company to Citi Bank on behalf of Kirloskar Brothers (Thailand) Limited (CY: USD 5,500,000, PY: USD 5,500,000)	521.593	470.113
4	By the Company to ICICI Bank Ltd. on behalf of Rodelta pumps International B.V. (CY: EURO 36,75,000, PY: EURO 2,625,000)	397.653	241.717
5	By the Company to ICICI Bank Ltd. on behalf of Kirloskar Pompen B.V. (CY: EURO NIL, PY: EURO 23,00,000)	-	211.790
6	By the Company to HSBC Bank Ltd. on behalf of Kirloskar Brothers (Thailand) Limited (CY: THB 125,000,000, PY: THB 125,000,000)	359.506	314.506
		1,278.752	1,509.101

NOTE 33: 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 2026	31 March 2025	31 March 2026	31 March 2025
To Subsidiary Companies				
Karad Projects and Motors Limited [Refer Note 32 (A)]*	-	40.942	40.942	91.042

*Consisted 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. In FY 2025-26, the loan is repaid fully.

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.

NOTE 34: 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

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

B) Financial Interest in Jointly controlled entities

Sr. No	Name of the Joint Venture	Summarised financial information		
			As at 31 March 2026	As at 31 March 2025
1	Kirloskar Ebara Pumps Limited	Assets	3,560.800	3,216.137
		Liabilities	793.662	769.907
			2025-26	2024-25
		Income	2,937.308	3,687.439
		Expenses(including tax expenses)	2,581.608	3,348.544
		Profit after tax	355.700	338.895
		Other comprehensive income	10.209	(6.304)
		Total comprehensive income	365.909	332.591

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: ₹ 5.650 Mn (PY: ₹ 7.671 Mn)

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	IVRCL – KBL JV	Jointly controlled operations	N A	India
4	Maytas – KBL JV	Jointly controlled operations	N A	India
5	Larsen & Toubro – KBL JV	Jointly controlled operations	N A	India
6	KBL-MEIL-KCCPL JV	Jointly controlled operations	N A	India
7	KBL – PLR JV	Jointly controlled operations	N A	India
8	KBL – Koya – VA Tech JV	Jointly controlled operations	N A	India
9	KBL – PIL Consortium	Jointly controlled operations	N A	India
10	Larsen & Toubro – KBL – Maytas JV	Jointly controlled operations	N A	India
11	IVRCL – KBL – MEIL JV	Jointly controlled operations	N A	India
12	Pioneer – Avantica – ZVS – KBL JV	Jointly controlled operations	N A	India
13	AMR – Maytas – KBL – WEG JV *	Jointly controlled operations	N A	India
14	Indu – Shrinivasa Constructions – KBL – WEG JV	Jointly controlled operations	N A	India
15	MEIL – KBL – IVRCL JV	Jointly controlled operations	N A	India
16	MEIL – Maytas – KBL JV	Jointly controlled operations	N A	India
17	KCCPL – TAIPPL – KBL JV	Jointly controlled operations	N A	India
18	KBL-SPML JV	Jointly controlled operations	N A	India
19	MEIL - KBL JV *	Jointly controlled operations	N A	India
20	MAYTAS – MEIL – KBL JV	Jointly controlled operations	N A	India
21	Gondwana - KBL JV	Jointly controlled operations	N A	India
22	MEIL -PRASAD-KBL CONSORTIUM	Jointly controlled operations	N A	India
23	JCPL - MEIL - KBL CONSORTIUM	Jointly controlled operations	N A	India
24	KBL - RATNA - JOINT VENTURE	Jointly controlled operations	N A	India
25	MEIL-KBL-WEG CONSORTIUM	Jointly controlled operations	N A	India

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Sr No	Name of the Jointly controlled operation	Description	Ownership Interest	Country of Incorporation
26	KBL and TCIPL JOINT VENTURE	Jointly controlled operations	N A	India
27	ACPL & KBL JV *	Jointly controlled operations	N A	India
28	ITD CEMENTATION INDIA LIMITED JV	Jointly controlled operations	N A	India
29	GSJ - KBL JV	Jointly controlled operations	N A	India
30	JBL-KBL-GSJ JV	Jointly controlled operations	N A	India

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

F) List of Jointly controlled operations dissolved during the year:

Sr No	Name of the Jointly controlled operation	Dissolution Date
1	KCCPL – IHP – BRC – TAIPPL – KBL JV	10 September 2025
2	MEIL-KBL - (KDWSP) JV	16 February 2026
3	KBL - PTIL UJV	31 March 2026

NOTE 35: 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 2026	As at 31 March 2025
	Financial Asset		
a)	Levelled at Level 1		
	Carried at fair value through profit and loss		
	Investment in mutual funds	2,183.967	1,620.414
b)	Carried at amortised cost		
	Investment in long fixed deposits with financial institution	3,830.000	2,730.000
	Trade receivables	3,829.938	4,252.152
	Advances to subsidiaries	-	40.942
	Other financial assets	1,326.159	1,016.499
	Cash and cash equivalent	758.152	924.369
	Other bank balances	42.848	39.512
c)	Levelled at Level 3		
	Investments in unquoted equity shares (FVTOCI) *	39.582	39.582
	Financial Liabilities		
a)	Carried at amortised cost		
	Non-current borrowings	-	-
	Current borrowings	41.919	94.072
	Trade payables	4,978.380	4,745.229
	Other current financial liabilities	1,124.709	1,090.515
	Lease liability	296.761	138.357
b)	Financial guarantee contracts	4.331	4.684

* Exclude Group Company investments ₹ 2,975.415 Mn. (Previous Year ₹ 2,975.415 Mn.) measured at cost. (Refer Note 5).

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 36: 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.

In order to minimise 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:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to counterparty's ability to meet its obligations,
- Significant increases in credit risk on other financial instruments of the same counterparty,

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

- (v) Significant changes in the value of collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

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 categorises 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 2026	As at 31 March 2025
Trade Receivables	4,888.425	5,877.243
Less: Expected Loss	1,058.487	1,625.091
	3,829.938	4,252.152
Security Deposits	852.378	839.103
Less: Expected Loss	46.293	15.064
	806.085	824.039
Claims Receivable	16.157	35.518
Less: Expected Loss	12.528	19.361
	3.629	16.157

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

Exposure to Risk	As at 31 March 2026	As at 31 March 2025
Trade Receivables		
Neither past due nor impaired	2,397.152	2,530.302
Past due but not impaired		
Less than 180 days	500.384	534.636
181 - 365 days	207.617	226.653
More than 365 days	724.785	960.561
Total	3,829.938	4,252.152

Reconciliation of loss provision	Trade receivables	Others
Loss allowance as at 1 April 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
Changes in loss allowance*	(566.604)	24.396
Loss allowance as at 31 March 2026	1,058.487	58.821

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

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

B) Liquidity risk

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

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

Exposure to Risk	As at 31 March 2026	As at 31 March 2025
Interest bearing borrowings		
On demand	41.919	94.072
Less than 180 days	-	-
181 - 365 days	-	-
More than 365 days	-	-
Total	41.919	94.072
Other financial liabilities		
On demand	158.443	168.569
Less than 180 days	968.431	924.288
181 - 365 days	2.166	2.342
More than 365 days	-	-
Total	1,129.040	1,095.199
Lease liability		
On demand	-	-
Less than 180 days	59.227	28.234
181 - 365 days	59.227	28.234
More than 365 days	178.307	81.889
Total	296.761	138.357
Trade & other payables		
Not due	3,395.435	2,741.594
Less than 180 days	548.398	817.785
181 - 365 days	70.244	169.906
More than 365 days	964.303	1,015.944
Total	4,978.380	4,745.229

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

Exposure to Risk	As at 31 March 2026	As at 31 March 2025
Expiring within one year	2,000.000	1,905.928
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 ₹ 0.21 Mn on the Company's profitability.

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

(D) Foreign Currency Risk

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

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

Foreign currency exposure:

Financial Assets	Currency	Amount in Foreign Currency (Mn)		Amount in ₹ (Mn)	
		As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Trade Receivables	EUR	1.600	0.499	173.156	45.984
	GBP	0.234	0.153	29.144	16.939
	ZAR	-	0.002	-	0.009
	USD	3.320	3.165	314.828	270.526
Bank Accounts	EGP	0.077	1.008	0.134	1.704
	EUR	0.556	0.816	60.125	75.111
	GBP	0.147	0.390	18.304	43.176
	USD	1.252	1.916	118.701	163.793
Other Deposits	EGP	0.083	0.083	0.144	0.141
Amount Due from Employees	USD	0.010	0.010	0.901	0.821

Financial Liabilities	Currency	Amount in Foreign Currency (Mn)		Amount in ₹ (Mn)	
		As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Trade Payables	EGP	0.731	0.731	1.266	1.235
	EUR	0.314	0.387	34.028	35.594
	GBP	(0.002)	0.001	(0.262)	0.156
	USD	1.461	1.870	138.517	159.879
	JPY	7.767	12.639	4.589	7.175
	VND	14,555.307	14,555.307	52.399	48.641
	XOF	149.102	149.102	25.347	20.874
	ZAR	0.190	0.190	1.045	0.897
	AED	0.003	-	0.077	-

Currency wise net exposure (assets - liabilities)

Particulars	Amount in Foreign Currency (Mn)		Amount in ₹ (Mn)	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
EGP	(0.571)	0.360	(0.988)	0.610
EUR	1.842	0.928	199.253	85.501
GBP	0.383	0.542	47.711	59.959
USD	3.121	3.221	295.913	275.261
JPY	(7.767)	(12.639)	(4.589)	(7.175)
VND	(14,555.307)	(14,555.307)	(52.399)	(48.641)
XOF	(149.102)	(149.102)	(25.347)	(20.874)
ZAR	(0.190)	(0.188)	(1.045)	(0.888)
AED	(0.003)	-	(0.077)	-
Total			458.432	343.753

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Sensitivity Analysis

Currency	Amount in ₹ (Mn)		Sensitivity % (*)	
	2025-26	2024-25	2025-26	2024-25
EGP	(0.988)	0.610	16.40%	17.45%
EUR	199.253	85.501	4.89%	2.12%
GBP	47.711	59.959	4.38%	3.39%
USD	295.913	275.261	5.29%	2.61%
JPY	(4.589)	(7.175)	2.12%	4.01%
VND	(52.399)	(48.641)	3.07%	1.95%
XOF	(25.347)	(20.874)	7.02%	3.26%
ZAR	(1.045)	(0.888)	2.53%	2.70%
AED	(0.077)	-	5.46%	-
Total	458.432	343.753		

Currency	Impact on profit (strengthen)		Impact on profit (weakening)	
	2025-26	2024-25	2025-26	2024-25
EGP	0.162	(0.106)	(0.162)	0.106
EUR	(9.743)	(1.813)	9.743	1.813
GBP	(2.090)	(2.033)	2.090	2.033
USD	(15.654)	(7.184)	15.654	7.184
JPY	0.097	0.288	(0.097)	(0.288)
VND	1.609	0.948	(1.609)	(0.948)
XOF	1.779	0.680	(1.779)	(0.680)
ZAR	0.026	0.024	(0.026)	(0.024)
AED	0.004	-	(0.004)	-
Total	(23.810)	(9.196)	23.810	9.196

(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), AED-Arab emirates Dirham)

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

NOTE 37: CAPITAL MANAGEMENT

a) Risk management

The Company's objectives when managing capital are to

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

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

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

Particulars	As at 31 March 2026	As at 31 March 2025
Loans and borrowings (Including current maturities of long term debt)	41.919	94.072
Less: Cash and cash equivalents (Including other bank balances)	801.000	963.881
Less: current investment	4,213.967	2,920.414
Net debt	(4,973.048)	(3,790.223)

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

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 38: 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 39: DISCLOSURE IN RESPECT OF IND AS 116, 'LEASES'

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Opening right-to-use asset	131.164	96.748
Net addition / (deletion) during the year (Non-cash items)	252.558	92.426
Depreciation charged during the year	(96.686)	(58.010)
Closing right-to-use asset	287.036	131.164

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Opening lease liability	138.357	103.837
Net addition / (deletion) during the year (Non-cash items)	252.558	92.426
Finance cost	20.951	10.826
Lease payments including lease termination	(115.105)	(68.732)
Closing lease liability	296.761	138.357
Non-Current	178.307	81.889
Current	118.454	56.468

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 - ₹ 4.071 Mn (PY: ₹ 2.989 Mn)
- Short-term leases - ₹ 26.181 Mn (PY: ₹ 40.960 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	Depreciation for the year	Additions during the year	Carrying Amount
1. Plant & Equipments	29.923	114.125	128.003
	8.330	31.841	43.801
2. Buildings	66.763	138.433	159.033
	49.680	60.585	87.363

Undiscounted Contractual maturities of lease payments

Particulars	As at 31 March 2026	As at 31 March 2025
Less than one year	117.866	66.526
Between 1-2 years	100.234	50.533
More than 2 years	110.632	39.784

- 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 ₹ 145.354 Mn (PY 2024-25 - ₹ 112.682 Mn) including expenses on low value assets and short term lease.
- Company has not entered into any sublease arrangements

Disclosure of investing and financing transactions that do not require the use of cash and cash equivalents

Particulars	Opening Balance	Cash Flows	Others	Closing Balance
Right-to-use-assets (2026)	131.164	-	155.872	287.036
Right-to-use-assets (2025)	96.748	-	34.416	131.164

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 40: RATIO ANALYSIS

Particulars (Reasons where variation is more than 25%)	Year ended 31 March 2026				Year ended 31 March 2025				Absolute Variance (%)
	Numerator		Denominator		Numerator		Denominator		
		%/Times	Days			%/Times	Days		
Current Ratio									
[Current assets / Current Liability]	18,039.738	10,503.745	1.717		16,373.502	9,538.967	1.716		0.058%
Debt-Equity Ratio									
[Debt/Equity]	41.919	18,485.079	0.002		94.072	16,625.478	0.006		66.667%
(Reduction in borrowings along with increase in net worth due to profits)									
Debt Service Coverage Ratio									
[(PBID + Exceptional items) /(Interest+ Principal repayment due in next year)]	3,494.668	90.527	38.604		3123.499	119.998	26.030		48.306%
(Reduction in borrowings along with profits)									
Return on Equity Ratio									
[(PAT + exceptional items)/(Total op. Equity+Total cl. Equity)/2]	2,803.209	17,555.279	15.968%		2513.466	15,573.841	16.139%		1.060%
Inventory Turnover									
[Consumption /(op. Inventory+cl. Inventory)/2]	15,374.625	5,428.685	2.832	129	15,524.280	5,011.672	3.098	118	8.586%
Trade Receivables Turnover									
[Revenue from operations / (op. receivable+cl. receivables)/2]	28,281.232	4,041.045	6.998	52	29,013.914	4,476.511	6.481	56	7.977%
Trade Payable Turnover									
[Purchases/(op.payables+cl. payables)]	16,021.953	4,861.805	3.295	111	15,710.979	4,916.624	3.195	114	3.130%
Net Capital Turnover ratio									
[Revenue from operations/ working capital]	28,281.232	7,535.993	3.753		29,013.914	6,834.535	4.245		11.590%
Net profit Ratio									
[PAT before exceptional items/Revenue from operations]	2,803.209	28,281.232	9.912%		2,513.466	29,013.914	8.663%		14.418%
Return on Capital Employed									
[PBIT before exceptional items/Total capital employed (NW-DTA+debt+DTL)]	3,694.324	17,956.803	20.573%		3,391.194	16,097.112	21.067%		2.345%
Return on Investment (quoted)									
[ROI=(Income received on FD+ MF)/ (Average outside investment)]	364.704	5,272.681	6.917%		290.189	3,930.226	7.384%		6.324%

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 41: AUDIT TRAIL

The Company, has used an accounting software, for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the audit trail feature was not enabled at the database level at the Enterprise Resource Planning System (SAP) to log any direct data changes.

However, access to the database for accounting is restricted only to single Information technology 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 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). Further, outsourced vendor is ISO 9001:2015, ISO 27001:2013 and ISO 27001:2022 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.

Additionally, 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.

Further, the audit trail, wherever available, has been preserved by the Company in accordance with the applicable statutory record retention requirements.

NOTE 42: EXCEPTIONAL ITEMS

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in standalone statement of profit and loss and in the notes forming part of the standalone financial statements

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Past service cost	413.636	-
Sale of Investment*	-	(107.646)

The Government of India has consolidated multiple existing labour legislations into a unified framework comprising of four Labour Codes, collectively referred to as the 'New Labour Codes' and notified with effect from 21st November 2025. Based on the analysis of the information available so far and actuarial valuation for the year ended 31 March 2026, the Company has recognised ₹ 413.636 Mn as past service cost on post-employment defined benefits for its employees. Considering that this impact is driven by a regulatory change and is non-recurring in nature, it is classified under exceptional items in these financial results. The Company continues to monitor the developments relating to the implementation of the New Labour Codes and would review the estimates as further clarifications and Rules are notified.

