11 July 2025

BSE Limited
The Manager
Corporate Relationship Department
1st Floor, P. J. Towers,
Dalal Street, Fort,
Mumbai 400 001.
BSE Scrip Code: 500243

National Stock Exchange of India Limited
The Manager
Listing Department
Exchange Plaza, C -1, Block G,
Bandra-Kurla Complex, Bandra (E),
Mumbai 400 051.
NSE Scrip Code: KIRLOSIND

Sir / Madam,

Subject: Updates of material subsidiary

We wish to inform you that Kirloskar Ferrous Industries Limited (KFIL), a listed material subsidiary of the Company, has intimated to the stock exchange, where the shares of KFIL are listed, an intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the Listing Regulations), a copy of the intimation (which is self-explanatory) filed with the stock exchanges by KFIL is enclosed for your ready reference.

You are requested to take the same on your record.

Thanking you.

For Kirloskar Industries Limited

ashwini vijay mali
Digitally signed by ashwini vijay mali
Date: 2025.07.11 15:28:30 +05'30'

Ashwini Mali
Company Secretary

Encl:a/a

Kirloskar Ferrous

Ref No. 3204/25 11 July 2025

The Department of Corporate Services
BSE Limited
P. J. Towers, Dalal Street, Fort,
Mumbai 400001
(Scrip code : 500245)

Dear Sir / Madam,

Subject : Annual Report and Notice of Annual General Meeting

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; we submit the Annual Report of the Company for the financial year 2024-2025 (including the Notice of 34th Annual General Meeting).

In compliance with provisions of the Companies Act, 2013 ('Act') and rules thereof read with the General Circular No. 14/2020 dated 8 April 2020, the General Circular No. 17/2020 dated 13 April 2020, the General Circular No. 20/2020 dated 5 May 2020 and the General Circular No. 09/2024 dated 19 September 2024 issued by the Ministry of Corporate Affairs [collectively referred to as 'MCA Circulars'] and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, read with the Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3 October 2024 read with the Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11 November 2024 issued by the SEBI [collectively referred to as 'SEBI Circulars']; the Annual Report (including the Notice of Annual General Meeting) has been sent only by electronic means to all those Members, whose email addresses are registered with the Company / the Registrar and Share Transfer Agent or the Depository Participants.

The Annual Report for the financial year 2024–2025 (including the Notice of Annual General Meeting) is also available at the website of the Company viz. www.kirloskarferrous.com

You are requested to take the same on record.

Thanking you,

Yours faithfully,
For Kirloskar Ferrous Industries Limited

MAYURESH VINAYAK GHARPURE
Digitally signed by MAYURESH VINAYAK GHARPURE
Date: 2025.07.11 14:52:45 +05'30'

Mayuresh Gharpure
Company Secretary

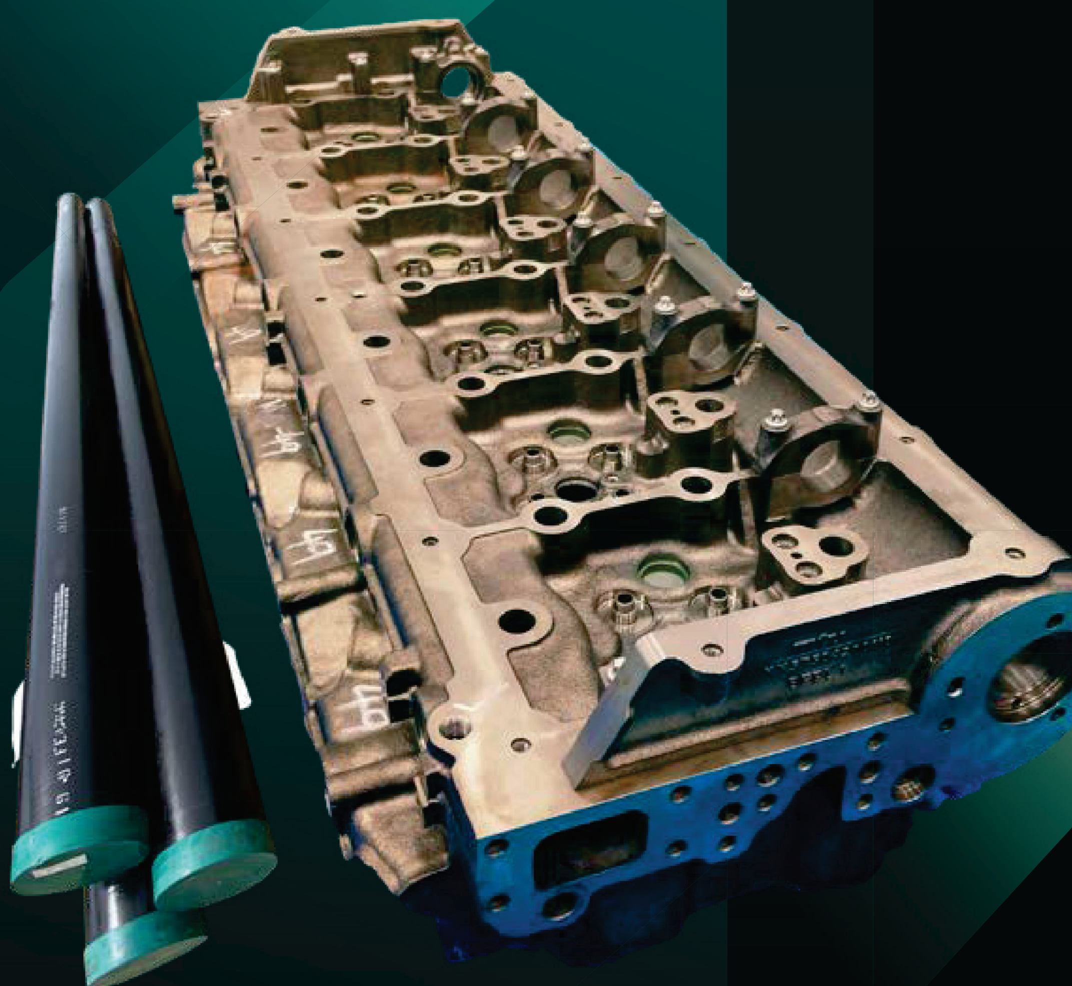
Encl : a/a

Annual Report
2024-25

Ferrous

limitless

Kirloskar Ferrous Industries Limited
A Kirloskar Group Company



About the report

We are pleased to present our Annual Report, which includes voluntary information to the extent available to us, in accordance with the reporting framework developed and designed by the International Integrated Reporting Council (IIRC). This report is primarily intended to address the information requirements of investors (our equity and prospective investors). Our endeavour is to present this information in a manner that is also relevant to all the key stakeholders. This report also aligns with the following:

- The Companies Act, 2013
- Indian Accounting Standards
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Scope and boundary

This report covers information on all business operations of Kirloskar Ferrous Industries Limited, including disclosures defined by International Integrated Reporting Council (IIRC). This report describes our business model, significant risk, business strategies opportunities and overall performance and related outcomes.

The parameters for the financial information covered in this report are in relation to 'Kirloskar Ferrous Industries Limited' on a standalone basis.

Reporting period

The reporting period for the Annual Report is 1st April 2024 to 31st March 2025. However, certain portions of the report provide facts and numbers from prior years in order to give readers a complete picture.

Auditors report

To ensure the integrity of facts and information, the financial statements are audited by joint auditors Kirtane & Pandit LLP, Chartered Accountants and P G Bhagwat LLP Chartered Accountants. The 'Independent Auditor's Report' has been duly incorporated as part of this report.

Stakeholders feedback

Stakeholders' constructive participation and feedback are welcomed and appreciated. Please send us your feedback at:

Email: kfilinvestor@kirloskar.com

Website: www.kirloskarferrous.com

Our stakeholders

- **Shareholders and investors**
- **Employees**
- **Customers**
- **Suppliers**
- **Communities**
- **Regulatory bodies and government**

Our Capitals

- **Financial Capital**
- **Manufactured Capital**
- **Intellectual Capital**
- **Human Capital**
- **Social and Relationship Capital**
- **Natural Capital**

Navigate across the pages

01 Corporate overview

02 Statutory reports

03 Financial statements

Website:
www.kirloskarferrous.com

Scan the QR code to know more about the company

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that describe our expectations, based on reasonable assumptions and past performance. These are subject to change in light of developments in the industry, geographical market conditions, government regulations, laws and other incidental factors. These statements must not be used as a guarantee of our future performance, as the underlying assumptions could change materially. Mark bearing the word 'Kirloskar' in any form as a suffix or prefix is owned by Kirloskar Proprietary Limited, and Kirloskar Ferrous Industries Limited is the permitted user.

Corporate information

Board of directors

Mr. Rahul Kirloskar
Chairman
DIN - 00007319

Mr. R. V. Gumaste
Managing Director
DIN - 00082829

Mr. R. S. Srivatsan
Executive Director (Finance)
and Chief Financial Officer
DIN - 0009607651

Mr. Nishikant B. Ektare
Executive Director (Operations)
DIN - 02109633

Mr. Venkataramani S.
Independent Director
DIN - 00229998

Mr. V. M. Varma
Independent Director
DIN - 00011352

Mr. Pravir Kumar Vohra
Independent Director
DIN - 00082545

Dr. Shalini Sarin
Independent Director
DIN - 06604529

Mr. M. S. Srinivasan
Independent Director
DIN : 10709097

Mr. Pattanasetty Rajashekhar
Independent Director
DIN : 09514548

Mr. Sourirajan Rajagopalan
Independent Director
DIN : 10738323

Ms. Aditi Kirloskar
Non Executive Non Independent Director
(with effect from 10 May 2025)
DIN - 07480446

Company secretary

Mr. Mayuresh Gharpure

Statutory auditor

Kirtane & Pandit LLP,
Chartered Accountants

P G Bhagwat LLP, Chartered Accountants

Secretarial auditor

Mr. Mahesh J. Risbud,
Practicing Company Secretary

Cost auditor

Dhananjay V. Joshi & Associates,
Cost Accountants

Security trustee for the consortium of banks

IDBI Trusteeship Services Limited

Bankers

Bank of Maharashtra
Kotak Mahindra Bank Limited
Axis Bank Limited
The Hongkong and Shanghai Banking Corporation Limited (HSBC)
ICICI Bank Limited
HDFC Bank Limited
Citibank N.A.
DBS Bank India Limited
IDBI Bank Limited
Indusind Bank Limited

Registered office

'One Avante', Level 5, Karve Road,
Kothrud, Pune 411038, Maharashtra

Registrar and share transfer agent (rta)

MUFG Intime India Private Limited
Akshay Complex, Block No 202, 2nd Floor,
Off Dhole Patil Road, Near Ganesh Temple,
Pune 411001, Maharashtra

Works

1. Bevinahalli Village, P. O. Hitnal, Taluka & District Koppal 583234, Karnataka
2. Hotgi Road, Shivashahi, Solapur 413224, Maharashtra
3. Paramenahally Village, Taluka Hiriyur, District Chitradurga 577598, Karnataka
4. MIDC Industrial Area, Ahmednagar - 414 111
5. MIDC Industrial Area, Baramati - 413 133
6. Jejuri - Morgaon Road, Jejuri – 412 303

Information for the members of the company

34th Annual General Meeting on Monday, 4 August 2025 at 4:00 p.m. (IST) through Video Conferencing or Other Audio Visual Means.

Our standalone financial performance

₹ in Crore

Sr. No.	Particulars	Indian Accounting Standards							Indian GAAP		
		2024-25*	2023-24*	2022-23*	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
1	Net sales / revenue from operations	6,566.26	6,133.90	6,398.57	3,614.97	2,038.08	1,849.66	2,159.15	1,765.19	1,276.6	1,113.93
2	Other income	62.34	23.16	51.78	11.29	2.38	15.64	5.53	5.16	5.34	2.25
3	Profit Before Tax	432.14	476.83	619.26	542.69	363.19	156.18	146.71	54.42	121.90	85.23
4	Tax provisions	114.86	155.25	179.55	136.59	61.08	43.81	48.60	16.42	33.26	27.49
5	Profit After Tax	317.28	321.58	439.71	406.10	302.11	112.37	98.11	38.00	87.83	57.74
6	Dividend (%)	110	110	110	110	100	40	40	25	35	25
7	Dividend per equity share (₹)	5.50	5.50	5.50	5.50	5.00	2.00	2.00	1.25	1.75	1.25
8	Dividend Amount**	90.51	97.53	76.43	76.30	69.17	27.56	27.53	17.16	24.30	17.16
9	Earnings per share (₹)	19.29	19.60	26.85	29.32	21.89	8.16	26.85	2.77	6.40	4.20
10	Book Value per share (₹)	209.63	196.36	182.64	95.89	72.02	52.09	47.59	43.05	42.43	35.83
11	Equity Share Capital	82.31	82.11	81.93	69.36	69.17	68.91	68.82	68.65	68.65	68.65
12	Reserves and Surplus	3,368.52	3142.49	2,910.87	1260.74	927.20	649.02	586.28	522.39	513.92	423.38
13	Shareholders' Funds	3,450.83	3,224.60	2,992.80	1,330.10	996.37	717.93	655.10	591.04	582.57	492.03
14	Long-term Loans	677.83	794.79	644.27	515.59	206.77	228.24	53.00	-	-	-
15	Capital Employed	4,132.48	3,996.44	3,539.23	1,395.00	1,219.64	996.34	795.61	676.76	664.39	572.21

* Note: Post Merger of the Amalgamating Company (ie., ISMT Ltd)
** Note: Includes Dividend paid by the Amalgamating Company

As society continues to change and progress, we at Kirloskar keep pace by continually evolving. Our philosophy, the foundation of our organisation for over 136 years, is rooted in the progress of humanity. We encourage our customers to boldly embrace the future by breaking away from convention and realising their limitless potential.

Guided by our values, we pursue a vision that propels us towards a future full of limitless possibilities. With innovation as our driving force, we engineer solutions for tomorrow, always placing human progress at the core. We strive to look beyond challenges and envision the vast potential that the future holds.

Being limitless also means remaining deeply rooted in the values that define us: Innovative Thinking, Empathy, Collaboration, Integrity, Excellence and Value Creation. By designing breakthrough solutions, we create avenues for delivering innovative services that address real challenges, create value for our customers and society and consistently exceed expectations.

We operate with empathy and a strong belief in collective progress, because together with our customers and partners, we are truly limitless.

limitless

India at the core

Strength built for the world

At Kirloskar Ferrous Industries Limited, our integrated model—from mines to machined castings and mines to seamless tubes—is more than a business strategy. It reflects our commitment to delivering value, resilience and reliability in every product we offer.

This year, we made a significant stride in our green energy journey by commissioning a 70 MW solar power plant. Along with our existing 12 MW, this brings our total installed solar capacity to 82 MW. We remain firmly committed to increasing share of renewable energy across our operations.

We remained sharply focused on operational excellence through technologies like oxygen enrichment and pulverised coal injection, aimed at reducing input intensity and improving overall plant efficiency. These interventions have helped us maintain stability and responsiveness, even in a volatile macroeconomic environment.

As we grow, we continue to expand our manufacturing footprint. The revival of the Oliver Engineering facility in Rajpura, the establishment of a machine shop within the foundry and the planned expansion for a large two-part casting facility at our Solapur foundry, are all driven by rising customer demand and our focus on import substitution through high-quality, value-added castings.

At the core of our strategy is a deeply ingrained customer-centric approach. We focus on delivering what matters most to our customers—whether it is consistent product quality, speed of delivery, last-mile customisation, or cost competitiveness. This sharp alignment with customer priorities defines how we innovate, invest and execute.

All of this is powered by a strong belief in Indian ingenuity. Every step of our value chain—from R&D to production—is driven by in-house capabilities. This is what makes our solutions not just Made in India but truly Cast in India.

Our theme for the year, 'India at the core: Strength Built for the World,' captures this conviction. It embodies our operational rigour, customer-first mindset and the broader Kirloskar Limitless vision—where Indian engineering meets global expectations with purpose and pride.

Padma Bhushan

Late Shri Shantanurao Laxmanrao Kirloskar

About Kirloskar Group

Engineering progress to empower generations

The Kirloskar Group has built a rich legacy of innovation and industrial progress over the past 136 years. In 1888, while many looked to the past, one visionary looked ahead. Starting with a humble bicycle shop, and later creating India's first iron plough, he laid the foundation for the country's industrial development. Today, the Group is well recognised for its leadership in castings, Internal combustion engines, diesel engines, backup power solutions, pneumatic systems and cooling solutions, serving a wide range of industries.

The Group operates across diverse sectors such as Hospitality, IT/ITES, agriculture, manufacturing, food and beverage, oil and gas, infrastructure, and real estate. Its growth and resilience can be traced back to the strong values embedded at the foundation of each enterprise.

The Group's journey began when Shri Laxmanrao Kirloskar, our founder, set up a small bicycle repair shop in Belgaum, Karnataka. This later evolved into a machine tool workshop, where he developed iron ploughs and chaff cutters—early examples of the engineering advances that would define the Group's path. His son, Shri Shantanurao Laxmanrao Kirloskar, carried this legacy forward with visionary leadership, transforming the Kirloskar Group into one of India's most respected industrial powerhouses and driving its expansion into new sectors and global markets.

Today, Shri Laxmanrao Kirloskar is remembered both as a pioneer of Indian industry and a reformer with a vision to improve lives. His entrepreneurial spirit continues to create opportunities for thousands of individuals across India and benefits millions more through the Group's activities around the world.

Kirloskar group companies

KIRLOSKAR OIL ENGINES LIMITED (KOEL)

Internal Combustion Engines, Gensets, Farm mechanisation, Pumps and Electric Motors

KIRLOSKAR PNEUMATIC COMPANY LIMITED (KPCL)

Compressors and Compression systems

KIRLOSKAR FERROUS INDUSTRIES LIMITED (KFIL)

Pig Iron, Iron Castings, Steel, Seamless Pipes and Value-Added Products

KIRLOSKAR INDUSTRIES LIMITED (KIL) & AVANTE SPACES LIMITED

Unregistered Core Investment Company, Real Estate

KIRLOSKAR CHILLERS PRIVATE LIMITED

Chillers

ARKA FINCAP LIMITED

Non-Banking Financial Company

Our exciting story in numbers

136
Years of Excellence

₹9,044 crore
Combined Shareholders Funds*

7,000+
Total Group Employees**

₹34,657 crore
Combined Market Capitalisation***

4
Listed Companies

* For listed companies including Kirloskar Ferrous Industries Ltd., Kirloskar Industries Ltd., Kirloskar Oil Engines Ltd., Kirloskar Pneumatic Company Ltd.
**Employees on payroll.
***Market cap based on closing market price of 30th May, 2025.

All about KFIL

With more than thirty years of innovative excellence, Kirloskar Ferrous Industries Limited (KFIL) is the face of change in India's manufacturing sector. With an eye on the future and an integrated value chain that runs from mine to machined castings, KFIL integrates cutting-edge technology with extensive industry understanding. Our quest to become a global leader is fuelled by our dedication to innovation, sustainability and customer-centricity, which creates limitless potential and enduring value.

About KFIL

Shaping India's manufacturing future

At Kirloskar Ferrous Industries Limited, we are driven by the spirit of transformation and a legacy that spans over three decades. Today, we stand at the forefront of India's manufacturing sector, pioneering the evolution of high-quality pig iron, intricate grey iron castings, steel and seamless tubes. We continue our journey with a bold vision- to redefine the standards of casting solutions for industries powering India's growth.

We are more than manufacturers; we are innovators. Our state-of-the-art manufacturing facilities are hubs of precision and progress, where technology meets tradition to deliver products that set benchmarks in quality and reliability. With an integrated business model from mines to machined castings and Mines to seamless tubes, we are uniquely positioned as the only company in Asia with such a comprehensive value chain.

Vision

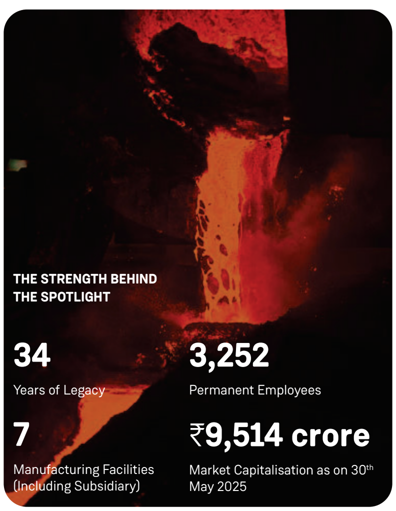
Be a sustainably growing organisation creating value to all stakeholders through limitless opportunities

Mission

- To become the largest Alloy Steel manufacturer in India and Global Top 5 in Castings
- To become a USD 2 billion company by 2030
- Achieve 1.4 million tonnes Liquid Metal
- Achieve 1 million tonnes of Alloy Steel
- Achieve 0.3 million tonnes of Castings
- Achieve 0.3 million tonnes of Seamless Tubes
- To be a preferred employer and a responsible neighbour through sustainable business practices

We believe in limitless possibilities.

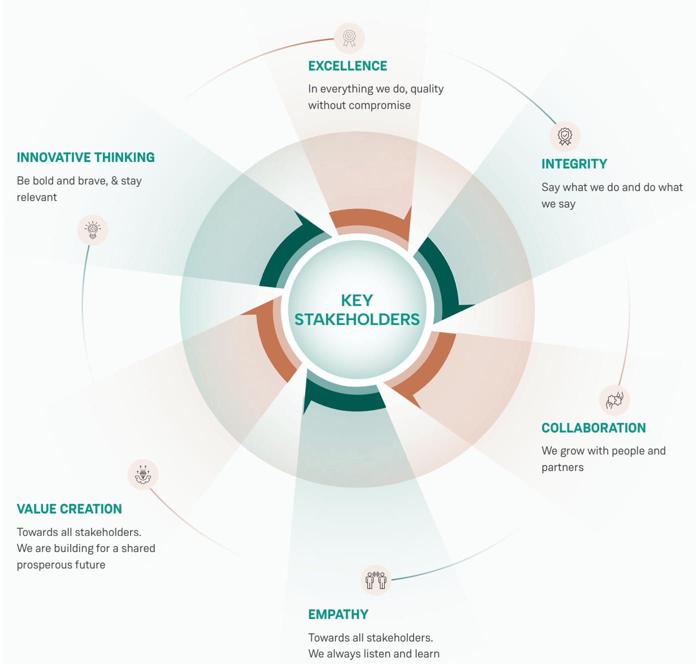
From commissioning advanced blast furnaces and power plants to acquiring and revitalising foundries, and from launching solar initiatives to embracing 3D printing and sustainable practices—every achievement reflects our commitment to excellence, integrity and customer-centricity.



THE STRENGTH BEHIND THE SPOTLIGHT

34 Years of Legacy	**3,252** Permanent Employees
7 Manufacturing Facilities (Including Subsidiary)	**₹9,514 crore** Market Capitalisation as on 30th May 2025

Values



Milestones

A journey cast in purpose

1991
Operations began at Kirloskar Ferrous Industries Limited

1994
Commercial production of Pig Iron from Mini Blast Furnace-I

Commissioning of Turbine Generator-I

1995
Commercial production from Mini Blast Furnace-II

Commercial production of Grey Iron castings

2007
Acquisition of Solapur foundry from Kirloskar Oil Engines Ltd.

Commissioning of Hot Blast Stove-I

2008
Commissioning of HPML Plant, Solapur

2010
Commissioning of Hot Blast Stove-II

Commissioning of Power Plant-III

2011
Commissioning of Sinter Plant

Solapur Foundry operations turned profitable

2013
Commissioning of Line II at Koppal Plant

2014
Construction of Administrative Building at Koppal

2016
Upgradation of Mini Blast Furnace

2017
Commissioning of the Machine Shop at Koppal

2018
Commissioning of Solar Plant in Solapur

Commissioning of 3D Printing Facility

2019
Commissioning of Railway Siding at Koppal

2020
Commissioning of 2 Lakh Tonne Coke Oven

Started Production of Captive Iron Ore Mines

2021
Acquisition and commissioning of Hiriyur Pig Iron Unit

2022
Commissioning of Sinter plant at Hiriyur

Line II Core Shop Extension- Phase 1,

Fettling Shop extension

Acquisition of ISMT

2023
ISMT turned profitable within a year of acquisition

Expansion of Foundry capacity at Solapur

KFIL - ISMT merger proposed

Commissioning of the second Coke oven plant at Koppal

Commissioning of a 20 MW waste heat recovery plant linked to the second phase of the coke oven

2024
Acquisition of Oliver Engineering Private Limited

Commissioning of Pulverised Coal Injection at Koppal

KFIL-ISMT Started Operating as a Merged Entity from 9th August 2024

2025
Oliver Engineering commenced trial run operations in Q2 FY 2025

Commissioned oxygen enrichment, enabling increased utilisation of pulverised coal, which reduces coke consumption thereby enhancing productivity in Q3 FY25

Mining operations restarted, annual permitted quantity 1.24 lakh metric tonnes IN Q3 FY25

Phase II of Jalna Solar plant commissioned- Total capacity of 70 MW DC at Jalna

Our strengths

Creating enduring value

A healthy balance sheet that supports consistent growth while safeguarding us from financial risks

18.6%

PAT
10-year CAGR

Strong credit ratings
ICRA AA (Stable)

Consistent value creation for shareholders and investors through a balanced stock performance.

An experienced and diverse Board and management team

63%

Independent Directors as on 31st March 2025

Advanced manufacturing capabilities enabling a broad product portfolio

10+

Industries served

A unique corporate culture with high employee satisfaction

81.9%

Employee Engagement Score

A sound risk management track record

Regular

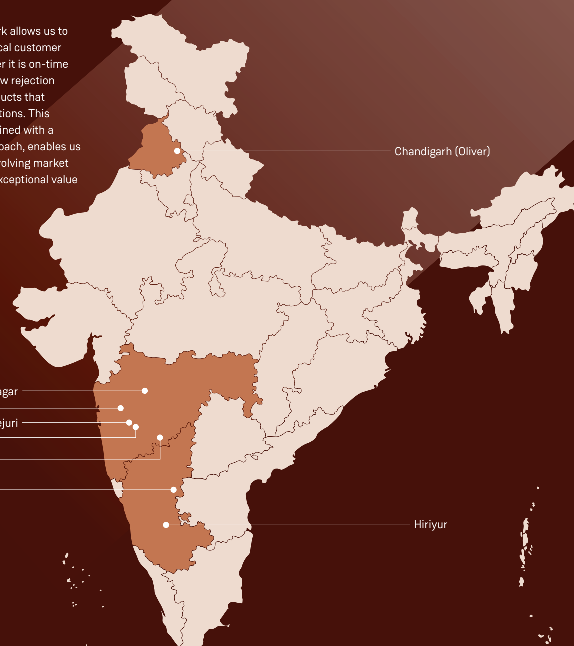
Risk monitoring and review

Our presence

Reaching far, serving wide

We have established a strong geographic presence, strategically positioning our operations to efficiently serve key markets across India and beyond. By leveraging proximity to major industrial hubs, we ensure timely deliveries and responsive service for our customers.

Our widespread network allows us to consistently meet critical customer requirements—whether it is on-time delivery, maintaining low rejection rates, or providing products that exceed quality expectations. This expansive reach, combined with a customer-centric approach, enables us to respond swiftly to evolving market demands and deliver exceptional value across diverse sectors.



Our business

Powering progress across sectors

We aim to address specific customer requirements with top-notch quality and efficiency, enhancing their satisfaction and strengthening brand loyalty.

Pig iron

We are committed to ensuring customer satisfaction at every stage of our pig iron manufacturing process. Our products are crafted to meet precise client specifications in terms of weight, size and chemical composition. Each shipment is accompanied by detailed chemistry reports, helping to improve operational efficiency and minimise redundancy.

We ensure control over our distribution process to guarantee on-time delivery of our distribution process to ensure on-time delivery.

Materials are handled with care, particularly with respect to heat sensitivity, to consistently meet our customers' expectations.

