# 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 $m^3$/hr (33,333.34 litres per second) and heads up to 3,200 metres, efficiently serving clients across domestic and international markets. The Company also manufactures over 30 types of valves with diameters ranging from 6 mm to 5 metres, along with low-tension induction motors and PICO, PAT and mini hydel turbines (from 0.5 kW to 10 MW).

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

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

## INTERNATIONAL BUSINESS

The KBI BV Group continued to 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 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.

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## 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.

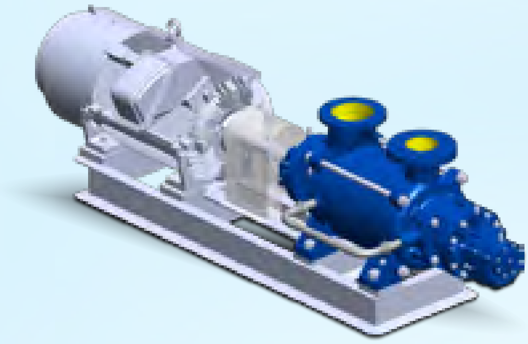
KBL secured major orders from Adani Power and its group companies for Concrete Volute Pumps (CVP), reinforcing our position as the world's largest CVP supplier. This achievement has significantly enhanced KBL's visibility in the thermal power market and has triggered strong interest from other end-users, 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

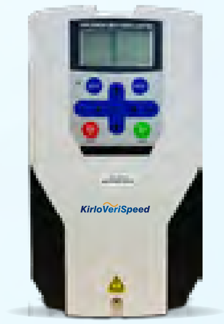
Ultra
## JALRAAJ-I MAX
1 HP MINI SERIES PUMPS

Ultra
## JALRAAJ-II MAX
0.5 HP MINI SERIES PUMPS

# AUTOMATION & INTEGRATION SOLUTIONS

KirloLogic

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 KirloSmart™ 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<br>(Reduction in borrowings along with increase in net worth due to higher profits) | 0.01 | 0.01 | - |
| Debt Service Coverage Ratio<br>(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.

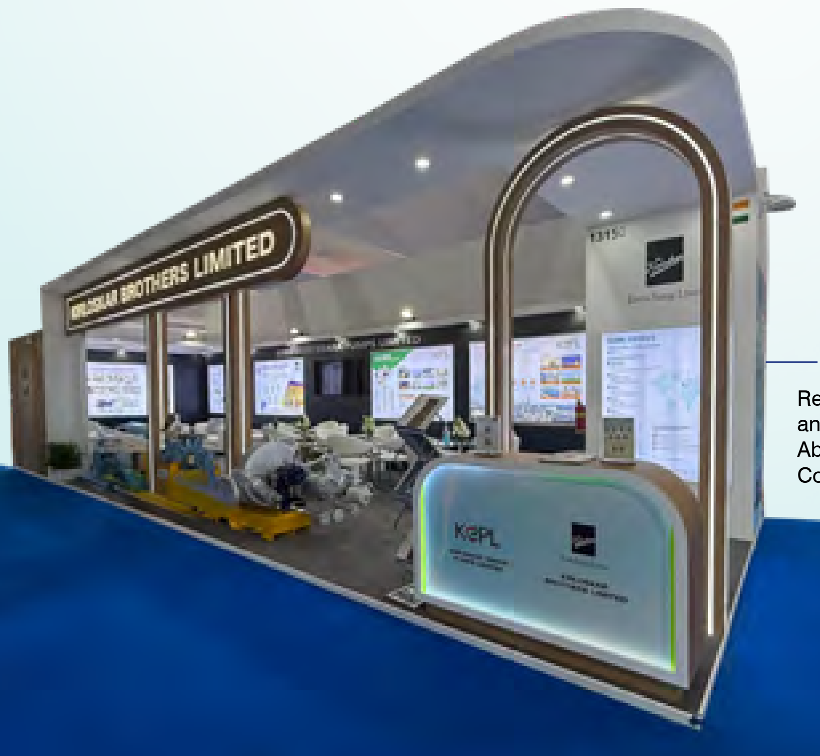
From a strategic standpoint, marketing efforts focused on promoting key products, including energy-efficient pumps and smart pumping solutions such as KirloSmart™ & KirloSmart™ Fire, the company's IoT-enabled remote monitoring system. Campaigns highlighted product reliability, operational efficiency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