**During the year ended 31 March 2025, the Company had sold its entire stake in its wholly owned subsidiary viz. 'The Kolhapur Steel Limited' (TKSL) to another wholly owned subsidiary viz. 'Karad Project and Motors Limited' (KPML) for ₹ 107.646 million at arm's length price based on valuation carried out by an independent valuer. As the investment in shares of TKSL had been fully impaired over the years, the entire consideration had resulted in a gain of ₹ 107.646 Mn which was disclosed as an exceptional item.*

Notes to the Standalone Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 43: 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 2025-26. (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: 13 May 2026

Devang Trivedi
Company Secretary
Pune: 13 May 2026

STANDALONE

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PART "A": SUBSIDIARIES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Venture

(Amount in Million ₹ except otherwise stated)

Sr. No	Name of the Subsidiary Company	Date of acquisition	Reporting period	Reporting Currency	Relevant Exchange Rate (BS / PL)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country	% of Holding	
1	Karad Projects & Motors Ltd.	9-Sep-06	1-Apr-25 to 31-March-26	INR	1 / 1	139.525	3,491.656	5,296.533	1,665.353	76.342	6,506.200	702.478	(138.410)	840.888		India	100.00
2	The Kolhapur Steel Limited	2-Aug-08	1-Apr-25 to 31-March-26	INR	1 / 1	417.000	(1,552.303)	(653.627)	481.676	0.000	366.198	(90.278)	8.563	(98.840)	-	India	100.00
3	Kirloskar Corrocoat Pvt. Ltd.	12-Nov-09	1-Apr-25 to 31-March-26	INR	1 / 1	50.000	289.058	502.285	163.227	198.478	676.788	141.451	36.181	105.271	-	India	65.00
4	Kirloskar Brothers International B V	30-Aug-07	1-Apr-25 to 31-March-26	Euro	107.88 / 107.12	0.000	(338.965)	2,268.489	2,607.454	1,694.704	0.000	(142.985)	0.000	(142.985)	-	The Netherlands	100.00
5	SPP Pumps Ltd.	15-Feb-10	1-Apr-25 to 31-March-26	GBP	124.24 / 123.37	34.575	(5.227)	64.031	34.683	0.000	7,619.403	383.319	87.694	295.625	-	U K	100.00
6	Kirloskar Brothers(Thailand) Ltd.	1-Jan-11	1-Apr-25 to 31-March-26	Baht	2.86 / 2.89	0.000	(185.798)	692.299	878.098	0.000	1,078.175	(0.283)	11.600	(11.883)	-	Thailand	100.00
7	SPP Pumps (MENA) L.L.C.	13-Sep-11	1-Apr-25 to 31-March-26	EGP	1.71 / 1.88	0.000	(54.965)	61.066	116.031	0.000	60.727	7.710	0.103	7.606	-	Egypt	100.00
8	Kirloskar Pompen B.V	10-Apr-08	1-Apr-25 to 31-March-26	Euro	107.88 / 107.12	0.000	(41.175)	307.110	348.285	2.697	605.155	17.881	0.000	17.881	-	The Netherlands	100.00
9	Micawber 784 (Proprietary Ltd.)	29-Oct-09	1-Apr-25 to 31-March-26	Rand	5.5 / 5.6	0.000	79.553	188.388	108.834	0.000	0.000	11.369	3.252	8.117	-	South Africa	100.00
10	SPP Pumps International PTY Limited	3-Dec-13	1-Apr-25 to 31-March-26	Rand	5.5 / 5.6	0.000	138.416	254.269	115.853	0.000	558.158	26.865	3.557	23.308	-	South Africa	100.00
11	SPP France S A S	11-Jun-13	1-Apr-25 to 31-March-26	Euro	107.88 / 107.12	0.000	0.000	0.000	0.000	0.000	251.178	2.570	0.000	2.570	-	France	100.00
12	SPP Pumps Inc	17-Jul-15	1-Apr-25 to 31-March-26	USD	93.82 / 91.53	281.472	1,957.587	4,841.445	2,602.386	0.000	3,575.150	457.045	85.658	371.387	-	U S A	100.00

(Amount in Million ₹ except otherwise stated)

Sr. No	Name of the Subsidiary Company	Date of acquisition	Reporting period	Reporting Currency	Relevant Exchange Rate (₹ / PL)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country	% of Holding
13	SPP Pumps South Africa Proprietary Limited	24-Oct-14	1-Apr-25 to 31-March-26	Rand	5.5 / 5.6	0.000	76.023	90.549	14.526	0.000	489.558	75.652	5.134	70.518	-	South Africa	100.00
14	Braybar Pumps Limited	13-Oct-14	1-Apr-25 to 31-March-26	Rand	5.5 / 5.6	0.000	101.426	106.090	4.665	0.000	243.249	15.428	4.763	10.666	-	South Africa	100.00
15	Rodelita Pumps International BV	14-Jul-15	1-Apr-25 to 31-March-26	Euro	107.88 / 107.12	0.000	(299.597)	201.930	501.527	0.000	480.780	(49.405)	0.000	(49.405)	-	The Netherlands	100.00
16	Rotaserve Overhaul B.V.	4-Jan-16	1-Apr-25 to 31-March-26	Euro	107.88 / 107.12	0.000	123.088	152.555	29.487	0.000	160.389	53.204	0.000	53.204	-	The Netherlands	100.00
17	SPP Pumps Real Estate LLC	16-Aug-12	1-Apr-25 to 31-March-26	USD	93.82 / 91.53	116.659	643.085	1,295.660	535.917	0.000	0.000	7.893	0.000	7.893	-	U S A	100.00
18	Syncroflow Inc.	28-Feb-14	1-Apr-25 to 31-March-26	USD	93.82 / 91.53	363.414	963.225	1,880.077	553.439	0.000	1,996.148	201.640	43.775	157.866	-	U S A	100.00
19	SPP Pumps (Asia) Ltd	27-May-16	1-Apr-25 to 31-March-26	Baht	2.86 / 2.89	0.000	(24.191)	27.455	51.645	0.000	18.345	0.862	(0.115)	0.977	-	Thailand	100.00
20	SPP Pumps (Singapore) Ltd	29-Jun-16	1-Apr-25 to 31-March-26	SGD	72.61 / 71.43	0.000	(74.786)	257.831	332.616	0.000	498.527	9.839	0.000	9.839	-	Singapore	100.00

Details of Rotaserve Limited are not provided as yet to commence operations

PART “B”: ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Venture

(Amount in Million ₹ except otherwise stated)

Name of Associates/Joint Ventures		Kirloskar Ebara Pumps Limited
1.	Latest audited Balance Sheet Date	31 st March 2026
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	2,25,000
	Amount of Investment in Associates/Joint Venture	2.75
	Extend of Holding %	45%
3.	Date of acquisition of shares	27 th January 1988
4.	Description of how there is significant influence	It is Jointly Controlled entity
5.	Reason why the associate/joint venture is not consolidated	consolidated to the extend of 45%
6.	Networth attributable to Shareholding as per latest audited Balance Sheet	1,245.21
7.	Profit / Loss for the year	
	(i) Considered in Consolidation	160.06
	(ii) Not Considered in Consolidation	195.63
8.	Total comprehensive income for the year	
	(i) Considered in Consolidation	164.66
	(ii) Not Considered in Consolidation	201.25

Independent Auditor's Report

To the members of **KIRLOSKAR BROTHERS LIMITED**

Report on the audit of the **consolidated financial statements**

Opinion

We have audited the accompanying consolidated financial statements of **Kirloskar Brothers Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which includes Group's share of profit/loss in its associates and its joint-ventures, which comprise the consolidated balance sheet as at 31 March 2026, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes to consolidated financial statements, including a summary of material accounting policies and significant accounting policies, and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on financial statements (separate/consolidated) of subsidiaries including associates and joint-ventures as was audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, of consolidated state of affairs (financial position) of the Group including its associates and joint-ventures as at 31 March 2026, the consolidated profit (financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year then ended.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group including associates and joint-ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditors referred to in "Other matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements taken as a whole, in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the key audit matter relevant for the consolidated financial statements as described below:

Accounting treatment for customer contracts where performance obligations are satisfied over time

Description of key audit matter:

Revenue amounting to ₹ 686 million reported in the Company's standalone financial statements pertains to customer specific long-term contracts and the same are required to satisfy the recognition and measurement criteria as enunciated in IND AS 115, 'Revenue from Contracts with Customers'. In case of these contracts the revenue is recognised over time and is based on a percentage completion method (POC) for each of such contracts. The stage of project completion is determined based on a ratio of project costs actually incurred till the period / year end to the planned / estimated total cost to complete the said project. This necessarily involves estimations and certain assumptions to be made by the management in determining the total planned costs and an appropriate allocation of costs actually incurred on each project. This inherently creates certain uncertainties and results in complexities in accounting treatment wherein incorrect assumptions and estimates can lead to revenue being recognised in incorrect accounting periods thereby impacting the results. In addition, in POC method revenue recognition and respective collections do not follow a linear trend irrespective of stage completion determined by the Company. Collections do depend on satisfaction of certain other performance obligations as laid down in the respective project agreements. Consequently, those amounts that remain as receivables whose due dates for payments depend on other conditions give rise to certain receivables that are due and others not due for payment, requiring the Company to adopt a differential accounting classification and treatment. While assessing the contractual obligations as at any period close, change orders and / or cancellations are required to be considered by the Company to adopt an appropriate accounting treatment for revenues already recognised, valuation of work in progress and respective receivables. Considering these factors, in the context of our audit this matter was of significance and hence a key audit matter (Refer note 20 A to the standalone financial statements).

Description of Auditor's response:

With a view to verify the alignment of the Company's project accounting system with the actual progress of the project and its status at any period close, we designed our audit procedures related to this area to obtain an understanding of project acceptance and execution process and the related accounting controls including verification of compliance with IND AS 115 – 'Revenue from contracts with customers'. These included inter-alia, reading through the material contracts and formation of a standard checklist to note the terms and conditions and considerations required to be taken note of for appropriate financial accounting till a project is finally executed and closed. We discussed with the management the risks associated with the project execution to understand requirement of any specific recognition of financial accounting considerations and developed requisite key controls requiring audit attention and review. The Company has automated through its accounting software

the method of calculating the percentage of completion method which we have verified on test basis. We reviewed planned costs, their latest estimates, rationale for revision in estimates based on information shared by the management in our discussions, approvals to such revisions in the estimates and compared them with latest costs to complete, related mathematical accuracy and, on a sample, basis validated resulting recognition of revenue. We discussed with management the status of amount receivable and have verified the evidence supporting the recoverability in sample cases. We verified the calculations of expected credit loss provisions and corroborated with specific management discussions on major projects.

Information other than the consolidated financial statements and auditor's report thereon

The Holding Company's Management and Board of Directors are responsible for the preparation of other information. The other information comprises the Board's report and management discussion and analysis included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Director's responsibility for the consolidated financial statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation and presentation of these consolidated financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint-ventures in accordance with the accounting principles generally accepted in India, including the Ind AS. The respective management and Board of Directors of the companies included in the consolidated financial statements are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements/consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group including its Associates and joint-ventures are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group including its associates and joint-ventures are responsible for overseeing the financial reporting process of each Company.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they

could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statement and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group including its associates and joint-ventures to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group including its associates and joint-ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included

in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other matters

- A. The Statement includes the Ind AS financial statements of one domestic subsidiary, whose Ind AS financial statements reflect total assets of ₹ 502 million as at 31 March 2026; as well as the total revenue of ₹ 677 million, total comprehensive income of ₹ 105 million and net cash outflow of ₹ 1 million, for the year ended 31 March 2026. The Statement also includes the Group's share of profit of ₹ 160 million for the year ended 31 March 2026, in respect of a joint venture. These Ind AS financial statements have been audited by their respective independent auditor whose audit report has been furnished to us by the Holding Company's management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the entity, is based solely on the reports of such other auditor and the procedures performed by us are as stated in paragraph above.

CONSOLIDATED

- B. The Statement includes the consolidated Ind AS financial statements of one foreign subsidiary, whose consolidated Ind AS financial statements reflects total assets of ₹ 12,300 million as at 31 March 2026, total revenue of ₹ 16,284 million, total profit after tax (net) of ₹ 795 million, total comprehensive income of ₹ 591 million, net cash inflow of ₹ 925 million, for the year ended 31 March 2026. These consolidated Ind AS financial statements have been reviewed by other auditor whose special purpose audit report has been furnished to us, and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the report of such other auditor and the procedures performed by us as stated in paragraph above.

Consolidated Ind AS financial statements as mentioned in above paragraph contains seventeen step-down foreign subsidiaries. These components follow different reporting date being 31 December. Their financial statements have been audited by their respective auditors for the year ended 31 December 2025. Respective management of these components have prepared financial information for the period from 01 January 2026 to 31 March 2026 only for the purpose of consolidation with the Ultimate Holding Company.

- Financial information of fifteen foreign subsidiaries has been prepared by the respective Company's management for the period from 01 January 2026 to 31 March 2026 only for the purpose of consolidation with the Ultimate Holding Company. It reflects total assets of ₹ 5,889 million as at 31 March 2026; as well as the total revenue of ₹ 2,619 million, total loss after tax ₹ 32 million, total comprehensive income of ₹ 79 million and net cash outflow of ₹ 62 million for the said period.
 - Financial information of one foreign subsidiary for the period from 01 January 2026 to 31 March 2026 has been reviewed by their respective auditor and has issued a limited review report on which we have placed our reliance. It reflects total assets of ₹ 6,411 million as at 31 March 2026; as well as the total revenue of ₹ 2,079 million, total profit after tax ₹ 10 million, total comprehensive income of ₹ (24) million and net cash inflow of ₹ 46 million for the said period.
 - According to the information and explanations given to us by the Holding Company's management, one foreign subsidiary is non-operative whose financial information of total assets as at 31 March 2026, total revenue, total comprehensive income and net cash inflow/outflow for the year then ended are not material to the group.
- C. These step-down subsidiaries are located outside India and their separate/consolidated financial statements have been prepared in accordance with accounting principles generally accepted in their respective

countries and which have been audited by local auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of these step-down subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. These conversion adjustments made by the Holding Company's management have been reviewed by other auditor.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the other matter paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements. Our opinion on the

consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

Report on other legal and regulatory requirements

1. As required by section 143 (3) of the Act, based on our audit and on the consideration of reports of other auditors on financial statements (separate/consolidated) of such companies as audited by them and as mentioned in the 'Other Matters' paragraph, we report, to the extent applicable, that:
 - A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - B. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors except for the matters stated in the paragraph 1 (I) (vi) below on reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - C. The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated cash flow statement and consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - D. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
 - E. On the basis of the written representations received from the directors of the Holding Company as

on 31 March 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of subsidiary companies including associates and joint-ventures which are companies incorporated in India, none of the directors of the subsidiary companies, associates and joint-ventures which are companies incorporated in India, is disqualified as on 31 March 2026 from being appointed as a director in terms of section 164(2) of the Act;

- F. With respect to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2 (b) above and refer to our comment in paragraph 1 (I) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
- G. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group including its associates and joint-ventures which are companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control with reference to consolidated financial statements.
- H. With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group including associates and joint-ventures, which are companies incorporated in India, where applicable, to its directors during the year is in accordance with the provisions of section 197 of the Act.
- I. With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the consolidated financial statements disclose the impact of pending litigations as at 31 March 2026 on the consolidated financial position of the Group including its associates and joint-ventures (refer note 27(A) & 27 (B) to the consolidated financial statements);
 - ii. the Group including associates and joint-ventures have made provision in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long term contracts including derivative contracts (refer note 16 B to the consolidated financial statements);

- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group including its associates and joint-ventures, which are companies incorporated in India.
- iv. Reporting on rule 11(e):
 - (a) The Management has represented that, to the best of its knowledge and belief, as stated in note no. 42 (5) no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, as stated in note no. 42 (6) no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The dividend for the previous year, declared and paid by the Holding Company during the year is in accordance with section 123 of the Act, as applicable.

CONSOLIDATED

- vi. Based on examination which included test checks, except for the instances mentioned below, the Group (i.e. the companies incorporated in India whose financial statements have been audited under the Act either by us or by their respective auditor) have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the respective software. Further, during the course of audit (carried out by us or their respective auditors) we did not come across any instance of audit trail feature being tampered with or the period where audit trail is enabled and operated. Furthermore, the audit trail has been preserved by the Group as per the statutory requirements for record retention (other than the consequential impact of exceptions given below):
- (a) In respect of consolidation software – at the Holding Company, it does not have audit trail feature at the database level to log any direct data changes.
 - (b) In respect of an accounting software – at the Holding Company, two subsidiaries and a joint venture, the audit trail feature was not enabled at database level. Furthermore, in respect of one of the above subsidiaries, maintenance of register for property, plant and equipment and inventory valuation of WIP is maintained in MS excel wherein it does not have audit trail feature.
 - (c) In respect of Human Resource Management System (HRMS) –two subsidiaries and a joint venture, Service Organisation Control Type 2 Report/ISAE 3402, “Assurance Reports on Control at a Service Organisation” was received after the respective board meeting dates, covering the maintenance of audit trail.
- Refer note 40 to the consolidated financial statements
2. With respect to the matters specified in clause (xxi) of paragraph (3) and paragraph (4) of the Companies (Auditor’s Report) Order, 2020 (“CARO”/ “the Order”) issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the statutory auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Holding Company, we report that in respect of those companies where audits have been completed under section 143 of the Act, there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration no. 109983W
by the hand of

CA Pramod Bhise
Partner
Membership no.(F) 047751
UDIN: 26047751PKXPI6576

Pune, 13 May 2026

Annexure A to the Independent Auditor's Report

Referred to in paragraph (F) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

Report on the Internal Financial Controls

Under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the Internal Financial Controls with reference to consolidated financial statements of Kirloskar Brothers Limited (hereinafter referred as "the Holding Company"), its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint-ventures, which are companies incorporated in India, as of 31 March 2026 in conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors referred to in other matters paragraph below, the Group including its associates and joint-ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2026, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI').

Management's and Board of Director's responsibility for internal financial controls

The respective Company's Management and Board of Directors of the of the Holding Company and its subsidiary companies, associates and joint-ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' responsibility

Our responsibility is to express an opinion on the Group's including its associates and joint-ventures, which are companies incorporated in India, internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, associates and joint-ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's including its associates and joint-ventures which are companies incorporated in India, internal financial controls system with reference to consolidated financial statements.

Other matter

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to three subsidiaries and a joint-venture, which are companies incorporated in India, is solely based on corresponding reports of the auditors of such Companies.