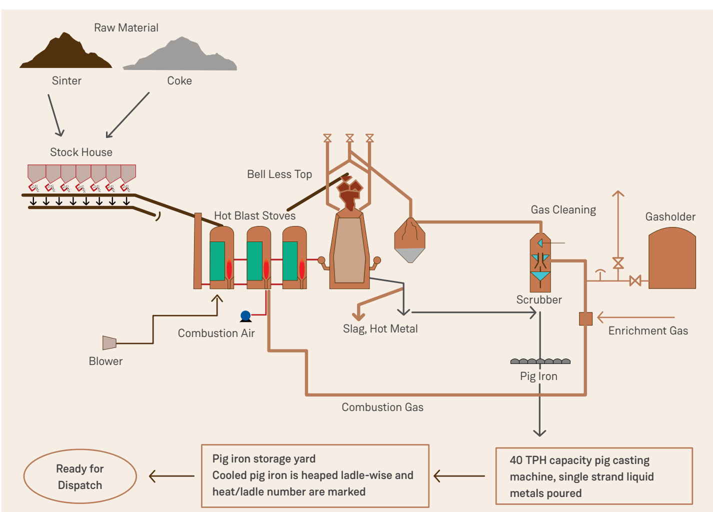
₹2,078 crore

Revenue Share

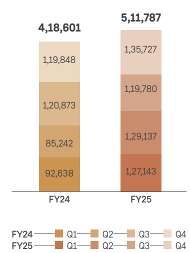
32%

Share in the Total Revenue Mix

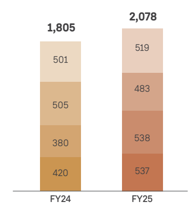
Pig iron flow: Raw material to finished pig iron



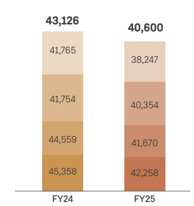
PIG IRON -SALES VOLUME (MT)



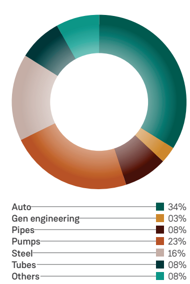
PIG IRON – SALES (₹ IN CRORE)

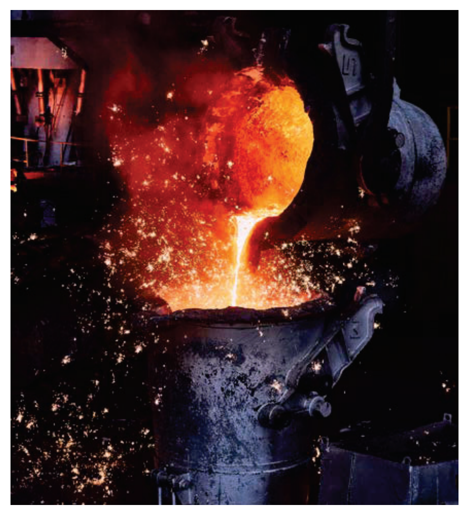


REALISATIONS (₹ /MT)



END USER PROFILE (IN %)





Castings

Our expertise in castings allows us to deliver customised solutions that align precisely with the requirements of OEMs and Tier-I suppliers. We work closely with our customers to understand their unique design and technical specifications, ensuring that our products are tailored to their needs.

By integrating our business development and new product development teams, we streamline the product launch process. This not only accelerates time-to-market but also enhances the operational efficiency of our solutions, delivering added value to our customers.

₹ 1,654 crore

Revenue Share

25%

Share in the Total Revenue Mix

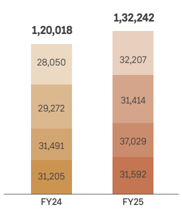
What we offer


CYLINDER BLOCKS

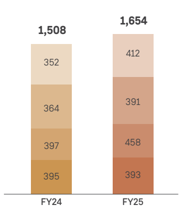

CYLINDER HEAD


HOUSING

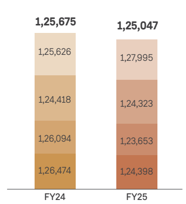
CASTING – SALES VOLUME (MT)



CASTING – SALES (₹ IN CRORE)



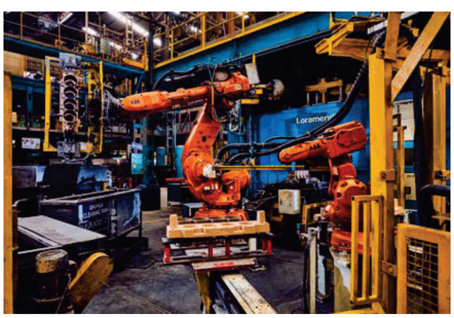
REALISATIONS (₹ /MT)

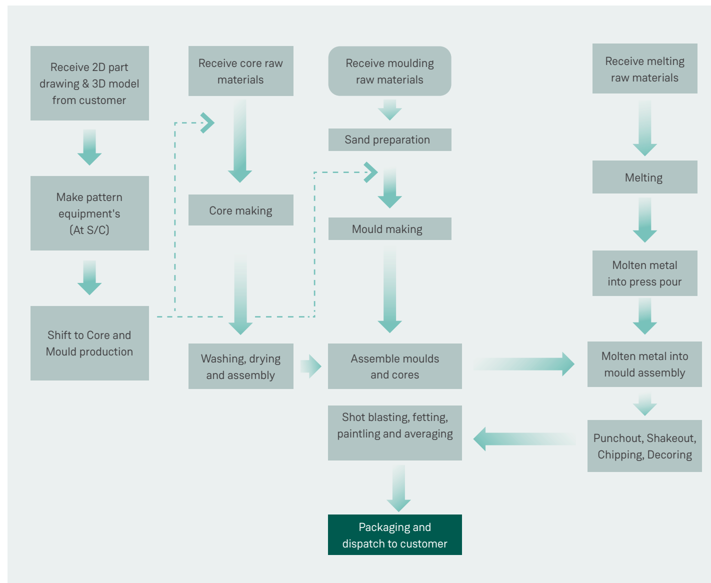


FY24 Q1 Q2 Q3 Q4
FY25 Q1 Q2 Q3 Q4

END USER PROFILE (IN %)

Tractor industry	33%
Deemed Export CV	27%
Domestic CV	16%
Auto (PV & UV)	09%
Engines	08%
Off Highway	07%





Proto casting

We lead the way in delivering precision casting solutions, upholding the highest quality standards in both prototyping and small-batch production. Building on our strong legacy of innovation and backed by a skilled team of experts, we offer customised casting services tailored to each client's specific requirements. Through close collaboration with our partners, we employ advanced technologies and state-of-the-art manufacturing processes to ensure our solutions are both accurate, efficient and reliable.

Machining

We deliver high-quality machined castings by leveraging advanced CNC machines and robotic systems to maximise productivity and streamline operations. Our engineers and technicians work closely with clients to understand their specific requirements and provide tailored solutions.

Our machining facilities in Solapur and Koppal specialise in 3- and 4-cylinder blocks and heads. We also operate dedicated Horizontal Machining Centres (HMCs), Vertical Machining Centres (VMCs) and Special Purpose Machines (SPMs) to deliver fully machined castings. Dimensional accuracy is ensured through the use of Coordinate Measuring Machines (CMMs). At our Solapur plant, the NALT Cylinder Block and Bed Plate are assembled post-machining.

Our ability to deliver top-quality machined castings with speed and precision makes us a trusted partner in the machining industry.

Steel

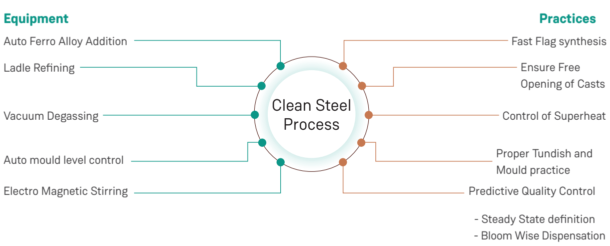
Our core strength lies in producing high-quality, customised steel products for a wide range of industries, including automotive, forging, textile machinery and fasteners. We excel in delivering tailored solutions, even for complex free-machining steels.

Using advanced technology, our production process begins with melting scrap in an electric arc furnace, followed by ladle refining and vacuum degassing to ensure purity and optimal chemical composition. The steel is then continuously cast and rolled to exact specifications, resulting in products that meet the highest industry standards. This meticulous approach enables us to support innovation and performance across a wide array of industrial applications.

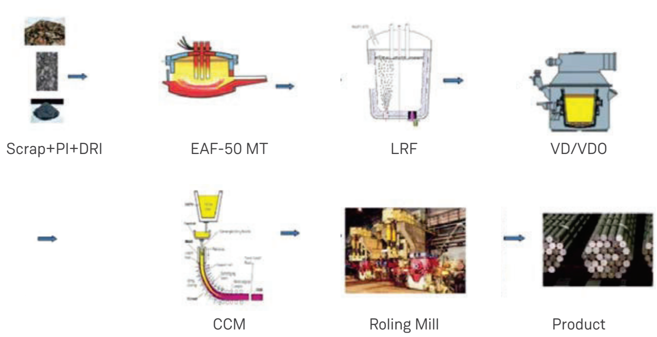
₹541 crore
Revenue Share

8%
Share in the Total Revenue Mix

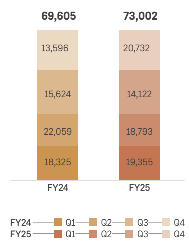
40%
Market share in India for producing Bearing Steel



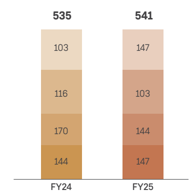
STEEL MAKING PROCESS



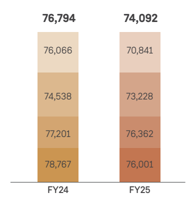
STEEL -SALES VOLUME (MT)



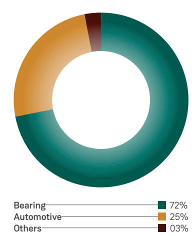
STEEL – SALES (₹ IN CRORE)

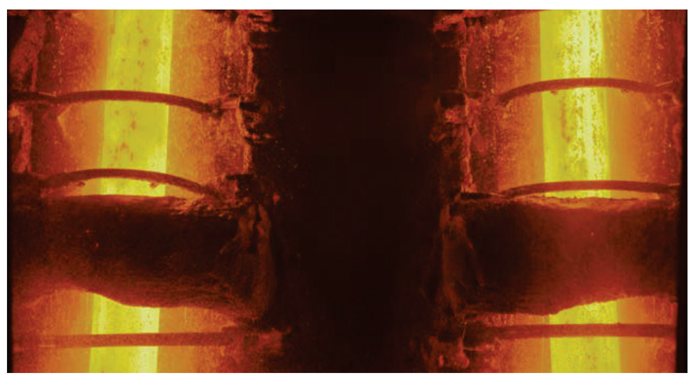


REALISATIONS (₹ /MT)



END USER PROFILE (IN %)





Seamless tube

We are a global leader in the manufacture of precision seamless tubes. Our advanced Assel and PQF mills produce hot- and cold-finished tubes ranging from 6mm to 273mm in diameter, meeting the critical requirements of diverse sectors including automotive, oil and gas, power, mining and construction.

Beyond seamless tubes, we also deliver a range of value-added products such as precision-machined rings, engineered axles, steering columns and ready-to-hone tubes. Our fully integrated manufacturing process, including a captive power plant, ensures consistent quality, control over the supply chain and dependable delivery timelines.

₹2,103 crore
Revenue Share

32%
Share in the Total Revenue Mix

Billet → Rotary Hearth Furnace → Heated Billet → Piercing Mill → Hollow Bloom → Assel Mill Or PQF Mill → Tube / Tube

Size range	OD mm		Thickness mm	
	Min	Max	Min	Max
Hot Finish	38	273	3.66	45
Cold Finish	16	264	1.6	32

Hot finishing equipment:

- 3 Piercing Mills
- 3 Assel Mills
- PQF Mill
- Stretch Reducing Mill
- Hot Sizing Mill

Cold finishing equipment:

- Cold Pilger Mills
- Cold Draw Benches
- Cold Sizing Mill

Finishing facilities:

- Heat Treatment Furnaces
- End Finishing
- Cold Ring Rolling
- End Upsetting
- Straightening

Inspection facilities

- Ultrasonic
- Eddy Current
- MPI
- Hydro-testing
- Leakage Flux
- Chemical, Mechanical
- Metallurgical

Hot Finished Tube → Heat Treatment → Cold Drawing / Cold Sizing / Pilgering → Heat Treatment → Inspection and Testing → Packing and Dispatch

Heat Treatment: Normalising, Annealing, Spheroidisation, Q & T

Inspection and Testing: Ultrasonic, Eddy Current, Leakage Flux, MPI, Hydro-testing, Mechanical Testing

Value Added Finishing: Grinding, Swaging, Upsetting, Threding

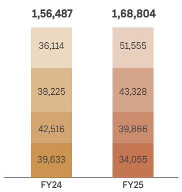
What we offer

- **Hydraulic Cylinder Tubes**
- **Perforated Gun Tubes**
- **Speed Cut ISMT Hollow Bars**
- **Speed Cut ISMT Hollow Bars**
- **Boiler Application**
  - Heat Exchanger
  - Header Pipes
  - Condenser Tubes
  - Multi Rifle Bore Tubes
  - Water Wall Tubes
  - Super Heater Tubes
- **Automotive Application**
  - Steering Column Tube
  - Drive Shaft
  - Rocker Arm Shaft

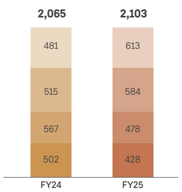
Industries we serve

AUTOMOTIVE | GENERAL ENGINEERING | SPECIAL APPLICATION | BEARING | OIL PETROLEUM | ENERGY AND POWER GENERATION | DRILLING MINING

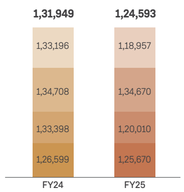
TUBES -SALES VOLUME (MT)



TUBES – SALES (₹ IN CRORE)



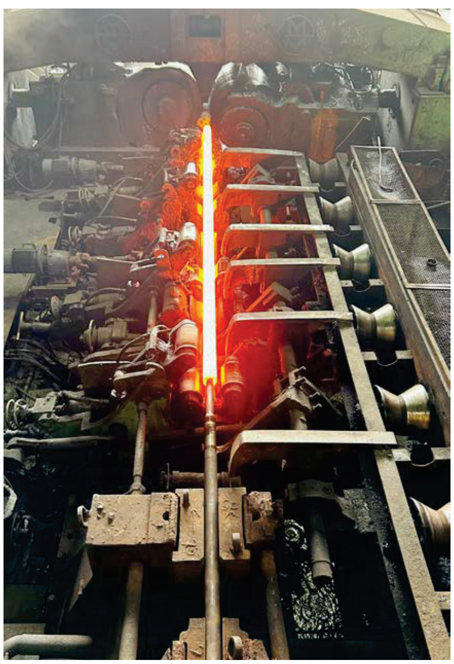
REALISATIONS (₹ /MT)



FY24 Q1 Q2 Q3 Q4
FY25 Q1 Q2 Q3 Q4

END USER PROFILE (IN %)

Auto	09%
Bearing	09%
Gen Engineering, Mining and Hydraulics	12%
Trade and Re-Drawers	18%
Projects and Defence	08%
Boiler	18%
OCTG	15%
Exports	11%



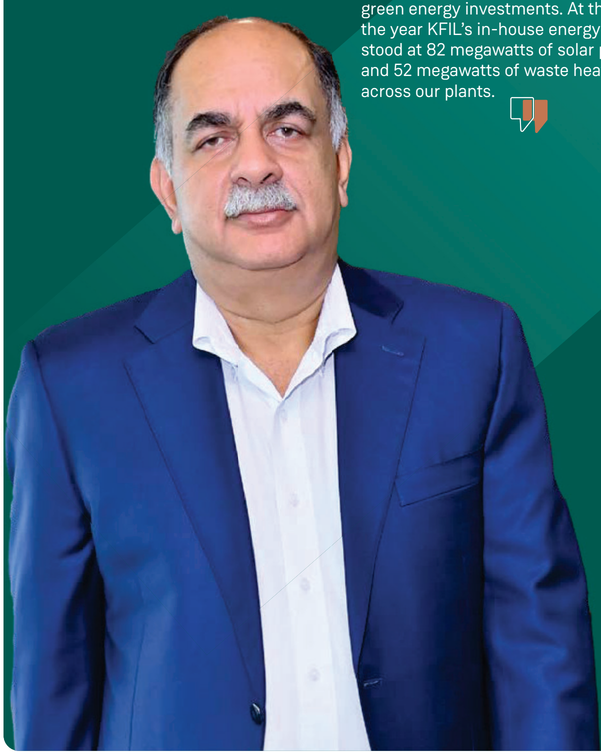
Performance review

Every number tells a story of relentless dedication, thoughtful innovation and mindful stewardship at KFIL. Our performance reflects the collective effort of our people, strategic excellence and our commitment to responsible growth. Our financial rigour is at the core of our sustained success—anchored in strategic capital allocation and relentless cost optimisation. The launch of cutting-edge equipment, paired with smarter fuel management, helped accelerate production and trim expenses—powering efficiency without compromise. Together, we continue to build a legacy of excellence—rooted in values, driven by innovation and inspired by the communities we serve.

Chairman's letter

Where vision meets value

Our commitment to sustainability was reinforced by our commitment towards green energy investments. At the end of the year KFIL's in-house energy capacity stood at 82 megawatts of solar power and 52 megawatts of waste heat recovery across our plants.



To our esteemed shareholders,

It is my privilege to present to you the Annual Report for the financial year ended March 31, 2025. This year has been one of meaningful progress, strategic investments and determined execution, as we continued to strengthen Kirloskar Ferrous Industries Limited's foundations for long-term, sustainable value creation.

FY 2025 was a year of transformation, not only in terms of our operational breadth but also in how we positioned ourselves for the future. Our strategic priorities remained anchored around three pillars: improving cost competitiveness, transitioning toward green energy and deepening integration across our value chain. I am pleased to report that we made significant headway on all these fronts.

The Company recorded a Standalone Revenue from operations of ₹6,566 crore during the year, a modest growth over the previous year, despite pricing volatility and inflationary pressure in key input materials. While margins in the first half were impacted by subdued realisations and global softness in demand, we saw a strong recovery in the latter part of the year as internal efficiencies and backward integration measures began to yield tangible results. EBITDA for the year stood at ₹758 crore reflecting 11.5% margins. The net profit for the year was ₹317 crore.

Our commitment to sustainability was reinforced by our commitment towards green energy investments. At the end of the year KFIL's in house energy capacity stood at 82 megawatts of solar power and 52 megawatts of waste heat recovery across our plants. With this, we now meet a substantial share of our energy needs through clean sources.

Importantly, the Jejuri steel plant is now certified to produce five-star rated steel, as per government standards, reflecting its low carbon footprint from electric arc furnace-based production. These milestones are not just symbolic—they are delivering measurable improvements in cost and emissions performance. We are steadily building one of India's most environmentally responsible industrial footprints.

This year also marked a historic first for the Kirloskar Group, with the commencement of operations at Kirloskar Bharat Mines. This represents a significant step toward backward integration. Early benefits of this initiative are already evident in the form of improved control over input costs and supply reliability.

We also advanced several efficiency-led initiatives across our manufacturing platforms. The implementation of Pulverised Coal Injection (PCI) and oxygen enrichment systems in our Koppal mini blast furnaces has improved furnace productivity and reduced coke consumption. These initiatives, together with our key projects aimed at cost reduction, debottlenecking and process automation, are playing a significant role in enhancing overall profitability.

We continued to invest in expanding our manufacturing and machining capacity, including the restoration and operationalisation of the Oliver Engineering Foundry in Punjab. During the year we also initiated large casting foundry project at our Solapur plant. These projects not only enhance our scale but also enable us to meet the growing demand for larger and more complex components from our customers. The addition of new CNC machines during the year will support our ambition to increase the share of machined castings and deepen our customer partnerships.

During the year, we also migrated our Baramati and Koppal operations to piped natural gas, further reinforcing our efforts to reduce dependence on fossil fuels and lower our carbon emissions. These transitions are part of a larger vision to future-proof our operations against regulatory and environmental risks while improving competitiveness.

As we look ahead, the broader business environment continues to be marked by global volatility, trade imbalances and shifts in energy dynamics. Yet, we remain confident in our ability to navigate these challenges and capture emerging opportunities. Our diversified product portfolio, strong customer relationships, disciplined capital allocation and unrelenting focus on sustainability position us well for the journey forward.

On behalf of the Board of Directors, I extend my sincere appreciation to our shareholders for your continued trust and support. I also acknowledge the commitment of our employees, the guidance of our leadership team and the enduring partnerships we share with our customers, suppliers and communities. Together, we are building a stronger, greener and more resilient Kirloskar Ferrous—ready to meet the future with confidence.

Warm regards,

RAHUL C KIRLOSKAR

CHAIRMAN

KIRLOSKAR FERROUS INDUSTRIES LIMITED

Q&A with Managing Director

Cast in India, scaling with purpose

Our long-term vision is to evolve into a fully integrated, environmentally responsible, and innovation-led manufacturing enterprise — one that delivers value not just through scale but through sustainability, product diversity, and advanced engineering capabilities.

To our esteemed shareholders,

What are the challenges faced by the companies this year and what Initiatives are undertaken to tackle those?

This financial year brought its share of challenges, both from an external environment and internal transition standpoint. From a market perspective, we witnessed considerable margin pressure, particularly in the pig iron and seamless tube segments. Global commodity price volatility, subdued realisations and the impact of dumping affected our pricing power. Additionally, input costs remained elevated in the early part of the year, particularly for coking coal and iron ore, before some moderation set in cost of coking coal.

On the operational front, we had to manage the complexities of integrating ISMT Limited following the merger, including alignment of systems, customer transitions and ERP harmonisation. These factors, combined with a sluggish demand scenario in the first half of the year across key end-user segments like tractors and automotive, led to temporary constraints in capacity utilisation and volume growth.

Despite these challenges, we remained focused on execution and took several proactive measures. We expanded our backward integration by operationalising Kirloskar Bharat Mines, enabling in-house iron ore sourcing, which has already begun to positively impact raw material costs. On the efficiency front, we implemented Pulverised Coal Injection (PCI) and oxygen enrichment systems in our Koppal blast furnaces, significantly reducing coke consumption and improving productivity.

We also accelerated our green energy investments — fully commissioning 82 MW of solar capacity and 52 MW of waste heat recovery. This has begun to reflect in our cost structures, particularly in our steel and tube divisions and supports our long-term carbon reduction goals. Further, we transitioned our Koppal and Baramati units to piped natural gas, reinforcing our environmental commitments while improving cost efficiency.

To address structural and market-driven bottlenecks, we undertook key debottlenecking and capacity enhancement projects across foundries and machining operations. This included the commissioning of the Oliver Engineering Foundry in Punjab, ramp-up of the second Solapur foundry line and investment in 25+ CNC machines to support our value-added strategy in machined castings.

While market uncertainties remain, I believe these initiatives have not only helped us mitigate near-term challenges but also positioned us for stronger, more sustainable growth in the coming years.

Q. How does the acquisition of Oliver Engineering Private Limited support diversification and attract new clientele?

The acquisition of Oliver Engineering Private Limited marks a strategic extension of our casting business and is aligned with our broader vision to diversify our product portfolio and customer base. Oliver's foundry facility in Punjab offers a unique geographical and capability advantage, enabling us to serve both existing and new clients more effectively — especially in the northern region of India.

From a diversification perspective, Oliver enhances our ability to manufacture a wider range of castings, particularly for the tractor, commercial vehicle, earthmoving equipment and non-auto sectors. These segments are seeing a shift in customer expectations, with growing demand for suppliers who can deliver high-quality castings with shorter lead times and value-added machining. With the addition of Oliver, we are now better equipped to meet those requirements.

During the year, we successfully restored and operationalised the foundry. Importantly, this foundry gives us additional capacity without the need to build greenfield infrastructure, thereby accelerating our market readiness and time-to-value.

We are also seeing strong customer interest, both from our existing base and from new OEMs, who see value in our expanded footprint, engineering depth and delivery reliability. Oliver's integration allows us to better serve national and regional players looking for trusted, large-scale casting partners with machining capabilities.

In essence, the acquisition supports our goals on multiple fronts — it strengthens regional presence, expands product offerings, enables quicker turnarounds and opens doors to newer clientele and applications. It is an important step in our long-term aspiration to become a preferred, full-range casting solutions provider to domestic and global manufacturers.

Q. What were the initiatives taken towards sustainability for the year?

Sustainability continues to be a central pillar of our strategy at Kirloskar Ferrous Industries. During FY 2025, we took several decisive steps to reduce our environmental footprint, improve energy efficiency and align our operations with long-term ESG goals.

One of our most notable achievements this year was the successful commissioning of a 70 MW solar plant at Jalna. Combined with the existing 12 MW solar facility in Solapur, KFIL now has a total captive solar capacity of 82 MW. Alongside this, we operationalised 52 megawatts of waste heat recovery (WHR), helping us harness energy from process emissions and lower our dependency on the grid electricity. These measures are already yielding tangible benefits in terms of both cost savings and emissions reduction.

In addition, we transitioned our Koppal and Baramati plants to piped natural gas (PNG), replacing traditional fossil fuels and further reducing our carbon intensity. Our Jejuri steel plant, powered by an electric arc furnace, is all set to meet (post the required approvals) the criteria for producing 5-star rated steel, as per government norms — a significant validation of our efforts toward clean manufacturing.

We also placed orders for wind energy capacity (12.6 MW) and initiated planning for the next phase of our green energy roadmap. This integrated approach ensures long-term energy security while reinforcing our leadership in industrial decarbonisation.

On the process side, we implemented Pulverised Coal Injection (PCI) and oxygen enrichment technologies in mini blast furnaces at Koppal. These initiatives have helped improve furnace efficiency and significantly reduce coke consumption — a critical contributor to both emissions and cost of iron-making.

All of these measures reflect our strong commitment to operational sustainability and our vision to lead the sector in responsible, future-ready manufacturing practices. We believe sustainability is not just the right thing to do — it is central to building long-term value for all stakeholders.

Q. What are the short-term and long term visions of the Company? How has the Company's progress been towards its fulfilment?

At Kirloskar Ferrous Industries, our short-term vision is focused on consolidating recent expansions, improving operational efficiencies and driving profitability through cost optimisation, backward integration and enhanced capacity utilisation. Over the past year, we have made strong progress on this front. We commissioned key projects such as the 70 MW solar power plant, waste heat recovery systems and fully operationalised the Oliver Engineering Foundry and Solapur Line 2, which have added to our casting capacity and reach. We have also implemented debottlenecking projects and energy efficiency upgrades like Pulverised Coal Injection and oxygen enrichment in our Koppal blast furnaces, directly impacting production efficiency and fuel cost savings.

> At Kirloskar Ferrous Industries, our short-term vision is focused on consolidating recent expansions, improving operational efficiencies and driving profitability through cost optimisation, backward integration and enhanced capacity utilisation.

Our long-term vision is to evolve into a fully integrated, environmentally responsible and innovation-led manufacturing enterprise — one that delivers value not just through scale but through sustainability, product diversity and advanced engineering capabilities. Towards this, we have taken important structural steps. The commencement of operations at Kirloskar Bharat Mines marks our first move into raw material integration, giving us long-term control over securing critical raw material supply. Our ongoing investment in renewable energy, with a target of increasing green power capacity, reflects our commitment to decarbonising operations. Moreover, we are actively expanding our machining and value-added casting capabilities to deepen customer engagement and enter new product and application segments.

We are also building future-ready capacity through projects like the two-part foundry at Solapur, which will enable us to address the growing demand for complex and heavy castings in sectors such as commercial vehicles, earthmoving equipment and global off-highway applications.

Overall, our progress has been steady and purposeful. While external headwinds such as commodity volatility and global trade dynamics have posed challenges, we have responded with agility — not by stepping back, but by pushing forward with well-timed investments, technology upgrades and structural improvements. These actions give us confidence that we are well-positioned to fulfil both our near-term operating goals and our long-term strategic aspirations.

Q. How do you plan to capitalise on the opportunities that you foresee to further drive growth?

At Kirloskar Ferrous Industries, our growth strategy is anchored in our long-term vision — to become the largest alloy steel manufacturer in India, one of the global top five in castings and a $2 billion company by 2030. We are working towards this aspiration with focused execution, guided by our mission to be a sustainable, growing organisation creating value for all stakeholders through limitless opportunities.

