Annexure-I to the Board's Report

DISCLOSURES PURSUANT TO RULE 12 (9) OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014, READ WITH REGULATION 14 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021, READ WITH SEBI CIRCULAR DATED 16 JUNE 2015, ON ESAR DISCLOSURES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

A. Relevant disclosures in terms of the 'IND AS 102 – Share - Based Payments' notified under Section 133 of the Companies Act, 2013 (the Act), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended:

All the relevant disclosures in terms of the 'IND AS 102 – Share - Based Payments' notified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, are made in the Financial Statements.

B. Diluted Earnings Per Share (EPS) pursuant to the issue of shares on exercise of ESARs calculated in accordance with 'IND AS 33 - Earnings Per Share':

Diluted EPS of the Company is ₹ 72.66 per share

C. Details related to Equity Stock Appreciation Rights (ESARs) of the Company:

i. Description of ESARs that existed at any time during the year:

Sr. No.	Particulars	Kirloskar Industries Limited – Employees Stock Appreciation Rights Plan 2019 (KIL ESARP 2019)
a.	Date of members' approval	The members of the Company approved the KIL ESAR 2019, by a Special Resolution through Postal Ballot on 29 December 2019. Further, the members of the Company approved the amendment to the KIL ESARP 2019 by increasing ESARs by 3,00,000 from 4,85,000 ESARs to 7,85,000 ESARs to the existing ESAR pool, by Special Resolution through Postal Ballot on 30 April 2023.
b.	Date of grant	30 January 2020, 14 July 2022, 8 August 2022 and 12 August 2023.
c.	Total number of ESARs approved	7,85,000 (Seven Lakhs Eighty-Five Thousand) ESARs, where one ESAR upon exercise shall entitle for a lesser than one equity share of the Company.
d.	Vesting requirement	**a. For vesting of ESARS** The ESARs granted under the KIL ESARP 2019 would vest after a minimum period of one (1) year but not later than a maximum period of four (4) years from the Grant Date of such ESARs. Vesting is subject to performance of identified employee being reviewed by the Nomination and Remuneration Committee and the identified employee being in continued employment with the Company or subsidiary company(ies). **b. For exercise of ESARs** Five (5) years from the date of vesting.
e.	Exercise price or pricing formula	4,84,098 ESARs at the rate of ₹ 500 per ESAR 2,41,000 ESARs at the rate of ₹ 1,800 per ESAR
f.	Maximum term of options granted	The options would vest over a maximum period of four years
g.	Source of shares	Primary
h.	Variation in terms of options	Subject to necessary approvals as may be required, the Nomination and Remuneration Committee may at any time amend, alter or vary the terms of the KIL ESARP 2019 and / or terms of the options already granted under the KIL ESARP 2019, subject to the condition that such amendment, alteration or variation as the case may be, is not detrimental to the interest of employees.

ii. Methods to account for KIL ESARP 2019:

The Company uses the Fair Value Method of accounting for ESARs, which is in accordance with IND AS 102.

iii. The difference between the employee compensation cost computed using the intrinsic value of options and the employee compensation cost that shall have been recognised if it had used the fair value of the options:

Not applicable.

iv. Options movement during the year

Particulars	KIL ESARP 2019
Number of ESARs outstanding at the beginning of the period (Nos.)	1,94,415
Number of ESARs granted during the year	Nil
Number of ESARs cancelled during the year	Nil
Number of ESARs forfeited / lapsed during year	31,710
Number of ESARs vested during the year	7,360
Number of ESARs exercised during the year	1,12,020
Number of shares arising as a result of exercise of ESARs	96,327
Money realised by the exercise of ESARs (INR), if the scheme is implemented directly by the Company	9,63,270
Number of ESARs outstanding at the end of the year	50,685
Number of ESARs exercisable at the end of the year	35,445

v. Weighted-average exercise price and weighted-average fair value of ESARs granted during the year, where exercise price is less than the market price on the date of grant:

Particulars	KIL ESARP 2019 in ₹
Weighted-average exercise price	Not applicable
Weighted-average Fair Value	Not applicable

vi. Employee wise details (name of employee, designation, number of ESARs granted) during the Financial Year 2025-2026 to:

a) Senior Managerial Personnel:

Sr. No	Name of Employee	Designation	No. of ESARs granted during the Financial Years					
			2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	**2025 - 2026**
	Employees of the Company								
1.	Ms. Aditi Chirmule	Executive Director	48,540	Nil	Nil	Nil	Nil	Nil	Nil
2.	Mr. Anandh Baheti*	Chief Financial Officer	NA	NA	NA	3,000	25,000	Nil	Nil
3.	Mrs. Ashwini Mali	Company Secretary	24,270	Nil	Nil	Nil	10,000	Nil	Nil
4.	Mr. Jagdish Purandare**	Head – Human Resource	18,000	Nil	Nil	Nil	Nil	Nil	Nil
		Total	**90,810**	**Nil**	**Nil**	**3,000**	**35,000**	**Nil**	**Nil**

*Mr. Anandh Baheti, Chief Financial Officer (CFO) of the Company, tendered his resignation on 29 August 2025, from the post of CFO of the Company, to pursue other career growth opportunities. He was relieved from the services of the Company with effect from the close of business hours of 4 November 2025.

**Mr. Jagdish Purandare, Head - Human Resources of the Company, tendered his resignation on 19 September 2025, from the post of 'Head - Human Resources' of the Company, as he had been offered a new role within the Group. He served his notice period and continued to hold his position of 'Head - Human Resources' until the close of working hours of 31 December 2025.

Non – Executive Director:

Sr. No	Name of Employee	Designation	No. of ESARs granted during the Financial Years					
			2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	**2025 - 2026**
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

b) Any other employee / Non – Executive Director who receives a grant in any one year of ESARs amounting to 5% or more of ESARs granted during that year:

Sr. No.	Name of Employee / Non-Executive Director	Designation	No. of ESARs granted during the Financial Years						
			2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Employees of the Company									
1.	Ms. Aditi Chirmule	Executive Director	48,540	Nil	Nil	Nil	Nil	Nil	Nil
2.	*Mr. Anandh Baheti	Chief Financial Officer	NA	NA	NA	3,000	25,000	Nil	Nil
3.	Mrs. Ashwini Mali	Company Secretary	24,270	Nil	Nil	Nil	10,000	Nil	Nil
Non-Executive Director of the Company									
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

*Mr. Anandh Baheti, Chief Financial Officer (CFO) of the Company, tendered his resignation on 29 August 2025, from the post of CFO of the Company, to pursue other career growth opportunities. He was relieved from the services of the Company with effect from the close of business hours of 4 November 2025.

c) Identified employees who were granted ESARs, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant:

Sr. No.	Name of Employee / Non-Executive Director	Designation	No. of ESARs granted during the Financial Years						
			2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
1.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

i. Description of the method and significant assumption used during the year to estimate the fair value of ESARs including the following information:

a) The weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;

b) The method used and the assumptions made to incorporate the effects of expected early exercise;

c) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and

d) Whether and how any other features of the ESARs grant were incorporated into the measurement of fair value, such as market conditions.

Please refer Note No. 42 forming part of the Financial Statements.