Meaning of internal financial controls with reference to consolidated financial statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors

of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the

internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration no. 109983W
by the hand of

CA Pramod Bhise
Partner

Membership no.(F) 047751
UDIN: 26047751PKKXPI6576

Pune, 13 May 2026

Consolidated Balance Sheet

As at 31st March 2026

(Amount in Million ₹ except otherwise stated)

Particulars	Note No.	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3A	6,161.354	5,907.966
Capital work-in-progress	3A	584.506	337.206
Investment property	4	5.020	5.020
Goodwill	3A	86.304	83.525
Other intangible assets	3A	103.322	79.103
Intangibles under development		-	-
Right to use assets	3B	667.025	476.308
Financial assets			
Investments accounted using equity method	5	1,245.206	1,100.803
Investments	5	1,848.606	1,578.606
Trade receivables	6	911.554	875.087
Other financial assets	7	138.731	120.290
Deferred tax assets (net)	18	366.622	366.845
Other non-current assets	8	636.280	588.193
Total non-current assets		12,754.530	11,518.952
Current assets			
Inventories	9	8,723.641	8,536.719
Financial assets			
Current investment	5	4,488.782	3,508.396
Trade receivables	6	6,626.800	4,925.434
Cash and cash equivalents	10 A	4,009.614	3,231.293
Other bank balances	10 B	42.848	255.529
Other financial assets	7	1,507.959	1,148.389
Current tax assets	18	292.676	74.063
Other current assets	8	5,621.815	3,456.293
Total current assets		31,314.135	25,136.116
TOTAL ASSETS		44,068.665	36,655.068
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	158.818	158.818
Other equity	12	24,481.473	20,769.722
Equity attributable to owners of parents		24,640.291	20,928.540
Non-controlling interest		118.669	85.396
Total equity		24,758.960	21,013.936
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	13	553.527	692.070
Lease liabilities	38	497.083	196.826
Trade payables	14	84.603	83.145
Other financial liabilities	15	36.087	44.024
Provisions	16	307.543	311.400
Other non-current liabilities	17	725.931	738.339
Total non-current liabilities		2,204.774	2,065.804
Current liabilities			
Financial liabilities			
Borrowings	13	1,317.147	618.347
Lease liabilities	38	133.108	308.102
Trade payables			
- Micro, small and medium enterprises	14	1,395.854	830.847
- Others	14	6,446.922	5,205.507
Other financial liabilities	15	1,739.367	1,844.393
Current tax liability	18	1.583	90.789
Other current liabilities	17	4,768.264	3,847.694
Provisions	16	1,302.686	829.649
Total current liabilities		17,104.931	13,575.328
Total liabilities		19,309.705	15,641.132
TOTAL EQUITY AND LIABILITIES		44,068.665	36,655.068
Corporate information	1		
Material accounting policies	2		
See accompanying notes to financial statements	3-42		

The accompanying notes 1 to 42 form an integral part of the financial statements

As per our report of even date attached

For SHARP & TANNAN ASSOCIATES

Chartered Accountants
(ICAI Firm Regn. No. 109983W)

Pramod Bhise

Partner

Membership No: (F) - 047751

Pune: 13 May 2026

Sanjay Kirloskar
Chairman and Managing Director
DIN: 00007885

Bhaves Chheda
Chief Financial Officer

Pune: 13 May 2026

For and on behalf of the Board of Directors

Rama Kirloskar
Joint Managing Director
DIN: 07474724

Devang Trivedi
Company Secretary

Pune: 13 May 2026

CONSOLIDATED

Consolidated Statement of Profit and Loss

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Particulars	Note No.	Year ended 31 March 2026	Year ended 31 March 2025
Revenue from operations	19	45,379.898	44,922.432
Other income	20	771.681	718.759
Total Income		46,151.579	45,641.191
Expenses			
Cost of raw materials consumed	21	21,183.300	20,476.735
Purchases of stock-in-trade		1,745.394	1,616.927
Changes in inventories of finished goods, stock-in-trade and work-in-progress	21	(520.300)	(116.337)
Employee benefits expense	22	7,792.383	7,078.530
Finance costs	23	300.657	248.568
Depreciation and amortisation expense	24	1,000.176	893.614
Other expenses	25	9,739.034	9,774.812
Total expenses		41,240.644	39,972.849
Profit/(loss) before exceptional items and tax		4,910.935	5,668.342
Less: Exceptional items	41	388.506	77.829
Profit before tax		4,522.429	5,590.513
Tax expenses	18		
(1) Current tax		1,103.642	1,559.455
(2) Deferred tax		(13.844)	(51.325)
(3) (Excess)/ Short provision of earlier years		(180.450)	47.959
Total Tax expenses		909.348	1,556.089
Profit after tax but before share in profit of joint venture company for the year		3,613.081	4,034.424
Share in profit of joint venture company		160.065	152.503
Profit for the year		3,773.146	4,186.927
Attributable to			
Non-controlling interest		36.845	34.650
Equity holder's of parent		3,736.301	4,152.277
Other Comprehensive Income	26		
Items that will not be reclassified to profit or loss			
Remeasurement gains and (losses) on post employment benefits		27.758	(56.540)
Income tax relating to remeasurement gains and losses		(6.986)	14.230
Share in other comprehensive income of joint venture company		4.595	(2.837)
Items that will be reclassified to profit or loss			
Cash flow hedge		(54.928)	19.404
Gains/ losses on currency translation for foreign subsidiaries		560.802	88.854
Other Comprehensive Income		531.241	63.111
Total Comprehensive Income for the year (Comprising of net profit after tax and other comprehensive income for the year)		4,304.387	4,250.038
Attributable to			
Non-controlling interest		36.773	34.526
Equity holder's of parent		4,267.614	4,215.511
Earnings per equity share (₹)	29		
(1) Basic		47.05	52.29
(2) Diluted		47.05	52.29
Corporate information	1		
Material accounting policies	2		
See accompanying notes to financial statements	3-42		

The accompanying notes 1 to 42 form an integral part of the financial statements

As per our report of even date attached

For **SHARP & TANNAN ASSOCIATES**
Chartered Accountants
(ICAI Firm Regn. No. 109983W)

Pramod Bhise
Partner
Membership No: (F) - 047751
Pune: 13 May 2026

Sanjay Kirloskar
Chairman and Managing Director
DIN: 00007885

Bhavesh Chheda
Chief Financial Officer
Pune: 13 May 2026

For and on behalf of the Board of Directors

Rama Kirloskar
Joint Managing Director
DIN: 07474724

Devang Trivedi
Company Secretary
Pune: 13 May 2026

Consolidated Statement of Cash Flows

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
A Cash flows from Operating Activities		
Net Profit before taxation and extraordinary items	4,522.429	5,590.513
Adjustments for:-		
1 Depreciation / amortisation including on right to use	1,000.176	893.614
2 (Profit) /loss on sale / write-off of Property, plant and equipment	(2.666)	(5.705)
3 Bad debts written off	33.365	24.453
4 Advances, deposits and claims written off	12.838	0.167
5 Provision for loss on long term contracts	(2.555)	20.705
6 Provision for doubtful debts, advances and claims	(99.212)	263.924
7 Interest Income	(447.216)	(356.610)
8 Interest Expenses	181.221	136.051
9 Excess provision written back	(42.507)	(85.707)
10 Unrealised exchange (gain)/ Loss	526.138	11.861
11 Profit on sale of mutual funds	(119.273)	(124.912)
12 Impairment of goodwill	-	61.382
Operating Profit Before Working capital changes	5,562.738	6,429.736
Adjustments for:-		
1 (Increase)/ decrease in inventories	(186.922)	(13.853)
2 (Increase)/ decrease in trade receivables	(1,671.984)	(237.444)
3 (Increase)/ decrease in financial assets	(53.117)	(65.369)
4 (Increase)/ decrease in non-financial assets	(2,120.753)	(299.209)
5 Increase/ (decrease) in trade payable	1,807.881	(594.313)
6 Increase/ (decrease) in financial liabilities	(72.492)	184.831
7 Increase/ (decrease) in non-financial liabilities	908.163	134.973
8 Increase/ (decrease) in provisions	499.494	(82.170)
Cash Generated from Operations	4,673.008	5,457.182
9 Income Tax (Paid) / Refunded	(1,330.852)	(1,601.942)
Net Cash from Operating Activities	3,342.156	3,855.240
B Cash flows from Investing Activities		
1 Purchase of Property, plant and equipment	(1,352.927)	(895.768)
2 Sale of Property, plant and equipment	48.774	9.499
3 Investment in mutual funds and deposits with NBFC	(24,097.156)	(19,678.240)
4 Sale of investment in mutual funds and deposits with NBFC	22,967.151	17,897.512
5 Interest Received	322.165	304.020
6 Dividend received	20.250	13.500
7 Investment in associate company	-	(48.601)
Net Cash from Investment Activities	(2,091.743)	(2,398.078)

Consolidated Statement of Cash Flows

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
C Cash Flows from Financing Activities		
1 Proceeds from borrowing	1,120.855	626.444
2 Repayment of borrowings	(560.598)	(865.137)
3 Interest Paid	(181.221)	(42.495)
4 Payment of dividend and tax thereon	(553.827)	(472.522)
5 Payment of lease liabilities	(263.755)	(164.961)
Net Cash used in Financing Activities	(438.546)	(918.671)
a Net Increase in Cash and Cash Equivalents (A+B+C)	811.867	538.491
b Cash & Cash Equivalents at beginning of year	3,231.293	2,659.065
c Unrealised Exchange Gain / (Loss) in cash and cash equivalents	(33.546)	33.737
d Cash & Cash Equivalents at end of year (refer note 10A) (a+b+c)	4,009.614	3,231.293

Note:- The above statements of cash flow has been prepared using the "indirect method" as per Ind AS 7.

For disclosure of investing and financing transactions that do not require the use of cash and cash equivalents, refer note 38

Refer note 25 (A) for cash outflow on account of corporate social responsibility.

As per our report of even date attached

For **SHARP & TANNAN ASSOCIATES**

Chartered Accountants
(ICAI Firm Regn. No. 109983W)

Pramod Bhise

Partner

Membership No: (F) - 047751

Pune: 13 May 2026

Sanjay Kirloskar

Chairman and Managing Director
DIN: 00007885

Bhavesh Chheda

Chief Financial Officer

Pune: 13 May 2026

For and on behalf of the Board of Directors

Rama Kirloskar

Joint Managing Director
DIN: 07474724

Devang Trivedi

Company Secretary

Pune: 13 May 2026

Consolidated Statement of Changes in Equity

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	Amt (₹ in Mn)
Balance as at 1 April 2024	158.818
Changes in equity share capital during the year	-
Balance as at 31 March 2025	158.818
Changes in equity share capital during the year	-
Balance as at 31 March 2026	158.818

B. OTHER EQUITY*

Particulars	Reserves and Surplus and items of OCI							Total Reserves and Surplus	Non- Controlling interest	Total
	Capital Reserve	Capital redemption reserve	Securities Premium	General reserve	Foreign currency translation reserve	Effective portion of cash flow hedges	Retained Earnings			
Balance as at 1 April 2024	5.237	9.237	414.706	6,334.630	538.675	44.538	9,683.642	17,030.665	51.298	17,081.963
Profit for the year	-	-	-	-	-	-	4,152.277	4,152.277	34.650	4,186.927
Other comprehensive income	-	-	-	-	88.854	19.404	(45.024)	63.234	(0.124)	63.110
Dividends and tax thereof	-	-	-	-	-	-	(476.454)	(476.454)	(1.050)	(477.504)
Changes in non-controlling interest	-	-	-	-	-	-	-	-	0.622	0.622
Balance as at 31 March 2025	5.237	9.237	414.706	6,334.630	627.529	63.942	13,314.441	20,769.722	85.396	20,855.118
Profit for the year	-	-	-	-	-	-	3,736.301	3,736.301	36.845	3,773.146
Other comprehensive income	-	-	-	-	560.802	(54.928)	25.438	531.312	(0.072)	531.240
Dividends and tax thereof	-	-	-	-	-	-	(555.862)	(555.862)	(3.500)	(559.362)
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2026	5.237	9.237	414.706	6,334.630	1,188.331	9.014	16,520.318	24,481.473	118.669	24,600.142

*There are no adjustments on account of prior period errors or due to changes in accounting policies.

As per our report of even date attached

For **SHARP & TANNAN ASSOCIATES**
Chartered Accountants
(ICAI Firm Regn. No. 109983W)

Pramod Bhise
Partner
Membership No: (F) - 047751
Pune: 13 May 2026

Sanjay Kirloskar
Chairman and Managing Director
DIN: 00007885

Bhavesh Chheda
Chief Financial Officer
Pune: 13 May 2026

For and on behalf of the Board of Directors

Rama Kirloskar
Joint Managing Director
DIN: 07474724

Devang Trivedi
Company Secretary
Pune: 13 May 2026

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(All amounts are in Indian rupees rounded to the nearest millions, unless otherwise stated)

1. CORPORATE INFORMATION

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

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

The names of the subsidiary companies, country of incorporation, and proportion of ownership interest considered in the consolidated financial statements are:

Name of the Company	Country of Incorporation	Proportion of ownership Interest of KBL
Karad Projects and Motors Limited (KPML)	India	100%
Kirloskar Corrocoat Private Limited (KCPL)	India	65%
Kirloskar Brothers International B V	The Netherlands	100%
SPP Pumps Limited	United Kingdom	100%
Kirloskar Brothers(Thailand) Limited	Thailand	100%
SPP Pumps (MENA) L.L.C.	Egypt	100%
Kirloskar Pompen B.V	The Netherlands	100%
Micawber 784 Proprietary Limited	South Africa	100%
SPP Pumps International PTY Limited	South Africa	100%
SPP France S A S	France	100%
SPP Pumps Inc.	USA	100%
SPP Pumps South Africa Proprietary Limited	South Africa	100%
Braybar Pumps Limited	South Africa	100%
Rodelta Pumps International BV	The Netherlands	100%
Rotaserve Overhaul B.V.	The Netherlands	100%
SPP Pumps Real Estate LLC	U S A	100%
SyncroFlo Inc.	U S A	100%
SPP Pumps (Asia) Ltd	Thailand	100%
SPP Pumps (Singapore) Ltd	Singapore	100%
Rotaserve Limited	United Kingdom	100%

(Amount in Million ₹ except otherwise stated)

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

The financial statements have been approved for issue by the Board of Directors at it's meeting held on 13 May 2026.

2.2 Basis of consolidation and equity accounting

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The consolidated financial statements relate to Kirloskar Brothers Limited (KBL) and its majority owned subsidiary companies, consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions and the unrealised profit /losses on intra-group transactions, and are presented to the extent possible, in the manner as the Company's independent financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

Reporting date for Indian subsidiaries and joint venture is 31 March and that to for foreign subsidiaries is 31 December, which is as per the local laws in the respective countries of incorporation. However, in order to have uniform accounting policies management drawn financials of 3 months ended 31 March 2025 are also consolidated. Accordingly, consolidated financials ended 31 March 2026, considers results for foreign subsidiaries for 12 months ended March 2026 only.

The excess of cost to the company of its investment in the subsidiary company over the parents' portion of equity is recognised in the consolidated financial statements as goodwill. The excess of company's share of equity of the subsidiary company over the cost of acquisition is treated as capital reserve.

ii) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii) Loss on control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date when the control is lost. Any resulting gain or loss is recognised in profit or loss.

iv) Equity accounted investees

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Company has accounted 'Investment in Associate and joint venture' under the equity method as per Ind AS 28, whereby the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Company's share of net assets of the associates/ Joint Venture.

(Amount in Million ₹ except otherwise stated)

The excess of cost to the Company of its investment in the joint venture/ associates entity is set off against the adjusted carrying amount of the investment. Distributions received from the joint venture/ associates reduce the carrying amount of the investment.

The consolidated statement of profit and loss reflects the Company's share of the results of the operations of the joint venture company.

Unrealised profits and losses resulting from transactions between the joint venture /associates and the Company are eliminated to the extent of Company's interest in the joint venture/associates.

The names of the associates and joint ventures entities, country of incorporation, and proportion of ownership interest considered in the consolidated financial statements are:

Name of the Company	Country of Incorporation	Proportion of ownership Interest of KBL
Kirloskar Ebara Pumps Ltd.	India	45%

v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.3 Basis of measurement

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

Items	Measurement basis
Financial instruments at fair value through profit or loss	Fair value
Financial instruments through other comprehensive income	Fair value
Defined benefit plan – plan assets	Fair value

2.4 Current or non-current classification

All assets and liabilities have been classified as current or non-current as per the group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

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

2.5 Functional and presentation currency

Functional currency of KBL, KPML and KCPL is Indian currency. The functional currency of other foreign subsidiaries is their respective local currency. These financial statements are presented in Indian Rupees (INR).

All financial information is presented in INR rounded off to three decimal places, except share and per share data, unless otherwise stated.

2.6 Use of judgements, estimates and assumptions

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

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

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

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of defined benefit obligation – The cost of the defined benefit gratuity and pension plan, and the present value of the gratuity/ pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. (Refer note – 22)

(Amount in Million ₹ except otherwise stated)

- 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 16)
- Estimation of provision for variable pay – Provision for variable pay is determined based on performance indicators as per annual operating plan.
- Estimation of provision for slow and non-moving inventory – Provision for slow and non-moving inventory is determined based on age-wise analysis of inventory.
- Impairment of goodwill – The group estimates the value in use of a cash generating unit (CGU) based on the future cash flows after considering the current economic conditions and trends, estimated future operating results and growth rate. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGU's represent the weighted average cost of capital based on historical market returns of comparable companies.
- Impairment of receivables - The impairment provisions for financial receivables disclosed are based on assumptions about risk of default and expected credit loss (Refer note 35)
- Decommissioning liability – Initial estimate of dismantling and restoration liability requires significant judgement about cost inflation index and other factors. (Refer note 16)
- Provision for warranty claims – Provision is recognised based on the key assumptions about likelihood and magnitude of an outflow of resources. (Refer note 16)
- 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 16)
- Recognition of deferred tax asset – Availability of future taxable profit against which deductible temporary differences can be utilised
- Revenue recognition – Variable consideration such as discounts, rebates is recognised considering historical trend of payout as adjusted for any amendment in rebate scheme.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

2.7 Inventories

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

- **Raw materials:** cost includes cost of purchase excluding taxes subsequently recoverable from tax authorities and other costs incurred in bringing the inventories to their present location and condition. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost.
- **Finished goods and work in progress:** cost includes cost of direct materials, labor and a systematic allocation of fixed and variable production overhead that are incurred in converting raw material into work in progress/ finished goods based on the normal operating capacity and actual capacity respectively.
- **Traded goods:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- **Stores and spares:** Inventories of consumable stores and spare parts are carried at the lower of cost and net realisable value.

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

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

2.8 Cash and cash equivalents

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

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

(Amount in Million ₹ except otherwise stated)

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

2.9 Statement of Cash Flows

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

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

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

2.10 Property, plant and equipment (PPE)

Measurement

The cost of an item of PPE, shall be recognised 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 capitalised 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 capitalised as a part of the cost of the PPE.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Borrowing costs directly attributable to the construction or acquisition of a qualifying asset up to completion or acquisition are capitalised as part of the cost. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

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

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under "Other non-current assets".

Subsequent costs

The cost of replacing a part of an item of PPE is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. 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 derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of PPE are determined by comparing the proceeds from disposal with the carrying amount of PPE, and are recognised within other income/expenses in the statement of profit and loss.

Depreciation

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

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

Depreciation is recognised in the statement of profit and loss generally on a straight-line basis over the estimated useful lives of each part of an item of PPE and in some cases based on the technical evaluation made by the management.