The opportunities ahead of us span product, process and geography. On the product front, the operationalisation of the Oliver Engineering Foundry and the ramp-up of Solapur Line 2 are enabling us to serve a broader and more sophisticated range of customer requirements — particularly in tractors, commercial vehicles and construction equipment. With increasing customer expectations around quality, precision and finish, we are scaling our machining and value-added services through continued investment in CNCs, while also developing new product lines tailored for global and domestic OEMs.

Our upcoming two-part foundry in Solapur will enhance our capacity for large castings, supporting both diversification and volume growth. In seamless tubes, we are working towards increasing capacity utilisation across Baramati and Ahmednagar, with the goal of reaching 300,000 tonnes by 2030. In addition, we are tapping into emerging opportunities in the oil & gas sector and increasing the throughput of our finishing lines, especially for premium products like couplings.

From a cost and competitiveness standpoint, we are strategically leveraging Kirloskar Bharat Mines for in-house iron ore, which gives us raw material security and improved cost control. On the energy side, our investments in renewables — 82 MW— coupled with the adoption of piped natural gas and waste heat recovery, are lowering our carbon footprint and creating long-term operational leverage.

Initiatives like Pulverised Coal Injection (PCI), oxygen enrichment and automation-driven debottlenecking are enhancing productivity across our iron-making operations. These investments are in line with our value system that emphasises excellence, accountability, integrity and sustainability.

We also believe that growth must be inclusive. Staying true to our mission of being a preferred employer and a responsible neighbour, we are investing in workforce development, safety and community engagement, while also pursuing ambitious ESG targets to ensure our operations are aligned with a cleaner, greener industrial future.

To sum up, our roadmap for growth is well-aligned with our vision and values. It is structured not only to address today's market opportunities but to build a resilient, diversified and globally competitive enterprise. We remain committed to executing with discipline, guided by our belief in sustainable value creation for every stakeholder we serve.

Regards,

R. V. GUMASTE

MANAGING DIRECTOR

Performance highlights

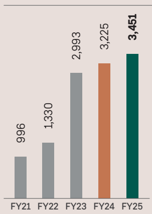
The engine of our growth

Our strategic approach and streamlined operations have led to margin improvements across all our business segments. During the year, we effectively managed input costs in pig iron production and strengthened in-house sourcing and operational efficiency. The commissioning of new equipment and improved fuel management have further boosted production while lowering costs.

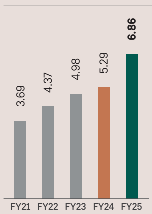
In our casting and tubes divisions, higher capacity utilisation and output have supported both revenue growth and profitability. Within the tubes segment, our focus remained on expanding high-margin product offerings and improving yield through process optimisation and quality control. In the steel segment, we continued to enhance product mix, reduce conversion costs, and secure better raw material linkages to build a more competitive and resilient value chain.

The full commissioning of our solar power plant has delivered tangible cost advantages, further enhancing our margins. Additionally, ramp-up at the Oliver foundry is progressing well, contributing to increased sales volumes.

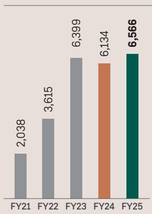
Capital expenditure
(₹ crore)



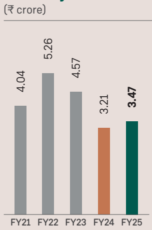
R&D expenditure
(₹ crore)



Total sales volume
(MT)



Inventory turnover ratio
(₹ crore)



ESG highlights

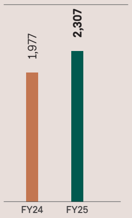
Caring beyond commerce

We have made significant strides in integrating advanced technologies into our operations, with a clear focus on reducing our environmental footprint and safeguarding natural resources for future generations. By leveraging innovative solutions and sustainable practices, we are working to minimise emissions, optimise resource utilisation and promote eco-friendly production processes throughout our value chain.

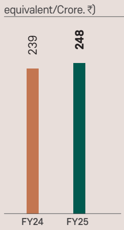
We have substantially expanded our training and development programmes, covering a wide spectrum of technical and functional areas. These initiatives are designed to enhance the skills and competencies of our workforce, ensuring that our teams remain agile, knowledgeable and prepared to meet evolving industry demands.

At the same time, we continue to prioritise employee health and safety through robust protocols and regular monitoring, maintaining high workplace safety standards. Beyond our internal operations, we remain committed to contributing meaningfully to the communities where we operate. Our initiatives are tailored to local needs and aim to create lasting positive impact across beneficiary groups.

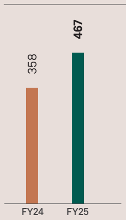
Energy Consumption
(GJ/ Crore. ₹)



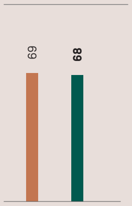
Total Scope 1 and Scope 2 emission intensity per rupee of turnover
(Metric tonnes of CO2 equivalent/Crore. ₹)



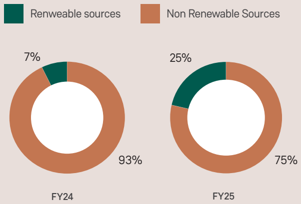
Water intensity per rupee of turnover
(Kilolitres/ Crore. ₹)



Waste intensity per rupee of turnover



Electricity from renewable sources



This year, KFIL saw an increase in overall energy and fuel use, which led to a rise in emissions intensity. Some of our major projects—like the Oxygen Enrichment Plant and Pulverised Coal Injection Plant—were commissioned this year and used more energy during their startup phase. While these projects will improve efficiency over time, their benefits have not yet reflected in this year's numbers. At the same time, even though we produced more, our product prices were lower due to tough market conditions. So, while our energy use went up, the revenue did not increase at the same rate, which affected our emissions intensity.

However, in line with our continued commitment to sustainability and the shift towards greener energy sources, the share of renewable electricity in our overall electricity consumption has increased significantly—from 7% last year to 25% this year.

FY 2025 in Retrospect

Q1 FY 2025

Strategic expansion and green energy integration

KFIL and ISMT commenced unified operations as a merged entity effective from **9th August 2024**. This marks a key milestone in business consolidation and operational synergy.

We **commissioned Phase I (35 MW DC)** of our **70 MW Solar Power Plant** at **Jalna**, operational from **1st July 2024**, strengthening our renewable energy portfolio.

Several **major capital investments** approached completion, with returns anticipated to start materialising in the forthcoming financial year.

Q2 FY2025

Capacity trials and solar expansion momentum

Phase II of the Jalna Solar Project, adding an additional **35 MW**, progressed as planned and is expected to be operational by **November 2024**.

Our capital projects continued to advance towards completion, with **annualised benefits** expected to accrue in the next fiscal cycle.

Q3 FY2025

Operational integration and resource optimisation

We successfully **commissioned oxygen enrichment technology**, enabling enhanced **utilisation of pulverised coal** and **reducing coke dependency**, thereby augmenting overall productivity and efficiency.

Mining operations resumed with an **annual permitted capacity of 1.24 lakh metric tonnes**, securing critical input material and cost control.

We established a **fully integrated value chain** — from **mines to machined castings** and **mines to seamless tubes**, reinforcing vertical integration.

We also **commissioned Phase II** of the **Jalna Solar Plant**, bringing total installed capacity to **69 MW DC**, supporting our sustainability goals.

Oliver Engineering initiated **trial run operations,** setting the stage for expanded value-added production capabilities.

Q4 FY2025

Optimisation and renewable power benefit

The **Pulverised Coal Injection (PCI) plant** was successfully **stabilised and optimised**, delivering **significant cost efficiencies** in ironmaking operations.

Mining operations scaled up, enabling **sourcing of low-phosphorus iron ore**, which is critical for the production of **SG-grade Pig Iron**.

We realised the **full benefits of the Jalna Solar Plant** during the quarter, driving down energy costs and augmenting renewable energy contribution across operations.

Honours that inspire us forward

Mr. C Ramesh received 'Foundry Man of the Year Award' from ' The Institute of Indian Foundrymen'

Best Innovation Award from JCB - 06-12-2024

Mr. Srivatsan Raviprakasha, recognised as the CFO of the Year by 'The Business Leader of the Year'.

Global Environment & Sustainability Award 2025 in the Environment Protection category

KFIL team won Kirloskar Icons Award

"Best supply chain management" award received from Volvo Eicher commercial vehicles - A 'Hattrick Year' winning the award for 3 consecutive year

"Platinum Award for Sustainability: Green Foundry" by Kirloskar Oil Engines Limited

Safety Award-Kalaburagi 21-07-2024

Operating environment

We operate at the juncture of core infrastructure, manufacturing and industrial innovation. FY 2024-25 was characterised by a stable demand across the tractor and commercial vehicle segments, a surge in infrastructure investments and a resurgence in domestic manufacturing. Despite volatility in commodity prices and sectoral headwinds, our diversified portfolio and operational agility enabled us to navigate challenges while remaining well-positioned for future growth.

What is changing	What it means for us
A stronger policy impetus towards domestic manufacturing and infrastructure	• Bolsters demand for pig iron, castings and seamless tubes across core sectors • Positions us to capitalise on Make in India and import substitution tailwinds • Enables expansion of customer base across automotive, engineering and construction
Recovery in tractor, utility vehicle and diesel engine markets	• Supports volume growth in castings, particularly cylinder blocks and heads • Optimises utilisation of machining capacities at Koppal and Solapur • Facilitates deeper integration with Tier-I OEMs
Forward integration post ISMT merger and Oliver Engineering acquisition	• Expands offerings into seamless tubes, steel and precision machining • Enables cross-selling across product categories and new geographies • Builds a broader presence in automotive, oil and gas, bearing and boiler segments
Focus on sustainable manufacturing and renewable energy adoption	• Reinforces cost competitiveness through solar power and WHR plant benefits • Supports ESG goals and regulatory compliance • Enhances stakeholder confidence and long-term value creation
Growing customer preference for value-added and high-performance products	• Justifies investments in R&D for new alloys, prototyping and 3D printing • Drives higher margin realisations from premium tubes and customised castings • Creates differentiation in competitive tender-based segments

Outlook

We step into FY 2025-26 with a stronger, more diversified portfolio and a heightened focus on sustainability, value addition and customer-centricity. Although macroeconomic uncertainties persist, the growth outlook remains favourable on the back of robust demand from automotive, energy, infrastructure and manufacturing sectors. Enhanced manufacturing efficiency, strategic capacity expansions and a commitment to clean energy positions us to achieve resilient and responsible growth in the year ahead.

Value creation approach

At KFIL, our value creation approach is built on a foundation of healthy financial strength and advanced manufacturing capabilities. Combined with top-notch R&D expertise and a dedicated, skilled team, we ensure positive, enduring relationships with all our stakeholders. Our commitment to integrated sustainable practices ensures we reduce our environmental footprint while delivering lasting impact—creating value that endures.

Value-accretive model

Casting strength into long-term value

At KFIL, our value creation approach is built on a foundation of healthy financial strength and advanced manufacturing capabilities. Combined with top-notch R&D expertise and a dedicated, skilled team, we ensure positive, enduring relationships with all our stakeholders.

What we have

₹ 2,098 crore
Net worth

₹ 678 crore
Loan

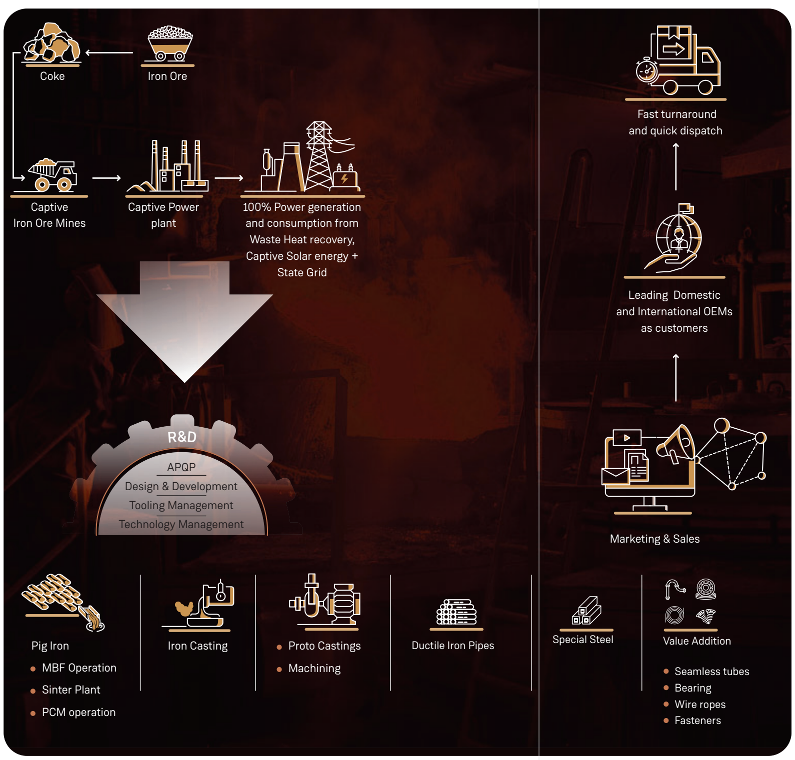
7
Manufacturing Units
(Including subsidiary)

₹ 6.9 crore
Spent on Research and Development

3,452
Employees on Payroll

₹ 10.1 crore
Spent on CSR

Our value creation process



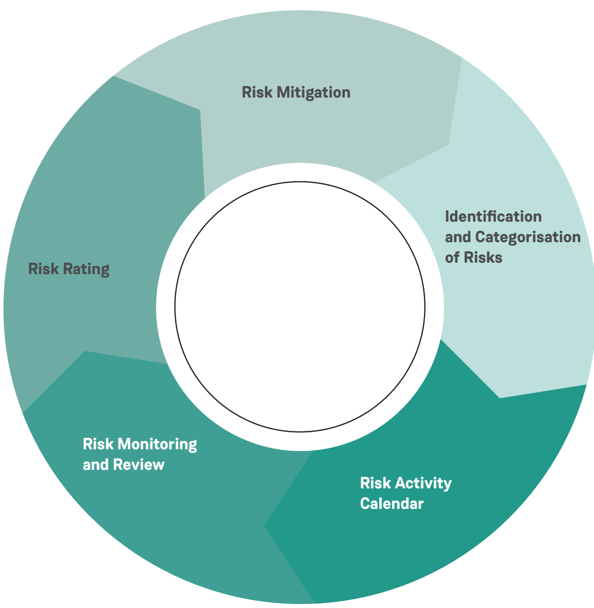
Value created	Stakeholders IMpActed	UN SDGs impacted
₹ 6,566 crore Turnover	• Shareholders/ Investors	
5.50 Dividend per share	• Customers • Dealers • Suppliers/sub-contractors	
₹ 9,514 crore Market capitalisation as on May 30, 2025	• Employees • Customers	
35,000+ People benefited through CSR activities	• Employees	
3,34,515 MT Waste Recycled	• Shareholders/ Investors • Customers • Dealers • Suppliers/Subcontractors • Employees • Government agencies and regulatory bodies • Society	
14,459 MT Waste re-used		

Risk management

Resilience cast in capability and foresight

Robust risk management is essential to maintaining and strengthening our organisation's resilience. We are dedicated to systematically identifying, evaluating and prioritising risks that may affect our operations, financial health and reputation. Through a structured approach and well-defined frameworks, we aim to mitigate risks proactively and remain agile in responding to emerging challenges and opportunities.

Our risk management process



Risk category	Impact	Mitigation Measures	Priority	Capitals impacted
Strategic Risk	Arises from internal factors such as poor planning, resource constraints and external factors such as economic downturns, regulatory changes, and customer demands.	• Monitor market trends and government policies • Maintain strong stakeholder relationships • Diversify product portfolio	Medium	
Operational Risk	Losses from inadequate/ failed processes, people, systems, or external events disrupting daily operations related to human resource, IT, supply chain, mining and more.	• Regularly update machinery and equipment • Implement advanced technologies and automation to improve efficiency	High	
Financial Risk	Potential financial losses due to insufficient working capital, poor hedging, or currency fluctuations.	• Pursue strategic mergers and acquisitions to strengthen market position and access new technologies and markets	High	
Compliance Risk	Risks from non-compliance with laws, regulations, standards, or policies, leading to penalties or reputational harm.	• Review and update compliance policies • Conduct regular internal audits to ensure adherence and identify gaps	High	
Reputational Risk	Potential damage to reputation from negative publicity, ethical breaches, or unmet stakeholder expectations, causing financial and market losses.	• Innovate and develop products to meet customer needs • Ensure product quality and reliability to maintain trust	Medium	
Sustainability Risk	Negative impacts from environmental, social, and governance (ESG) factors such as climate change, resource scarcity, and social responsibility.	• Innovate and upgrade equipment/processes for better energy efficiency and reduced waste	Medium	

Financial Capital | Manufactured Capital | Intellectual Capital | Human Capital | Social and Relationship Capital | Natural Capital

Stakeholder engagement

Built on trust, driven by engagement

By maintaining a robust stakeholder engagement framework, we consistently collaborate with key stakeholders to strategise, identify growth opportunities and make well-informed decisions. This engagement helps us set clear priorities, refine our business practices, drive business growth and deliver sustained value to all stakeholders.

Stakeholder engagement process

Establishment of Plan → Collection of Opinions → Internal Report → Improvement Activities → Monitoring

What they expect	How we engage	Frequency of engagement	Capital linkages	UN SDGs linkages
Employees				
• Career growth opportunities • Favourable working conditions • Fair practice and wages • Skill development and training programmes • Health and safety • Reward and recognition	• Leadership-connect sessions and open houses • Performance appraisals and career planning reviews • Digital learning platforms and cross-functional taskforces • Employee engagement programmes	Regular and need based		
Shareholders/investors				
• Future business plans • Sustainable top line and profitable bottom-line growth • Financial stability	• Annual General Meetings • Analyst meets and investor presentations • Media releases and regulatory announcements • Annual Report and financial disclosures	Quarterly		
Customers				
• Product quality • Timely delivery • Competitive pricing • New Part Development (NPD) turnaround time • Surface finish • After-sales service	• One-on-one interaction through site visits • Customer satisfaction surveys and quality audits • Helpdesk and service touchpoints • Customer events, camps and exhibitions	Need based and as and when required		
Suppliers				
• Sustainable business growth • Supply chain management • Transparent business planning • Ethical practices	• One-on-one interaction • Annual supplier meets and conferences • Fettlers and contractors' meetings • Suppliers/ vendors audits	Need based and as and when required		
Dealers				
• Product quality and on-time delivery • Long-term business relationships • Timely payments • Ethical conduct	• Dealer engagement programmes • Annual dealers' meets	Annual		
Society				
• Focus on environment, health and safety • Livelihood opportunities • Infrastructure development and education	• CSR committee meetings and implementation reviews • CSR and Society Perception Surveys • Informal interaction and CSR programme	Annual		
Government agencies and regulatory bodies				
• Full compliance with rules and regulations • Accurate and timely reporting	• Participation in economic publications, journals, and seminars • Interaction with District, State and Central authorities • Meetings with Pollution Control Boards and tax departments • Submissions through regulatory channels and industry forums	Periodic		

Financial Capital | Manufactured Capital | Intellectual Capital | Human Capital | Social and Relationship Capital | Natural Capital

Materiality assessment

What matters most cast into our strategy

We place significant emphasis on the materiality assessment process, recognising its vital role in pinpointing key issues and evaluating their effects on our internal operations as well as our external stakeholders. This structured approach allows us to implement effective risk management strategies while also identifying and leveraging opportunities for growth. By maintaining continuous and transparent dialogue with our stakeholders, we strive to stay adaptable and responsive to evolving industry trends, ensuring we remain proactive and well-prepared for future developments.

Materiality assessment process

Stakeholder Identification → Evaluating Standards and Frameworks → Online Surveys → Final Materiality Matrix → Mapping → Diagnostic Assessment

Materiality assessment process

Rank	Material matters
1	Employee health and safety
2	Business ethics
3	Circular economy (waste and water management)
4	Talent management
5	Climate action (energy management, product stewardship, climate change, GHG and other air emissions, biodiversity)
6	Community relations
7	Human rights (labour practices, human rights)
8	Responsible supply chain
9	Sustainable innovation
10	Data Privacy

Framework for ESG commitments

Environment

- Circular economy (waste and water management, product stewardship and life cycle management)
- Climate action (energy management, GHG emissions

Social

- Employee health and safety
- Talent management
- Stakeholder Relations (Shareholders, Customers, Community and Supply Chain Partners)
- Responsible Supply chain
- Human Rights and labour practices (Diversity, Equity & Inclusion, Human Rights)

Governance

- Corporate Governance (Business Ethics, Board Structure and Management, Risk Management, Tax Transparency)
- Innovation Management
- Cyber security and Data privacy
- Transparent disclosures

Framework for ESG commitments

	TARGET	GOAL
Environment	• 10% reduction in carbon emission intensity (Scope 1 + Scope 2) by 2030 • Increase in renewable energy/waste heat recovery energy to 50% of total energy requirements by 2030 • Working towards zero liquid discharge across all the plants	• Climate Action • Circular Economy • Water Management
Environment	• Cover 100% of employees under code of conduct training • Community development with CSR initiatives	• Nurturing Workplace • Community development
Environment	• Obtain BRSR core assurance as per SEBI guidelines • Zero data breaches	• Corporate governance • Cyber security

Board of Directors

RAHUL C. KIRLOSKAR

CHAIRMAN

Mr. Rahul Chandrakant Kirloskar is a promoter of the Company and various other Kirloskar companies. He has been associated with the Kirloskar companies for more than thirty seven years in different capacities. In December 1993, he was appointed as the Managing Director of Kirloskar Pneumatic Company Limited and thereafter in September 1998, he took over as the Chairman of that company. From the year 2001 to 2012, he has been the Director (Exports) of Kirloskar Oil Engines Limited, wherein the major thrust areas were expanding export operations for that company. He has also been the Chairman of Confederation of Indian Industry (CII) Pune Council as well as Maharashtra State CII Council.

R. V. GUMASTE

MANAGING DIRECTOR

Ravindranath Venkatesh Gumaste holds a Bachelors degree in Metallurgical Engineering from Karnataka Regional Engineering College, Surathkal. Soon after graduating, he joined Kirloskar Oil Engines Limited in July 1981. Ever since his joining, he has been instrumental in effecting change, implementing systems and quality development in several departments such as Heat Treatment, Metallurgical, Quality Control, etc. In 1993, he joined Kirloskar Ferrous Industries Limited and later rose to become the SBU Chief for the pig iron business in 1998. He was appointed as Executive Director of the Company in 2002 and Managing Director of the Company in 2003.

V. M. VARMA

INDEPENDENT NON EXECUTIVE DIRECTOR

Mr. Vijaydipak Mukundprasad Varma, is a Non-Independent Director on the Board of Swaraj Engines Limited since 2009 and the Chairman of Executive Council of Indian Diesel Engine Manufacturers' Association (IDEMA) since 2010. He was Managing Director / President of Kirloskar Proprietary Limited, who owns brands and trademarks used by Kirloskar Group companies and manages, promotes and protects brands and trademarks and licenses these to users. He worked earlier with Kirloskar Oil Engines Limited and held key positions in domestic and export marketing and sales, setting up power plant, heading business to generate and sell power, managing projects in strategy development, process engineering and information technology and was responsible for negotiating, setting up and closing technology transfers and joint ventures and acquisitions of businesses. He graduated in Mechanical Engineering from the College of Engineering (COEP), Pune.

S. VENKATARAMANI

INDEPENDENT NON EXECUTIVE DIRECTOR

Mr. Venkataramani Sathya Moorthy, is a graduate in science and a fellow chartered accountant by profession. He has been in practice of Indirect taxes for more than 25 years in the areas of advisory, assessments, appeals, representation before the tribunals, enforcement authorities, etc. He was associated with the partnership firm 'Singhvi, Dev & Unni', Chartered Accountants in various capacities such as employee, partner and advisor for around 30 years and is now in independent practice since January 2020. He is associated as a member of various committees constituted by trade bodies, professional associations, chambers of commerce, the Institute of Chartered Accountants of India, etc. He is a regular speaker as well as a faculty in the areas of sales tax, value added tax and GST at the State and National level. He has co-authored few books in the subjects of VAT and GST.

R. S. SRIVATSAN

EXECUTIVE DIRECTOR (FINANCE) AND CFO

Mr. Raviprakasha Srinivasa Srivatsan, holds a Bachelors degree of Commerce and is an Associate Member of the Institute of Chartered Accountants of India. He has more than 37 years of experience in the fields of accounting, taxation and corporate finance. He has previously worked as a Senior Manager, Finance, at Vasavadatta Cement (Unit of Kesoram Industries Limited). He has been awarded the Best CFO Award twice in the 'Auto in Small Cap' category during the year 2019 and 2021 by the Dalal Street Investment Journal and once by Yes Bank and BW Businessworld in the year 2017.

PRAVIR KUMAR VOHRA

INDEPENDENT NON EXECUTIVE DIRECTOR

Mr. Pravir Kumar Vohra, is a postgraduate in Economics from St. Stephen's College, University of Delhi and a Certified Associate of the Indian Institute of Bankers. He began his career in banking with State Bank of India where he worked for over 23 years. He held various senior level positions in business as well as technology within the bank, both in India and abroad. In January 2000, Mr. Pravir Kumar Vohra moved to the ICICI Bank group where he headed a number of functions like the Retail Technology Group and Technology Management Group. In these capacities, he oversaw the deployment of technology across ICICI Bank's domestic and international operations and was instrumental in creating a future-ready, platform independent & scalable infrastructure. From the year 2005 to 2012, he was the President and Group CTO at ICICI Bank. Post his retirement from ICICI Bank in the year 2012, he mentored start-ups in the payments space and more recently, completed a two year assignment to set up the Tech and Ops function at New Development Bank, Shanghai. He also continues to serve on the Technology Advisory Committees of organisations like the Bombay Stock Exchange, NCDEX, Indian Clearing Corporation, SEBI, NPCI and Power Exchange India, etc. He is passionate about leveraging the power of available and emerging technologies to solve real life business issues, improve operating efficiency, design new products and processes that would touch the lives of the Indian people.

DR. SHALINI SARIN

INDEPENDENT NON EXECUTIVE DIRECTOR

Dr. Shalini Sarin, is the former global Senior Vice President HR at Philips Lighting (Signify) & Ex CHRO Schneider Electric Greater India. Her experience ranges from, being a Chief People Officer to leading Sustainable Social business and has worked across India, Europe and US in regional and global roles. Shalini balances her time between the corporate and the development sector through advisory, governance and coaching. She is an investor and chief mentor with an EV charging CPO- Elektromobilitat and serves on a few Corporate boards in India and in Germany. She plays a significant role through committees like Nomination & Compensation (NRC), Risk Management (RMC), Environment, Social & Governance (ESG) and Corporate Social Responsibility Committee (CSR). Shalini is on the advisory committee of a few not for profits like Head Held High, Worldwide Sherors and a Trustee at Plaksha University. She is an advisor with the European Leadership Partners, mentors a few start-ups and is an executive for a few CEOs. Shalini holds a Doctorate in Organisation Behaviour & Masters in Sociology and Human Resource Management. She has Executive Certifications from Ross School of Business-University of Michigan, UNC, Motorola University-Chicago, British Psychology Society, INSEAD and Harvard Business School. She has authored many articles and presented at various Indian and International Conferences.

M. S. SRINIVASAN

INDEPENDENT NON EXECUTIVE DIRECTOR

Maruthuvakudi Sankaranarayana Srinivasan, has completed the Bachelor of Mechanical Engineering from Bharathidasan University, Tamil Nadu in the year 1988. He is accomplished business leader with around 36 years' experience in auto, auto components, engineering and power sectors. He has facilitated companies to grow business, manage profit & loss and cash flows, start new / expand business, startup ventures, develop and coach leaders and drive business and functional excellence. He has worked earlier with companies viz. Crompton Greaves Limited (for around 15 years), Mahindra and Mahindra Limited - auto sector (for around 5 years), Chicago Pneumatic India Limited (for around 5 years) in diverse roles. Presently, he is a Principal Consultant (Business Excellence) at CII Institute of Quality at Bangalore.