2.11 Investment property

Investment property is a property, being land or building or part of it, (including those under construction) that is held to earn rental income or for capital appreciation 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 in the form of building are stated at cost less accumulated depreciation on straight line basis, calculated as per provisions of Schedule II to Companies Act, 2013.

Investment properties are 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 4. Fair value is determined by an independent valuer.

2.12 Goodwill and intangible assets

Recognition and measurement

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less impairment losses. Goodwill is allocated to the CGUs for the purpose of impairment testing. The allocation is made to those CGUs or group of CGUs that are expected to benefit from the business combination in which goodwill arose.

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

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

Intangible assets with indefinite useful lives are not 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.

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

Research and development costs –

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

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- 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.

2.13 Interest in joint operations

The company as joint operator recognises 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.

2.14 Borrowing costs

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

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are 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.

2.15 Revenue recognition

Group recognises revenue from contracts with customers when it satisfies a performance obligation.

Revenue is measured at transaction price i.e. Consideration to which group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

of third parties and after considering effect of variable consideration, significant financing component, if any.

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

Sale of goods

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

Customer loyalty programs

Group allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programs is deferred, and is recognised 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 recognised over the time as and when customer receives the benefit of company's performance and the company has an enforceable right to payment for services transferred.

Construction Contracts

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

Contract revenue and contract cost arising from fixed price contract are recognised in accordance with the percentage completion method (POC). The stage of completion is measured with reference to cost incurred to date as a percentage of total estimated cost of each contract. Until such time (25% of Project Cost) where the outcome of the contract cannot be ascertained reliably, the Group recognises revenue equal to actual cost.

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

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

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

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

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

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

2.16 Other operating/ Non-operating income

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

2.17 Foreign currencies transactions

Transactions and balances

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

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

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

Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet
- Income and expenses are translated at average exchange rates, and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

2.18 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Group's superannuation scheme, state governed provident fund schemes and employee state insurance

scheme are defined contribution plans. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

Defined Benefit Plans

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

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

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

In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to 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 Group recognises gains/ losses on settlement of a defined plan when the settlement occurs.

The Group pays contribution to a recognised provident fund trusts in respect of above mentioned PF schemes.

Other long term employee benefits

Compensated absences liabilities means, the liabilities for earned leave that are not expected to be settled

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

wholly within twelve months after the end of the reporting period in which the employee render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Re-measurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss.

2.19 Income taxes

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

Current tax

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

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

Deferred tax

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

Deferred tax is recognised 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 recognised for all timing differences including temporary differences associated with investment in subsidiaries and associates and interest in joint venture. Deferred tax assets are recognised 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 realised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that

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

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

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

2.20 Provisions

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

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

Warranty provisions

A provision for warranty is recognised when the underlying products and services are sold to the customer based on historical warranty data and at its best estimate using expected value method. The initial estimate of warranty-related costs is revised annually.

Provision for decommissioning and site restoration

The Group has a legal obligation for decommissioning of windmills and restoring the site back to its original condition. Decommissioning and restoration costs are measured initially at its best estimate using expected value method. The present value of initial estimates is provided as a liability and corresponding amount is 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 liability is disclosed when Group has:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; or

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(Amount in Million ₹ except otherwise stated)

- present obligation arising from past events, when no reliable estimate is possible; or
- A possible obligation arising from past events where the probability of outflow of resources is not remote.

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

2.21 Leases

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

Group as a Lessee

A lessee is required to 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.

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

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

Lease liability

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

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

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

Subsequent measurement

Right to use assets

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

Lease Liability

Subsequently the Company measures the lease liability by:

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

Group as a Lessor

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

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are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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

2.22 Impairment of non-financial assets

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

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

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

Impairment losses are recognised in the statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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

2.23 Fair value measurement

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

- In the principal market for the asset or liability, or

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

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

2.24 Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets except trade receivables are recognised initially at fair value plus or minus the transaction cost. Trade receivables that do not contain financial component are measured at transaction price in accordance with Ind AS 115. Purchases or sales of

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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 Group 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 Group neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial asset

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

- Financial assets that are debt instruments, and are measured at 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

(Amount in Million ₹ except otherwise stated)

- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

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

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

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

Financial liabilities

Initial recognition and measurement

The Group initially 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 Group becomes a party to the contractual provisions of the instrument.

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

Financial guarantee contracts

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

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(Amount in Million ₹ except otherwise stated)

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

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

For all hedged forecast transactions, the amount accumulated in other equity is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss

2.25 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding

during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

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

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

2.26 Segment reporting

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

The board of directors of the company assesses the financial performance and position of the group and makes strategic decisions. The Board of Directors, which are identified as a CODM, consists of Chief Financial Officer, Managing Director and independent directors.

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

2.27 Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements. In August 2025, MCA notified the following amendments to:

- Ind AS 1, Presentation of Financial Statements, applicable w.e.f. 1st April, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

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- Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. 1st April, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may

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cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact on its financial statements.

- Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The Company has no impact of these amendments in its financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

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NOTE 3A: PROPERTY, PLANT AND EQUIPMENT

Particulars	Property, plant and equipment						
	Land free hold	Land lease hold	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles
							Railway siding
Gross Block							
As at 1 April 2024	656.314	90.395	3,471.016	9,126.416	862.142	127.518	154.957
Additions	16.685	-	44.870	624.108	47.467	16.139	57.856
Disposals /impairment	-	-	(3.665)	(205.821)	(6.113)	(1.570)	(26.076)
Exchange difference	3.709	0.176	36.886	42.143	29.767	0.034	1.095
As at 31 March 2025	676.708	90.571	3,549.107	9,586.846	933.263	142.121	187.832
Additions	0.363	-	194.989	744.872	59.034	21.075	14.435
Disposals /impairment	-	-	(3.159)	(157.650)	(170.239)	(1.094)	(13.008)
Exchange difference	65.914	(4.715)	113.829	110.242	86.371	(0.089)	5.054
As at 31 March 2026	742.985	85.856	3,854.767	10,284.310	908.429	162.013	194.313
Depreciation/ Amortisation							
As at 1 April 2024	0.000	13.466	1,125.723	6,643.707	752.074	65.726	101.036
Charge for the year	-	1.272	98.155	553.430	37.330	17.752	13.512
Depreciation on disposal	-	-	(3.496)	(202.236)	(6.112)	(1.570)	(26.036)
Exchange difference	(0.000)	0.157	15.489	31.037	27.160	0.014	0.892
As at 31 March 2025	-	14.895	1,235.871	7,025.938	810.452	81.922	89.404
Charge for the year	-	1.087	105.128	580.891	39.256	10.031	17.117
Depreciation on disposal	-	-	(0.819)	(121.819)	(170.239)	(1.094)	(5.070)
Exchange difference	0.000	0.308	47.583	213.365	83.105	10.056	3.980
As at 31 March 2026	0.000	16.290	1,387.763	7,698.375	762.574	100.915	105.431
Net block							
As at 1 April 2024	656.314	76.929	2,345.293	2,482.709	110.068	61.792	53.921
As at 31 March 2025	676.708	75.676	2,313.236	2,560.908	122.811	60.199	98.428
As at 31 March 2026	742.985	69.566	2,467.003	2,585.935	145.855	61.098	88.882
Notes:							

Notes:

- Plants and machineries acquired out of proceeds of term loan, are hypoticated as security against the loan.
- During the year no provision envisaged for impairment loss on property, plant and equipments and intangible assets other than goodwill.
- Refer note no 28 for estimated amount of contract remaining to be executed on capital account.
- Group has not revalued any property, plant and equipment during the FY 2025-26 and FY 2024-25.
- All title deeds of immovable properties are held in the name of company or it's subsidiaries.

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For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 3A: GOODWILL AND OTHER INTANGIBLE ASSETS

Particulars	Goodwill	Intangible Assets		Total
		Computer software	Sales tax deferral rights	
Gross Block				
As at 1 April 2024	143.848	379.879	221.920	601.799
Additions		59.774	11.350	71.124
Disposals /impairment	(61.383)	(0.080)	-	(0.080)
Exchange difference	1.060	1.699	(107.616)	(105.917)
As at 31 March 2025	83.525	441.272	125.654	566.926
Additions	-	57.721	13.104	70.825
Disposals /impairment	-	-	-	-
Exchange difference	2.779	(3.113)	8.323	5.210
As at 31 March 2026	86.304	495.880	147.082	642.961
Depreciation/ Amortisation				
As at 1 April 2024	-	338.850	221.478	560.328
Charge for the year	-	33.448	0.335	33.783
Depreciation on disposal	-	(0.080)	-	(0.080)
Exchange difference	-	1.414	(107.622)	(106.208)
As at 31 March 2025	-	373.632	114.191	487.823
Charge for the year	-	46.244	2.111	48.355
Depreciation on disposal	-	-	-	-
Exchange difference	-	(4.737)	8.198	3.461
As at 31 March 2026	-	415.139	124.500	539.639
Net block				
As at 1 April 2024	143.848	41.029	0.442	41.471
As at 31 March 2025	83.525	67.640	11.463	79.103
As at 31 March 2026	86.304	80.741	22.581	103.322

Notes:

a) Other intangible assets includes sales tax deferral rights, trade marks, patents and licenses.

NOTE 3A: CAPITAL WORK- IN- PROGRESS AND INTANGIBLES UNDER DEVELOPMENT

Particulars	Year	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2026	374.798	156.360	50.126	3.222	584.506
	2025	255.089	24.249	54.696	3.172	337.206
Projects temporarily suspended	2026	-	-	-	-	-
	2025	-	-	-	-	-

Following projects which were expected to be completed by March 26, got delayed and now expected to get completed as per following table.

Particulars	Year	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Automation projects	2026	44.209	1.100	-	-	45.309
	2025	8.482	-	-	-	8.482
Expansion of manufacturing plant and Load enhancement	2026	35.651	-	-	-	35.651
	2025	56.236	-	-	-	56.236

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NOTE 3B: RIGHT TO USE ASSETS

Particulars	Amt (₹ in Mn)
Opeing balance as at 1 April 2024	366.404
Net addition / (deletion) during the year including forex	248.284
Depreciation	(138.380)
Balance as at 31 March 2025	476.308
Net addition / (deletion) during the year including forex	389.018
Depreciation	(198.301)
Balance as at 31 March 2026	667.025

NOTE 4: INVESTMENT PROPERTY

Particulars	Amt (₹ in Mn)
Land	
Gross Block	
As at 1 April 2024	5.020
Net addition / (deletion) during the year including forex	-
As at 31 March 2025	5.020
Net addition / (deletion) during the year including forex	-
As at 31 March 2026	5.020
Depreciation and Impairment	
As at 1 April 2024	-
Charge for the year	-
Depreciation on disposals	-
As at 31 March 2025	-
Charge for the year	-
Depreciation on disposals	-
As at 31 March 2026	-
Net block	
As at 1 April 2024	5.020
As at 31 March 2025	5.020
As at 31 March 2026	5.020

Fair Value

The group obtains independent valuations for its investment properties. The valuation model considers current prices in active market on reliable estimates of future cash-flows.

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

Fair value as at 31 March 2026 was ₹ 65.923 Mn (Fair value as at 31 March 2023 was ₹ 60.717 Mn).

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 5: FINANCIAL ASSETS: INVESTMENTS

Sr No	Particulars	As at 31 March 2026	As at 31 March 2025
I	Long term investments - at cost		
	Accounted using equity method		
	(a) Investment in Equity instruments	1,245.206	1,100.803
		1,245.206	1,100.803
	Others		
	Investments in other Equity instruments	48.606	48.606
	Investments in long term fixed deposit	1,800.000	1,330.000
	Investments in long tem mutual funds	-	200.000
		1,848.606	1,578.606
		3,093.812	2,679.409
II	Current investment		
	Investments in fixed deposit	2,030.000	1,840.000
	Investments in mutual funds	2,458.782	1,668.396
		4,488.782	3,508.396
	Total investment	7,582.594	6,187.805

Sr No	Particulars	As at 31 March 2026	As at 31 March 2025
I	Aggregate amount of quoted investments	2,458.782	1,868.396
II	Aggregate amount of unquoted investments	5,123.812	4,319.409

Sr No	Particulars	Face Value	Partly Paid / Fully paid	Extent of holding (%)		No. of Shares / Units		Amount in Million Rupees	
				As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Non-current investments									
1	Investments at fair value through other comprehensive income								
a	Kirloskar Proprietary Limited	₹ 100	Fully Paid	-	-	512	512	0.005	0.005
b	Sunsure Solarpark Nineteen Private Limited (Associate)	₹ 10	Fully Paid	0.46	0.46	38,088	38,088	48.601	48.601
								48.606	48.606
2	Investment accounted using equity method								
a	Kirloskar Ebara Pumps Limited	₹ 10	Fully Paid	45%	45%	2,25,000	2,25,000	1,245.206	1,100.803
Total Investments accounted using equity method								1,245.206	1,100.803
3	Investments at amortised cost								
a	Investment in long term deposits							1,800.000	1,330.000

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(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 Rupees	
				As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
4	Investment accounted using fair value through profit and loss								
a	Investment in mutual funds							-	200.000
	Total non-current Investments							3,093.812	2,679.409
	Current investments								
1	Investments at amortised cost								
a	Investment in fixed deposit with financial institutions (Int rate - 7.10% to 8.15%)							2,030.000	1,840.000
2	Investment accounted using fair value through profit and loss								
a	Investment in mutual funds							2,458.782	1,668.396
	Total current Investments							4,488.782	3,508.396

The Group has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

Refer note 34 for determination of fair value.

NOTE 6: FINANCIAL ASSETS: TRADE RECEIVABLES

Particulars	As at 31 March 2026	As at 31 March 2025
<u>Non-current</u>		
Unsecured, considered good	911.554	875.087
Trade receivable with significant increase in credit risk or credit impaired	1,022.547	1,125.211
	1,934.101	2,000.298
Less: Allowance for expected credit loss	1,022.547	1,125.211
	911.554	875.087
<u>Current</u>		
Unsecured, considered good		
From related parties (Refer note 31)	31.056	36.233
Others	6,595.744	4,889.201
Doubtful	113.562	98.337
	6,740.362	5,023.771
Less: Allowance for expected credit loss	113.562	98.337
	6,626.800	4,925.434
Total trade receivables	7,538.354	5,800.521

Trade receivables are non-interest bearing and are generally on terms of 1 to 90 days

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

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

A) Trade receivables as at 31 March 2026

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	4,822.248	1,456.093	442.603	210.960	107.594	432.048	7,471.546
Which have significant increase in credit risk	-	0.013	20.914	42.278	66.942	830.872	961.019
Credit impaired	-	-	-	-	-	90.328	90.328
Total undisputed trade receivables (a)	4,822.248	1,456.106	463.517	253.238	174.536	1,353.248	8,522.893
Disputed trade receivables							
Considered good	2.755	-	0.804	1.799	-	61.451	66.809
Which have significant increase in credit risk	-	-	0.268	2.774	3.137	78.582	84.761
Credit impaired	-	-	-	-	-	-	-
Total Disputed trade receivables (b)	2.755	-	1.072	4.573	3.137	140.033	151.570
Total trade receivables (a+b)	4,825.003	1,456.106	464.589	257.811	177.673	1,493.281	8,674.463
Provision for increase in significant risk and credit impaired							1,136.109
Net trade receivables							7,538.354

Trade receivables as at 31 March 2025

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivable							
Considered good	3,309.205	1,198.192	267.385	509.432	276.920	238.798	5,799.932
Which have significant increase in credit risk	-	-	22.591	140.051	175.345	689.983	1,027.970
Credit impaired	-	-	-	-	-	70.522	70.522
Total undisputed trade receivables (a)	3,309.205	1,198.192	289.976	649.483	452.265	999.303	6,898.424
Disputed trade receivables							
Considered good	-	-	-	0.017	-	0.572	0.589
Which have significant increase in credit risk	-	-	-	0.070	18.900	106.086	125.056
Credit impaired	-	-	-	-	-	-	-
Total Disputed trade receivables (b)	-	-	-	0.087	18.900	106.658	125.645
Total trade receivables (a+b)	3,309.205	1,198.192	289.976	649.570	471.165	1,105.961	7,024.069
Provision for increase in significant risk and credit impaired							1,223.548
Net trade receivables							5,800.521

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 7: FINANCIAL ASSETS: OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
(a) Claims receivable		
Unsecured, considered good	3.628	8.547
Claims with significant increase in credit risk or credit impaired	12.528	19.361
	16.156	27.908
Less: Allowance for expected credit loss	12.528	19.361
	3.628	8.547
(b) Fixed deposits with the original maturity of more than 12 months	84.544	29.183
(c) Interest accrued	-	3.081
(d) Security deposits		
Unsecured, considered good	50.559	79.479
Security deposits with significant increase in credit risk or credit impaired	46.293	15.064
	96.852	94.543
Less: Allowance for expected credit loss	46.293	15.064
	50.559	79.479
	138.731	120.290
Current		
(a) Claims receivable		
Unsecured, considered good	-	9.441
(b) Interest accrued	241.170	113.037
(c) Security deposits		
Unsecured, considered good	795.030	777.641
(d) Forward contract asset	140.539	162.291
(e) Investment in Mutual funds pending allotment	190.000	-
(f) Fixed deposits with original maturity of more than 12 months but remaining maturity of less than 12 months	143.220	85.979
	1,507.959	1,148.389
Total other financial asset	1,646.690	1,268.679

NOTE 8: OTHER ASSETS

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
(a) Advances to supplier of capital goods	20.061	12.456
(b) Advances to supplier and others		
Unsecured, considered good	248.073	272.253
Advances with significant increase in credit risk or credit impaired	71.758	71.925
	319.831	344.178
Less: Allowance for expected credit loss	71.758	71.925
	248.073	272.253

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
(c) Prepaid expenses	18.048	22.037
(d) Retention (net of provision)	158.204	179.988
(e) Advance income tax (net of provision)	189.475	96.619
(f) Other assets	2.419	4.840
	636.280	588.193
Current		
(a) Advances to supplier and others		
Unsecured, considered good	1,992.817	638.750
(b) Prepaid expenses	396.028	383.132
(c) Unbilled revenue for project related contract work	1,017.115	16.433
(d) Retention (net of provision)	1,246.508	1,292.537
(e) Balances with government authorities	969.347	1,125.441
	5,621.815	3,456.293
Total other assets	6,258.095	4,044.486

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

NOTE 9: INVENTORIES

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Raw Materials (*)	2,431.238	2,828.834
(b) Work-in-progress	3,229.899	2,918.437
(c) Finished goods	2,318.244	1,998.680
(d) Stock-in-trade	380.119	490.845
(e) Stores and spares	364.141	299.923
(Mode of valuation refer note 2.7)		
Total inventories	8,723.641	8,536.719

(*) 'Include goods in transit - ₹ 181.200 Mn (PY 2024-25: ₹ 189.852 Mn)

Amounts recognised in profit or loss

Value of inventories above is stated after provisions (net of reversal) ₹ 33.325 Mn (PY 2024-25: ₹ 31.457 Mn) for write-downs to net realisable value and provision for slow-moving and obsolete items.

NOTE 10 A: CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Balances with bank		
In current and EEFC account	2,581.787	2,624.226
Bank deposits	1,426.328	604.896
(b) Cash on hand	1.499	2.171
Total cash and cash equivalents	4,009.614	3,231.293

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 10 B: OTHER BANK BALANCES

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Earmarked balances with bank		
Unpaid dividend accounts	18.701	16.665
(b) Bank deposits with original maturity of more than 3 months	-	216.017
(c) Margin money	24.147	22.847
Total other bank balances	42.848	255.529

NOTE 11: EQUITY SHARE CAPITAL

Particulars	As at 31 March 2026	As at 31 March 2025
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
	158.818	158.818

(a) Terms/ rights attached to equity shares

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

Dividend

Particulars	As at 31 March 2026	As at 31 March 2025
Equity Shares		
(i) Interim dividend for the year	Nil	Nil
(ii) Proposed Dividend	555.862	555.862

Since year end the directors have recommended the payment of a final dividend of ₹ 7.0 per fully paid equity share (31 March 2025 - ₹ 7.0). 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 2026	As at 31 March 2026	As at 31 March 2025	As at 31 March 2025
	Number	Amount (Mn ₹)	Number	Amount (Mn ₹)
Shares outstanding at the beginning of the year	7,94,08,926	158.818	7,94,08,926	158.818
Shares Issued during the year under ESOS	-	-	-	-
Shares outstanding at the end of the year	7,94,08,926	158.818	7,94,08,926	158.818

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

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

Particulars	As at 31 March 2026	As at 31 March 2026	As at 31 March 2025	As at 31 March 2025
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kirloskar Industries Limited	1,89,88,038	23.91%	1,89,88,038	23.91%
Mr. Sanjay Chandrakant Kirloskar *	1,78,50,090	22.48%	1,78,47,465	22.48%
Mrs. Pratima Sanjay Kirloskar	1,38,49,488	17.44%	1,38,49,488	17.44%
Nippon Life India Trustee Ltd. (A/C Nippon India Small Cap Fund)	45,25,148	5.70%	45,05,646	5.67%

(d) Details of shares held by promoters

Particulars	As at 31 March 2026	As at 31 March 2026	As at 31 March 2025	As at 31 March 2025
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mr. Sanjay Chandrakant Kirloskar *	1,78,50,090	22.48%	1,78,47,465	22.48%
Mr. Rahul Chandrakant Kirloskar	4,04,501	0.51%	4,04,501	0.51%
Mr. Atul Chandrakant Kirloskar	4,66,499	0.59%	4,66,499	0.59%
Ms. Jyotsna Gautam Kulkarni	4,41,805	0.56%	4,41,805	0.56%
Ms. Geetanjali Vikram Kirloskar	0	0.00%	2,625	0.00%

Details of shares held by promoter's group are available on Company's website.

* includes 17,61,919 (PY: 1,761,919), 2% (PY: 2%) shares held in the capacity of a trustee.

For the period of five years immediately preceding the date as at which the balance sheet is prepared, no shares are
i. allotted as fully paid up pursuant to contracts without payment being received in cash
ii. allotted as fully paid shares by way of bonus shares
iii. bought back.

NOTE 12: OTHER EQUITY

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Capital Reserve	5.237	5.237
(b) Capital Redemption Reserve	9.237	9.237
(c) Securities Premium		
Opening balance	414.706	414.706
Add: Changes in non-controlling interest	-	-
Closing balance	414.706	414.706
(d) General Reserves		
Opening balance	6,334.630	6,334.630
Add: Changes in non-controlling interest	-	-
Closing balance	6,334.630	6,334.630
(e) Foreign Currency Translation reserve		
Opening balance	627.529	538.675
Add: Current year transfer	560.802	88.854
Closing balance	1,188.331	627.529

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
(f) Retained Earnings		
Opening balance	13,314.441	9,683.642
Add: Net profit for the year	3,736.301	4,152.277
Add: Other comprehensive income for the year	25.438	(45.024)
Add: Changes in non-controlling interest	-	-
Balance available for appropriation	17,076.180	13,790.895
Less: Appropriations		
Final dividend paid during the year	555.862	476.454
Sub total	555.862	476.454
Closing balance	16,520.318	13,314.441
(g) Effective portion of cash flow hedges		
Opening balance	63.942	44.538
Other comprehensive income for the year	(54.928)	19.404
Closing balance	9.014	63.942
Total other equity	24,481.473	20,769.722

Capital reserve:

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

Capital Redemption Reserve:

The Company has recognised Capital Redemption Reserve on redemption of preference shares from its retained earnings as per the applicable provisions of Companies Act, 1956.

Securities Premium:

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

General reserve:

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

Retained Earnings:

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

Foreign currency translation reserve

Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and are accumulated in separate reserve within equity. The cumulative amount is reclassified to profit and loss, when the investment is disposed off.

Effective portion of cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 13: FINANCIAL LIABILITIES: BORROWINGS

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
Secured		
Term loan from various banks	578.881	749.819
(Terms of loans: Term loans are availed by the group from various banks. Loans are repayable over the period of 3 to 10 years and carry interest rates varying from 1% to 10.5%. Loans are secured against fixed assets purchased from proceeds of loan and corporate guarantees given by holding company)		
Less- Current maturities of non- current borrowings	25.354	57.749
	553.527	692.070
	553.527	692.070
Current		
Secured		
Loans repayable on demand from bank		
(i) Cash / export credit facilities and working capital demand loans	1,291.793	560.598
(Terms of loans: Loan carries interest @ 2% to 10.5% per annum and secured against the inventory, receivables and mortgage of plant & machinery in some cases)		
Total secured loan - Current	1,291.793	560.598
Current maturities of long term loan	25.354	57.749
Total current borrowings	1,317.147	618.347
Total borrowings	1,870.674	1,310.417

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

NOTE 14: FINANCIAL LIABILITIES: TRADE PAYABLES

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
(a) Total outstanding dues of creditors other than micro, small and medium enterprises	84.603	83.145
	84.603	83.145
Current		
(a) Total outstanding dues of micro, small and medium enterprises	1,395.854	830.847
(b) Total outstanding dues of creditors other than micro, small and medium enterprises		
To related parties (Refer note 31)	63.141	23.473
Others	6,383.781	5,182.034
	6,446.922	5,205.507
	7,842.776	6,036.354
Total trade payables	7,927.379	6,119.499

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.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

A) Group has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at 31 March 2026. The disclosure pursuant to the said Act is as under:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Total outstanding amount in respect of micro, small and medium enterprises including capex creditors	1,395.854	830.847
Other disclosures in respect of micro and small enterprises		
Principal amount due and remaining unpaid	134.596	42.256
Interest due on above and unpaid interest	2.331	1.025
Interest paid	-	-
Payment made beyond appointment day	3,005.679	1,795.650
Interest due and payable for the period of delay (Payments already made)	23.445	15.348
Interest accrued and remaining unpaid	25.774	16.373
Amount of further interest remaining due and payable in succeeding years	25.774	16.373

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

Delay in payment is mainly on account of quality issues of vendors.

B): Trade payables ageing

Particulars	Year	Outstanding for following periods from due date of payment						Total
		Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
1. MSME - Non disputed	2026	1,178.018	159.371	29.409	0.013	0.012	29.031	1,395.854
	2025	738.810	59.832	3.791	6.120	6.645	15.649	830.847
2. MSME - disputed	2026	-	-	-	-	-	-	-
	2025	-	-	-	-	-	-	-
3. Others - Non disputed	2026	4,293.749	937.184	183.341	113.736	119.275	777.466	6,424.751
	2025	1,517.399	1,631.711	360.788	375.401	273.428	1,114.129	5,272.856
4. Others - disputed	2026	20.227	28.620	-	-	-	57.927	106.774
	2025	-	0.072	0.005	-	-	15.719	15.796

Unearned revenue is not considered in above table being in nature of non-financial liability and disclosed in note 17.

NOTE 15: OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
Non-Current		
(a) Other liabilities	36.087	44.024
	36.087	44.024
Current		
(a) Unclaimed dividends	18.701	16.665
Investor Education & Protection fund (will be credited as and when due).		
(b) Others		
Trade deposits	140.542	152.783
Salary and reimbursements	688.985	773.469
Payables on account of purchases of fixed assets	50.128	48.488
Provision for expenses and other liabilities	841.011	852.988
	1,720.666	1,827.728
	1,739.367	1,844.393
Total other financial liabilities	1,775.454	1,888.417

Terms and conditions of the above financial liabilities:

- Other payables are non-interest bearing.
- For explanations on the Group's credit risk management processes. (refer note 36 A)

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 16: PROVISIONS

Particulars	As at 31 March 2026	As at 31 March 2025
<u>Non-current</u>		
Provisions for employee benefits		
(a) Compensated absences	154.077	149.421
(b) Pension scheme (refer note 22)	53.242	49.131
(c) Gratuity (refer note 22)	-	20.116
	207.319	218.668
Other provisions		
(a) Provision for product warranty	75.591	41.365
(b) Provision for decommissioning and restoration costs	12.189	11.265
(c) Other provision	12.444	40.102
	100.224	92.732
	307.543	311.400
<u>Current</u>		
Provisions for employee benefits		
(a) Compensated absences	215.763	211.751
(b) Gratuity and Provident fund (refer note 22)	572.704	96.103
	788.467	307.854
Other provisions		
(a) Provision for product warranty	464.818	469.839
(b) Provision for loss on long term contracts	49.401	51.956
	514.219	521.795
	1,302.686	829.649
Total provisions	1,610.229	1,141.049

A) Details of provisions and movements in each class of provisions

	Provision for compensated Absences	Provision for product Warranty
Carrying amount as at 1 April 2024	439.888	529.227
Add: Provision during the year 2024-25 net of reversal of excess provision for earlier years	62.121	237.551
Add: Unwinding of discounts	-	6.011
Less: Amount utilised during the year 2024-25	(140.837)	(264.307)
Add: Foreign exchange difference	-	2.722
Carrying amount as at 31 March 2025	361.172	511.204
Add: Provision during the year 2025-26 net of reversal of excess provision for earlier years	51.130	368.052
Add: Unwinding of discounts	-	10.399
Less: Amount utilised during the year 2025-26	(42.462)	(364.957)
Add: Foreign exchange difference	-	15.711
Carrying amount as at 31 March 2026	369.840	540.409
Non-current provision	154.077	75.591
Current provision	215.763	464.818

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

B) Details of provisions and movements in each class of provisions

	Provision for decommissioning and restoration cost	Provision for loss on long term contracts
Carrying amount as at 1 April 2024	10.412	31.251
Add: Provision during the year 2024-25 net of reversal of excess provision for earlier years	-	22.702
Add: Unwinding of discounts	0.853	-
Less: Amount utilised during the year 2024-25	-	(2.741)
Add: Foreign exchange difference	-	0.744
Carrying amount as at 31 March 2025	11.265	51.956
Add: Provision during the year 2025-26 net of reversal of excess provision for earlier years	-	(8.623)
Add: Unwinding of discounts	0.924	-
Less: Amount utilised during the year 2025-26	-	(0.692)
Add: Foreign exchange difference	-	6.760
Carrying amount as at 31 March 2026	12.189	49.401
Non-current provision	12.189	-
Current provision	-	49.401

Compensated absences

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

Provision for warranty

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

Provision for decommissioning and restoration cost

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

Provision for long term contract

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

NOTE 17: OTHER LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
(a) Unearned revenue for project related contract work	185.510	201.216
(b) Advance from customer	540.421	537.123
	725.931	738.339
Current		
(a) Unearned revenue for project related contract work	1,729.595	1,673.428
(b) Advances from customer	2,833.403	1,857.488
(c) Contribution to provident fund and superannuation fund	51.207	57.329
(d) Statutory dues	129.639	221.284
(e) Deferred revenue	24.420	38.165
	4,768.264	3,847.694
Total other non-financial liabilities	5,494.195	4,586.033

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 18: INCOME TAX

- 1) The major components of income tax expense for the year ended 31 March 2026 and 31 March 2025 are:

(a) Statement of profit and loss

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Current income tax:		
Current income tax charge	1,103.642	1,559.455
Adjustments in respect of income tax of previous year	(180.450)	47.959
Deferred tax:		
Relating to origination and reversal of temporary differences	(13.844)	(51.325)
Income tax expense reported in the statement of profit or loss	909.348	1,556.089

(b) Statement of other comprehensive income (OCI)

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

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Related to remeasurement gains and losses		
Income tax charged/ (credited) to OCI	6.986	(14.230)
Deferred tax charged to OCI	-	-
	6.986	(14.230)

- (2) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31 March 2026 and 31 March 2025:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Accounting profit before tax	4,522.429	5,590.513
At India's statutory income tax rate of 25.168%/ (25.168%) (a)	1,138.205	1,407.020
Adjustments		
Permanent differences (Includes Int to MSME, donation, fine, penalties etc)	131.659	(70.376)
Subtotal (b)	131.659	(70.376)
Tax impact of above adjustments	33.136	(17.712)
MAT entitlement for earlier years and other credits of earlier years	178.311	(3.265)
Different tax rates from holding company	17.520	(32.246)
Unrecognised tax benefits on tax losses	-	(49.114)
Other items		
Effect of overseas branch exemption	-	-
Earlier year excess / short provision	(0.110)	(46.732)
Reversal of deferred tax recognised in earlier years		
Total (c)	228.857	(149.069)
Tax expenses at effective rate (a-c)	909.348	1,556.089
Tax expenses recorded in books	909.348	1,556.089

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

(3) Movement in deferred tax

(a) Balance sheet

Deferred tax relates to the following: DTL/ (DTA)	As at 31 March 2026	As at 31 March 2025
Property, plant and equipment (Depreciation)	49.683	65.947
Provision for post retirement benefits and other employee benefits	(218.422)	(149.716)
Provision for doubtful debts and advances	(393.307)	(558.439)
Impact of ROU asset & Lease Liability	2.448	1.805
Other temporary differences	192.976	273.558
	(366.622)	(366.845)
Reflected in balance sheet as Deferred tax asset	366.622	366.845

(b) Statement of profit and loss

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Property, plant and equipment (Depreciation)	(16.265)	(20.319)
Provision for post retirement benefits and other employee benefits	(68.706)	(0.846)
Provision for doubtful debts and advances	165.132	(121.083)
Impact of ROU asset & Lease Liability	0.643	-
Other temporary differences	(80.582)	52.248
	0.222	(90.000)
MAT Credit utilised and forex difference	(14.066)	38.675
Deferred tax expense/(income)	(13.844)	(51.325)

(4) Movement in Current tax

(a) Balance sheet

Reflected in balance sheet as	Year ended 31 March 2026	Year ended 31 March 2025
Non- current advance tax	189.475	96.619
Current advance tax	292.676	74.063
Current tax liability	(1.583)	(90.789)
	480.568	79.893

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

Movement in current tax	Year ended 31 March 2026	Year ended 31 March 2025
Current tax (asset)/ liability as at beginning of year	(79.893)	(69.416)
Add: Additional provision during the year - Statement of Profit and loss account	923.192	1,607.414
Add /(Less): Additional provision during the year - Other comprehensive income	6.986	(14.230)
Less: Current tax paid during the year (Net of refund received for previous years)	(1,330.853)	(1,603.661)
Non Current tax (asset)/ liability as at end of year	(480.568)	(79.893)

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 19: REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(a) Revenue from projects and products	43,881.799	43,299.474
(b) Revenue from services	930.570	928.128
	44,812.369	44,227.602
(c) Other operating revenues (majorly includes scrap sales and exports benefits)	567.529	694.830
Total	45,379.898	44,922.432

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 2026	Year ended 31 March 2025
a) Contract Revenue recognised as revenue for the year	730.534	745.809
b) Advances received	990.900	967.109
c) Amount of retentions	1,404.711	1,472.526
d) Unbilled revenue for project related contract work		
Contract costs incurred	3,599.593	3,559.057
Recognised Profits less recognised Losses	573.291	552.187
Less: Progress Billing	3,111.616	4,051.662
Less: Provision for gross amount due from customer	44.153	43.149
Unbilled revenue for project related contract work	1,017.115	16.433
e) Unearned revenue for project related contract work		
Contract costs incurred	25,841.729	25,310.310
Recognised Profits less recognised Losses	4,666.078	4,573.533
Less: Progress Billing	32,422.912	31,758.487
Unearned revenue for project related contract work	(1,915.105)	(1,874.644)

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

B) Reconciliation of revenue from sale of products with the contracted price

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
a) Contracted price	45,326.509	44,743.135
b) Less - trade discounts, volume rebates, late delivery charges etc	514.140	515.533
Total revenue	44,812.369	44,227.602

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Opening contracted price of orders as at start of the year	46,004.361	48,790.247
Add - Fresh orders/change orders received (net) including exchange rate movement	1,241.078	958.527
Less- Orders completed during year	(901.423)	(3,744.413)
Closing contracted price of orders as at the end of the year	46,344.016	46,004.361
a. Revenue out of orders completed during the year	-	6.230
b. Revenue out of orders under execution at the end of the year (I)	685.603	675.204
Total Revenue recognised during the year	685.603	681.434
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	34,306.178	33,855.512
Balance revenue to be recognised in future viz. Order book (III)	11,352.235	11,473.645
Closing contracted price of orders as at the end of the year (I+II+III)	46,344.016	46,004.361

D) Cost to obtain the contract

Amount recognised as asset as at 31 March 2026 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 Group's performance obligations are summarised below:

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

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Balance revenue to be recognised in future		
Revenue to be recognised within 1 year	1,290.004	905.318
Revenue to be recognised after 1 year	10,062.231	10,568.328
Total balance revenue to be recognised in future	11,352.235	11,473.646