NISHIKANT BALKRISHNA EKTARE

EXECUTIVE DIRECTOR (OPERATIONS)

Mr. Nishikant Balkrishna Ektare, holds a Bachelor's degree in Electrical Engineering from National Institute of Technology, Nagpur. He possesses working experience in tube industry and steel plant before joining initially as the Maintenance In-charge in Koppal plant of Kirloskar Ferrous Industries Limited in the year 1994. Subsequently, he was promoted to SBU Head (pig iron plant) in the year 2001. Having successfully led the pig iron business, he took charge as the Chief Operating Officer (Koppal plant) in the year 2013. He worked as President (Koppal plant) and led various growth initiatives and projects at Koppal plant. After acquisition of majority stake of ISMT Limited by Kirloskar Ferrous Industries Limited, he was the Managing Director of that company for a period from 10 March 2022 to 8 August 2024. He is passionate about innovation and open to new and breakthrough ideas that could disrupt the business positively. He is a native of Indore city and an avid cricket enthusiast.

PATTANASETTY RAJASHEKHAR

INDEPENDENT NON EXECUTIVE DIRECTOR

Mr. Pattanasetty Rajashekhar, has completed the Bachelor of Mechanical Engineering from Karnataka University in the year 1981. He is accomplished business leader with around 40 years' experience in the steel industry including roles as Whole Time Director of Neotrex Steel Limited and JSW Vijayanagar Metallics Limited. He has spearheaded groundbreaking projects like the Touch Project, an 18 mtpa endeavour ensuring its completion in a record time frame. His innovative prowess is evident in the development of Corex new technology, which he introduced to the country revolutionising steel production. From pioneering digitalisation projects to optimising manpower, his leadership has turned challenges into opportunities, setting new standards for the industry.

SOURIRAJAN RAJAGOPALAN

INDEPENDENT NON EXECUTIVE DIRECTOR

Mr. Sourirajan Rajagopalan, is a graduate in metallurgical Engineering with exposure to management education from the Indian Institute of Management, Ahmedabad. He has rich experience of around fifty years in the field of automotive component manufacturing and foundry operations. He has worked earlier in leading auto ancillary companies and had a stint of entrepreneurship also for a decade. He has spearheaded couple of green field projects before involving in Ashley Alteams and has global exposure too. He has been Chief Executive Officer of Ashley Alteams from the year 2008 to the year 2023. Established the Project in entirety and made it a profitable organisation with robust systems. After retiring in November 2023, he is engaged in the advisory services.

ADITI ATUL KIRLOSKAR

NON EXECUTIVE NON INDEPENDENT DIRECTOR

Ms. Aditi Atul Kirloskar, holds a Bachelor of Science in Sociology from Northeastern University, Boston, graduating in 2007. She is currently the Vice President at the Kirloskar Institute of Management, where she plays a pivotal role in guiding the institute's strategic direction and fostering innovation in management education. Her professional journey includes working as an HR Consultant at Thought Digital (a subsidiary of Zensar Technologies Limited) from 2007 to 2009. Following this, she served as a General Manager (HR) at Kirloskar Pneumatic Company Limited from 2009 to 2013, and as Head of Design at Wearwell India Private Limited from 2013 to 2019.

Strategic approach

Our strategy, at KFIL, is focused on innovation, operational excellence and sustainable growth. By leveraging advanced technology, integrated processes and a customer-first mindset, we create enduring value.

Our approach ensures that every initiative aligns with long-term goals, empowering us to lead the industry and deliver meaningful impact to stakeholders.

S1: Accelerate

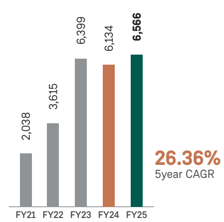
Financial performance

We maintain strong financial discipline through strategic capital allocation, cost optimisation across all operations and a sharp focus on sustaining healthy cash flows. Over the years, our efforts have enhanced cost-efficiency and value creation, enabling us to deliver strong business outcomes and long-term, sustainable growth.

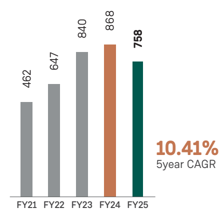
UN SDGs IMPACTED

8 DECENT WORK AND ECONOMIC GROWTH

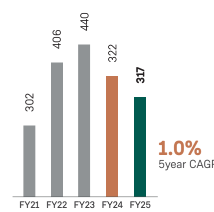
Revenue
(₹ crore)



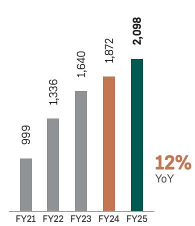
EBITDA
(₹ crore)



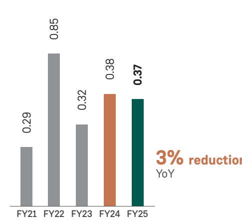
PAT
(₹ crore)



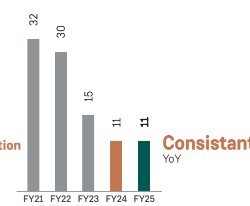
Net Worth
(₹ crore)



Debt Equity Ratio
(in times)



ROCE
(in %)



EBITDA excluding Other Income and Exceptional Items.

S2: Transform

Innovation, technology and product development

We have strengthened our innovation-led growth strategy through a multi-dimensional approach based on technological advancement, product diversification, capacity enhancement and sustainability. These initiatives are methodically designed to build competitive, future-ready capabilities across casting, machining, energy and material systems. These efforts ensure our alignment with shifting market dynamics and broader industrial priorities of the nation.

UN SDGs IMPACTED

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Strategic product development and expanding casting capacity

A focused expansion of our casting footprint remained a crucial priority, coupled with the development of long-term customer partnerships. At our Solapur facility, Line 2 achieved full production scale, delivering several new components for tractors, commercial vehicles and earthmoving machinery. We successfully revived the Oliver Engineering Foundry in Punjab and scaled it to upwards of 600 MT/month output by end of FY 2025. To address the growing demand for large-format, high-precision castings, we commenced the construction of a Two-Part Foundry.

Integrated machining and value addition

In response to the escalating demand of value-added and ready-to-assemble components, we expanded our in-house machining capabilities. During FY 2025, we invested in the installation of over 25 high-performanceComputer Numerical Control (CNC) machines. These enabled us to serve the sectors with complex precision requirements, such as automotive, exports and construction equipment. Our objective is to convert at least 25% of total castings into machined components. Once fully operational, this vertical integration is envisioned to significantly augment our annual revenue and reinforce our evolution as an end-to-end component solutions provider.

Strategic product development and expanding casting capacity

A focused expansion of our casting footprint remained a crucial priority, coupled with the development of long-term customer partnerships. At our Solapur facility, Line 2 achieved full production scale, delivering several new components for tractors, commercial vehicles and earthmoving machinery. We successfully revived the Oliver Engineering Foundry in Punjab. To address the growing demand for large-format, high-precision castings, we commenced the construction of a Two-Part Foundry.

Debottlenecking and premiumisation

In our seamless tubes business, we implemented a series of debottlenecking measures at Baramati and Ahmednagar facilities. These upgrades enhanced operational efficiency and enabled us to scale our annual saleable tube capacity. During the year, we also commenced the supply of premium couplings, specifically engineered to meet the technical standards of clients in oil and gas, power and infrastructure sectors. This initiative conveys our strategic move towards product premiumisation and higher-value applications.

1,32,242 MT annually

Castings Sold annually for FY 2025 - 10% Increase YOY

1,68,804 MT

Tube Sold annually for FY 2025 - 8% Increase YOY

Integration of digital energy infrastructure

We extended our innovation agenda beyond manufacturing processes by embedding digital intelligence into our energy systems. Smart meters, and advanced analytics were deployed across facilities to enable real-time energy monitoring. A centralised digital energy command centre, currently under development at Pune (One Avante), will oversee cross-plant energy flows, support predictive interventions and optimise renewable power utilisation.

Our renewable portfolio witnessed major strides this year with the commissioning of a 70 MW solar power plant, supported by an already operational 12.6 MW of wind energy and an another 12.6 MW under procurement. These efforts collectively support cost stability, decarbonisation and our alignment with India's clean energy objectives.

Materials and metallurgical innovation

In line with our self-reliance and quality control objectives, we commenced in-plant utilisation of iron ore from our Bharat Mines, thereby reducing procurement dependency and ensuring greater control on metallurgical consistency. On the operational front, we continued to innovate within our blast furnace systems by implementing Pulverised Coal Injection (PCI) and oxygen enrichment technologies. These initiatives have yielded substantial gain in productivity and a marked reduction in coke rates. These metallurgical advancements are delivering large-scale efficiencies and supporting our long-term sustainability targets.

S3: Optimise

Manufacturing excellence

Our legacy of manufacturing excellence is built on the foundation of decades of experience reinforced by continuous investments in advanced technology and infrastructure. Over time, we have steadily enhanced our capabilities to efficiently deliver complex and high-precision engine castings at scale. By placing quality, reliability and performance at the forefront, we consistently meet the expectations of our customers and maintain our position as a trusted partner in the industry.

UN SDGs IMPACTED

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Key achievements of the year

Highest ever Casting Sales of 1.41 Lac MT
No 1 Market leadership Maintained

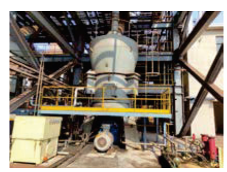
'Foundry Man' of the Year award

Oliver Engg Plant Commissioned

Kickoff Large casting Foundry project @ Solapur

Award in BEST INNOVATION Category by JCB

Commencement of Operations at KBM Mines
Capacity: 1,24,000 MT/Annum



Commissioning of PCI (18 TPH) & O2 Plant (3000 Nm3)

Liquid metal production 6,31,103 MT

Our manufacturing facilities

KFIL

- **Pig Iron**
  - Koppal: MBF1, MBF2
  - Hiriyur: MBF3
- **Casting**
  - Koppal: Line 1, Line 2
  - Solapur: Line 3, Line 4
- **Steel**
  - Jejuri: EAF-LRF-VD-Concast-Rolling mill
- **Tubes**
  - Baramati: 1 Assel Mill, 1 PQF Mill
  - Ahmednagar: 2 Assel Mills

Total capacity per annum

~1,80,000 MT
Iron castings capacity

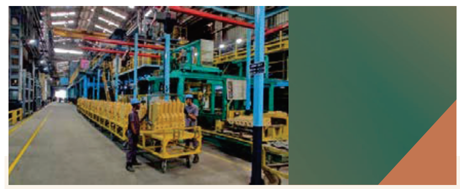
~7,00,000 MT
Pig iron capacity

~3,00,000 MT
Steel capacity*

~3,70,000 MT
Seamless tubes capacity**

*Liquid Metal
**Hot Mill Rolling

Koppal Plant



Manufacturing capabilities

This facility stands as the keystone of our manufacturing ecosystem through its technological depth and expansive operational scale, thereby ensuring customer-centricity. During FY 2025, we undertook a substantive scale-up of our production capabilities to ensure significantly higher production and our readiness to cater to rising demand for complex engine components.

CASTING - FOUNDRY

In anticipation of future production needs, we are upgrading our fettling operations and implementing robotic core coating with a new drying oven on Core Line 1. These investments are aligned with increasing product complexity and our drive towards higher productivity.

At our Koppal facility, technological advancements continue to gain momentum. We have integrated advanced automation in the cold box process. Further, the integration of LAMPE cells for critical cold box with jacket core production has notably enhanced precision and operational efficiency.

Sustainability remains crucial to the operations at Koppal. The facility reclaims 28% of borings and 10% of sand for reuse. The plant also recycles internal foundry waste, such as runners, risers and vent pins, reflecting our dedication to environmentally conscious manufacturing.

We also focus on proactive customer communication and supply chain transparency by sharing regular updates through daily dispatch trackers, automated logistics emails and virtual meetings, especially for on-going projects and new developments. A CRM platform is currently being implemented to further streamline customer interaction.

PIG IRON

Advancing on our technical advancement roadmap, the plant has introduced Pulverised Coal Injection (PCI) and Oxygen Enrichment operating at 3,000 NM³/hr with 92% purity. These upgrades have resulted in significant reduction in coke consumption, while driving both efficiency and sustainability outcomes.

Infrastructure development efforts are currently prioritising coke bunker heating, using waste heat recovery from the sinter cooler and the implementation of nut ore screening at the sinter plant's ground hopper. These initiatives are geared towards improving thermal efficiency and raw material throughput. The plant has commissioned a third Pig Casting Machine to augment output capacity.

From a sustainability perspective, the plant exhibits a strong commitment by utilising 100% of the dry dust (GCP dust) generated from Fume Extraction Systems (FES) and Electrostatic Precipitators (ESP) in the sinter plant. New product development is guided by rigorous environmental standards, incorporating Lifecycle Assessments (LCA), Eco-design Guidelines (ISO 14006) and Green Procurement policies that engage suppliers in improving energy and material efficiency.

Hiriyur Plant

Manufacturing capabilities

PIG IRON

The Hiriyur PIP (Pig Iron Plant) continues to be a critical enabler of KFIL's backward integration and raw material autonomy.

Solapur Plant

Manufacturing capabilities

CASTING - FOUNDRY

The Solapur plant remains indispensable to KFIL's foundry operations. The plant is distinguished by its strong focus on advanced manufacturing and precision casting. We have embraced a suite of advanced technologies, such as robotic core handling and assembly, online spectrometry for metal mix consistency and ultrasonic NDT for liner bore wall thickness inspection for this plant. Looking ahead, automation will be strengthened further through the integration of auto pouring systems for SG iron, conveyorised handling for machining and automated inspection of machined parts.

From an infrastructural standpoint, we are augmenting the plant's fettling capacity to 1.5 times the current demand and enhancing core making capabilities through shell core automation. Additionally, the No-Bake Line is being configured to produce large castings beyond 200 kg up to 1,200 kg, supported by an integrated auto pouring system for consistency and efficiency.

Sustainability continues to be central to the plant's operations. Approximately 40% of core sand is reclaimed, while 100% of the forging and machining scrap along with other by-products are reused or recycled. Electric Arc Furnace (EAF) steel scrap contributes ~25% of the overall material input.

Jejuri Plant

Manufacturing capabilities

STEEL

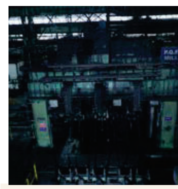
The Jejuri plant i plays a key role in KFIL's strategy to expand its footprint in high-quality steel production, catering to demanding applications across automotive, bearings, hydraulics and more. Equipped with advanced processes such as Electric Arc Furnace (EAF) melting, ladle refining, vacuum degassing and continuous casting, the plant is designed to produce ultra-clean steels in carbon, alloy, martensitic stainless and free-machining grades.

This expansion was accompanied by the integration of cutting-edge inspection technologies. A new Auto Ultrasonic Testing (UT) line was added to our inspection line, significantly improving flaw detection and enhancing product reliability. We also commissioned the AUTO MOULD Level Controller (AMLC) system, which has heightened moulding accuracy and consistency in product quality. While the deployment of these systems presented initial challenges, our teams seamlessly navigated them through focussed training programmes.

We have sustained our momentum in infrastructure enhancements through prudent investments aimed at improving operational efficiency and environmental compliance. Key developments encompass the installation of a fume extraction system at the steel melt shop, construction of a new inspection shed and expansion of scrap storage capacity with an additional yard. Collectively, these initiatives contribute to environmental compliance, resource efficiency and the creation of a healthier and safe working environment.

On the sustainability front, we are advancing circular manufacturing practices by maximising the reuse of by-products and recycled materials. Around 10–15% of raw materials used in steelmaking are sourced from recycled skulls and end cuts generated internally. Additionally, we repurpose nearly 200 MT of scale per month from our casting and rolling mills at the Koppal sinter plant, promoting internal material circularity. Overall, we recycle more than 20% of in-house scrap, reducing our dependency on new inputs and improving material efficiency.

Baramati Plant



Manufacturing capabilities

TUBES

We carried out substantial improvements in the rolling capacities during this year. Over the year, we also prioritised targeted upgrades and equipment optimisation to support capacity and maintain consistent product quality.

From the technology standpoint, we have converted our fuel system from LSHS (Low Sulphur Heavy Stock) to PNG (Piped Natural Gas), enhancing both energy efficiency and environmental performance. With the PNG system now fully integrated, we have initiated oxygen enrichment studies aimed at optimising fuel combustion efficiency and reducing emissions. Additionally, we have undertaken the upgrade of our PQF (Premium Quality Finishing) mill. This has broadened our dimensional handling capabilities while fine-tuning operational parameters and reinforcing maintenance for legacy equipment.

To develop plant infrastructure, we are investing in heat treatment capabilities, including upgrades to our Quenching and Tempering (Q&T) furnace and Roller Hearth Furnace. These improvements enhance product strength and dimensional stability. We have also focused on increasing tool life and have developed premium in-house coupling solutions, further improving our cost efficiency and product offering.

Ahmednagar Plant

Manufacturing capabilities

TUBES

During the year, we have improved our manufacturing capacity, supported by steady operational enhancements and a strong focus on product quality and efficiency.

We continue to deploy advanced technologies across our facilities to optimise processes and reduce energy consumption. A fuel auto combustion system has been installed in the Rotary Hearth Furnace of Rolling Mill 1, significantly elevating thermal efficiency. Additionally, we directed our focus on fine-tuning operational parameters and process instrumentation to ensure greater consistency, productivity and cost-effectiveness.

To support our growth and further streamline operations, we have invested in infrastructure upgrades tailored to current and anticipation of future production requirements. New installations such as a draw bench and tagging machine are aiding us address the surge in cold drawn order volumes. An overhead crane system has been incorporated to debottleneck material handling in the cold draw area. Further, we commissioned a bright annealing furnace, ROTO Probe NDT Machine and automated systems for marking and varnishing, improving precision and throughput spanning finishing processes.

On the sustainability front, we remain resolute on our commitment towards responsible sourcing and circularity. We procure raw material steel through the Electric Arc Furnace (EAF) route. This has reduced our environmental footprint while sustaining product performance. In addition, we have introduced new products, such as thick-wall superheater cold drawn tubes in T12 grade for boilers, supporting higher performance applications while aligning with our environmental objectives.

Rajpura Oliver Plant (Subsidiary)

Manufacturing capabilities

CASTING - FOUNDRY

New plant highlights

The KFIL team took the lead in operationalising the Sandharsi facility, which commenced production in October 2024. With 14 product approvals received and a fully equipped machine shop under commissioning, the expansion reflects KFIL's push towards capacity augmentation and advancing manufacturing technology.

On the technology front, the plant has incorporated advanced machine shop capabilities, an SG iron making facility and Lip Axis pouring systems. Collectively, these enhancements contribute to increased operational accuracy and productivity.

To ensure environmental sustainability, the plant utilises 80% green sand in its sand plant and uses 45% recycled scrap in the melt shop, which also helps in maintaining material integrity.

Celebrating 125 years of Shivaji works

From its humble beginnings as Shivaji Works in 1900 to becoming a powerhouse of innovation as Kirloskar Ferrous Industries Limited, our Solapur Foundry has stood the test of time. For 125 years, we have shaped industries, empowered communities and embraced sustainability, while staying true to our values of excellence and resilience. As we celebrate this milestone, we honour generations of visionaries, engineers and craftsmen who have made this limitless journey possible.

Our certifications









PED 2014/68/EU

Certified

CONSTRUCTION PRODUCT REGULATION CPR 305/2011/EU

Certified

AD 2000 MERKBLATT-WO

Certified

NABL

Certificate of Accreditation for Testing Laboratory

BIS APPROVAL IS 3074 (AUTOMOTIVE)

BIS APPROVAL IS 1161 (STRUCTURAL)

BIS APPROVAL IS 3601 (MECH.&GEN. ENGG)

*indicative list

Supply chain management

At KFIL, we have cultivated a resilient and adaptive supply chain architecture designed to navigate industry cyclicality and operational volatility. By maintaining strategic safety stocks and establishing warehouses in proximity of customers, we ensure uninterrupted service even amid demand fluctuations. We proactively mitigate risks through multi-sourcing, rigorous supplier audits, buffer inventories and reliable logistics redundancies.

To sustain cost competitiveness without compromising quality, we pursue supplier consolidation, strategic partnerships and competitive bidding. Our emphasis on local sourcing, standardised specifications and the use of fit-for-purpose materials augments both efficiency and responsiveness. Anchored by a strong vendor evaluation system, we ensure consistent performance across quality, delivery and cost, thereby bolstering operational excellence and customer satisfaction.

Optimised procurement

We implement streamlined procurement practices, which place emphasis on cost optimisation without quality compromise. By consolidating suppliers, leveraging strategic partnerships and sourcing materials locally, we reduce logistics expenditures and improve efficiency. RFQs and e-auctions are conducted regularly to benchmark pricing and ensure competitive vendor participation. Additionally, we adopt fit-for-purpose specifications, explore alternate materials and evaluate suppliers through structured scorecards. These efforts ensure quality, consistency and cost-effectiveness across the supply chain.

Efficient vendor management

We ensure effective vendor management through proactive and transparent communication channels and a dedicated point of contact to ensure clarity and regular technical discussions for alignment. Our approach encompasses real-time feedback mechanisms and a standardised order acknowledgement format. With integrated order tracking, capacity booking visibility and digitalised systems, we streamline processing while enhancing responsiveness delivering greater value and reliability to our customers.

Customer-first approach

We follow a robust and responsive inventory management system. The system has been methodically designed to propel efficiency and agility across operations. Our stage-wise tracking of castings, raw materials, spares and byproducts is seamlessly integrated through ERP (Oracle), ensuring complete visibility and control. We maintain an optimal 15-day inventory buffer, supported by TOC-based planning and vendor-managed inventories in proximity of customer locations for expedited fulfilment. Monthly stock audits and real-time stock-level signal monitoring enable precise production planning, minimised lead times and enhanced supply chain resilience. This approach ensures that we stay ahead of demand while maintaining operational excellence.

2024-25 - Customer Visits

JCB MD's visited for Development Review

Simpson Team visited - Awarding 3 Variants of Cyl Blocks

VOLVO Penta team visited for Process Audit

JD Quality & Sourcing Team visited for Quality and upcoming Business Review

VECV Management, & Volvo Process Experts Team visited for Process Audit @ Solapur & Koppal

Ford Team visited for PPAP & 1st Commercial supplies of Cylinder Block

S4: Nurture

Workforce development

Our dedicated workforce serves as the bedrock of our organisation. Their talent, passion and perseverance propel us forward. As a people-centric organisation, we are deeply invested in nurturing a culture that values individuals, empowers and inspires them to contribute to a meaningful impact. By creating an environment conducive to engagement and growth, we ensure that every team member comprehends their integral role in shaping our long-term success. For us, the development and well-being of our people are fundamental to delivering excellence.

UN SDGs IMPACTED

3 Good Health and Well-Being
5 Gender Equality
8 Decent Work and Economic Growth
10 Reduced Inequalities
17 Partnerships for the Goals

Talent management

At KFIL, we recognise that attracting, developing and retaining the right talent is integral to driving business performance and ensuring long-term sustainability. Our talent management strategy is deeply attuned to the organisational objectives and is bolstered by comprehensive processes, digital platforms and targeted people initiatives that promote both efficiency and engagement.

Talent Acquisition

Our talent acquisition framework is governed by articulated Standard Operating Procedures (SOPs). This ensures consistency and transparency across recruitment activities. The in-house talent acquisition team is tasked with addressing the day-to-day hiring requirements, arising from role vacancies and employee separations. Resource planning is conducted in alignment with business objectives and detailed skill gap analysis.

We have adopted a structured approach to enhance selection methodologies through the utilisation of technology and capability building. The implementation of the Human Resources Information System via the iKARE HRMS – TCS Chroma platform has automated recruitment workflows and enhanced the tracking of candidate applications. Hiring managers are equipped with the necessary training and tools to ensure fair, unbiased and competency-based selection.

Our recruitment strategies also encompass –

- **Strengthening campus connect programmes** to onboard Graduate Engineer Trainees (GETs) and Diploma Engineer Trainees (DETs) from top institutions.
- **Improving employer branding** through social media engagement.
- **Streamlining the recruitment process** to elevate the candidate experience.
- **Regular review** of weekly and monthly recruitment data to ensure prompt fulfilment of critical roles.
- **Collaborative manpower planning and budgeting** with SBU Heads to identify required skills for key roles.

23
Graduate Engineer Trainees hired from top 10 Karnataka colleges

36
Diploma Engineer Trainees hired

60 days
Induction programme combining classroom training and hands-on shopfloor exposure

Talent Retention

Retaining talent remains a key priority for us. We approach talent retention with a comprehensive suite of initiatives, which focus on employee engagement, development, competitive compensation and seamless integration. We have implemented proactive retention strategies informed by both criticality of roles and employee feedback from exit interviews.

Our retention efforts include –

Employee Connect Programmes such as Town Halls, Open House discussions and Senior Leadership interactions to promote open communication.

Compensation and Benefits aligned with KFIL norms, coupled with articulated HR policies

People Development initiatives focused on building competencies across critical functions, such as Purchase, Marketing and Finance. Two dedicated training facilities have been established at each plant, along with a Centre of Excellence at Jejuri.

Employee Engagement activities such as, wellness programmes, sports events, festival celebrations and participation in quality/safety/ environmental drives.

Organisational Integration measures through change management programmes and infrastructure upgrades.

68

Employee separations addressed

9

Employees retained through targeted retention efforts

Performance management

At KFIL, performance management extends beyond measuring past accomplishments, it is a is forward-looking process that aligns individual growth with organisational priorities. Our approach is designed to cultivate a culture of continuous improvement, ethical decision-making and leadership development. This approach plays an instrumental role in empowering each of our employee to realise their full potential.

A key feature of our Performance Management System (PMS) is its emphasis on individual career development. Appraisers are trained to not only evaluate performance outcomes but also to identify each individual's strengths and developmental needs. The insights gathered through this process forms the basis for personalised growth plans, ensuring that every team member has a clear and supported path for progression within the organisation.

To further expedite leadership readiness, we have institutionalised a robust framework to identify and develop High Potential Fast Trackers (HPFTs).

10

MDP modules created in collaboration with KIMS

IDENTIFICATION OF HPFTS

GENERAL INTELLIGENCE ASSESSMENT (GIA)

DEVELOPMENT CENTRE (DC) ACTIVITIES

INDIVIDUAL DEVELOPMENT PLANS (IDPS) CREATED

COLLABORATION WITH KIMS (KIRLOSKAR INSTITUTE OF MANAGEMENT STUDIES)

MANAGEMENT DEVELOPMENT PROGRAMME (MDP) FOR HPFTS

SHARPENING MANAGERIAL AND LEADERSHIP COMPETENCIES

READY TO TAKE UP HIGHER RESPONSIBILITIES

Training and development

We remain resolute on cultivating a culture of sustained learning, where employees are encouraged to augment their capabilities to stay prepared for future opportunities. To support this, we offer a comprehensive and integrated learning environment that encompasses hands-on training, instructor-led sessions and a strong Learning Management System (LMS). These avenues of earning ensure that our people are well-equipped to perform effectively in their roles while contributing meaningfully to the organisation's growth and collective success.

3,452

Total employees

100%

Of total employees received health safety training

61%

Of total employees received skill upgradation training

How training helps our employees

Effective decision making

At every level of our organisation, we encourage ethical and value-led decision making through a structured approach. Every employee participates in our Legacy, Values and Code of Conduct (CoC) training, which lays a strong ethical foundation and sharpens clarity in professional conduct. Clearly articulated roles, responsibilities and Key Result Areas (KRAs) ensure that decisions remain aligned with broader strategic objectives. Regular dialogue with senior leadership further guides employees, nurturing a transparent and accountable decision-making culture.

Impactful innovation

Encouraging innovation is central to our performance strategy. We promote and nurture creativity through structured initiatives such as 1S & 2S Champions (Train-the-Trainer) programmes. These are designed to build internal capabilities and encourage employee-led innovation at the grassroots level. With support from our Manufacturing Excellence Department and Corporate HR across all plants, our employees have access to modern technologies, dedicated funding and defined timelines. These resources enable our workforce to explore new ideas confidently and deliver impactful and value-driven outcomes.