NOTE 20: OTHER INCOME

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(a) Interest Income		
From customers and others	447.216	356.610
On income tax and sales tax refund	0.263	0.053
(b) Unwinding of deferred liability	6.108	10.856
(c) Profit on sale of mutual fund investment	119.273	124.912
(d) Other non-operating income	132.346	175.840
(e) Foreign exchange gain	66.475	50.488
Total	771.681	718.759

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 21: COST OF RAW MATERIALS CONSUMED, CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN -TRADE AND WORK-IN-PROGRESS

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(a) Cost of raw material consumed	21,183.300	20,476.735
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening Stock (Refer note 9)		
Finished goods	1,998.680	2,162.528
Work-in- progress	2,918.437	2,706.677
Stock in trade	490.845	422.420
	5,407.962	5,291.625
Closing Stock (Refer note 9)		
Finished goods	2,318.244	1,998.680
Work-in- progress	3,229.899	2,918.437
Stock in trade	380.119	490.845
	5,928.262	5,407.962
Total change in inventories	(520.300)	(116.337)

NOTE 22: EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(a) Salaries, wages and bonus	6,923.643	6,335.962
(b) Defined contribution plans	315.363	310.332
Contribution to provident fund, superannuation fund and ESIC		
(c) Defined benefit plans	272.112	173.548
Gratuity, Provident fund and Pension		
(d) Welfare expenses	281.265	258.688
Total	7,792.383	7,078.530

i. Defined Contribution Plans:

Amount of ₹ 315.363 Mn. (PY 2024-25 ₹ 310.332 Mn) is recognised as an expense towards defined contribution plan and included in Employees benefits expense.

ii. Defined Benefit Plans:

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	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	1,312.003	2,276.669	867.412	2,112.518
Less: Fair Value of Plan Assets	754.502	2,261.467	764.643	2,099.065
Amount to be recognised as liability or (asset)	557.501	15.202	102.769	13.453

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	Gratuity Plan	Provident Fund	Gratuity Plan	Provident Fund
	(Funded)	(Funded)	(Funded)	(Funded)
1 Current Service Cost	79.066	88.426	63.648	79.028
2 Acquisition (gain)/ loss	-	-	-	-
3 Past Service Cost	411.122	-	-	-
4 Net Interest (income)/expenses	6.561	(7.044)	3.245	(9.405)
5 Curtailment (Gain)/ loss	-	-	-	-
6 Settlement (Gain)/loss	-	-	-	-
7 Others	0.013	-	0.621	-
Net periodic benefit cost recognised in the statement of profit & loss	496.762	81.382	67.514	69.623

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	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	(38.423)	72.530	19.960	(44.756)
3 Remeasurement for the year - Plan assets (Gain) / Loss	5.447	(66.439)	(7.022)	87.043
4 Total Remeasurements Cost / (Credit) for the year recognised in OCI	(32.976)	6.091	12.938	42.287
5 Less: Accumulated balances transferred to retained earnings	(32.976)	6.091	12.938	42.287
Closing balances (remeasurement (gain)/loss recognised OCI	-	-	-	-

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	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 year	867.412	2,112.518	805.268	2,050.829
2 Acquisition adjustment	-	-	-	-
3 Transfer in/ (out)	0.294	(44.679)	0.962	(0.739)
4 Interest expenses	56.000	133.594	55.203	138.619
5 Past Service Cost	411.122	-	-	-
6 Current Service Cost	79.068	88.427	63.649	79.028

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Gratuity Plan	Provident Fund	Gratuity Plan	Provident Fund
	(Funded)	(Funded)	(Funded)	(Funded)
7 Curtailment Cost / (credit)	-	-	-	-
8 Settlement Cost/ (credit)	-	-	-	-
9 Benefits paid	(63.470)	(237.166)	(77.630)	(251.127)
10 Employee Contribution	-	151.445	-	140.664
11 Remeasurement Gain / (Loss)	(38.423)	72.530	19.960	(44.756)
Present value of obligation as at the end of the year	1,312.003	2,276.669	867.412	2,112.518

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 2026		As at 31 March 2025	
	Gratuity Plan	Provident Fund	Gratuity Plan	Provident Fund
	(Funded)	(Funded)	(Funded)	(Funded)
1 Fair value of the plan assets as at beginning of the year	764.643	2,099.065	737.141	2,072.964
2 Acquisition adjustment	-	-	-	-
3 Transfer in/(out)	0.282	(44.679)	0.341	(0.739)
4 Interest income	49.439	140.638	51.958	148.024
5 Contributions	7.326	237.166	33.408	216.987
6 Benefits paid	(61.113)	(237.166)	(64.567)	(251.127)
7 Mortality Charges and Taxes	(0.628)	-	(0.659)	-
8 Remeasurement Gain / (Loss)	(5.447)	66.443	7.021	(87.044)
Fair value of plan assets as at the end of the year	754.502	2,261.467	764.643	2,099.065

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	Gratuity Plan	Provident Fund	Gratuity Plan	Provident Fund
	(Funded)	(Funded)	(Funded)	(Funded)
1 Interest (Income) / Expense – Obligation	56.000	133.594	55.203	138.619
2 Interest (Income) / Expense – Plan assets	(49.439)	(140.638)	(51.958)	(148.024)
3 Net Interest (Income) / Expense for the year	6.561	(7.044)	3.245	(9.405)

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.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	Gratuity Plan	Provident Fund	Gratuity Plan	Provident Fund
	(Funded)	(Funded)	(Funded)	(Funded)
Defined Benefit Obligation	1,312.003	2,276.669	867.412	2,112.518
Plan Assets	754.502	2,261.467	764.643	2,099.065
Surplus/(Deficit)	(557.501)	(15.202)	(102.769)	(13.453)

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

Particulars	As at 31 March 2026	As at 31 March 2025
	Pension Scheme	Pension Scheme
	(Non-Funded)	(Non-Funded)
A. Amount to be recognised in Balance Sheet		
Present Value of Defined Benefit Obligation	53.242	49.131
Less: Fair Value of Plan Assets	-	-
Amount to be recognised as liability or (asset)	53.242	49.131

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

Particulars	2025-26	2024-25
	Pension Scheme	Pension Scheme
	(Non-Funded)	(Non-Funded)
1 Current Service Cost	(2.345)	4.348
2 Acquisition (gain)/ loss	-	-
3 Past Service Cost	-	-
4 Net Interest (income)/expenses	2.373	2.177
5 Curtailment (Gain)/ loss	-	-
6 Settlement (Gain)/loss	-	-
7 Others		
Net periodic benefit cost recognised in the statement of profit & loss	0.028	6.525

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

Particulars	2025-26	2024-25
	Pension Scheme	Pension Scheme
	(Non-Funded)	(Non-Funded)
1 Opening amount recognised in OCI outside profit and loss account	-	-
2 Remeasurements for the year - Obligation (Gain)/loss	0.440	1.315
3 Remeasurement for the year - Plan assets (Gain) / Loss	-	-
4 Total Remeasurements Cost / (Credit) for the year recognised in OCI	0.440	1.315
5 Less: Accumulated balances transferred to retained earnings	0.440	1.315
Closing balances (remeasurement (gain)/loss recognised OCI)	-	-

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

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

Particulars	2025-26	2024-25
	Pension Scheme	Pension Scheme
	(Non-Funded)	(Non-Funded)
1 Balance of the present value of - Defined benefit Obligation as at beginning of the year	49.131	46.582
2 Acquisition adjustment	-	-
3 Transfer in/ (out)	-	-
4 Interest expenses	2.373	2.177
5 Past Service Cost	-	-
6 Current Service Cost	(2.345)	4.348
7 Curtailment Cost / (credit)	-	-
8 Settlement Cost/ (credit)	-	-
9 Benefits paid	(3.615)	(5.549)
10 Remeasurement Gain / (Loss)	0.440	1.315
11 Foreign exchange difference	7.258	0.258
Present value of obligation as at the end of the year	53.242	49.131

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

Particulars	2025-26	2024-25
	Pension Scheme	Pension Scheme
	(Non-Funded)	(Non-Funded)
1 Interest (Income) / Expense – Obligation	2.373	2.177
2 Interest (Income) / Expense – Plan assets	-	-
3 Net Interest (Income) / Expense for the year	2.373	2.177

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

Particulars	2025-26	2024-25
	Pension Scheme	Pension Scheme
	(Non-Funded)	(Non-Funded)
Defined Benefit Obligation	53.242	49.131
Plan Assets	-	-
Surplus/(Deficit)	(53.242)	(49.131)

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 6.7% (PY 7.2%) has been used for the valuation purpose.

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

- Discount rate as at 31-03-2026 - 7.20% (PY- 6.70%)
- Expected return on plan assets as at 31-03-2026- 6.70%(PY- 7.20%)
- Salary growth rate: For Gratuity Scheme - 8% to 10% (PY - 8% to 10%). Impact for change in accounting estimate along with other remeasurmnt impact is recognised in other comprehensive income.
- Attrition rate: For gratuity scheme the attrition rate is taken at 8% to 10% (PY - 8% to 10%)
- 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.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

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 ₹ 557.501 Mn (PY ₹ 102.769 Mn) towards its gratuity plan in the year 2026-27.

NOTE 23: FINANCE COSTS

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(a) Interest expense	181.221	136.051
(b) Other borrowing costs (includes bank guarantee commission, LC charges, loan processing charges)	119.436	112.517
Total	300.657	248.568

NOTE 24: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(a) Depreciation on property, plant and equipment and investment property	753.520	721.451
(b) Amortisation of intangible assets	48.355	33.783
(c) Amortisation of right to use assets (Lease)	198.301	138.380
Total	1,000.176	893.614

NOTE 25: OTHER EXPENSES

	Year ended 31 March 2026	Year ended 31 March 2025
Stores and spares consumed	1,559.016	1,567.466
Processing charges	1,490.338	1,348.639
Power & fuel	668.716	701.291
Repairs and maintenance	-	-
Plant and machinery	221.347	235.119
Buildings	125.366	125.655
Other	128.540	95.648
Rent	153.923	52.729
Rates and taxes	126.560	142.948
Travelling and conveyance	587.467	501.906
Communication expenses	81.214	93.233
Insurance	253.953	219.774
Directors' sitting fees	8.830	6.918
Royalties and fees *	82.318	82.192
Freight and forwarding charges	644.386	638.010

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For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

	Year ended 31 March 2026	Year ended 31 March 2025
Brokerage and commission	211.843	290.712
Advertisements and publicity	295.201	387.448
Provision for product warranty	410.556	320.508
Loss on sale/disposal of fixed assets	5.370	1.747
Provision for doubtful debts, advances and claims	(99.212)	263.924
Bad debts written off	33.365	24.453
Advances, deposits and claims written off	12.838	0.167
Auditor's remuneration	70.703	53.112
Professional, consultancy and legal expenses	786.954	851.557
Security services	96.021	83.345
Computer services	663.564	492.383
Non-executive directors remuneration	26.500	24.000
Stationery & Printing	34.249	44.403
Training course expenses	37.618	30.019
Outside labour charges	637.519	640.008
Corporate social responsibility expenses	86.316	55.829
Other miscellaneous expenses	297.655	399.669
Total	9,739.034	9,774.812

* 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. Pending dispute, the Hon'ble Commercial Court, has directed its treasury to invest the said deposited royalty amount in a Nationalised bank for a fixed term of three years.

A) Corporate social responsibility expenditures

- Amount required to be spent by the group during the current year is ₹ 85.700 Mn (PY - ₹ 55.258 Mn)
- Amount spent by the group during the current year is ₹ 62.907 Mn (PY - ₹ 36.614 Mn) and a provision for ₹ 22.793 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 group as per its policy on Corporate Social Responsibility (CSR) and recommendation and approval of the CSR committee and Board has contributed ₹ 37.300 Mn towards projects on Education and Health undertaken by implementing agency, ₹ 23.607 Mn towards various Health, Environmental, Educational and Rural development aid, ₹ 2.000 Mn towards other miscellaneous eligible activities.

The provision of ₹ 22.793 Mn accounted towards ongoing projects which would be used for the purpose of Education and health, Medical Support and Skill development.

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

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

B) Remuneration to auditors

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Statutory Auditors:		
a) Audit Fees	50.934	37.794
b) Tax Audit Fees	10.010	7.088
c) Limited review fees	4.660	4.094
d) Certification services	3.566	2.672
e) Expenses reimbursed	1.533	1.464
	70.703	53.112

NOTE 26: OTHER COMPREHENSIVE INCOME

	Year ended 31 March 2026	Year ended 31 March 2025
Items that will not be reclassified to statement of profit and loss		
Remeasurement gains and losses on post employments benefits	27.758	(56.540)
Tax on Remeasurements gains and losses	(6.986)	14.230
Share in other comprehensive income of joint venture company	4.595	(2.837)
Items that will be reclassified to statement of profit and loss		
Cash flow hedge	(54.928)	19.404
Gains/ losses on currency translation for foreign subsidiaries	560.802	88.854
Total	531.241	63.111

NOTE 27 (A): CONTINGENT LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
a) Claims against company not acknowledged as debt		
i) Legal cases (Matter Subjudice)	402.900	401.277
b) Other money for which the company is contingently liable for (Matter Subjudice)		
i) Central excise, service tax and GST	1,038.209	1,033.048
ii) Sales tax	161.130	167.003
iii) Income tax	305.638	121.440
iv) Labour matters	49.828	45.844
Total	1,957.705	1,768.612

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

NOTE 27 (B): CONTINGENT LIABILITIES OF JOINT VENTURES

During the year, one of unlisted JV (IVRCL-KBL-MEIL) received notice from GST department of ₹ 154.803 Mn and it is not practicable to identify exact share of group.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 28: COMMITMENTS

Particulars	As at 31 March 2026	As at 31 March 2025
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	874.036	862.966
ii) Letters of credit outstanding	1,099.228	965.915
	1,973.264	1,828.881

NOTE 29: EARNING PER SHARE (BASIC AND DILUTED)

Particulars	As at 31 March 2026	As at 31 March 2025
a) Profit for the year before tax	4,522.429	5,590.513
Less: Attributable Tax thereto	909.348	1,556.089
Add: Share of profit / (loss) in joint venture company	160.065	152.503
	3,773.146	4,186.927
Less: Attributable to Non-controlling interest	36.845	34.650
Profit attributable to owners of equity	3,736.301	4,152.277
b) Weighted average number of equity shares used as denominator	7,94,08,926	7,94,08,926
c) Basic and diluted earning per share of nominal value of ₹ 2/- each	47.05	52.29

NOTE 30: EXPENDITURE ON RESEARCH & DEVELOPMENT ACTIVITIES

Particulars	As at 31 March 2026	As at 31 March 2025
a) Revenue expenditure	304.763	277.556
b) Capital Expenditure	0.501	30.921
	305.264	308.477

NOTE 31: 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	SPP Pumps Limited	Subsidiary of Kirloskar Brothers International B.V.
5	Kirloskar Brothers(Thailand) Limited	Subsidiary of Kirloskar Brothers International B.V.
6	SPP Pumps (MENA) LLC	Subsidiary of Kirloskar Brothers International B.V.
7	Kirloskar Pompen BV	Subsidiary of Kirloskar Brothers International B.V.
8	Micawber 784 Proprietary Limited	Subsidiary of Kirloskar Brothers International B.V.
9	SPP Pumps International Proprietary Limited	Subsidiary of Kirloskar Brothers International B.V.
10	Rotaserve Limited	Subsidiary of Kirloskar Brothers International B.V.
11	SPP France S.A.S	Subsidiary of SPP Pumps Limited
12	SPP Pumps Inc	Subsidiary of SPP Pumps Limited
13	SPP Pumps South Africa Proprietary Limited	Subsidiary of SPP Pumps International Proprietary Limited

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Sr. No.	Name of the related party	Nature of relationship
14	Braybar Pumps Proprietary Limited	Subsidiary of SPP Pumps International Proprietary Limited
15	Rodelta Pumps International BV	Subsidiary of Kirloskar Brothers International B.V.
16	Rotaserve BV	Subsidiary of Kirloskar Pompen BV
17	SPP Pumps Real Estate LLC	Subsidiary of SPP Pumps Inc
18	SyncroFlo Inc.	Subsidiary of SPP Pumps Inc
19	SPP Pumps (Asia) Ltd	Subsidiary of Kirloskar Brothers (Thailand) Ltd
20	SPP Pumps (Singapore) Ltd	Subsidiary of Kirloskar Brothers (Thailand) Ltd
21	Kirloskar Ebara Pumps Limited	Joint venture of Kirloskar Brothers Limited
22	Sunsure Solarpark Nineteen Private Limited	Associate of Kirloskar Brothers Limited

*During the year, the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"), passed an order dated 3 November 2025 approving the merger of the Company's step down subsidiary, The Kolhapur Steel Limited ("TKSL"), into the Company's wholly owned subsidiary, Karad Projects and Motors Limited ("KPML"), with an appointed date of 3 October 2024. The order was subsequently filed with the Registrar of Companies ("ROC") on 5 December 2025.