Leadership development and functional skill development

At KFIL, nurturing a capable and future ready workforce is at the core of our people philosophy. Our initiatives are thoughtfully designed to address both leadership capability building and functional skill advancement by the means of targeted programmes and expert-led learning interventions.

Developing fresh talent

Fresh graduates from leading institutions are welcomed into a structured three-month development programme. This initiative is conducted across our Centre of Excellence, Steel Plant and Tube Plant and offers participants a blend of theoretical knowledge and practical exposure. The programme is designed to lay a strong foundation technical competence and leadership development.

Rebuilding critical functions

To strengthen our operational backbone, we have undertaken focused measures to rebuild critical functions by inducting domain experts. These experts lead capability-building efforts across teams. Their guidance helps augment team capabilities and functional efficiency. In addition, this approach bolsters long-term strength across key business verticals.

1,464

Training programmes

EMPLOYEE HEALTH AND WELL-BEING

At KFIL, our operations are firmly rooted in the belief that a healthy workforce is fundamental to achieving our vision of becoming a billion-dollar enterprise. Recognising that our people are the backbone of our strategic growth, we prioritise employee well-being through a comprehensive framework of health and wellness initiatives. The programmes entail ensuring healthier lifestyles and augmentation of employee engagement, satisfaction and productivity. This approach thereby results in a mutually beneficial outcome for both the organisation and our people.

All KFIL locations are equipped with fully functional Occupational Health Centres, staffed by qualified medical professionals who provide routine care and monitor the overall health of employees. In parallel, regular medical check-ups and health awareness talks are conducted to maintain a consistent focus on physical well-being.

We also place a strong emphasis on maintaining a safe and ergonomically sound work environment. Investments in infrastructure and adherence to rigorous occupational safety standards have helped create a secure and hazard-free workplace that supports long-term employee wellness and enhances overall morale.

OUR WELLNESS PROGRAMMES

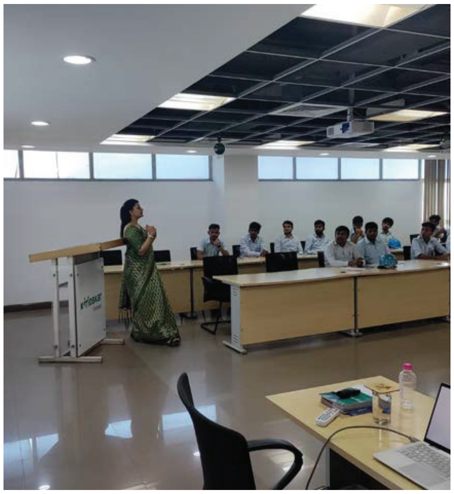
A wide array wellness programmes are conducted to raise awareness and encourage preventive care. These include specialist-led health talks by cardiologists, nephrologists and rheumatologists. In addition, we have conducted targeted health screenings for cardiovascular conditions, diabetes and its associated complications, Further, focused campaigns such, as weight reduction challenges, Hepatitis B vaccinations, ICTC screenings and bone density assessments are organised in a routine manner to address specific health risks.

To enhance emergency preparedness and safety, employees receive training on Basic Life Support (BLS). This helps in establishing a workplace that is both health-conscious and responsive in critical situations.

Human rights

We are firmly committed to upholding and promoting human rights across every aspect of our operations. Clear and articulated policies addressing Prevention of Sexual Harassment (PoSH), non-discrimination and Code of Conduct are actively implemented and made easily accessible to all employees through the HR archive and Knowledge Management (KM) portal. In line with the PoSH guidelines, an Internal Complaints Committee (ICC) is in place, with regular awareness sessions conducted across locations to nurture a safe, inclusive and respectful workplace.

Through systematic Human Rights Impact Assessments (HRIAs), we continuously monitor and address potential concerns related to land acquisition, freedom of association, workplace safety, access to health and social inclusion. Awareness on our Whistleblower Policy, Anti-bribery Policy and ethical standards is consistently reinforced through visual content, structured training and open communication channels. Overall, these efforts ensure transparency and accountability at every level of the organisation.



Employee engagement

We recognise that meaningful employee engagement is essential to building a productive, motivated and future-ready workforce. Our holistic engagement strategy integrates alignment with our broader strategic vision while promoting a workplace culture that values, inclusion and recognition.

We continue to support work-life balance through employee-friendly policies, wellness initiatives informed by active employee feedback. Our shared culture is brought to life through the celebration of major festivals, where our employees and their families come together highlighting our 'One KFIL Family' ethos.

Our recognition and reward mechanisms encompass salary benchmarking, performance-based increments and comprehensive benefits designed to both recognise contribution and augment efficiency of the organisation.

Sustainability

At KFIL, our pursuit of progress is anchored in values that help us nurture sustained resilience, community trust and environmental stewardship. Our every initiative is a step forward in the direction of a sustainable and brighter future. We continue to align our actions with long-term sustainability goals and create a meaningful impact across communities in which we serve.

Preserve

Environmental stewardship

We are committed to reducing our environmental footprint by building efficiency into every layer of our operations. From responsible resource utilisation to agile process and system improvements, we integrate sustainability and innovation into every new initiative to propel operational excellence. Our strategy is based on the foundation of our strong emphasis on ecological balance—ensuring that our growth remains aligned with the principles of environmental stewardship and long-term well-being.

UN SDGs IMPACTED

Comprehensive energy management

Our Commitment to Cleaner sources of energy

At Kirloskar Ferrous Industries Limited (KFIL), energy efficiency goes beyond just reducing costs—it serves as a cornerstone of our sustainable manufacturing strategy. Spanning our six facilities in Koppal, Hiriyur, Solapur, Baramati, Jejuri, and Ahmednagar, we have implemented a structured energy management programme rooted in advanced technologies, process optimisation, cleaner fuels and digital monitoring systems.

This comprehensive and collaborative approach not only minimises our environmental impact but also strengthens energy resilience and supports broader national and global sustainability goals for responsible industrial progress.

Optimising electricity consumption

Electricity consumption across KFIL's facilities has been brought under tighter control through a combination of technological upgrades and operational improvements:

VARIABLE FREQUENCY DRIVES (VFDS)

Deployed on high-power equipment such as blowers, fans and pumps at Koppal, Hiriyur and Solapur, enabling dynamic load-based speed control and minimising partial-load energy waste.

Energy-efficient furnaces

Introduction of IGBT-based furnaces at Solapur has improved power conversion efficiency and reduced harmonic distortion. Further optimisation through furnace loading strategies and reduced holding time has yielded significant energy savings.

Compressed air optimisation

Energy-intensive air systems have been made more efficient through proactive maintenance, leak detection and balanced loading.

Captive power utilisation

Hiriyur plant has strategically leveraged blast furnace gas for power generation, reducing grid dependency and supporting decarbonisation goals.

Fuel and raw material optimisation

Fuel represents a significant portion of operational energy consumption and KFIL has adopted multiple initiatives to improve combustion efficiency and material input ratios.

Blast Furnace optimisation

Bell-less tops (BLTs) installed in MBF-1 and MBF-2 at Koppal have improved burden distribution, reducing raw material use by 8–10 kg per tonne of hot metal (THM). PCI and oxygen injection further improve combustion efficiency and reduce coke consumption.

Intelligent burners

Modular burners with smart flame control in Solapur enable optimal fuel-air mixing, enhancing heat transfer while cutting fuel usage.

Fuel substitution

Cleaner fuels are being adopted, including the replacement of LPG with PNG at Koppal and transition from furnace oil to LPG-based ovens in Solapur.

Process streamlining at Hiriyur

Avoiding frequent start-stop cycles and decommissioning outdated equipment such as the 3.8 MVA DG set and old boilers have eliminated major inefficiencies.

Waste heat recovery and in-house power generation

Our goal is to convert waste into value, and waste heat recovery (WHR) systems play a critical role in this transformation.

Captive power at Koppal

A 40 MW power plant harnesses waste heat from coke ovens, while another 12 MW is generated using blast furnace flue gases—making the plant nearly self-sufficient.

Sinter cooler heat reuse

Heat from sinter coolers is redirected to preheat coke bunkers in MBF-1 and MBF-2, reducing auxiliary fuel needs.

Expansion of WHR at Hiriyur

Waste heat recovery initiatives are already aiding coke reduction, with plans underway to scale up these systems for greater circularity and operational efficiency.

Digital energy monitoring

We are building a future-ready energy management architecture with real-time monitoring and analytics.

Smart instrumentation

All plants have deployed smart meters, power quality analysers, and IoT sensors to enable real-time monitoring and anomaly detection across electricity, gas, steam, and water utilities.

Solapur's advanced infrastructure

Detailed tracking of power factors, kWh, and thermal utility consumption enables immediate operational corrections.

Centralised energy command centre

A group-wide energy monitoring hub is being set up at One Avante, Pune. This digital platform will integrate data from all KFIL units to enable real-time energy tracking, predictive energy loss analytics, optimised renewable energy allocation across group entities and remote diagnostics and faster intervention.

Adoption of renewable energy sources across plants

As part of our sustainability and Go-Green initiatives, we have achieved tangible progress in transitioning to renewable energy alternatives across our plants. Currently, a substantial share of our energy demand is met by clean sources. This achievement reflects our commitment to reducing our carbon footprint and promoting energy independence. We remain focused on advancing these efforts and broadening our renewable energy portfolio and to remain aligned with our long-term environmental objectives.

70 MW

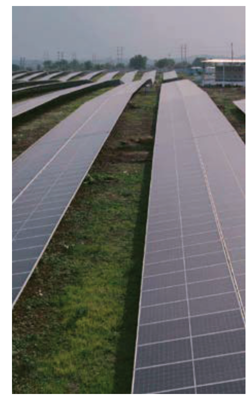
Captive Solar Power plant at Jalna

10 MW

Solar power plant operational at Solapur Plant

25%

Solapur Plant's power demand met by solar energy



Emission management

We have strengthened our emission management capabilities through the implementation of advanced online environmental monitoring stations that offer sustained, real-time tracking of key pollutants such as, SO , NOx and CO. These stations integrate automated data collection, instant analysis and integrated alert systems to detect and respond to emission fluctuations swiftly. By transmitting data to centralised servers or cloud-based platforms, they enable seamless access for regulatory authorities, industry representatives and the public. Predictive analytics further strengthen emission control by identifying trends, tracing pollution sources and recommending operational improvements. Routine calibration and cross-verification with manual sampling uphold the accuracy and reliability of the data. The incorporation of public dashboards further enhances transparency, improves community engagement and reinforces accountability—making these systems a crucial component of modern, responsible environmental management.

Parameter	Unit	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Total Scope 1 Emissions	Metric tonnes of CO2 equivalent	1,449,419	1,210,798
Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available			
Total Scope 2 Emissions	Metric tonnes of CO2 equivalent	178,725	257,798
Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available			
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO2 equivalent/ rupee	248	239
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO2 equivalent/ rupee	NA	NA
Total Scope 1 and Scope 2 emission intensity in terms of physical output- Production in mass	Metric tonnes of CO2 equivalent/ MT	1.39	
Total Scope 1 and Scope 2 emission intensity (optional)-			

Improving the air quality

To improve air quality, we adopt a comprehensive approach that combines sustained monitoring, targeted control measures and regulatory compliance. Real-time data from Continuous Emission Monitoring Systems (CEMS) enables us to track pollutants such as particulate matter, SOx and NOx and allows us to implement immediate corrective steps whenever necessary. We undertake ambient air sampling across different facility zones to gather detailed insights into pollutant levels, supporting long-term air quality improvements. Further, stack emission testing helps us evaluate the effectiveness of our pollution control equipment, ensuring emissions are within permissible limits. These proactive measures anchored in data-driven analysis and third-party validation, enable us to minimise our environmental impact and maintain cleaner, healthier air within and around our facilities.

Water management

Efficient water management is integral to our sustainability strategy. We have adopted a series of initiatives focused on reducing freshwater consumption, promoting water reuse and enhancing overall water stewardship across our facilities. These efforts align with our commitment to environmental responsibility and resource conservation.

	FY 2025 (Current Financial Year)		FY 2024 (Previous Financial Year)	
	Value	Unit	Value	Unit
Water withdrawal by source (in kilolitres)				
(i) Surface water	2,243,057	Kilolitres	1,008,767	Kilolitres
(ii) Groundwater	449,615	Kilolitres	575,291	Kilolitres
(iii) Third party water	372,675	Kilolitres	611,328	Kilolitres
(iv) Seawater / desalinated water		Kilolitres	0	Kilolitres
Others		Kilolitres	0	Kilolitres
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	3,065,347	Kilolitres	2,195,386	Kilolitres
Total volume of water consumption (in kilolitres)	3,065,347	Kilolitres	2,195,386	Kilolitres
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	467	Kilolitres/rupee	358	Kilolitres/rupee
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	NA	Kilolitres/USD	NA	Kilolitres/USD
Water intensity in terms of physical output- Production in mass	2.62	Kilolitres/MT		Kilolitres/MT
Water intensity (optional) -				

Reuse of wastewater in slag granulation

As part of our circular approach to water management, we have integrated wastewater collection and reuse into the slag granulation process. This system recycles water used in high-temperature slag cooling, significantly reducing reliance on fresh water and minimising discharge. The initiative supports both operational efficiency and water conservation, exemplifying our commitment to industrial water reuse.

Rainwater harvesting

To augment water availability and reduce pressure on traditional water sources, we have established dedicated rainwater collection ponds. These ponds collect and store monsoon runoff, which is later utilised across plant operations. This initiative strengthens conservation of water and supports sustainable water sourcing.

Utilisation of STP treated water

Our facilities operate Sewage Treatment Plants (STPs) that reclaim domestic and process wastewater for non-potable reuse. Treated water is utilised in plantation irrigation, road sprinkling and green belt development within the premises. This initiative significantly lowers freshwater consumption while contributing to a greener industrial ecosystem.

Water conservation awareness

Beyond infrastructure-based interventions, we promote a culture of responsible water usage among our workforce. Through visual cues that are strategically located at critical water consumption points, we raise awareness among employees on the importance of water conservation and encourage behavioural changes that contribute to sustainable water management.

Zero Liquid Discharge (ZLD) implementation

In a crucial step towards water sustainability, we are embracing Zero Liquid Discharge (ZLD) systems. These systems treat and reclaim nearly all water from wastewater streams, leaving behind only solid residues for safe disposal. ZLD ensures that no liquid effluent exits our facilities. This is aligned with stringent environmental standards and sets a benchmark in sustainable water practices.

Waste management

Our waste management strategy is built around circular economy principles. Our approach minimises waste through reduction, reuse and recycling across our operations. Our commitment to minimising environmental impact is reflected in our efforts to close material loops and reduce landfill dependency.

Parameter	FY 2025 (Current Financial Year) Value	FY 2024 (Previous Financial Year) Value
Total Waste generated (in metric tonnes)		
Plastic waste	359.97	234
E-waste	3.49	2.9
Biomedical waste	0.012	0.07
Construction and demolition waste	994.66	0
Battery waste	7.41	0.11
Radioactive waste	0	0.1
Other Hazardous waste		
Other Hazardous waste	224.62	1,549
Other Non-hazardous waste		
Other Non-hazardous waste	445,193	423,889
Total waste		
Total Waste Generated	446,783	425,675
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	67.95	69.40
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	NA	NA
Waste intensity in terms of physical output - Production in mass (Metric ton/MT)	0.38	-
Waste intensity (optional) –	-	-

Recycling of reinforcement tubes and tie rods

We place great emphasis on material recovery across our production processes. An estimated 90% of reinforcement tubes and tie rods used in operations are recycled. This initiative considerably reduces the demand for raw materials, while also lowering the environmental footprint associated with waste disposal.

Reuse of Rejected Cores and Waste Sand

With respect to our foundry operations, 100% of rejected cores and waste sand are reutilised in the production process. This practice serves the dual purpose of contributing to efficient resource utilisation and supporting sustainable manufacturing by diverting waste from disposal streams.

Recovery and Reuse of Runner Risers

We have achieved complete reutilisation of runner risers, which are by-products of our casting process. These materials are reprocessed and reintegrated into the system, reducing the need for fresh input materials and enhancing material efficiency.

Biodiversity conservation

We recognise the instrumental role of biodiversity in sustaining ecological balance and supporting long-term environmental sustainability. While biodiversity assessments are typically conducted during the Environmental Impact Assessment (EIA) phase, prior to project development, we go a step further by conducting annual biodiversity assessments through accredited third-party expert agencies. Our proactive approach helps us maintain sustained oversight to protect and enhance biodiversity in and around our operational areas.

Native species plantation

In our effort to nurture biodiversity and create healthier environments around our sites, we have undertaken the plantation of species native to the local landscape. These plantings help restore natural habitats, support regional flora and fauna, promote soil health and reduces the need for irrigation and chemical inputs.

Protecting our habitat

We remain focused on reducing fugitive emissions that can negatively impact local air quality and biodiversity. High-jet water sprinklers and dry fog systems have been installed at dust-prone locations, such as the sinter plant, yards and coke ovens. These systems substantially curb airborne dust and contribute to the creation of a healthier environment for us and the surrounding ecosystems.

Biodiversity assessment at Koppal Plant

In FY 2025, we have conducted a comprehensive biodiversity assessment at our Koppal facility and the surrounding 10-kilometre radius. The assessment was conducted in collaboration with local communities and environmental organisations to ensure inclusive participation and promote a deeper understanding of local ecological systems. As part of this initiative, a variety of native plant species were identified and efforts were made to propagate these species in our dedicated nursery. Currently, these native plants are being cultivated with the objective of augmenting ecological resilience and supporting local biodiversity conservation efforts.

Serve

Community engagement

Our approach to creating long-term value is anchored in building enduring, trust-based relationships with the communities in which we operate. Through focused CSR initiatives, we actively engage with local stakeholders to address pressing needs and support their development. These efforts form the core pillar of our social responsibility framework and play a vital role in strengthening the resilience and augmenting inclusivity of our operations. By nurturing these partnerships, we uplift the communities that we serve and reinforce our own journey towards becoming a reliable, responsible and future-ready organisation.

UN SDGs IMPACTED

6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

In FY 2025, our approach to people practices remained rooted in inclusive social responsibility, with a dedicated focus on driving community development that extends beyond our immediate industrial presence. We remained engaged in outreach efforts within the 10 km radius of the MIDC area, ensuring our initiatives make a meaningful and lasting impact.

₹10.1 crore

Investment towards CSR projects

Our key focus areas

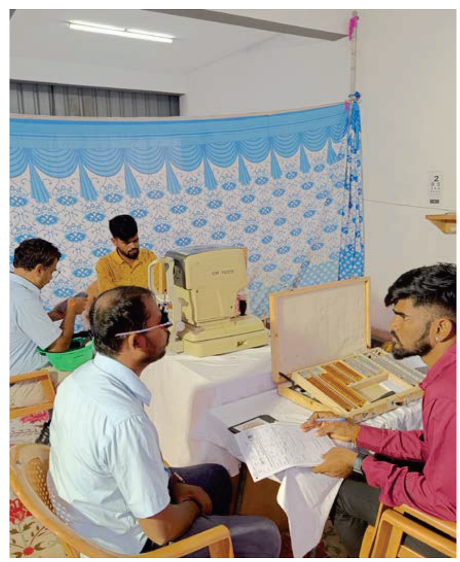
- ENHANCING QUALITY OF EDUCATION
- STRENGTHENING PREVENTIVE HEALTHCARE
- RAISING AWARENESS AROUND HYGIENE AND ENVIRONMENTAL SUSTAINABILITY
- EMPOWERING WOMEN
- PROMOTING COMMUNITY DEVELOPMENT

Strengthening preventive healthcare

Our healthcare efforts are guided by a strong emphasis on preventive care, with a clear focus on early diagnosis, health education and community well-being. We believe that access to preventive services and informed decisions are fundamental enablers of a healthy society. As part of this commitment, we continue to support the Jejuri Health Care Centre (Gramin Rugnalaya), a critical hub that delivers preventive healthcare services to the local population.

To further our efforts, we facilitate regular specialist visits to the Community Health Centre. This enables prompt and timely diagnosis, early medical intervention and consistent expert guidance. In addition, we conduct awareness programmes focused on personal hygiene, adolescent health and menstrual hygiene, equipping individuals with essential health knowledge.

We also organise Mega Health Camps targeting school children and the elderly, providing them with critical screenings and consultations. Our preventive strategy is complemented by the provision of nutritious food supplies to school children, contributing to their overall well-being.



Enhancing quality of education

We remain resolute on our dedication to enhance quality of education, with a particular focus on supporting government schools through comprehensive, need-based interventions. Our initiatives are thoughtfully designed and based on inputs gathered through community engagement and feedback. This ensures relevance and sustained impact. These programmes aim to augment both access to and the quality of education, presenting meaningful opportunities to students in marginalised areas. In FY 2025, we upgraded the education infrastructure at Bevinhalli Government School and developed smart classes in 3 additional government schools by providing digital aids.

2,500

Government school students supported in the Jejuri region

5,600

Total students supported

Empowering women

To ensure inclusive and sustainable development, we have implemented targeted programmes aimed at empowering women in rural communities. These initiatives equip them with vocational skills and livelihood opportunities. In collaboration with the Sarvodaya Integrated Rural Development Society, we conducted comprehensive women empowerment programmes across three villages. Our skill enhancement programmes have played a vital role in empowering local women by enabling them to be financially independent and self-reliant.

40+

Women benefitted

Food processing programme

The food processing programme enabled women to produce and supply homemade food products to nearby hotels, small shops and companies. Dedicated platforms were provided to facilitate the sale of these products within local industries.

Beautician training programme

Beautician training has augmented self-employment opportunities for women. It has allowed them to earn a steady income while managing household responsibilities.

Tailoring programme

The tailoring initiative encompassed skill development sessions, along with the provision of sewing machines, enabling women to take up tailoring as a viable livelihood option.

Skill development

We have placed strong emphasis on skill development to enhance employability among youth in the region. Our CSR initiatives are designed to equip individuals with both technical and soft skills, enabling them to successfully transition into the workforce.

21

ITI students trained in technical skills

15

Graduate students trained in soft skills

36

Students successfully employed through campus placements

Employee volunteering

Employee volunteering is a vital aspect of our CSR framework. This reflects a deep-rooted culture of social responsibility and community engagement within the organisation. Our employees contribute their time and efforts across a broad spectrum of initiatives. This demonstrates their commitment to creating a positive societal impact beyond the workplace.

Their participation spans women empowerment initiatives, blood donation drives and community health check-ups. Further, many employees collaborate with social organisations focused on fort restoration and conducting educational sessions to raise awareness among the younger generation about historical and cultural heritage. In addition, there has been strong employee support for inclusive initiatives such as Diwali stalls organised by persons with disabilities, promoting both social inclusion and economic empowerment.

Employees also voluntarily participate in environmental and community development programmes such as the Kirloskar Vasundhara International Film Festival, Kirloskar Vasundhara Eco Rangers, Swacch Abhiyan and national festival celebrations. Their involvement in hygiene awareness campaigns and other grassroots efforts reflects a collective commitment to sustainable and inclusive development.

Lead

Good governance

At KFIL, strong governance is embedded into the fabric of our operations. It shapes how we lead, decide and act. We remain focused on maintaining ethical standards, operational transparency and regulatory alignment through articulated policies and oversight.

Our governance systems are designed to support accountable leadership, ensure compliance and reinforce the trust of our stakeholders. This disciplined approach safeguards business integrity and lays the groundwork for sustainable progress and long-term organisational resilience.

UN SDGs IMPACTED

Robust internal controls

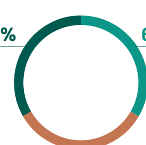
At KFIL, we ensure strict adherence with legal, financial and operational standards through our strong internal controls. These encompass quarterly audits, monthly compliance monitoring and a robust Internal Financial Control System. Our ERP enables Segregation of Duties and audit trails, while top management regularly reviews MIS reports to promote accountability. Bolstered by our Code of Conduct, policies and Board oversight, these systems nurture transparency and long-term sustainability.

Board composition

Our leadership is guided by a highly experienced Board, composed of professionals with deep expertise across diverse industry sectors. As the highest governing body, the Board plays an instrumental role in ensuring adherence with applicable regulations while steering the organisation's strategic agenda. Their oversight extends across key pillars of sustainability, economic, social and environmental. This Board ensures that our long-term vision is both responsible and focused on the future.

COMPOSITION

- 3 Executive directors
- 1 Non-executive directors
- 7 Independent directors



As on 31st March, 2025

100%
Board and Committee meetings attendance

5 years
Average tenure of the Board-for Independent Directors

68 years
Average age of Directors

Board committees

KFIL's Board Committees function with strong efficiency and strategic focus. They are integral in enhancing governance, compliance and risk management. Through regular audits, tech-driven oversight and robust policy formulation, they ensure transparency, accountability and alignment with long-term business objectives, thereby garnering trust and enabling sustainable growth.

The Board of KFIL is duly constituted with the required number of Independent Directors, in compliance with the provisions of the Companies Act. Majority of the Board Committees are chaired by Independent Directors, ensuring objectivity and oversight. Committee meetings are held in accordance with statutory requirements, where members deliberate on key matters and make informed recommendations to the Board for appropriate action.

Governance policies

Ethical conduct and transparency are embedded in the foundation of our operations, shaping our approach to responsible business. Our well-articulated policies and strict adherence to regulatory frameworks have been instrumental in earning trust and enduring relationships with our shareholders. By implementing strong governance mechanisms and streamlined administrative processes, we uphold accountability and nurture a positive and inclusive workplace culture.

- Business Responsibility and Sustainability Policy
- Code of Conduct for Directors and Senior Management
- CSR Policy
- Risk Management Policy
- Dividend Distribution policy
- Whistle Blower policy
- Vendor Code of Conduct
- Code for prevention of Insider Trading
- Policy for determination of materiality
- Policy on Nomination, Remuneration and Evaluation
- Policy on material subsidiaries
- Document Retention and Archival Policy
- Policy on dealing with Related party transactions

Notice

Notice is hereby given that the 34th Annual General Meeting ('AGM') of the Members of Kirloskar Ferrous Industries Limited ('Company') will be held on Monday, 4 August 2025 at 4:00 p.m. (IST) through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') facility, in compliance with provisions of the Companies Act, 2013 ('Act') and rules thereof read with the General Circular No. 14/2020 dated 8 April 2020, the General Circular No. 17/2020 dated 13 April 2020, the General Circular No. 20/2020 dated 5 May 2020 and the General Circular No. 09/2024 dated 19 September 2024 issued by the Ministry of Corporate Affairs [collectively referred to as 'MCA Circulars'] and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, read with the Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3 October 2024 read with the Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11 November 2024 issued by the SEBI [collectively referred to as 'SEBI Circulars'] to transact the business as given below :

Ordinary Business

Item No. 1

To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the financial year ended 31 March 2025 together with the Reports of the Board of Directors and the Auditors' thereon.

Item No. 2

To confirm the payment of Interim Dividend on equity shares and to declare the Final Dividend on equity shares for the financial year ended 31 March 2025.

Item No. 3

To appoint a Director in the place of Mr. Rahul Chandrakant Kirloskar (DIN : 00007319), who retires by rotation and being eligible, offers himself for reappointment.

Special Business

Item No. 4

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"**RESOLVED THAT** pursuant to provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and rules thereof [including any statutory modification(s) or re-enactment thereof for the time being in force]; the Members of the Company hereby ratify the remuneration of ₹ 1,100,000 plus applicable taxes thereon and reimbursement of out-of-pocket expenses payable to M/s. Dhananjay V. Joshi & Associates, Cost Accountants appointed by the Board of Directors as the Cost Auditor to conduct the audit of cost accounting records for the financial year ending 31 March 2026."

Item No. 5

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

"**RESOLVED THAT** pursuant to the provisions of Sections 42, 71, 179 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, other applicable rules; the SEBI (Issue and Listing of Non Convertible Securities) Regulations, 2021; the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; other applicable laws and regulations [including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force] and subject to the provisions of the Memorandum of Association and the Articles of Association of the Company and such other laws, rules, regulations, guidelines, notifications, circulars as applicable and subject to such approvals, consents, permissions, sanctions of statutory, regulatory, appropriate authorities as may be necessary; the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company [hereinafter referred to as the "Board", which term shall be deemed to include any committee constituted by the Board and any person authorised by the Board to exercise its powers including the powers conferred by this resolution] to borrow or raise funds not exceeding ₹ 10,000,000,000 (Indian Rupees One Thousand Crores only) by issuance of non-convertible debentures having a face value of ₹ 1,000,000 (Indian Rupees Ten Lakh only) each, in one or more tranches, on private placement basis.

RESOLVED FURTHER THAT for the purpose of giving effect to the resolution, the Board be and is hereby authorised to determine, in its absolute discretion, terms and quantum of debentures, type of debentures, including consideration and utilization of proceeds, persons / investors to whom such debentures are to be allotted, number of debentures to be issued in each tranche, issue price, redemption period, rate of interest, appointment / engagement of intermediaries; to delegate all or any powers conferred herein to any Director(s) / Officer(s) / authorized signatory(ies) of the Company; to do all such acts, deeds, matters and things, including filing of forms, disclosures or necessary documents, executing any documents / deeds / agreements and settling any question, difficulty or doubt that may arise in this regard, as the Board in its absolute discretion may deem necessary or desirable or expedient."

Item No. 6

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013; rules thereof; the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules and regulations [including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force] and the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors; Ms. Aditi Atul Kirloskar (DIN : 07480446), who was co-opted by the Board of Directors as an Additional Director in the category of Non-Independent and Non-Executive Director with effect from 10 May 2025 and holds the office upto the date of annual general meeting and in respect of whom a notice in writing has been received from a Member pursuant to provisions of Section 160 of the Companies Act, 2013 proposing her candidature for the office of a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

Item No. 7

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"**RESOLVED THAT** pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013; rules thereof and Regulation 24A and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force]; M/s. M. J. Risbud & Co, Company Secretaries [a peer reviewed proprietorship firm owned by Mr. Mahesh Janardan Risbud, practicing company secretary and having Unique Identification Number S1981MH000400] be and are hereby appointed as the Secretarial Auditor of the Company to hold office for a term from the conclusion of the 34th annual general meeting till the conclusion of 39th annual general meeting of the Members of the Company and to provide the secretarial audit reports from the financial year ending 31 March 2026 to the financial year ending 31 March 2030.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to decide from time to time the terms of the engagement and the remuneration as may be mutually agreed with the Secretarial Auditor; to do all such acts, deeds, things as may be necessary to give effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard, as the Board in its absolute discretion may deem necessary or desirable or expedient."

By order of the Board of Directors of
Kirloskar Ferrous Industries Limited

Mayuresh Gharpure
Company Secretary

Registered Office :
One Avante, Level 5, Karve Road,
Kothrud, Pune 411038

CIN: L27101PN1991PLC063223

Email : kfilinvestor@kirloskar.com

Date : 9 May 2025
Place : Pune

Notes :

1. Pursuant to provisions of Section 102(1) of the Companies Act, 2013; the statement setting out material facts with respect to the special business to be transacted at the AGM is annexed hereto.

2. Subject to declaration of the Final Dividend at the annual general meeting, it will be paid to those members :

   - whose names appear as Beneficial Owners as at the end of the business hours on 11 July 2025 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of equity shares held in electronic form and

   - whose names appear as Members in the Register of Members of the Company after giving effect to valid applications for permissible transfer of equity shares in physical form lodged with the Company / its Registrar and Share Transfer Agent on or before 11 July 2025.

3. Pursuant to the provisions of the Companies Act, 2013; a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since the AGM is being held through VC / OAVM facility pursuant to provisions of the MCA Circulars and the SEBI Circulars, the facility for appointment of a proxy will not be available for the AGM. Accordingly, proxy form and attendance slip are not annexed to the Notice of AGM.

4. Dividend related information :

   - The SEBI vide its Circulars dated 3 November 2021 and 14 December 2021 has mandated furnishing of Income Tax PAN, Address with PIN code, Email address, Mobile Number, details of Bank Account, Specimen Signature and Nomination by holders of the securities in physical form. With effect from 1 January 2022, the RTA shall not process any service request or complaint from the shareholder(s) or the claimant(s) till receipt of aforesaid details.

   - Members are requested to refer details at https://in.mpms.mufg.com/home-KYC.html and send duly filled and signed hard copies of Form ISR-1 alongwith other applicable forms and supporting documents to the Registrar and Share Transfer Agent (RTA) viz. MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited), Akshay Complex, Block No. 202, Second Floor, Off Dhole Patil Road, Near Ganesh Temple, Pune 411001, Maharashtra.

   - Members holding equity shares in electronic form are informed that particulars of bank account registered with their respective Depository Participants will be used for the payment of dividend.

   - The Members may note that in terms of the provisions of the Income-tax Act, 1961 as amended by the Finance Act, 2020; dividend paid or distributed by a Company on or after 1 April 2020 shall be taxable in the hands of the shareholders. Therefore, the Company shall be required to deduct Tax at Source ('TDS') at the time of payment of dividend.

   - In order to enable the Company to determine the appropriate TDS rate as applicable, the Members are requested to upload necessary documents at https://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.html

5. Procedure for attending the AGM through VC / OAVM facility :

   - The AGM will be held without physical presence of the Members at a common venue pursuant to provisions of the MCA Circulars and the SEBI Circulars. Hence, the Members can attend and participate at the AGM through VC/OAVM facility.

   - Members are requested to follow detailed instructions provided below in the section 'Instructions for e-voting and procedure for attending the AGM through VC / OAVM facility'.

   - A Member attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum pursuant to provisions of Section 103 of the Companies Act, 2013.

   - VC / OAVM facility for the AGM will be made available on the date of AGM from 15 minutes before the scheduled time till end of 15 minutes after the scheduled time for 1,000 Members on first-come-first-served basis.

     This restriction will not apply to a Member holding more than two percent or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM.

   - Members are encouraged to join the AGM through laptop / desktop for better experience and use internet with a good speed to avoid any disturbance. Participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio / video loss due to fluctuation in their respective network. It is, therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any kind of glitches.

6. Corporate Authorisation :

   Corporate / Institutional Members intending to attend the AGM through their Authorised Representatives are requested to send scanned copy of the relevant Board Resolution /

Authority Letter together with attested specimen signature of duly authorised representative(s) to the Scrutiniser by email to csmsp.office@gmail.com with a copy marked to evoting@nsdl.co.in from the registered email address.

7. Inspection Documents :

    - Electronic copy of relevant documents referred to in the Notice of AGM will be made available for inspection through email on the basis of a request for inspection being sent to email ID kfilinvestor@kirloskar.com.

    - Electronic copies of necessary statutory registers and auditors' reports / certificates will be available for inspection by the Members at the time of AGM.

8. Members' Queries :

    For smooth conduct of proceedings of the AGM; a Member, who wishes to receive information regarding financial statements or matters to be considered at the AGM, is requested to send an email to kfilinvestor@kirloskar.com mentioning full name, DP ID and Client ID / Folio Number and contact number at least seven days in advance so as to enable the Management of the Company to keep the information ready.

9. Speaker Registration for the AGM :

    A Member, who wish to ask questions or express views at the AGM, may register with the Company as a 'Speaker' by sending an email (mentioning full name, DP ID and Client ID / Folio Number and contact number) to kfilinvestor@kirloskar.com from the registered e-mail ID at least seven days in advance. A Member, who has registered with the Company as a speaker, will be allowed to ask questions or express views at the AGM.

    For smooth conduct of proceedings of the AGM, Members may note that the Company reserves the right to restrict number of questions and speakers during the AGM depending upon availability of time.

10. A Member, who intends to claim any unclaimed or unpaid dividend(s), may send a written request to the Company or the Registrar and Share Transfer Agent. Details of unclaimed or unpaid dividends are available on the website of the Company, viz. www.kirloskarferrous.com

11. Since the AGM will be conducted through VC / OAVM facility, the Route Map is not annexed to the Notice of AGM.

Instructions for E-Voting and procedure for attending the AGM through VC / OAVM facility

Pursuant to provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings ('SS2') issued by the Institute of Company Secretaries of India, as amended; the Company is pleased to provide the Members the facility to exercise the right to vote by electronic means through National Securities Depository Limited ('NSDL') in respect of the business to be transacted at the AGM.

The remote e-voting period commences on Friday, 1 August 2025 from 9:00 a.m. (IST) to Sunday, 3 August 2025 till 5:00 p.m. (IST). During this period, Members of the Company holding equity shares either in physical form or in electronic form as on the Cut-off date i.e. Monday, 28 July 2025 may cast the vote electronically through remote e-voting. The remote e-voting facility shall be disabled by NSDL for voting after 5.00 p.m. (IST) on Sunday, 3 August 2025.

Voting rights shall be reckoned on the number of equity shares registered in the name of the Member as on the Cut-off date, i.e. Monday, 28 July 2025.

A Member attending the AGM, who has not cast the vote by means of remote e-voting, shall be able to cast the vote at the AGM through e-voting.

Members are requested to follow the instructions given below for casting the votes through e-voting and for attending the meeting through VC / OAVM facility :

Step 1 : Access to NSDL e-voting system

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in electronic form

In terms of Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020 issued by the SEBI on e-voting facility provided by listed companies, an individual shareholder holding equity shares in demat mode is allowed to vote through his or her demat account maintained with the depository participant. Shareholders are advised to update mobile number and email ID in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding equity shares in electronic form is given below :

Type of shareholders	Login Method
Individual shareholders holding equity shares in electronic form with NSDL	1. For OTP based login, you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client ID, Income Tax PAN, Verification code and generate OTP. Enter the OTP received on registered email id / mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a computer or on a mobile. On the e-Services home page, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. 3. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL : https://www.evoting.nsdl.com/ either on a computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository website wherein you can see e-Voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. 5. Shareholders / Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual shareholders holding equity shares in electronic form with CDSL	1. An User, who has opted for CDSL Easi / Easiest facility, can login through his or her existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon and New System Myeasi Tab and then user your existing my easi username and password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi / Easiest, an option to register is available at CDSL website www.cdslindia.com and click on login and New System Myeasi Tab and then click on registration option.

Type of shareholders	Login Method
	4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and Income Tax PAN from a e-voting web link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and Email ID as recorded in the Demat Account. After successful authentication, the user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual shareholders (holding equity shares in electronic form) login through their depository participants	You can also login using the login credentials of the demat account through your depository participant registered with NSDL / CDSL for e-voting facility. Upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.

Important Note :

Members, who are unable to retrieve User ID / Password, are advised to use Forget User ID and Forget Password option available at the abovementioned website.

Helpdesk for Individual Shareholders holding equity shares in electronic form for any technical issues related to login through the Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Individual shareholders holding equity shares in electronic form with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-48867000.
Individual shareholders holding equity shares in electronic form with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free No. 1800-21-09911

B. Login Method for e-voting and joining virtual meeting for shareholders other than Individual shareholders holding equity shares in electronic form and shareholders holding equity shares in physical mode

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.

3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding equity shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is
For Members, who hold equity shares in electronic form with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
For Members, who hold equity shares in electronic form with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
For Members, who hold equity shares in in physical form	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 134459 then user ID is 134459001***

5. Password details for shareholders other than Individual shareholders are given below:

    a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

    b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

    c) How to retrieve your 'initial password'?

        i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

        ii. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password :

    a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com

    b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

    c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your Income Tax PAN, your name and your registered address etc.

    d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2 : Cast your vote electronically and join AGM on NSDL e-Voting system

How to cast your vote electronically and join AGM on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding equity shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

    Process for those shareholders, whose email ids are not registered with the Depository Participants / the Company / the R & T Agent for procuring user id and password and registration of email ids for e-voting :

    - Members, whose equity shares are held in physical form, are requested to provide folio number, name of shareholder, scanned copy of the share certificate (front and back), Income Tax PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to kfilinvestor@kirloskar.com

    - Members, whose equity shares are held in electronic form, are requested to provide DPID and CLID (16 digit DPID + CLID or 16 digit Beneficiary ID), Name, client master or copy of Consolidated Account Statement, Income Tax PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to kfilinvestor@kirloskar.com. If you are an individual shareholder holding equity shares in electronic form, you are requested to refer to the login method explained at step 1(A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding equity shares in electronic form.

    - Alternatively, a member may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

Instructions for e-voting on the date of AGM are as given below :

- Procedure for e-voting on the date of the AGM is same as per instructions mentioned above for the remote e-voting.
- Only those Members, who will be present at the AGM through VC / OAVM facility and have not cast their votes on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.
- A Member, who has cast the vote by remote e-voting, may also attend the AGM but shall not be entitled to cast the vote again.

General Instructions for e-voting :

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of duly authorized signatory(ies), who are authorized to vote, to the Scrutinizer by e-mail to csmsp.office@gmail.com with a copy marked to evoting@nsdl.co.in
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password.
- In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- Once a Member casts the vote on a resolution, the Member shall not be allowed to change it subsequently.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for members available at the 'downloads section' of www.evoting.nsdl.com

You can also contact Ms. Pallavi Mhatre, Assistant Manager via e-mail at evoting@nsdl.co.in or call 022-48867000.

- You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for sending future communication(s).
- Any person holding equity shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holds equity shares as of the Cut-off Date may obtain the login ID and password by sending a request from the registered email ID to evoting@nsdl.co.in
- However, if you are registered earlier with the NSDL for e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" or Physical User Reset Password" option available on www.evoting.nsdl.com or call 022-48867000.
- In case of Individual Shareholders holding equity shares in electronic form, who acquire shares of the Company and becomes a Member of the Company after sending of the Notice and holding equity shares as of the Cut-off date may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
- At the AGM, the Chairman shall, after discussion on the business to be transacted at the AGM, allow voting by use of e-voting facility to all those members, who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- Ms. Manasi Paradkar, Practicing Company Secretary (Membership No. FCS-5447 and and CP No. 4385) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- After the conclusion of e-voting at the time of the AGM, the Scrutinizer will unblock the votes cast through remote e-voting / e-voting at the AGM and make, not later than forty eight hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any other Director, who shall countersign the same and declare the result of the voting forthwith.
- The results declared alongwith the report of the Scrutinizer will be filed with BSE Limited within stipulated time and will be placed thereafter on the website of the Company viz. www.kirloskarferrous.com and on the website of NSDL after declaration of results by the Chairman or any other Director.

Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Item No. 3 of the Notice

Mr. Rahul Chandrakant Kirloskar (DIN : 00007319), aged 61 years, is a promoter of the Company and various other Kirloskar companies. He has been associated with the Kirloskar companies for more than thirty seven years in different capacities. In December 1993, he was appointed as the Managing Director of Kirloskar Pneumatic Company Limited and thereafter in September 1998, he took over as the Chairman of that company. From the year 2001 to 2012, he has been the Director (Exports) of Kirloskar Oil Engines Limited, wherein the major thrust areas were expanding export operations for that company. He has also been the Chairman of Confederation of Indian Industry (CII) Pune Council as well as Maharashtra State CII Council.

He has been a Director of the Company since 28 October 2013 and is the Chairman of the Company.

He holds the following committee positions in the Company :

Name of the Committee	Designation
Stakeholders Relationship Committee	Chairman
Corporate Social Responsibility Committee	Chairman
Nomination and Remuneration Committee	Member
Finance Committee	Member

Other Directorships held by him are as given below :

Kirloskar Oil Engines Limited	Kirloskar Pneumatic Company Limited
Kirloskar Proprietary Limited	Avante Spaces Limited
GreenTek Systems (India) Private Limited	Alpak Investments Private Limited
Asara Sales and Investments Private Limited	Kirloskar Energen Private Limited
Kirloskar Solar Technologies Private Limited	Kirloskar Americas Corporation

Other committee positions in public limited companies held by him are as given below :

Name of the Company	Name of committee and position held
Kirloskar Pneumatic Company Limited	Corporate Social Responsibility Committee – Chairman Stakeholders Relationship Committee – Member Share Transfer Committee – Chairman
Kirloskar Oil Engines Limited	Corporate Social Responsibility Committee – Chairman

He is the uncle of Ms. Aditi Kirloskar, who has been co-opted as an Additional Director by the Board of Directors with effect from 10 May 2025.

He holds 1,425,279 equity shares of ₹ 5 each (0.87 percent) in the Company.

He attended all meetings of the Board of Directors held during the financial year 2024–2025.

Mr. Rahul Kirloskar and his relatives may be deemed to be concerned or interested, financially or otherwise, in the resolution to the extent of their shareholding.

Ms. Aditi Kirloskar, who is a niece of Mr. Rahul Kirloskar and her relatives may be deemed to be concerned or interested in the resolution to the extent of their shareholding interest in the Company.

Save and except the above, none of other Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the ordinary resolution set out at Item No. 3 of the Notice for approval by the members.

Item No. 4 of the Notice

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time; the Company is required to include in the books of accounts, the cost records relating to utilization of materials, labour and other items of cost and the audit of cost records is to be conducted by a Cost Accountant in practice.

Upon recommendation of the Audit Committee, the Board of Directors at its meeting held on 9 May 2025 has appointed 'Dhananjay V. Joshi & Associates', Cost Accountants as the Cost Auditor of the Company to conduct the audit of cost accounting records for the financial year ending 31 March 2026 and approved the remuneration subject to the ratification of the Members at the ensuing annual general meeting.

Pursuant to provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014; the remuneration payable to the Cost Auditor (as recommended by the Audit Committee and approved by the Board of Directors) shall be ratified by the Members of the Company. Accordingly, it is proposed to seek the ratification of the Members to the remuneration to the Cost Auditor.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the ordinary resolution set out at Item No. 4 of the Notice for approval by the Members.

Item No. 5 of the Notice

The Board of Directors at its meeting held on 9 May 2025 has approved to borrow or raise funds by issuance of non-convertible debentures, in one or more tranches, on private placement basis for general corporate purposes, financing capital expenditure projects and such other purposes as may be decided from time to time by the Board of Directors.

Pursuant to provisions of Sections 42, 71, 179 and other applicable provisions, if any, of the Companies Act, 2013 read together with the Companies (Prospectus and Allotment of Securities) Rules, 2014; a company offering or making an invitation to subscribe to the non- convertible debentures on private placement basis is required to obtain the prior approval of the shareholders by way of a special resolution. Such an approval can be obtained once a year for all the offers and invitations made for such non-convertible debentures during the year.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the special resolution set out at Item No. 5 of the Notice for approval by the members.

Item No. 6 of the Notice

Pursuant to provisions of Section 161 of the Companies Act, 2013, rules thereof and the Articles of Association of the Company and on recommendation of the Nomination and Remuneration Committee; the Board of Directors has co-opted Ms. Aditi Atul Kirloskar (DIN : 07480446) as an Additional Director in the category of Non-Independent and Non-Executive Director with effect from 10 May 2025.

Pursuant to Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 13 December 2024; the listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

A notice in writing has been received from a Member pursuant to provisions of Section 160 of the Companies Act, 2013 proposing candidature of Ms. Aditi Atul Kirloskar for the appointment as a Director of the Company.

Brief profile of Ms. Aditi Atul Kirloskar is as given below :

Ms. Aditi Atul Kirloskar, aged 40 years, holds a Bachelor of Science in Sociology from Northeastern University, Boston, graduating in 2007.

She is currently the Vice President at the Kirloskar Institute of Management, where she plays a pivotal role in guiding the institute's strategic direction and fostering innovation in management education.

Her professional journey includes working as an HR Consultant at Thought Digital (a subsidiary of Zensar Technologies Limited) from 2007 to 2009. Following this, she served as a General Manager (HR) at Kirloskar Pneumatic Company Limited from 2009 to 2013, and as Head of Design at Wearwell India Private Limited from 2013 to 2019.

She is a Director on the board of Navsai Opportunities Private Limited. She was earlier a Director on the board of Kirloskar Chillers Private Limited for approximately three years.

She holds 8,77,187 equity shares of ₹ 5 each (0.53 percent) in the Company.

She is a part of the promoter group of the Company and is the niece of Mr. Rahul Kirloskar, a Director on the Board of the Company.

Ms. Aditi Atul Kirloskar is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and not debarred from holding the office as a Director by the Securities and Exchange Board of India (SEBI) or any such other authority.

Ms. Aditi Atul Kirloskar and her relatives may be deemed to be concerned or interested, financially or otherwise, in the resolution to the extent of their shareholding.

Mr. Rahul Kirloskar, who is the uncle of Ms. Aditi Atul Kirloskar and his relatives may be deemed to be concerned or interested in the resolution to the extent of their shareholding interest in the Company.

Save and except the above, none of other Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the ordinary resolution as set out at Item No. 6 of the Notice for approval by the members.

Item No. 7 of the Notice

Pursuant to provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 13 December 2024;

- Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit by a Secretarial Auditor, who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report in such form as specified, with the annual report of the listed entity.
- On the basis of recommendation of board of directors, a listed entity shall appoint or re-appoint :
  - (i) an individual as Secretarial Auditor for not more than one term of five consecutive years; or
  - (ii) a Secretarial Audit firm as Secretarial Auditor for not more than two terms of five consecutive years, with the approval of its shareholders in its Annual General Meeting.

Pursuant to provisions of Regulation 36 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; details towards proposed appointment of the Secretarial Auditor are as given below :

- M/s. M. J. Risbud & Co have provided the consent to act as the Secretarial Auditor. They have confirmed that they hold a valid certificate of peer review (No. 1089/2021 dated 9 February 2021 with a validity of five years) issued by the Institute of Company Secretaries of India (ICSI) and have not incurred any of the disqualifications from being appointed as the Secretarial Auditor.

- Upon recommendation of the Audit Committee and subject to the approval of the Members of the Company at the annual general meeting, the Board of Directors at its meeting held on 9 May 2025 has appointed M/s. M. J. Risbud & Co, Company Secretaries as the Secretarial Auditor of the Company to hold office for a term from the conclusion of the 34th annual general meeting till the conclusion of 39th annual general meeting of the Members of the Company and to provide the secretarial audit reports from the financial year ending 31 March 2026 to the financial year ending 31 March 2030.

- The brief profile of M/s. M. J. Risbud & Co is as given below :

  M/s. M. J. Risbud & Co is a proprietorship firm owned by Mr. Mahesh Janardan Risbud, practicing company secretary (FCS Number 810 and CP Number 185) since the year 1979. It caters in the areas of advisory on company law matters, conducting the secretarial audits pursuant to the regulatory requirements, providing support for secretarial functions and certification work. It has a team of four company secretaries and association of other practicing professionals. He has been the faculty to seminars and training programs. He has authored several articles on company law and also published few books in marathi language.

- Proposed remuneration to M/s. M. J. Risbud & Co for the financial year 2025–2026 is ₹ 400,000 towards the fees for the secretarial audit plus applicable taxes thereon and reimbursement of out of pocket expenses at actual. During the tenure, terms of the remuneration may be revised as mutually decided between the Board of Directors and the Secretarial Auditor.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors recommends the ordinary resolution set out at Item No. 7 of the Notice for approval by the Members.

By order of the Board of Directors of
Kirloskar Ferrous Industries Limited

Mayuresh Gharpure
Company Secretary

Registered Office :
One Avante, Level 5, Karve Road,
Kothrud, Pune 411038

CIN: L27101PN1991PLC063223

Email : kfilinvestor@kirloskar.com

Date : 9 May 2025
Place : Pune

Directors' Report

To the Members

The Directors are pleased to present the 34th Annual Report including the Audited Financial Statements (standalone and consolidated) for the financial year ended 31 March 2025 of Kirloskar Ferrous Industries Limited ('Company').

Financial Summary (Standalone)

(₹ in Crores)

Particulars	2024-2025	2023-2024
Total Income	6,628.60	6,151.50
Profit before tax	432.14	476.83
Tax Expenses	114.86	155.25
Profit for the year	317.28	321.58
Other Comprehensive Income for the year	(10.73)	(6.07)
Total Comprehensive Income for the year	306.55	315.51
Profit brought forward from previous year	1,495.36	1,275.61
Final Dividend paid on equity shares	(41.13)	(41.70)
Interim Dividend paid on equity shares	(49.38)	(41.80)
Interim Dividend paid by erstwhile ISMT Limited	-	(7.32)
Transfer to General Reserves	(5.00)	(5.00)
Balance carried to Surplus in the Statement of Profit and Loss	1,707.65	1,495.36

Dividend

The Board of Directors at its meeting held on 4 February 2025 declared an Interim Dividend of ₹ 3 per equity share of ₹ 5 each (i.e. 60 percent). The date of payment of the Interim Dividend was 3 March 2025.

The Board of Directors at its meeting held on 9 May 2025 has recommended a Final Dividend of ₹ 2.50 per equity share of ₹ 5 each (i.e. 50 percent) for approval of the Members at the ensuing annual general meeting.

Accordingly, total dividend payout for the financial year 2024-2025 aggregates to ₹ 5.50 per equity share of ₹ 5 each (i.e. 110 percent).

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has adopted the Dividend Distribution Policy. Copy of the same is available at the website of the Company, viz. www.kirloskarferrous.com

Company Performance

The Company achieved Net Sales of ₹ 6,566.26 Crores as compared to ₹ 6,133.90 Crores in the previous year. Profit before Tax for the year stood at ₹ 432.14 Crores as compared to ₹ 476.83 Crores for the previous year.

Sale of products

- **Pig Iron**

  The Company sold 511,787 MT of pig iron valued at ₹ 2,078 Crores during the financial year 2024–2025 as compared to 418,601 MT of pig iron valued at ₹ 1,805 Crores in the previous financial year. Production of pig iron for the financial year increased by 22 percent as compared that of the previous year. It was mainly on account of operation of all three mini blast furnaces throughout the financial year. All the pig iron produced during the financial year was sold and optimum level of inventory was maintained.

- **Castings**

  The Company sold 132,242 MT of castings valued at ₹ 1,654 Crores during the financial year 2024–2025 as compared to 120,018 MT of castings valued at ₹ 1,508 Crores in the previous financial year. During the financial year, production of castings increased by 10 percent as compared to the previous year. The Company continued to maintain the market leadership position in the domestic castings business. Demand for the castings was good throughout the financial year.

- **Tubes**

  The Company sold 168,804 MT of tubes valued at ₹ 2,103 Crores during the financial year 2024–2025 as compared to 156,487 MT of tubes valued at ₹ 2,065 Crores in the previous financial year.

- **Steel**

  The Company sold 73,002 MT of steel valued at ₹ 541 Crores in the financial year 2024–2025 as compared to 69,605 MT of steel valued at ₹ 534 Crores in the previous financial year.

Operational performance

- **Pig Iron**

  During the year under review, limited availability of quality iron ore and increased capacity of peer steel producers led to increased demand of iron ore resulting in higher prices. The average landed price of the Iron ore was fluctuating between ₹ 6,700 per MT to ₹ 7,200 per MT for iron ore lumps and between ₹ 6,200 per MT to ₹ 7,000 per MT with respect to iron ore fines.

With the commissioning of the oxygen plant, the consumption of pulverized coal injection has increased and thereby reducing the consumption of coke and lowering overall manufacturing costs.

Operations of 'Kirloskar Bharat Mines' have resumed after obtaining necessary regulatory clearances and dispatches of iron ore have commenced from December 2024.

Blended average coal price was around USD 220 per metric tonne during the financial year.

- **Castings**

  The Company continuously worked on developing new products, reduction in operational costs and also increasing the machining and proto business at both locations.

- **Tubes**

  During the financial year, the Company continued its aggressive push to grow the OCTG and boiler segment businesses with key customers registering over 36 percent and 14 percent volume growth over the previous year. The Company sold over 10,000 MT of premium connections to the oil majors in India and will continue its efforts to service such market needs going forward.

- **Steel**

  The Company is progressing well on increasing customer base, retention and growth aligned to the strategic goals. The Company has also installed an auto UT line to serve discerning customers in the bearings industry with an investment of over ₹ 15 Crores. The Company is also in active engagement with few European Union customers for supply of steel.

- **Finance costs**

  During the year, term loans have been borrowed at competitive rates for financing capex requirements. The Company focused on optimizing finance costs by efficiently managing working capital. By regular monitoring movement in the exchange rates and taking forward covers, the impact of the exchange fluctuations risk was minimised.