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

1) Joint Venture	Kirloskar Ebara Pumps Limited
2) Associate	Sunsure Solarpark Nineteen Private Limited
3) Key Management Personnel (KMP)	Mr. Sanjay Kirloskar
	Ms. Rama Kirloskar
	Mr. Alok Kirloskar
	Mr. M S Unnikrishnan
	Mr. Shobinder Duggal (Upto 24 May 2026)
	Mr. K.Taranath (Upto 01 August 2025)
	Mr. Shrinivas Dempo (Upto 24 May 2026)
	Ms. Ramni Nirula (Upto 24 May 2026)
	Mr. Owen Shelvin
	Mr. Vivek Pendharkar
	Mr. Achyut Dhadphale
	Ms. Rekha Sethi
	Mr. Akshay Dhar
	Mr. Vinayak Deshpande
	Mr. Ravindra Samant
	Mr. Brij Bhushan Nagpal (From 03 November 2025)
	Mr. John Karen
	Mr. Harsh Vardhan Shringla (From 02 August 2025)
	Mr. Mohammed Hassan
	Mr. Pradyumna Vyas (From 14 May 2025)
	Mr. Clive Harper
	Mr. Bhavesh Chheda
	Mr. Bob Tichband
	Mr. Devang Trivedi
	Mr. Remko Dubois
	Ms. Manjiri Jawadekar (Upto 06 June 2025)
	Mr. Ajeet Kulkarni
	Mr. Ajay Deshpande
	Mr. Suresh Deshpande
	Mr. Johan Groenewald
	Mr. Rudrappa Mahajan
	Mr. Rajkumar Assudani
	Mr. Cliff Horsburgh
4) Close member of family of KMP	Mrs. Pratima Kirloskar - Wife of Mr. Sanjay Kirloskar
5) Post Employee Benefit Plans	Kirloskar Brothers Ltd Employees Prov. Fund For Engg.Factory
	Kirloskar Brothers Ltd Staff Members Prov. Fund
	Kirloskar Brothers Limited,Kirloskarvadi Employee Gratuity Fund
	Kirloskar Brothers Executive Staff Superannuation fund
6) Substantial Interest	Corrocoat Limited, UK
7) Entities controlled by Key Management Personnel	Prakar Investments Private Limited

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(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	Year ended 2025-26		Year ended 2024-25	
		Amount	Amount	Amount	Amount
1	Purchase of goods	64.837		35.591	
	Joint Venture				
	Kirloskar Ebara Pumps Limited		57.789		25.898
	Substantial Interest				
	Corrocoat Limited, UK		7.048		9.693
2	Sale of goods/contract revenue	24.870		27.668	
	Joint Venture				
	Kirloskar Ebara Pumps Limited		24.870		27.668
3	Rendering Services	116.115		79.140	
	Joint Venture				
	Kirloskar Ebara Pumps Limited		116.115		79.140
4	Receiving Services	41.147		48.735	
	Joint Venture				
	Kirloskar Ebara Pumps Limited		33.199		41.316
	Substantial Interest				
	Corrocoat Limited, UK		0.100		0.100
	Close Members of family of Key Management Personnel				
	Mrs. Pratima Kirloskar		7.848		7.319
5	Reimbursement of expenses by KBL	7.918		0.637	
	Joint Venture				
	Kirloskar Ebara Pumps Limited		7.175		0.018
	Corrocoat Limited, UK		0.743		0.619
6	Dividend received	20.250		13.500	
	Joint Venture				
	Kirloskar Ebara Pumps Limited		20.250		13.500
7	Dividend paid	229.310		194.227	
	Key Management Personnel				
	Mr. Sanjay Kirloskar (*)		126.225		107.945
	Mr. Alok Kirloskar		0.380		0.267
	Ms. Rama Kirloskar		0.337		0.230
	Close Members of family of Key Management Personnel				
	Mrs. Pratima Kirloskar		96.980		83.117
	Entities controlled by Key Managerial Personnel				
	Prakar Investments Private Limited		1.888		1.618
	Substantial Interest				
	Corrocoat Limited, UK		3.500		1.050

(*) Includes dividend received in capacity of trustee of ₹ 12.375 Mn. (PY: ₹ 10.572 Mn.)

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

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Sr No	Nature of transaction/relationship/major parties	Year ended 2025-26		Year ended 2024-25	
		Amount	Amount	Amount	Amount
8	Purchase of Investment	-		48.601	
	Sunsure Solarpark Nineteen Private Limited		-		48.601
9	Remuneration Paid	416.746		465.660	
	Key Management Personnel				
	Short Term Employee Benefit				
	Mr. Sanjay Kirloskar		64.229		95.768
	Ms. Rama Kirloskar		63.538		95.029
	Mr. Alok Kirloskar		133.389		113.644
	Mr. Ravindra Samant		13.507		13.007
	Mr. Remko Dubois		-		7.870
	Mr. Ajeet Kulkarni		2.293		2.078
	Mr. Owen Shevlin		21.187		36.698
	Mr. Pratap Shirke		2.467		2.181
	Mr. Mohammed Hassan		1.659		1.330
	Mr. John Kahren		40.845		34.011
	Mr. Bob Tichband		29.398		31.639
	Mr. Johannes Groenewald		17.291		11.965
	Mr. Oguz Kurt		8.504		-
	Mr. Rajkumar Assudani		2.948		4.352
	Mr. Chittranjan Mate		-		1.125
	Mr. Devang Trivedi		6.431		5.591
	Mr. Ravish Mittal		-		9.372
	Mr. Bhavesh Chheda		9.060		-
	Key Management Personnel				
	Commission on profits	22.621		20.800	
	Mr. M S Unnikrishnan		2.262		2.600
	Mr. Alok Kirloskar		2.262		2.600
	Mr. Shobinder Duggal		2.262		2.600
	Mr. Shrinivas Dempo		2.262		2.600
	Ms. Ramni Nirula		2.262		2.600
	Mr. Vivek Pendharkar		2.262		2.600
	Ms. Rekha Sethi		2.262		2.600
	Mr. Vinayak Deshpande		2.262		2.600
	Mr. Brij Bhushan Nagpal		0.943		-
	Mr. Harsh Vardhan Shringla		1.508		-
	Mr. Pradyumna Vyas		2.074		-
	Key Management Personnel				
	Sitting Fees	9.576		7.621	
	Mr. Alok Kirloskar		0.555		0.563
	Mr. K.Taranath		0.045		0.130
	Mr. Clive Harper		0.030		0.038

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Sr No	Nature of transaction/relationship/major parties	Year ended 2025-26		Year ended 2024-25	
		Amount	Amount	Amount	Amount
	Mr. Chittranjan Mate		0.030		0.038
	Mr. Sanjay Kirloskar		0.260		0.195
	Mr. M S Unnikrishnan		1.275		1.050
	Mr. Achyut Dhadphale		0.060		0.278
	Mr. Shobinder Duggal		0.975		0.975
	Mr. Shrinivas Dempo		0.750		0.600
	Ms. Ramni Nirula		0.975		0.975
	Mr. Vivek Pendharkar		0.600		0.600
	Ms. Rekha Sethi		0.825		0.750
	Mr. Vinayak Deshpande		1.275		0.975
	Mr. Brij Bhushan Nagpal		0.225		-
	Mr. Harsh Vardhan Shringla		0.225		-
	Mr. Pradyumna Vyas		0.900		-
	Mr. Akshay Dhar		0.225		0.125
	Mr. Suresh Deshpande		0.055		0.068
	Ms. Manjiri Jawadekar		0.008		0.038
	Mr. Rudrappa Mahajan		0.023		0.038
	Mr. Ajay Deshpande		0.260		0.185
	Post Employment and other long term Benefit		20.593		19.373
	Mr. Sanjay Kirloskar		4.776		3.180
	Ms. Rama Kirloskar		2.362		3.890
	Mr. Ravindra Samant		0.509		2.090
	Mr. Chittranjan Mate		-		0.141
	Mr. Devang Trivedi		0.461		0.498
	Mr. Alok Kirloskar		2.637		1.697
	Mr. Bob Tichband		3.034		3.309
	Mr. Owen Shevlin		2.648		2.560
	Mr. Johannes Groenewald		0.832		
	Mr. Oguz Kurt		0.279		
	Mr. Rajkumar Assudani		-		0.518
	Mr. Ravish Mittal		-		0.872
	Mr. Bhavesh Chheda		0.771		-
	Mr. John Kahren		2.284		0.618
10	Contribution paid to post Employment benefit plans		88.708		103.702
	Provident Fund		86.704		76.696
	Superannuation Fund		1.614		1.962
	Gratuity Trust		0.390		25.044
11	Reimbursement received		2.730		9.565
	Joint Venture				
	Kirloskar Ebara Pumps Limited		2.730		9.565

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

(D) Amount due to/from related parties

Sr No	Nature of transaction/relationship/major parties	31 March 2026		31 March 2025	
		Amount	Amount	Amount	Amount
1	Accounts receivables				
	Joint Venture	31.056		36.233	
	Kirloskar Ebara Pumps Limited		31.056		36.233
2	Accounts payables	63.141		23.473	
	Joint Venture				
a	Kirloskar Ebara Pumps Limited		63.041		23.306
	Substantial Interest				
b	Corrocoat Limited, UK		0.100		0.167
	Key Management Personnel^(#)	116.121		250.460	
	Mr. Sanjay Kirloskar		39.500		77.000
	Mr. M S Unnikrishnan		2.262		2.600
	Mr. Alok Kirloskar		2.262		72.260
	Ms. Rama Kirloskar		54.000		83.000
	Ms. Rekha Sethi		2.262		2.600
	Ms. Ramini Niruala		2.262		2.600
	Mr. Shrinivas Dempo		2.262		2.600
	Mr. Shobinder Duggal		2.262		2.600
	Mr. Vivek Pendharkar		2.262		2.600
	Mr. Vinayak Deshpande		2.262		2.600
	Mr. Brij Bhushan Nagpal		0.943		-
	Mr. Harsh Vardhan Shringla		1.508		-
	Mr. Pradyumna Vyas		2.074		-

^(#)Commission to Chairman- Managing Director and Non-Executive Directors is approved in board meeting held on 13th May 2026.
Payment will be made in the year 2026-27

NOTE 32: 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 2026	31 March 2025	31 March 2026	31 March 2025
To Subsidiary Companies				
Karad Project and Motors Limited*	-	40.942	40.942	91.042

*Consisted 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. In FY 2025-26, the loan is repaid fully.

During the year, the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"), passed an order dated 3 November 2025 approving the merger of the Company's step down subsidiary, The Kolhapur Steel Limited ("TKSL"), into the Company's wholly owned subsidiary, Karad Projects and Motors Limited ("KPML"), with an appointed date of 3 October 2024. The order was subsequently filed with the Registrar of Companies ("ROC") on 5 December 2025.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

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.

NOTE 33: 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	Summarised financial information		
			As at 31 March 2026	As at 31 March 2025
1	Kirloskar Ebara Pumps Limited	Assets	3,560.800	3,216.137
		Liabilities	793.662	769.907
			2025-26	2024-25
		Income	2,937.308	3,687.439
		Expenses(including tax expenses)	2,581.608	3,348.544
		Profit after tax	355.700	338.895
		Other comprehensive income	10.209	(6.304)
		Total comprehensive income	365.909	332.591

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: ₹ 5.650 Million (PY: ₹ 7.671 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	IVRCL – KBL JV	Jointly controlled operations	N A	India
4	Maytas – KBL JV	Jointly controlled operations	N A	India
5	Larsen & Toubro – KBL JV	Jointly controlled operations	N A	India
6	KBL-MEIL-KCCPL JV	Jointly controlled operations	N A	India
7	KBL – PLR JV	Jointly controlled operations	N A	India
8	KBL – Koya – VA Tech JV	Jointly controlled operations	N A	India
9	KBL – PIL Consortium	Jointly controlled operations	N A	India
10	Larsen & Toubro – KBL – Maytas JV	Jointly controlled operations	N A	India
11	IVRCL – KBL – MEIL JV	Jointly controlled operations	N A	India
12	Pioneer – Avantica – ZVS – KBL JV	Jointly controlled operations	N A	India
13	AMR – Maytas – KBL – WEG JV *	Jointly controlled operations	N A	India
14	Indu – Shrinivasa Constructions – KBL – WEG JV	Jointly controlled operations	N A	India
15	MEIL – KBL – IVRCL JV	Jointly controlled operations	N A	India

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Sr No	Name of the Jointly controlled operation	Description	Ownership Interest	Country of Incorporation
16	MEIL – Maytas – KBL JV	Jointly controlled operations	N A	India
17	KCCPL – TAIPL – KBL JV	Jointly controlled operations	N A	India
18	KBL-SPML JV	Jointly controlled operations	N A	India
19	MEIL - KBL JV *	Jointly controlled operations	N A	India
20	MAYTAS – MEIL – KBL JV	Jointly controlled operations	N A	India
21	Gondwana - KBL JV	Jointly controlled operations	N A	India
22	MEIL -PRASAD-KBL CONSORTIUM	Jointly controlled operations	N A	India
23	JCPL - MEIL - KBL CONSORTIUM	Jointly controlled operations	N A	India
24	KBL - RATNA - JOINT VENTURE	Jointly controlled operations	N A	India
25	MEIL-KBL-WEG CONSORTIUM	Jointly controlled operations	N A	India
26	KBL and TCIPL JOINT VENTURE	Jointly controlled operations	N A	India
27	ACPL & KBL JV *	Jointly controlled operations	N A	India
28	ITD CEMENTATION INDIA LIMITED JV	Jointly controlled operations	N A	India
29	GSJ - KBL JV	Jointly controlled operations	N A	India
30	JBL-KBL-GSJ JV	Jointly controlled operations	N A	India

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

F) List of Jointly controlled operations dissolved during the year:

Sr No	Name of the Jointly controlled operation	Dissolution Date
1	KCCPL - IHP - BRC - TAIPL - KBL JV	10 September 2025
2	MEIL - KBL - (KDWSP) JV	16 February 2026
3	KBL - PTIL UJV	31 March 2026

NOTE 34: 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 2026	As at 31 March 2025
	Financial Assets		
	Levelled at Level 1		
(a)	Carried at fair value through Profit and loss (FVTPL)		
	Investment in Mutual funds	2,458.782	1,868.396
	Levelled at Level 2		
	Carried at fair value through other comprehensive income (FVTOCI)		
	Forward contract asset (For cash flow hedge)	140.539	162.291
	Levelled at Level 3		
(b)	Investments in unquoted equity shares (FVTOCI)	48.606	48.606

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Sr. No	Particulars	Carrying value	
		As at 31 March 2026	As at 31 March 2025
(c) Carried at amortised cost			
	Investment in fixed deposits with financial institution	3,830.000	3,170.000
	Trade receivable	7,538.354	5,800.521
	Other financial assets	1,506.151	1,106.388
	Cash and cash equivalent	4,009.614	3,231.293
	Other bank balances	42.848	255.529
	Financial Liabilities		
(a) Levelled at Level 2			
	Carried at fair value through Profit and loss (FVTPL)		
	Forward contract liability	-	-
(b) Carried at amortised cost			
	Non-current borrowings	553.527	692.070
	Current borrowings	1,317.147	618.347
	Trade payable	7,927.379	6,119.499
	Lease liability	630.191	504.928
	Other financial liabilities	1,775.454	1,888.416

NOTE 35: FINANCIAL RISK MANAGEMENT POLICY AND OBJECTIVES

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

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

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

The Group's risk management is carried out by management, under policies approved by the board of directors. Group's treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, and investment of excess liquidity.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

(A) Credit Risk

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

Credit risk management

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

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

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

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

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

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

Provision for expected credit loss

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

Exposure to Risk	As at 31 March 2026	As at 31 March 2025
Trade Receivables	8,674.463	7,024.069
Less: Expected Loss	1,136.109	1,223.548
	7,538.354	5,800.521
Security Deposits	889.881	872.185
Less: Expected Loss	46.293	15.064
	843.588	857.121
Claims Receivable	16.156	37.349
Less: Expected Loss	12.528	19.361
	3.628	17.988

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

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

	As at 31 March 2026	As at 31 March 2025
Trade Receivables		
Neither past due nor impaired	4,825.003	3,309.205
Past due but not impaired		
Less than 180 days	1,456.106	1,198.192
181 - 365 days	464.589	289.976
More than 365 days	792.656	1,003.148
Total	7,538.354	5,800.521

Reconciliation of loss provision	Trade receivables	Others
Loss allowance as at 1 April 2024	962.885	31.949
Changes in loss allowance*	260.663	2.476
Loss allowance as at 31 March 2025	1,223.548	34.425
Changes in loss allowance*	(87.439)	24.396
Loss allowance as at 31 March 2026	1,136.109	58.821

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

B) Liquidity risk

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

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

Exposure to Risk	As at 31 March 2026	As at 31 March 2025
Interest bearing borrowings		
On demand	1,266.247	560.406
Less than 180 days	30.450	28.970
181 - 365 days	20.450	28.971
More than 365 days	553.527	692.070
Total	1,870.674	1,310.417
Other financial liabilities		
On demand	159.243	169.419
Less than 180 days	1,101.809	1,672.502
181 - 365 days	470.502	2.474
More than 365 days	43.900	44.022
Total	1,775.454	1,888.417
Lease liability		
On demand	-	-
Less than 180 days	66.642	154.100
181 - 365 days	66.820	154.002
More than 365 days	496.729	196.826
Total	630.191	504.928

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Exposure to Risk	As at 31 March 2026	As at 31 March 2025
Trade & other payables		
On demand / Not due	5,491.994	2,256.210
Less than 180 days	1,125.175	1,691.543
181 - 365 days	212.750	364.579
More than 365 days	1,097.460	1,807.167
Total	7,927.379	6,119.499

The Group has access to following undrawn facilities at the end of the reporting year (Interest rates 2.0% - 10.5%)

Exposure to Risk	As at 31 March 2026	As at 31 March 2025
Expiring within one year	3,338.801	3,565.646
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 ₹ 9.353 Mn on the company's profitability.

(D) Foreign Currency Risk

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

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

Foreign currency exposure:

Financial Assets	Currency	Amount in Foreign Currency (Mn)		Amount in ₹ (Mn)	
		As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Trade Receivables	EUR	0.668	0.577	72.309	53.086
	GBP	12.542	0.036	1,560.989	3.976
	USD	5.934	6.104	562.761	521.729
Bank Accounts	EGP	0.077	1.008	0.134	1.704
	EUR	0.556	0.816	60.125	75.111
	GBP	8.610	2.638	1,071.672	291.902
	USD	7.650	7.084	725.511	605.531
	AED	0.032	0.115	0.823	2.678
Other Deposits	EGP	0.083	0.083	0.144	0.141
Amount Due from Employees	USD	0.010	0.010	0.901	0.821

Financial Liabilities	Currency	Amount in Foreign Currency (Mn)		Amount in ₹ (Mn)	
		As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Trade Payables	EGP	0.731	0.731	1.266	1.235
	EUR	0.272	0.362	29.473	33.300
	GBP	6.256	0.088	778.694	9.713
	USD	2.641	3.092	250.472	264.323
	JPY	7.767	12.639	4.589	7.175
	VND	14,555.307	14,555.307	52.143	48.641
	XOF	149.102	149.102	25.347	20.874
	AED	0.181	0.166	4.661	3.871

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

Currency wise net exposure (assets - liabilities)

Particulars	Amount in Foreign Currency (Mn)		Amount in ₹ (Mn)	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
EGP	(0.570)	0.361	(0.988)	0.610
EUR	0.952	1.031	102.961	94.897
GBP	14.896	2.586	1,853.967	286.165
USD	10.953	10.105	1,038.701	863.758
JPY	(7.767)	(12.639)	(4.589)	(7.175)
VND	(14,555.307)	(14,555.307)	(52.143)	(48.641)
XOF	(149.102)	(149.102)	(25.347)	(20.874)
AED	(0.149)	(0.051)	(3.838)	(1.192)
Total			2,908.724	1,167.548

Sensitivity Analysis

Currency	Amount in ₹ (Mn)		Sensitivity % (*)	
	2025-26	2024-25	2025-26	2024-25
EGP	(0.988)	0.610	16.40%	17.45%
EUR	102.961	94.897	4.89%	2.12%
GBP	1,853.967	286.165	4.38%	3.39%
USD	1,038.701	863.758	5.29%	2.61%
JPY	(4.589)	(7.175)	2.12%	4.01%
VND	(52.143)	(48.641)	3.07%	1.95%
XOF	(25.347)	(20.874)	7.02%	3.26%
AED	(3.838)	(1.192)	5.46%	2.30%
Total	2,908.724	1,167.548		

Currency	Impact on profit (strengthen)		Impact on profit (weakening)	
	2025-26	2024-25	2025-26	2024-25
EGP	0.162	(0.106)	(0.162)	0.106
EUR	(5.035)	(2.012)	5.035	2.012
GBP	(81.204)	(9.701)	81.204	9.701
USD	(54.947)	(22.544)	54.947	22.544
JPY	0.097	0.288	(0.097)	(0.288)
VND	1.601	0.949	(1.601)	(0.949)
XOF	1.779	0.681	(1.779)	(0.681)
AED	0.210	0.027	(0.210)	(0.027)
Total	(137.337)	(32.418)	137.337	32.418

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

(EGP- Egyptian Pound, EUR- Euro, GBP - Great Britain Pound, USD - US Dollar, JPY - Japanese Yen VND- Vietnamese Dong, SGD- Singapore Dollar, AED-Arab Emirates Dirham, XOF- CFA Franc (Senegal), IDR- Indonesian rupiah, MYR- Malaysian Ringgit, CZK - Czech Koruna)

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 36: CAPITAL MANAGEMENT

A) Risk management

The group'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 group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, change debt mix. Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents, current investment and other bank balances) divided by Total 'equity' (including non-controlling interest) plus net debt.

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

Particulars	As at 31 March 2026	As at 31 March 2025
Loans and borrowings (Including current maturities of long term debt)	1,870.674	1,310.417
Less: Cash and cash equivalents (Including other bank balances)	4,052.462	3,486.822
Less: Current Investment	4,488.782	3,508.396
Net debt	(6,670.570)	(5,684.801)

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

B) DIVIDEND

Particulars	As at 31 March 2026	As at 31 March 2025
Equity Shares		
(i) Interim dividend for the year	Nil	Nil
(ii) Dividends not recognised at the end of the reporting year	555.862	555.862
(iii) Dividends not recognised at the end of the reporting year payable to non-controlling interest	6.125	3.500

Since year end the directors have recommended the payment of a final dividend of ₹ 7 per fully paid equity share (31 March 2025 - ₹ 7 per fully paid equity share). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

NOTE 37: SEGMENT REPORTING

Group operates in single reporting segment of 'Fluid Machinery and Systems' Group is not having single major customer having transactions more than 10% of total revenue of group.

(Amount in Million ₹ except otherwise stated)

	Within India		Outside India		Total	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
a) Segment Revenue Geographic Segment by location of customer	28,183.075	28,889.389	17,196.823	16,033.043	45,379.898	44,922.432
b) Carrying Amount of non-current assets other than deferred tax asset and financial assets	6,613.256	6,012.218	1,630.555	1,465.102	8,243.811	7,477.320

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 38: DISCLOSURE IN RESPECT OF IND AS 116, 'LEASES'

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Opening right-to-use asset	476.308	366.404
Net addition during the year including forex difference (Non-cash items)	389.018	248.284
Depreciation charged during the year	(198.301)	(138.380)
Closing right-to-use asset	667.025	476.308

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Opening lease liability	504.928	374.158
Net addition / (deletion) during the year including forex (Non-cash items)	318.859	266.851
Finance cost	40.952	28.880
Lease payments including lease termination	(234.548)	(164.961)
Closing lease liability	630.191	504.928
Non-Current	497.083	196.826
Current	133.108	308.102

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

1. Low value leases - ₹ 127.742 Mn (PY: 11.765 Mn)
2. Short-term leases - ₹ 26.181 Mn (PY: 40.960 Mn)

Where the company is a lessee

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

Class of Asset	Year	Depreciation for the year	Additions during the year	Carrying Amount
1. Plant & Equipments	2026	29.922	114.125	128.003
	2025	8.330	31.840	43.802
2. Buildings	2026	168.379	274.893	539.024
	2025	130.051	216.444	432.506

Undiscounted contractual maturities of lease payments

Particulars	As at 31 March 2026	As at 31 March 2025
Less than one year	206.109	390.158
Between 1-2 years	138.803	120.664
More than 2 years	242.613	178.330

1. Short term leases and leases for low value assets are continued to be accounted for as rent expenses.
2. Total cash outflow for lease arrangements during the year is ₹ 388.471 Mn (PY ₹ 216.474 Mn)
3. Group has not entered into any sublease arrangements.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

NOTE 39: ADDITIONAL INFORMATION REGARDING SUBSIDIARIES AS PER SCHEDULE III OF THE COMPANIES ACT, 2013

(Amount in Million ₹ except otherwise stated)

Name of the Entity in the Group	As at 31 March 2026				Year ended 31 March 2026			
	Net Assets (Total Assets - Total Liabilities)		Share in Profits or Loss		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated P&L	Amount	As % of consolidated OCI	Amount	As % of consolidated Total comprehensive income	Amount
Parent								
Kirloskar Brothers Limited (including effect of consolidation, elimination and other adjustment)	75.228%	18,625.749	52.386%	1,976.594	110.438%	586.695	59.551%	2,563.289
Subsidiaries								
Indian								
1. Karad Projects and Motors Pvt Ltd	7.387%	1,828.871	19.517%	736.392	(0.925%)	(4.914)	16.994%	731.477
2. Kirloskar Corrocoat Private Limited	0.529%	131.078	1.781%	67.187	(0.025%)	(0.133)	1.558%	67.054
Foreign								
1. Kirloskar Brothers International B V (Consolidated)	11.387%	2,819.294	21.098%	796.063	(10.340%)	(54.928)	17.218%	741.135
Non-controlling interest in all Subsidiaries Associates (Investment as per equity method)								
Indian	0.479%	118.670	0.976%	36.845	(0.013%)	(0.072)	0.854%	36.773
Foreign	0.000%	0.000	0.000%	0.000	0.000%	0.000	0.000%	0.000
Joint Ventures (Investment as per the equity method)								
Indian								
Kirloskar Ebara Pumps Limited	4.989%	1,235.298	4.242%	160.065	0.865%	4.594	3.825%	164.659
TOTAL	100.000%	24,758.960	100.000%	3,773.146	100.000%	531.241	100.000%	4,304.387

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

NOTE 40: AUDIT TRAIL

The group, has used an accounting software, for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the audit trail feature was not enabled at the database level at the Enterprise Resource Planning System (SAP) to log any direct data changes.

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

The group uses services of third-party service provider 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). Further, outsourced vendor is ISO 9001:2015, ISO 27001:2013 and ISO 27001:2022 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.

Additionally, 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.

Further, the audit trail, wherever available, has been preserved by the group in accordance with the applicable statutory record retention requirements.

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

NOTE 41: EXCEPTIONAL ITEMS

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in standalone statement of profit and loss and in the notes forming part of the standalone financial statements

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Past service cost	413.636	-
Net amount of reversal of project related provisions	(27.658)	(1.276)
Payment under Voluntary Retirement Scheme	2.528	17.722
Impairment of Goodwill pertaining to The Kolhapur Steel Limited	-	61.383
Total	388.506	77.829

The Government of India has consolidated multiple existing labour legislations into a unified framework comprising of four Labour Codes, collectively referred to as the 'New Labour Codes' and notified with effect from 21 November 2025. Based on the analysis of the information available so far and actuarial valuation for the year ended 31 March 2026, the Company has recognised ₹ 413.636 Mn as past service cost on post-employment defined benefits for its employees. Considering that this impact is driven by a regulatory change and is non-recurring in nature, it is classified under exceptional items in these financial results. The Company continues to monitor the developments relating to the implementation of the New Labour Codes and would review the estimates as further clarifications and Rules are notified.

NOTE 42: OTHERS

1. The group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
2. The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
3. No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Notes to the Consolidated Financial Statements

For the year ended 31st March 2026

(Amount in Million ₹ except otherwise stated)

4. Company and its subsidiaries in India have not entered any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956
5. The Company and its subsidiaries in India have not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
6. The Company and its subsidiaries in India have not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
7. Karad Projects Motors Limited, Wholly Owned Subsidiary of Company has made political contribution of ₹ 20.000 Mn to Bhartiya Janata Party in FY 2025-26. (PY: ₹ 20.000 Mn)
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: 13 May 2026

Devang Trivedi
Company Secretary
Pune: 13 May 2026

GRI Index

GRI CONTENT INDEX

Statement of use	KIRLOSKAR BROTHERS LIMITED has reported ' with reference ' to the GRI Standards for the period 1 st April 2025 to 31 st March 2026.
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	2-28 Membership associations	Business Responsibility & Sustainability Report (Section C - Principle 7)	165
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	101-5 Locations with biodiversity impacts	Key Initiatives Biodiversity	78-79 97
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GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Business Responsibility & Sustainability Report (Section C - Principle 5)	156
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GRI STANDARD	DISCLOSURE	LOCATION	PAGE
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Abbreviations

3D	3 Dimensional
3R	Reduce, Reuse, and Recycle
ADIPEC	Abu Dhabi International Petroleum Exhibition and Conference
AGM	Annual General Meeting
AHF	Active Hybrid Harmonic Filter
AHU	Air Handling Unit
AI	Artificial Intelligence
AI-ML	Artificial Intelligence - Machine Learning
APOEM	Authorised Pump-set Original Equipment Manufacturer
AR	Augmented Reality
AR/VR	Augmented Reality/Virtual Reality
ASHA	Accredited Social Health Activist
ATPD	Advanced Technology Product Division
BaLA	Building as Learning Aid
BBS	Behavioural Based Safety
BEE	Bureau of Energy Efficiency
BIS	Bureau of Indian Standards
BoD	Board of Directors
BOPT	Battery Operated Pallet Truck
BRSR	Business Responsibility and Sustainability Report
BS	Bachelor of Science
CAM	Computer-aided Manufacturing
CAPA	Corrective Action and Preventive Action
CAPEX	Capital Expenditure
CBIP	Central Board of Irrigation & Power
CCTV	Closed Circuit Television
CE	Conformité Européene
CED	Cathodic Electro Deposition
CI	Cast Iron
CIF	Cast Iron Foundry
CII	Confederation of Indian Industry
CMD	Chairman and Managing Director
CNC	Computerised Numerical Controlled
CNG	Compressed Natural Gas
CO₂eq	Carbon Dioxide Equivalent
CPS	Customer Perception Survey

CRISIL	Credit Rating Information Services of India Limited
CRM	Customer Relationship Management
CSP	Containment Spray Pump
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
CSS	Customer Service and Spares
CVP	Concrete Volute Pump
CW	Centrifugal Waste
DMA	Double Materiality Assessment
E&M	Electrical and Mechanical
EAP	Employee Assistance Program
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
ECCS	Emergency Core Cooling System
EES	Employee Engagement Survey
EFQM	European Foundation for Quality Management
EHS	Environment, Health, and Safety
EMEA	Europe, the Middle East and Africa
EMS	Environmental Management System
ENCON	Energy Conservation Programme
EnMS	Energy Management System
EPC	Engineering, Procurement and Construction
EPS	Earnings Per Share
ERP	Enterprise Resource Planning
ESD	Engineered Service Division
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
ETO	Engineered To Order
EV	Electric Vehicle
FEMA	Foreign Exchange Management Act
FGD	Flue Gas Desulphurisation
FICCI	Federation of Indian Chambers of Commerce & Industry
FM/UL	Factory Mutual/ Underwriters Laboratories
FY	Financial Year
GA	General Assembly
GDP	Gross Domestic Product
GenAI	Generative AI

GET/DETs	Graduate Engineer Trainee/Diploma Engineer Trainees
GHG	Green House Gases
GJ	Gigajoules
GPM	Gallons Per Minute
GreenCo	Green Company
GreenPro	Green Product
GRI	Global Reporting Initiative
GTM	Go-To Market
HI	Hydraulic Institute
HIRA	Hazard Identification and Risk Assessment
HIS	Hydraulic Institute Standards
HP	Horse Power
HPML	High-Pressure Molding Line
HPYN	Hydro-Pneumatic Pressure Boosting System
HR	Human Resource
HRC	Hydraulic Research Centre
HVAC	Heat Ventilation, Air Conditioning
HVLS	High-Volume, Low-Speed
HYPN	Hydro-Pneumatic Systems
IATF	International Automotive Task Force
ICDS	Integrated Child Development Services
ICU	Intensive Care Unit
IEC	Importer-Exporter Code
IEEMA	Indian Electrical and Electronics Manufacturers' Association
IGBC	Indian Green Building Council
IGBT	Insulated-Gate Bipolar Transistor
IGCC	Indo-German Chamber of Commerce
IIM	Indian Institute of Management
IIRC	International Integrated Reporting Council
IIT	Indian Institute of Technology
IJP	Internal Job Postings
INS	Indian Navy Ship
IOD	Institute of Directors
IoT	Internet of Things
IPMA	Indian Pump Manufacturers Association
IR (in reporting)	Integrated Report
IRO	Impacts, Risks and Opportunities
ISO	International Organisation for Standardisation
ISQ	Indian Society for Quality
IT	Information Technology
ITNS	Important to Nuclear Safety

ITSM	Information Technology Service Management
JIPM	Japan Institute of Plant Maintenance
JMD	Joint Managing Director
KBIBV	Kirloskar Brothers International B.V.
KBL	Kirloskar Brothers Limited
KBTL	Kirloskar Brothers (Thailand) Limited
KCPL	Kirloskar Corrocoat Private Limited
KEPL	Kirloskar Ebara Pumps Limited
KL	Kilo Litre
KOV	Kirloskarvadi
KPIs	Key Performance Indicators
KPL	Kirloskar Premier League
KPML	Karad Projects and Motors Limited
KVA	Kilovolt-Ampere
kW	Kilowatt
LCA	Life Cycle Assessment
LED	Light-Emitting Diode
LEED	Leadership in Energy and Environmental Design
LLC	Lowest Lifecycle Cost
LLC (Company)	Limited Liability Company
LPG	Liquefied Petroleum Gas
LTIFR	Lost Time Injury Frequency Rate
M&D	Marine & Defence
MBA	Master of Business Administration
MCCIA	Mahratta Chamber of Commerce, Industries and Agriculture
MD	Managing Director
MDP	Management Development Program
MEDA	Maharashtra Energy Development Agency
MEI	Minimum Efficiency Index
MENA	Middle East & North Africa
MES	Manufacturing Execution System
ML	Machine Learning
mm	Millimeter
mn	Million
MOC	Material of Construction
MS-CIT	Maharashtra State Certificate in Information Technology
MSEE	Master of Science in Electrical Engineering
MT	Metric Tonne
MT CO₂e	Metric Tonnes of Carbon Dioxide Equivalent
MTBF	Mean Time Between Failures

MTO	Made to Order
MTS	Made to Stock
MW	Megawatt
MWp	Megawatt Peak
NABL	National Accreditation Board for Testing and Calibration Laboratories
NDT	Non-Destructive Testing
NECA	National Energy Conservation Awards
NOx	Nitrogen Oxides
NPS	National Pension Scheme
NQMS	Network Quality Management System
NSCI	National Safety Council of India
NSDC	National Skill Development Corporation
NVDA	Narmada Valley Development Authority
O&G	Oil and Gas
OECD	Organisation for Economic Co-Operation and Development
OEM	Original Equipment Manufacturer
OH&S	Occupational Health and Safety
OHS	Occupational Health and Safety
OJT	On-the-Job Training
OTIF	On Time in Full
PAT (In Financials)	Profit After Tax
PAT (In Pumps)	Pump as Turbine
PBT	Profit Before Tax
PESO	Petroleum and Explosives Safety Organisation
PF	Provident Fund
PFMEA	Process Failure Mode and Effects Analysis
PHCs	Primary Health Centres
PLC	Public Limited Company
PM	Particulate Matter
PNG	Piped Natural Gas
POSH	Policy on Prevention of Sexual Harassment
PPA	Power Purchase Agreement
PPE	Property, Plant and Equipment
PPM	Parts per Million
psi	Pounds per Square Inch
QCFI	Quality Circle Forum of India
QMS	Quality Management System
R&D	Research & Development
RBI	Reserve Bank of India
RECDs	Retrofit Emission Control Devices

RM & FG	Raw Material & Finished Goods
RO	Regional Office
ROCE	Return on Capital Employed
ROE	Return on Equity
RoHS	Restriction of Hazardous Substances
ROI	Return on Investment
RPA	Robotic Process Automation
SAP	Systems, Applications & Products in Data Processing
SCADA	Supervisory Control and Data Acquisition
SCBA	Self-Contained Breathing Apparatus
SDGs	Sustainable Development Goal
SEBI	Securities and Exchange Board of India
SEP	School Empowerment Programme
SKUs	Stock Keeping Units
SMED	Single-Minute Exchange of Die
SMPD	Small and Medium Pump Division
SOx	Sulfur Oxides
SPB	Small Pump Business
SPC	Self Priming Coupled
SPM	Suspended Particulate Matter
SPP	Sigmund Pulsometer Pumps
SQIP	Supplier Quality Improvement Program
SRM	Supplier Relationship Management
STEM	Science, Technology, Engineering, and Mathematics
THB	Thai Baht
TPM	Total Productive Maintenance
TPQM	Total Productivity and Quality Management.
UAE	United Arab Emirates
UK	United Kingdom
UNSDGs	United Nations Sustainable Development Goals
USA	United States of America
USD	United States Dollar
VAVE	Value Analysis and Value Engineering
VFD	Variable Frequency Drive
VMC	Vertical Machining Center
VNIT	Visvesvaraya National Institute of Technology
VOC	Volatile Organic Compounds
VR	Virtual Reality
WMPSC	Water Management & Plumbing Skill Council
YPL	Yamuna Premier League
ZAR	Zuid-Afrikaanse Rand



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CIN.: L29113PN1920PLC000670