- **Update on customers**

  During the year under review, the Company was successful in increasing the share of business from current customers and developed new products to meet the requirement of customers. Supply of machined castings was increased and new orders were received for supply of castings in machined condition. Discussions are in progress with new potential customers to cater castings requirements.

  With regard to the tube segment, sales of high alloy boiler tubes have increased to customers in public sector undertakings and private sector. The Company also has re-energised the trade business with a view to have improved regional representations and market penetration.

Update on Projects

Following major projects were completed during the financial year under review :

- 70 MW solar plant commissioned at Jalna, Maharashtra.
- VPSA oxygen plant commissioned for mini blast furnaces at Koppal, Karnataka.
- Dispatch of iron ore commenced from Kirloskar Bharath Mines.
- De-bottlenecking projects.

Following major projects are in progress during the financial year under review :

- Moulding Line (phase II) at Solapur plant for enhancing production capacity of castings by 20,000 MT per annum.
- 30 MW solar plant (Phase II) at Jalna, Maharashtra.
- 12.6 MW Wind Mill at Sambhajinagar, Maharashtra.
- Fume extraction system at Jejuri plant.
- Expansion of machining capacity based on customer requirements.
- De-bottlenecking projects.

Changes to the Equity Share Capital

Upon effectiveness of the Scheme of Arrangement and Merger of ISMT Limited with the Company and their respective shareholders pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 on 8 August 2024; the Authorized Share Capital of the Company stands at ₹ 3,805,000,000 divided into 527,000,000 equity shares of ₹ 5 each and 117,000,000 preference shares of ₹ 10 each. The Board of Directors of the Company at its meeting held on 9 August 2024 has allotted 24,904,259 equity shares of ₹ 5 each to those equity shareholders of ISMT Limited (as of the Record Date of 6 August 2024) as per the share exchange ratio mentioned in the Scheme.

During the financial year 2024-2025; 3,91,620 equity shares of ₹ 5 each were allotted upon exercise of stock options pursuant to 'KFIL Employee Stock Option Schemes'. As at the end of the financial year; the issued, subscribed and paid-up share capital of the Company stands increased to ₹ 823,086,690 comprising of 164,617,338 equity shares of ₹ 5 each.

Directors

a) Changes in Directors and Key Managerial Personnel

Pursuant to provisions of Section 152 of the Companies Act, 2013 and rules thereof; Mr. Rahul Chandrakant Kirloskar (DIN : 00007319) retires by rotation at the ensuing annual general meeting and being eligible, offers himself for re-appointment.

Upon recommendation of the Nomination and Remuneration Committee, the Board has sought the approval of the Members of the Company for the appointment of Ms. Aditi Atul Kirloskar (DIN : 07480446) as a Non-Executive Non-Independent Director liable to retire by rotation.

Details of changes in Directors during the financial year 2024–2025 are as given below :

- Mr. Y. S. Bhave (DIN : 00057170) has retired as an Independent Director on 15 July 2024 pursuant to the resolution passed by the Members of the Company at their annual general meeting held on 1 August 2022.
- Mr. M. S. Srinivasan (DIN : 10709097) has been co-opted as an Additional Director with effect from 16 July 2024 and appointed as an Independent Director of the Company to hold the office for a term upto 15 July 2029.
- Mr. N. B. Ektare (DIN : 02109633) has been co-opted as an Additional Director with effect from 9 August 2024 and further appointed as the Executive Director (Operations) for a term upto 9 March 2027 .
- Mr. P. Rajashekhar (DIN : 09514548) has been co-opted as an Additional Director with effect from 9 August 2024 and appointed as an Independent Director of the Company to hold the office for a term upto 8 August 2029.
- Mr. S. Rajagopalan (DIN : 10738323) has been co-opted as an Additional Director with effect from 10 August 2024 and appointed as an Independent Director of the Company to hold the office for a term upto 31 August 2028.
- Mrs. Nalini Venkatesh (DIN : 06891397) has retired as an Independent Director on 12 August 2024 pursuant to the resolution passed by the Members of the Company at their annual general meeting held on 23 July 2019.
- Mr. Atul Kirloskar (DIN : 00007387) has retired as a Director of the Company with effect from 24 September 2024.
- Mr. A. N. Alawani (DIN : 00036153) has retired as a Director of the Company with effect from 24 September 2024.
- Mr. M. R. Chhabria (DIN : 00166049) has resigned as a Director of the Company with effect from 31 March 2025

The Board of Directors placed on record its sincere appreciation and recognition for valuable contribution by five Directors, who ceased to be Directors of the Company during the financial year.

There was no change in the key managerial personnel during the financial year 2024–2025.

b) Statement on declarations by Independent Directors

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013, rules thereof and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are in compliance with the Code for Independent Directors as prescribed in Schedule IV to the Companies Act, 2013.

In the opinion of the Board, all Independent Directors possess integrity, expertise, skills and experience for carrying out functions of an Independent Director.

Pursuant to provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and as amended; all the Independent Directors have confirmed that they hold valid registration certificate with the Databank of Independent Directors.

The Company has laid down a Code for the Board of Directors and Senior Management of the Company. The said Code is available on the website of the Company viz. www.kirloskarferrous.com All the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct.

c) Board Evaluation

Pursuant to provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Board has carried out a formal review for evaluating the performance and effectiveness of the Board, Committees of the Board and of individual directors.

Performance of the Board was evaluated on the basis of criteria such as board composition and structure, effectiveness of board processes, participation in organisation strategy, etc. Performance of various committees was evaluated by the Board based on appropriate criteria.

d) Nomination and Remuneration Policy :

Upon recommendation of the Nomination and Remuneration Committee, the Board has adopted a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration. The policy is available on the website of the Company, viz. www.kirloskarferrous.com

e) Number of meetings of the Board :

During the financial year 2024–2025, six meetings of the Board of Directors were convened and held, details of which are provided in the Report on Corporate Governance.

f) Composition of Audit Committee and other committees of the Board :

Details of composition of committees of the Board, viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee are provided in the Report on Corporate Governance.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

During the financial year 2024-2025, the sum of ₹ 61.24 Crores has been granted as the loan to the subsidiaries for the purpose of capital expenditure, refurbishment of plant and machinery and working capital and the sum of ₹ 5.99 Crores has been granted as the loan to contractors in the normal course of business of the Company and to employees in accordance with the policies of the

Company. Closing balances of these loans are disclosed under the schedule of Loans and Advances in the Financial Statements.

During the financial year 2024-2025, the Company has not given any loan or guarantee or acquired any security exceeding the limit prescribed pursuant to provisions of Section 186(2) of the Companies Act, 2013.

Transactions with related parties

During the year under review, all related party transactions entered into by the Company were approved by the Audit Committee and were at arm's length and in the ordinary course of business.

Pursuant to provisions of Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014; there are no particulars to be disclosed in the Board's Report.

The policy on related party transactions is available on the website of the Company, viz. www.kirloskarferrous.com

General

During the financial year 2024–2025;

- Pursuant to provisions of Section 148 of the Companies Act, 2013 and rules thereof; maintenance of cost records has been mandatory for the Company and such accounts and records relating to utilisation of materials, labour and other items of cost have been prepared and maintained.
- Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013 have been complied with.
- The Company has not accepted any public deposit pursuant to provisions of the Companies Act, 2013 and rules thereof.
- There has been no change in the nature of business of the Company.
- To the best of our knowledge, the Company has not received any such order from regulators, courts or tribunals, which may impact the going concern status or the operations of the Company in future.
- Details of the unauthorised fund transfer from the Company and an instance of fraud on the Company have been placed before the Audit Committee and the Board of Directors pursuant to provisions of Section 143(12) of the Companies Act, 2013 and have been reported in the Independent Auditors' Report on the audit of the Standalone Financial Statements
- Neither any application has been made nor any proceeding has been pending against the Company under the Insolvency and Bankruptcy Code, 2016.
- There was no incidence of settlement in respect of any loan availed from any bank or financial institution.

There is no material change or commitment occurring after the end of the financial year, which may affect the financial position of the Company.

Details of the remuneration received by the Managing Director and the Executive Director from holding / subsidiary company

Mr. R. V. Gumaste, Managing Director has received the remuneration of ₹ 240,000 as the sitting fees from erstwhile ISMT Limited ('subsidiary company') during the period from 1 April 2024 to 8 August 2024. He has not received any remuneration from Kirloskar Industries Limited ('holding company').

Mr. R. S. Srivatsan, Executive Director (Finance) and Chief Financial Officer has been the Chief Financial Officer of erstwhile ISMT Limited ('subsidiary company') till 8 August 2024. He has received the remuneration of ₹ 319,355 from that company during the period from 1 April 2024 to 8 August 2024. He has not received any remuneration from Kirloskar Industries Limited ('holding company').

Mr. N. B. Ektare, Executive Director (Operations) was the Managing Director of erstwhile ISMT Limited till 8 August 2024. He has received the remuneration of ₹ 5,843,712 from that company during the period from 1 April 2024 to 8 August 2024. He has not received any remuneration from Kirloskar Industries Limited ('holding company').

Subsidiary / associate / joint venture companies and Consolidated financial statements

Consolidated Financial Statements of the Company and its subsidiaries for the year ended 31 March 2025 form part of this annual report. A statement containing salient features of the financial statements of the subsidiaries / associate companies / joint venture companies for the year ended 31 March 2025 has been annexed to the Financial Statements of the Company in Form AOC-1.

Pursuant to the Scheme of Arrangement and Merger of ISMT Limited with the Company and their respective shareholders sanctioned by Honourable National Company Law Tribunal (NCLT), Mumbai vide its Order dated 24 July 2024; ISMT Limited stands merged into and with the Company and dissolved without being wound up on and from the Effective Date of 8 August 2024. Upon effectiveness of the Scheme, below mentioned subsidiaries of ISMT Limited have become the subsidiaries of the Company :

- Adicca Energy Solutions Private Limited
- Tridem Port and Power Company Private Limited
- Nagapattinam Energy Private Limited
- Best Exim Private Limited
- Success Power and Infraprojects Private Limited
- Marshal Microware Infrastructure Development Company Private Limited

- ISMT Enterprises SA, Luxembourg
- Structo Hydraulics AB, Sweden
- ISMT Europe AB, Sweden

Structo Hydraulics AB, Sweden and ISMT Europe AB, Sweden are under the process of liquidation since the financial year 2023-2024.

Risk Management Framework

The Company has a Risk Management Committee consisting of Mr. V. M. Varma as the Chairman and Mr. R. V. Gumaste, Mr. S. Venkataramani and Mr. P. Vohra as Members of the Committee. Based on the recommendation of the Committee, the Risk Management Policy has been amended to include ESG related risks, information and cyber security risks. The Board reviews effectiveness of risk management activities on regular basis.

The process of risk management covers risk identification and classification of risks, risk rating, risk mitigation and risk monitoring and review. Risks have been classified as strategic, operational, financial, statutory / compliance and reputational.

Based on recommendation of the Risk Management Committee, the Risk Coordinator has been appointed to work with Risk Owners to identify risks and facilitate development of risk mitigation plans.

Internal Financial Controls

The Company has deployed controls including defined code of conduct, whistle blower policy, management review and MIS mechanisms, internal audit mechanism. The process level controls have been instituted through company policies and procedures and continuous monitoring of efficiency in operations.

There is regular management oversight of the internal controls environment at the Company. The Audit Committee alongwith the Management oversees reports of the internal audit and reviews implementation on a periodic basis.

Vigil Mechanism / Whistle Blower Policy

The Board of Directors has adopted the Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud, unethical behaviour, mismanagement, leakage of Unpublished Price Sensitive Information (UPSI), etc. The policy has provided a mechanism for employees and other persons dealing with the Company to report to the Chairman of the Audit Committee any such instance. There was no case filed during the year under review.

The policy has been uploaded at the website of the Company, viz. www.kirloskarferrous.com

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a Policy for Prevention of Sexual Harassment at workplace. This would, inter alia, provide a mechanism for the resolution, settlements or prosecution of acts or instances of sexual harassment at workplace and to ensure that all employees are treated with respect and dignity. There was no complaint / case filed / pending with the Company during the year under review.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Annual Returns filed with the Ministry of Corporate Affairs (MCA)

Pursuant to provisions of Section 134 read with Section 92(3) of the Companies Act, 2013; copies of annual returns filed with the MCA are available at the website of the Company viz. www.kirloskarferrous.com and the Annual Return for the financial year 2024–2025 will be uploaded on the website after filing with the MCA.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Details on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are annexed herewith as Annexure A.

Corporate Social Responsibility (CSR)

The Company has always believed in working for the betterment and upliftment of the society. Corporate Social Responsibility (CSR) has been practiced over the years in the Company. Focus areas under CSR include Education, Health and Hygiene, Environment and Rural Development. The Company has been carrying out various CSR activities directly or through implementing agencies.

Details about the composition of CSR Committee and the Report on CSR activities for the financial year under review is annexed herewith as Annexure B.

Information pursuant to Rule 5 of the Companies (appointment and remuneration of managerial personnel) Rules, 2014

Information relating to remuneration and other details as required pursuant to Rule 5 of the Companies (appointment and remuneration of managerial personnel) Rules, 2014 is annexed herewith as Annexure C.

Employee Stock Options Schemes (ESOS)

The Company views employee stock options as an instrument that would enable the employees to share the value they create for the Company and align individual objectives of the employees with the objectives of the Company.

The Company has two employee stock option schemes, viz. KFIL Employee Stock Option Scheme 2017 ('KFIL ESOS 2017') and KFIL Employee Stock Option Scheme 2021 ('KFIL ESOS 2021') in order to motivate, incentivize and reward employees. The Board of Directors and the Nomination and Remuneration Committee of the Company are authorised to administer both schemes.

During the financial year, the Nomination and Remuneration Committee at its meeting held on 9 August 2024 has granted 240,000 stock options pursuant to 'KFIL ESOS 2021'.

Pursuant to Regulation 13 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; certificates from the secretarial auditor that the schemes have been implemented in accordance with these regulations and in accordance with the resolutions passed by the Members of the Company in the general meetings would be placed before the Members at the ensuing annual general meeting.

Disclosures on schemes, details of options granted, shares allotted upon exercise are annexed herewith as Annexure D and are also available on the website of the Company at www.kirloskarferrous.com

No employee has been granted stock options equal to or exceeding one percent of the issued capital of the Company.

In line with the Indian Accounting Standards ("Ind AS") 102 on 'Share Based Payments' issued by the Institute of Chartered Accountants of India ("ICAI"); the Company has computed the cost of equity-settled transactions by using the fair value of the options at the date of the grant and recognized the same as employee compensation cost over the vesting period.

Auditors

a) Statutory Auditors

The Members of the Company at their annual general meeting held on 27 July 2021 have reappointed M/s. Kirtane & Pandit LLP, Chartered Accountants as the Statutory Auditor of the Company to hold office for another term from the conclusion of 30th Annual General Meeting till the conclusion of 35th Annual General Meeting of the Members of the Company. A certificate has been received from them confirming that requirements prescribed under provisions of Section 141 of the Companies Act, 2013 have been fulfilled.

The Members of the Company at their annual general meeting held on 24 September 2024 have appointed M/s. P G BHAGWAT LLP, Chartered Accountants as the Statutory Auditor of the Company to hold office for a term from conclusion of 33rd Annual General Meeting till conclusion of 38th Annual General Meeting to conduct the audit of books of account of the Company for the financial years ending 31 March 2025 and 31 March 2026 jointly with M/s. 'Kirtane & Pandit LLP, Chartered Accountants', present statutory auditor. A certificate has been received from them confirming that requirements prescribed under provisions of Section 141 of the Companies Act, 2013 have been fulfilled.

The reports given by the statutory auditors on the standalone and consolidated financial statements of the Company for the financial year ended 31 March 2025 form part of this Annual report. There is no qualification / reservation / adverse remark in the reports on the audit of standalone and consolidated financial statements given by the statutory auditors. However, few observations relating to the Companies (Auditor's Report) Order, 2020 have been stated in the annexures to the Independent Auditors' Reports.

b) Secretarial Audit

Pursuant to provisions of Section 204 of the Companies Act, 2013 and rules thereof; Mr. Mahesh J. Risbud, Practicing Company Secretary has been appointed to conduct the Secretarial Audit of the Company for the financial year 2024-2025. The Secretarial Audit Report issued by him is annexed herewith as Annexure E. There is no qualification / reservation / adverse remark in the Secretarial Audit Report.

Pursuant to the Circular No. CIR/CFD/CMD1/27/2019 dated 8 February 2019 and the Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11 November 2024 issued by the SEBI, Mr. Mahesh J. Risbud, Practicing Company Secretary has also issued the Secretarial Compliance Report for the financial year 2024–2025.

Pursuant to the provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 204 of the Companies Act, 2013 and rules thereof, as amended and subject to the approval of the Members of the Company at the ensuing annual general meeting; 'M. J. Risbud And Co', Company Secretaries has been appointed as the Secretarial Auditor of the Company to hold office for a term from conclusion of 34th Annual General Meeting till conclusion of 39th Annual General Meeting of the Members of the Company and to provide the secretarial audit report from the financial year ending 31 March 2026 to the financial year ending 31 March 2030. The Board has sought the approval of the Members of the Company for their appointment as the Secretarial Auditor at the ensuing annual general meeting.

c) Cost Auditor

Pursuant to provisions of Section 148 of the Companies Act, 2013 and rules thereof, the Board of Directors has appointed 'Dhananjay V. Joshi & Associates', Cost Accountants as the Cost Auditor to conduct the audit of cost accounting records for the financial year 2025–2026.

Report on Management Discussion and Analysis

Pursuant to provisions of Regulation 34(3) of the SEBI (LODR) Regulations, 2015; the Report on Management Discussion and Analysis forms part of this Annual Report.

Report on Corporate Governance

The Company conforms to norms of the corporate governance as envisaged in the Listing Agreement executed with the stock exchange. Pursuant to provisions of Regulation 34(3) of the SEBI (LODR) Regulations, 2015; the Report on Corporate Governance forms part of this Annual Report. A certificate from the secretarial auditor regarding compliance with conditions of corporate governance as required pursuant to provisions of the SEBI (LODR) Regulations, 2015 has been annexed to the Report on Corporate Governance.

Business Responsibility and Sustainability Report

Pursuant to provisions of Regulation 34(2)(f) of the SEBI (LODR) Regulations, 2015; the Business Responsibility and Sustainability Report forms part of this Annual Report.

Directors' Responsibility Statement

Pursuant to provisions of Section 134 of the Companies Act, 2013 in respect of Directors' Responsibility Statement; the Directors state that :

- in the preparation of the annual accounts; the applicable accounting standards have been followed and there were no material departures;
- accounting policies as mentioned in the Notes forming part of the Financial Statements have been selected and applied consistently. Further, judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2025 and of the profit of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual financial statements have been prepared on a going concern basis;
- proper internal financial controls were laid down and such internal financial controls were adequate and were operating effectively and
- proper systems were in place to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

Cautionary Statement

Statements in this report, particularly those which relate to the Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

Appreciation

The Board wishes to place on record its appreciation towards the contribution of all employees of the Company and its gratitude to the Company's valued customers, bankers, vendors and members for their continued support and confidence in the Company.

For and on behalf of the Board of Directors of
Kirloskar Ferrous Industries Limited

Rahul Kirloskar
Chairman
(DIN : 00007319)

Date : 9 May 2025
Place : Pune

Annexure A

Details on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014

A. Conservation of energy

(a) Energy conservation measures taken during the financial year 2024-2025 :

- Installation and commissioning of oxygen enrichment into blast furnaces to reduce coke consumption.
- Various variable frequency drives installation as per the energy audit report at plant locations.
- Implementation of suggestions on energy conservation measures at plant locations.
- Power factor improved by adjusting the major load power factor.
- Purchase of renewable energy power at Koppal and Hiriyur plants.
- Replacement of conventional lights with LED light fittings at plant locations.
- All core drying ovens of the foundry at Koppal plant replaced from LPG to PNG.
- Automation of induction furnace II to reduce power consumption at Solapur plant.
- Replacement of layer saw hydraulic motor with existing motor at Baramati plant.
- Use of PNG in place of LPG in furnace and canteen at Baramati plant.
- Use of solar power through open access at Jejuri plant.
- Power factor improvement by switching of capacitor banks in idle time at Jejuri plant.
- Use of energy efficient pumps to reduce auxiliary energy consumption at Jejuri plant.
- Power factor improvement by reconditioning of APFC panel at Ahmednagar plant.

Figures of power generation and fuel consumption :

Particulars	2024-2025	2023-2024	2022-2023
	(Quantity in lakh units)		
Generation from 40 MW power plant	2,803	2,357	1,452
Generation from 12 MW power plant	775	639	678
	(Quantity in Kilo Litres)		
Fuel consumption in 12 MW Turbo Generator	183	243	231

(b) Proposals for the financial year 2025–2026 :

- Replacement of three old compressors with one energy efficient compressor at Koppal plant.
- Heating of coke bunkers to reduce coke consumption at Koppal and Hiriyur plants.
- Replacement of two old HT motors with VFD driven energy efficient motors at Koppal plant.
- All core drying ovens of foundry line I from FO to PNG at Koppal plant.
- Feasibility study to replace core drying from PNG to BF gas at Koppal plant.
- Setting up of wind power plant at Solapur plant.
- Increase in production capacity of existing solar plant at Solapur.
- Purchase of renewable energy (RE) power at Koppal and Hiriyur plants.
- Online energy monitoring system for real time energy data availability and monitoring.
- Separate drive installation for RHF-3 charging.
- RHF-5 bend radiant tubes and heater replacement.
- RHF-1 revamping work to reduce heat losses by changing ceramic blanket insulation.
- Replacement of existing old water pumps.
- Waste heat recovery from RTHF exhaust for STP tanks.
- Upgradation of hearth furnaces to reduce specific energy consumption.
- Use of energy efficient pumps to reduce auxiliary energy consumption.

- Use of energy efficient LED lights in SMS area.
- Conversion of LSHS to PNG for furnaces and boilers.
- Impact of the above measures :
- Reduction in energy consumption.
- Reduction in coke consumption.
- Conservation of non-renewable energy resources.
- Improvement in operational efficiency and widening the scope for energy conservation.

B. Technology absorption

Following projects are under implementation :

- Improvements in mini blast furnaces like oxygen enrichment, adoption of vacuum pressure swing absorption technology, coke drying system and installation of additional stove.
- Installation of fume extraction for improvement in indoor air quality.
- Purchase of bright annealing furnace to improve surface quality of tubes for boiler, heat exchanger, automotive, mining applications.
- Installation of separate screw compressor for PTD to avoid transmission losses and energy saving.
- Development of new steel grade products at Ahmendnagar plant.
- Technical discussion on green sand reclamation plant.
- Utilisation of blast furnace gas for core drying purpose.
- Revamping of rotary hearth furnace with latest technology.
- Installation of new pre-heating induction furnace.
- Installation of emergency brake systems for SMS area cranes for human and equipment safety.
- Improvement of conveyor handling system for smooth and effective operations.
- UT and ECT projects for inspection of steel bars.

C. Foreign Exchange Earnings and Outgo

	(₹ in Crores)
Earnings	133.91
Outgo	1,196.62

D. Research and Development (R&D)

The Company focuses in the area of new process and product development in manufacturing operations and in achieving improved processes for manufacture of products thereby to reduce costs.

Specific areas in which R & D carried out by the Company :

- Development of transmission part for electric tractor.
- Development of high capacity engine block for new tractor.
- Development of four cylinder heads.
- Joint design and development of low weight transmission part.
- Development of transmission part for less than 50 hp tractor
- Development of engine cylinder blocks and heads for EURO 7 application.
- Proto part manufacturing of four cylinder block with vertical design.

Benefits derived as result of the above R & D :

- Customer appreciation for supply of proto parts for engine validation and vehicle launch in time.
- Reduced cost for proto casting production.

Future plans of action :

- Lost foam casting process feasibility study and adaptation.
- Adapting 3D printing core making process for mass production through indigenization of raw materials and high speed machines.
- Value engineering solution to original equipment manufacturers.
- Continuous improvements to make the processes more efficient.
- Compacted graphite iron development.

Details of expenditure on R & D are as given below :

(₹ in Crores)

Particulars	2024-2025	2023-2024
Capital	0.58	0.73
Recurring	6.28	4.56
Total R & D expenditure	6.86	5.29

Annexure B

Annual Report on CSR Activities

[Pursuant to Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief Outline on CSR Policy of the Company

As per the Corporate Social Responsibility (CSR) Policy of the Company as adopted by the Board of Directors at its meeting held on 28 April 2017, eligible funds for CSR activities in each financial year will be expended in the areas of Education, Environment, Health and Hygiene and Rural Development through one or more implementing agencies. These CSR activities will be carried out through various programmes or projects as specified in the CSR Policy.

2. Composition of CSR Committee

The CSR Committee comprises of three Directors, viz. Mr. Rahul Kirloskar as the Chairman of the CSR Committee and Mr. R. V. Gumaste, Managing Director and Mr. M. S. Srinivasan, Independent Director as Members of the CSR Committee.

During the financial year 2024-2025, one meeting of the CSR Committee was held on 17 May 2024.

Details of attendance at the meetings of the CSR Committee are as given below :

Name of Director	Designation / Nature of Directorship	Number of meetings held	Number of meetings attended
Mr. Rahul Kirloskar	Non-Independent and Non-Executive	1	1
Mr. R. V. Gumaste	Managing Director	1	1
Mrs. Nalini Venkatesh	Independent Director	1	1

3. The composition of CSR committee and the CSR Policy of the Company are available at the website of the Company, viz. www.kirloskarferrous.com

4. Provisions of sub-rule (3) of Rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014 relating to the executive summary of impact assessment of CSR projects are not applicable to the Company.

5.

(a)	Average Net Profit of the Company as per Section 135(5) of the Companies Act, 2013 for the financial years 2021-2022, 2022-2023 and 2023-2024	₹ 4,956,501,540
(b)	Two percent of average net profit of the company as per Section 135(5)	₹ 99,130,031
(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 [(b)+(c)-(d)]	₹ 99,130,031

6.

(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹ 100,552,497
(b)	Amount spent in Administrative Overheads	Nil
(c)	Amount spent on Impact Assessment, if applicable	Nil
(d)	Total amount spent for the financial year [(a)+(b)+(c)]	₹ 100,552,497

(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 Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
100,552,497	Nil	-	-	Nil	-

(f) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per Section 135(5)	99,130,031
(ii)	Total amount spent for the financial year	100,552,497
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1,422,466
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1,422,466

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years :

1	2	3	4	5	6		7	8
Sl No	Preceding Financial Year(s)	Amount transferred to unspent CSR account under section 135(6) (in ₹)	Balance Amount in unspent CSR account under section 135(6) (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY 2021-2022	Nil	-	-	-	-	-	-
2	FY 2022-2023	Nil	-	-	-	-	-	-
3	FY 2023-2024	Nil	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year : ~~Yes~~ / No

If yes, enter the number of capital assets created / acquired : Not applicable

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]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Office
1	2	3	4	5	6		
-	-	-	-	-	-	-	-

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5) : Not applicable

For Kirloskar Ferrous Industries Limited

Rahul Kirloskar
Chairman of the Committee
(DIN : 00007319)

R. V. Gumaste
Managing Director
(DIN : 00082829)

R. S. Srivatsan
Executive Director (Finance) and Chief Financial Officer
(DIN : 09607651)

Date : 9 May 2025

Annexure C

Information pursuant to Rule 5 of the Companies (Appointment and remuneration of managerial personnel) Rules, 2014

Sr No	Information required	Particulars
1	The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year	Kindly refer to Table C-1
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Kindly refer to Table C-2
3	The percentage increase in the median remuneration of employees in the financial year	7.60 percent
4	The number of permanent employees on the rolls of company	3,252
5	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	Percentage decrease in salaries of managerial personnel at 50th percentile : 55 percent Percentage increase in salaries of Non-managerial personnel at 50th percentile : 11.23 percent (Note : Percentage increase in salaries of Non-managerial personnel is in the range 2 percent to 48 percent). The salary increases are a function of various factors like individual performance vis-á-vis individual KPIs, industry trends, economic situation, future growth prospects, etc. besides the performance of the Company. There are no exceptional circumstances for increase in the managerial remuneration.
6	Affirmation that the remuneration is as per the remuneration policy of the company.	Payment of remuneration to Directors is accordance with the Nomination and Remuneration Policy of the Company.
7	Statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee, who- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees; (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month; (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.	Kindly refer to Table C-3

Table C-1 :

Sr No	Name of the Director	Ratio of remuneration of each director to the median remuneration of the employees of the Company
1	Mr. Rahul Kirloskar	2.44
2	Mr. R. V. Gumaste (MD)	173.22
3	Mr. V. M. Varma	3.48
4	Mr. S. Venkataramani	4.53
5	Mr. R. S. Srivatsan (ED)	73.33
6	Mr. P. Vohra	3.35
7	Dr. Shalini Sarin	2.98
8	Mr. Atul Kirloskar	Refer Note 1
9	Mr. A. N. Alawani	
10	Mrs. Nalini Venkatesh	
11	Mr. Y. S. Bhave	
12	Mr. M. R. Chhabria	
13	Mr. M. S. Srinivasan	Refer Note 2
14	Mr. N. B. Ektare (ED)	
15	Mr. P. Rajashekhar	
16	Mr. S. Rajagopalan	

Table D-2 :

Sr No	Name of the Director / KMP	Designation	Percentage increase / (decrease) in the remuneration
1	Mr. Rahul Kirloskar	Director	(57.55) %
2	Mr. R. V. Gumaste	Managing Director and KMP	8.69 %
3	Mr. V. M. Varma	Independent Director	(9.82) %
4	Mr. S. Venkataramani	Independent Director	(54.88) %
5	Mr. R. S. Srivatsan (ED)	Executive Director (Finance), CFO and KMP	11.51 %
6	Mr. P. Vohra	Independent Director	(6.73) %
7	Dr. Shalini Sarin	Independent Director	(52.94) %
8	Mr. Mayuresh Gharpure	CS and KMP	(16.06) %
9	Mr. Atul Kirloskar	Director	Refer Note 1
10	Mr. A. N. Alawani	Director	
11	Mrs. Nalini Venkatesh	Independent Director	
12	Mr. Y. S. Bhave	Independent Director	
13	Mr. M. R. Chhabria	Director	
14	Mr. M. S. Srinivasan	Independent Director	Refer Note 2
15	Mr. N. B. Ektare	Executive Director (Operations)	
16	Mr. P. Rajashekhar	Independent Director	
17	Mr. S. Rajagopalan	Independent Director	

Note 1 :

- Mrs. Nalini Venkatesh (DIN : 06891397) has retired as an Independent Director on 12 August 2024 pursuant to the resolution passed by the Members of the Company at their annual general meeting held on 23 July 2019
- Mr. Y. S. Bhave (DIN : 00057170) has retired as an Independent Director on 15 July 2024 pursuant to the resolution passed by the Members of the Company at their annual general meeting held on 1 August 2022
- Mr. Atul Kirloskar (DIN : 00007387) has retired as a Director of the Company with effect from 24 September 2024.
- Mr. A. N. Alawani (DIN: 00036153) has retired as a Director of the Company with effect from 24 September 2024.
- Mr. M. R. Chhabria (DIN : 00166049) has resigned as a Director of the Company with effect from 31 March 2025

Note 2 :

- Mr. M. S. Srinivasan (DIN : 10709097) has been co-opted as an Additional Director in the category of Independent Director with effect from 16 July 2024.
- Mr. N. B. Ektare (DIN : 02109633) has been co-opted as an Additional Director and further appointed as the Executive Director (Operations) with effect from 9 August 2024.
- Mr. P. Rajashekhar (DIN : 09514548) has been co-opted as an Additional Director in the category of Independent Director with effect from 9 August 2024.
- Mr. S. Rajagopalan (DIN : 10738323) has been co-opted as an Additional Director in the category of Independent Director with effect from 10 August 2024.

Table C-3 :

Statement showing name of top ten employees in terms of remuneration drawn :

Sl No	Name of the Employee and Designation	Remuneration (₹)	Qualifications	Experience (Years)	Date of start of employment	Age (Years)	Details of last employment	Percentage of equity shares held
1	Mr. R. V. Gumaste Managing Director	125,312,617	B. Tech (Metallurgy)	43	08/11/2001	67	Chief Executive (Works) Indian Seamless Metal Tubes Limited	0.60
2	Mr. R. S. Srivatsan Executive Director (Finance) and CFO	53,470,182	B.Com., CA	41	12/01/1998	62	Sr.Manager-Finance Vasavadatta Cement (Unit of Kesoram Industries Limited)	0.11
3	Mr. N. B. Ektare Executive Director (Operations)	45,349,537	B. Tech. (Electrical)	38	10/03/2022	64	Kirloskar Ferrous Industries Limited	0.07
4	Mr. C. Ramesh President	21,284,759	B.E (Mech.)	31	26/09/1994	54	Not applicable	0.05
5	Mr. P. Narayana EVP (HR)	16,613,832	B.Com. PG-Dip-HRM, LLB	37	09/06/2016	62	DGM - JSW Steels Limited	0.05
6	Mr. Inturi Chandra Sekhar EVP (R & D)	15,810,611	B.E (Mech.) and MBA-Mktg.	37	16/10/2013	61	GM (Design & Development) Neosym Industry Limited	0.05
7	Mr. M. G. Nagaraj EVP (PIP)	13,867,784	B.E (Metallurgy)	32	01/10/1993	56	Not applicable	0.05
8	Mr. P. M. Manojkumar EVP	13,637,530	B.E. (Production)	31	22/04/2021	54	Hitech Gears – Senior GM	0.01
9	Mr. Prakash Narayan Murthy Vice President	13,465,596	B.E.(Electronics & Instrumentation)	29	12/08/2016	54	Fourwind Project Development	0.01
10	Mr. Pradeep Madulkar VP (Foundry)	13,360,965	B.E. (Metallurgy)	34	03/05/2007	55	Magna Industries	0.02

Notes :

- The Managing Director, the Executive Directors and employees mentioned above at serial numbers from 4 to 10 are not relative of any Director on the Board of Directors of the Company.
- Mr. Pradeep Madulkar, VP (Foundry) has resigned from the Company on 8 February 2025.

Annexure D

Employee Stock Option Schemes (ESOS)

Disclosures for the financial year ended 31 March 2025 pursuant to Regulation 14 read with Schedule I of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

A) All the Relevant disclosures required under 'IND AS 102 – Share based payments' are made in the financial statements.

B) Diluted Earnings Per Share (EPS) on issue of equity shares upon exercise of stock options pursuant to all the schemes in accordance with IND-AS 33 (Earnings Per Share) : ₹ 19.18 per equity share

C) Details related to KFIL Employee Stock Option Scheme 2017 ('KFIL ESOS 2017') :

i) Description including terms and conditions of KFIL ESOS 2017 are as given below :

Sr No	Particulars	Details
1	Date of shareholders' approval	3 August 2017
2	Total number of options approved under the Scheme	2,500,000
3	Vesting requirements	There shall be a minimum period of one year between grant of options and vesting of options. Vesting shall be subject to the condition that the grantee is in employment or service of the Company on the date of vesting and must neither be serving his notice for termination of employment / service nor subject to any disciplinary proceedings pending against him on the date of vesting.
4	Exercise price or pricing formula	40 percent discount to Market Price of the equity share as on date of grant of options, as decided by the Nomination and Remuneration Committee (NRC), but in no case shall it be less than the face value of the equity share.
5	Maximum term of options granted	The options would vest over a maximum period of four years.
6	Source of shares	Primary
7	Variation in terms of options	Subject to necessary approvals as may be required, the NRC may, at any time amend, alter or vary the terms of the KFIL ESOS 2017 and/or terms of the options already granted under the KFIL ESOS 2017, subject to the condition that such amendment, alteration or variation, as the case may be, is not detrimental to the interest of Employees. With a view to align with provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 effective from 13 August 2021, both schemes have been amended with effect from 22 October 2021 upon the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors of the Company.

ii) Method used to account for ESOS :

The Company uses fair value based method of accounting for stock options, which is in accordance with IND AS-102.

iii) Where the company opts for expensing of the options using intrinsic value of the options, the difference between the employee compensation cost so computed and employee compensation cost that shall have been recognized, if it had used the fair value of the options. The impact of this difference on profits and EPS of the Company : Not applicable

iv) Options movement during the financial year 2024-2025 :

Number of options outstanding at the beginning of year	476,395
Number of options granted during the year	-
Number of options forfeited / lapsed during the year	54,225
Number of options vested during the year	91,600
Number of options exercised during the year	99,410
Number of shares arising as a result of exercise of options	134,720
Money realized by exercise of options (₹)	13,865,985
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	322,760
Number of options exercisable at the end of the year	194,760

v) Weighted average exercise price and weighted average fair value of options, exercise price of which is less than the market price on the date of grant

Weighted average exercise price ₹ 73.12

Weighted average fair value ₹ 59.29

vi) Employee wise details of options granted during the year :

a) Senior Managerial Personnel (including Key Managerial Personnel) : Nil

b) Any other employees, who received a grant in any one year of options amounting to five percent or more of options granted during that year : Nil

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

vii) Description of the method and significant assumptions used during the year to estimate the fair value of options:

The fair value of the options at grant date is determined using Black Scholes option pricing model after applying the following assumptions.

(a) The model inputs for options granted during the year included : Not applicable

(b) The method used and the assumptions made to incorporate the effects of expected early exercise : Not applicable

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

The expected price volatility is determined using annualized standard deviation (a measure of volatility used in Black Scholes Merton option pricing) and the historic volatility based on remaining life of the options.

(d) Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition. : Nil

D) Details related to KFIL Employee Stock Option Scheme 2021 ('KFIL ESOS 2021') :

i) Description including terms and conditions of KFIL ESOS 2021 are as given below :

Sr No	Particulars	Details
1	Date of shareholders' approval	27 July 2021
2	Total number of options approved under the Scheme	2,500,000
3	Vesting requirements	There shall be a minimum period of one year between grant of options and vesting of options. Vesting shall be subject to the condition that the grantee is in employment or service of the Company on the date of vesting and must neither be serving his notice for termination of employment / service nor subject to any disciplinary proceedings pending against him on the date of vesting.
4	Exercise price or pricing formula	25 percent discount to Market Price of the equity share as on date of grant of options, as decided by the Nomination and Remuneration Committee (NRC), but in no case shall it be less than the face value of the equity share.
5	Maximum term of options granted	The options would vest over a maximum period of four years.
6	Source of shares	Primary

Sr No	Particulars	Details
7	Variation in terms of options	Subject to necessary approvals as may be required, the NRC may, at any time amend, alter or vary the terms of the KFIL ESOS 2021 and/or terms of the options already granted under the KFIL ESOS 2021, subject to the condition that such amendment, alteration or variation, as the case may be, is not detrimental to the interest of Employees. With a view to align with provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 effective from 13 August 2021, both schemes have been amended with effect from 22 October 2021 upon the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors of the Company.

ii) Method used to account for ESOS :

The Company uses fair value based method of accounting for stock options, which is in accordance with IND AS-102.

iii) Where the company opts for expensing of the options using intrinsic value of the options, the difference between the employee compensation cost so computed and employee compensation cost that shall have been recognized, if it had used the fair value of the options. The impact of this difference on profits and EPS of the Company : Not applicable

iv) Options movement during the financial year 2024–2025 :

Number of options outstanding at the beginning of year	1,351,827
Number of options granted during the year	240,000
Number of options forfeited / lapsed during the year	104,825
Number of options vested during the year	291,375
Number of options exercised during the year	256,487
Number of shares arising as a result of exercise of options	256,900
Money realized by exercise of options (₹)	40,333,300
Loan repaid by the Trust during the year from exercise price received	-
Number of options outstanding at the end of the year	1,230,515
Number of options exercisable at the end of the year	188,515

v) Weighted average exercise price and weighted average fair value of options, exercise price of which is less than the market price on the date of grant :

Weighted average exercise price ₹ 209.25

Weighted average fair value ₹ 133.75

vi) Employee wise details of options granted during the year :

a) Senior Managerial Personnel (including Key Managerial Personnel) :

Name of Employee	Designation	Number of stock options	Exercise Price per stock option (in ₹)
Nishikant Balkrishna Ektare	Executive Director (Operations)	150,000	563
Tanesh Dhingra	Executive Vice President	20,000	563
Venkateswara Rao	Senior Vice President	12,000	563
Zakir Shaikh	Senior Vice President	12,000	563
Kalyan R. Deshpande	Senior Vice President	12,000	563
Vipin Pawar	Vice President	10,000	563
Pramod Dode	Associate Vice President	10,000	563
Ujwal Lambe	Associate Vice President	10,000	563
Arun Meti	Senior Manager	4,000	563
	Total	**240,000**	

b) Any other employees, who received a grant in any one year of options amounting to five percent or more of options granted during that year :

Name of Employee	Designation	Number of stock options	Exercise Price per stock option (in ₹)
Nishikant Balkrishna Ektare	Executive Director (Operations)	150,000	563
Tanesh Dhingra	Executive Vice President	20,000	563
Venkateswara Rao	Senior Vice President	12,000	563
Zakir Shaikh	Senior Vice President	12,000	563
Kalyan R. Deshpande	Senior Vice President	12,000	563

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

vii) Description of the method and significant assumptions used during the year to estimate the fair value of options :

The fair value of the options at grant date is determined using Black Scholes option pricing model after applying the following assumptions.

(a) The model inputs for options granted during the year ended 31 March 2025 included :

Particulars	9 Aug 2025	9 Aug 2026	9 Aug 2027	9 Aug 2028
Share price (₹)	750.20	750.20	750.20	750.20
Exercise Price (₹)	563.00	563.00	563.00	563.00
Expected Volatility (standard deviation)	40.56 %	42.84 %	47.25 %	44.62 %
Expected option life (in years)	2.50	3.50	4.50	5.50
Expected dividend yield	0.56 %	0.98 %	0.83 %	0.77 %
Risk free interest rate	6.80 %	6.81 %	6.81 %	6.80 %
Any other inputs to the model	Nil	Nil	Nil	Nil

(b) The method used and the assumptions made to incorporate the effects of expected early exercise : Not applicable

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

The expected price volatility is determined using annualized standard deviation (a measure of volatility used in Black Scholes Merton option pricing) and the historic volatility based on remaining life of the options.

(d) Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition : Nil

Annexure E

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
KIRLOSKAR FERROUS INDUSTRIES LIMITED,
One Avante, Level 5, Karve Road, Kothrud, Pune 411038.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KIRLOSKAR FERROUS INDUSTRIES LIMITED, (CIN : L27101PN1991PLC063223)** (hereinafter called '**the Company**'). Secretarial Audit was conducted in a manner that provided me with 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 authorized 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 **31 March 2025** 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 **31 March 2025** according to the provisions of:

(i) The Companies Act, 2013 ("**the Act**") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(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; [No incidence during the audit period, hence not applicable]

(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;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - [No incidence during the audit period, hence not applicable]

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

   (f) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - [No incidence during the audit period, hence not applicable]

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; [No incidence during the audit period, hence not applicable]

(vi) The Mines and Minerals (Development and Regulation) Act, 1957 and rules made thereunder.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

(ii) The Listing Agreement entered into by the Company with the BSE Limited pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that,

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 (except whenever meetings were called at a shorter notice in compliance with provisions of the Act, rules thereof and the Secretarial Standard 1) 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.

Decisions in the meetings of the Board and committees thereof were approved with requisite majority during the audit period. None of the Directors on the Board have recorded any dissent during any of 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 Company has filed on 8 August 2024 with the Registrar of Companies, Pune, the Ministry of Corporate Affairs, Government of India the certified true copy of the Order passed by the Hon'ble National Company Law Tribunal (NCLT), Mumbai alongwith a copy of the Scheme of Arrangement and Merger of ISMT Limited with Kirloskar Ferrous Industries Limited and their respective shareholders pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. In terms of Clause 1.8 of the Scheme, the Scheme has become operative effective from 1 April 2023 ('Appointed Date') and ISMT Limited stands merged into and with the Company and dissolved without being wound up on and from 8 August 2024 ('Effective Date').

(b) The Members of the Company at their Annual General Meeting held on 24 September 2024 have passed the special resolution under Sections 42, 71 and 179 of the Act to authorise the Board of Directors of the Company to borrow not exceeding ₹ 1,000 Crores by issuance of Non-convertible Debentures in one or more tranches on private placement basis.

(c) The Members of the Company at their Annual General Meeting held on 24 September 2024 have passed the special resolution under Section 180(1)(c) of the Act to authorise the Board of Directors of the Company to borrow any sum or sums of money not exceeding at any time the aggregate of the paid up share capital, the free reserves and the securities premium of the Company by a sum of not more than ₹ 2,000 Crores.

(d) The Members of the Company at their Annual General Meeting held on 24 September 2024 have passed the special resolution under Section 180(1)(a) of the Act to authorise the Board of Directors of the Company to create security or encumbrances on the assets of the Company to secure credit facilities upto a sum not exceeding ₹ 3,000 Crores at any point of time.

(e) The Members of the Company at their Annual General Meeting held on 24 September 2024 have passed the special resolution under Section 186 of the Act to authorise the Board of Directors of the Company to give loans to any person(s) or other body corporate(s), to give guarantees or providing security in connection with a loan to any other body corporate(s) or person(s), to acquire whether by way of subscription, purchase or otherwise, the securities of any other body corporate(s) or to invest, upto a sum not exceeding ₹ 2,000 Crores over and above the aggregate of the paid up share capital, the free reserves and the securities premium of the Company.

(f) The Board of Directors at its meeting held on 23 September 2024 has approved for closure / sale / liquidation of three subsidiaries, viz. Structo Hydraulics AB, Sweden, ISMT Europe AB, Sweden and ISMT Enterprises, Luxembourg.

(g) A Show-Cause Notice dated 27 March 2025 was received by Directors of erstwhile ISMT Limited from the Ministry of Corporate Affairs, Cost Audit Branch towards non filing of the Cost Audit Report for the financial year ended 31 March 2024 within the statutory time limit as prescribed by Section 148(6) of the Act and rules thereof. A suitable response has been filed to the Show Cause Notice on 11 April 2025.

The aforesaid decisions / events / actions might have a major bearing on the Company's affairs.

My report should be read along with the annexed Disclaimer letter of even date forming part of this report.

For M. J. Risbud & Co

Mahesh J. Risbud
Proprietor
Practicing Company Secretary
FCS No. 810 C P No.: 185
UCN – S1981MH000400
UDIN - F000810G000305686
PR – 1089/2021

Date : 9 May 2025
Place : Pune

To,
The Members of
KIRLOSKAR FERROUS INDUSTRIES LIMITED,
One Avante, Level 5, Karve Road, Kothrud,
Pune 411038, Maharashtra

My report of even date is to be read along with this annexure:

1. Maintenance of records is the responsibility of the management of the Company. My responsibility is to express my opinion on these records based on my audit.

2. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, Standards is the responsibility of the management of the Company. My examination was limited to the verification of procedures on test basis.

3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. The verification was done on a test basis / checklists basis to ensure that correct facts are reflected in records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.

4. I have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.

5. Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.

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.

For M. J. Risbud & Co

Mahesh J. Risbud
Practicing Company Secretary
FCS No. 810 C P No.: 185
UCN – S1981MH000400
PR – 1089/2021

Date : 9 May 2025
Place : Pune

Report on Management Discussion and Analysis

(A) Economy Overview and Outlook

Global Economy

As per the latest outlook issued by International Monetary Fund (IMF), global growth is projected at 3.3 percent both in 2025 and 2026. In emerging market and developing economies, growth performance in 2025 and 2026 is expected to broadly match that in 2024. Global headline inflation is expected to decline to 4.2 percent in the year 2025 and to 3.5 percent in the year 2026, converging back to target earlier in advanced economies than in emerging market and developing economies.

Uncertainty around the enhanced tariff structure and policy generated disruptions could interrupt the pivot to easing monetary policy with implications for fiscal sustainability and financial stability. Managing these risks requires a keen policy focus on balancing trade-offs between inflation and real activity, rebuilding buffers and lifting medium-term growth prospects through stepped-up structural reforms as well as stronger multilateral rules and cooperation.

Despite geo-political turbulences and trade uncertainties due to the shifting tariff laws imposed by the US administration, global growth is foreseen to remain stable in the coming years. This growth will be driven by lower inflation, quantitative easing, increased consumption and investments.

Indian Economy

In India, growth is projected to be at 6.5 percent in the years 2025 and 2026 significantly outpacing global and regional peers. From modernising infrastructure to simplifying taxes, these measures are fuelling domestic growth and positioning India as a cornerstone of global economic stability.

Government of India has implemented a series of visionary schemes and initiatives aimed at propelling the nation towards sustained economic growth and global leadership. From infrastructure development to fostering innovation through initiatives, these reforms are transforming sectors such as manufacturing, digital economy and financial inclusion. Stable domestic demand and growth in core sectors like agriculture and services have driven growth. Collectively, they reflect India's commitment to building a resilient, self-reliant, and globally competitive economy. With this momentum, India is set to shape the future of the global economy, exemplifying the power of ambition, resilience, and strategic governance in achieving unparalleled progress.

Capital expenditure by the Government of India has been a key contributor to India's impressive growth. It has been investing heavily in infrastructure with ₹ 11.11 lakh crores being allocated for capital expenditure in the Union Budget 2024-2025 and a capital expenditure of ₹ 11.21 lakh crores being set aside for FY 2025-2026

India's foreign exchange reserves stood around US $ 676.3 Billion as of 4 April 2025. The management of foreign exchange reserves, which provide a cushion against exchange rate volatility, was prudent throughout the year.

Indian Rupee opened at a level of ₹ 83.36 against US Dollar on 1 April 2024 and closed at ₹ 85.45 on 31 March 2025.

Repo rate, which was 6.50 percent in the beginning of the financial year, has been progressively reduced to 6.25 percent during the financial year. On 9 April 2025, the RBI has announced a 25 bps reduction in the repo rate, bringing it down to 6 percent.

(B) Industry Overview and Outlook

Steel Industry

The Steel Industry plays a vital role in an economy and serves as a key indicator of economic growth. Although the global demand of steel witnessed a marginal decline during the year under review, impressive demand in the markets of India and Brazil helped prevent a major decline in global demand for steel. India is the second largest producer of steel after China. It is projected that the demand for steel in India will sustain its growth trajectory, even though the global growth rate might remain subdued.

India is witnessing the strongest pace of steel demand growth post the global financial crises. As per the forecast, India's steel demand is projected to grow by 8 to 9 percent in 2025, significantly outpacing the growth rates of other countries. This optimistic outlook reflects a strong trajectory for the Indian steel industry, driven by multiple demand-side factors.

The growth in steel demand is primarily attributed to a transition towards metal intensive construction in the residential and infrastructure sectors. Large-scale government initiatives such as housing for all and the infrastructure development are expected to be major catalysts. Additionally, rising demand from sectors like engineering, packaging and industrial manufacturing will further contribute to this growth.

One major concern has been the burgeoning imports of steel over the past two years resulting in India becoming a net importer of steel. In FY25, import of steel was 9.5 Million Metric Tonnes, the highest since FY16. This was primarily import of flat steel products from China, Korea and Japan. To protect the industry from this 'dumping', the Government of India has recently imposed a safeguard duty of 12 percent for 200 days on select flat products.

Automobile Sector

Globally, India is the largest manufacturer of three-wheelers, among the top four manufacturers in passenger vehicles, among the top five in commercial vehicles and in the top two in the two-wheeler segment. Over the past decade, infrastructure development and accommodative reforms in the fiscal policy have transformed India into an automobile hub. This is further evident from the establishment of manufacturing plants in India by all major automobile players. As per the annual report FY 2024-2025 published by the Ministry of Heavy Industries, the Indian auto industry supports over 30 million jobs both directly and indirectly.

Passenger vehicles segment saw an impressive all time high of 43 lakh units sold in FY 2025, largely accounted by the impressive showing of the utility vehicle segment. Commercial vehicles segment is expected to recover with a 3 to 5 percent year-on-year growth in wholesale volumes for FY 2025-2026.

Indian automobile industry has historically been a good indicator of how well the economy is doing, as the automobile sector plays a key role in both macroeconomic expansion and technological advancement. The rising logistics and passenger transportation industries are driving up demand for commercial vehicles.

India enjoys a strong position in the global heavy vehicles market as it is the largest tractor producer, second largest bus manufacturer and third-largest heavy truck manufacturer in the world.

Tractor Industry

India leads the global tractor industry in terms of manufacturing and sales. The Indian tractor industry is expected to see moderate growth in the year 2025 with some analysts predicting a 3 to 6 percent increase in volumes.

Despite expected cost elevation due to stricter emission norms, industry leaders expect upward trend in tractor sales to continue. This is foreseen to be driven by a good monsoon and reservoir levels, leading to increased rabi and kharif crop production. The outlook for the industry remains positive facilitated by rising need for food and expansion of agricultural lands.

Seamless Tubes Industry

The seamless tubes industry in India continues to play a crucial role in the growth of the steel industry and sectors such as construction, oil and gas, automotive and manufacturing. India has established itself as a key global player in this industry, facilitated by rising demand across both domestic and international markets. The sector is expected to witness steady growth due rising infrastructural needs. The production of seamless steel has exhibited a positive growth trajectory over the past five years.

The seamless tubes industry is experiencing strong growth, driven by increasing demand from sectors like oil and gas, automotive, and construction. This growth is fueled by unique properties of seamless tubes, such as high strength, corrosion resistance and ability to withstand high pressure and temperature.

Special Bar Steel

Special bar quality steel is a class of long steel products that are engineered for tough apps including gears, bearings, drill-string parts and crankshafts. These products are developed for high stress and challenging applications. This steel type is different from a variety of other steel grades and is used in high-speed machine applications.

In India, special bar quality finds extensive application in specialized segments like automotive, engineering, defence, aerospace, etc. and is closely linked with the manufacturing output. The expected growth in the forecast period will be primarily facilitated by its large scale use in hot and cold forging, cold drawing and machining units for producing automotive components.

The special steel market in the year 2025 is expected to be positive, driven by strong demand from various sectors and industries. However, economic uncertainties and other challenges may impact the growth trajectory. The market is expected to continue its growth trajectory, driven by the increasing demand for steel in various applications, particularly in infrastructure development and construction.

Iron Ore

India is one of the major producers of the iron ore in the global landscape. The sector plays a crucial role in the overall economic growth of the country. Demand in the sector is primarily driven by the steel industry. Iron ore accounts for 70 percent of the total Mineral Conservation and Development Rules (MCDR) mineral production by value. As per the Ministry of Mines, production of iron ore has increased from 252 Million Metric Tonnes to 263 Million Metric Tonnes during the period of April 2024 to February 2025.

India's iron ore mining sector is projected to continue its growth trajectory in the year 2025, driven by strong domestic demand, particularly from the steel industry and supported by government initiatives. Production is expected to increase, with the government's "Make in India" and infrastructure development plans further boosting demand for iron ore. However, challenges such as logistics costs and potential global political instability could impact the sector.

Coal and Coke

Coking coal is being imported by the steel sector. Other sectors like power sector, cement, etc. and coal traders import non-coking coal.

In the year 2025, India's coking coal market is expected to experience a mixed outlook. While domestic production is forecast to increase, demand is also rising due to the steel industry's expansion, leading to potential import requirements. The price of coking coal could see fluctuations influenced by global steel production and sentiment, potentially leading to a downward trend in the long term.

Iron ore Mines

In India, iron ore mining operations occur mainly in states like Odisha, Jharkhand, Chhattisgarh and Karnataka. Karnataka is one of the largest producers of iron ore in India, contributing close to 16 percent of the total production of the country. The state also accounts for 78 percent of India's iron ore reserves. Karnataka is a leading producer of iron ore, often ranking second or third among Indian states in terms of production volume. The Supreme Court of India in the year 2011 had mandated that iron ore from Karnataka be sold through a transparent e-auction mechanism. In addition to e-auctions, there are also direct sale contract agreements in place that allow iron ore producers to sell their ore directly to steel producers.

The Government of Karnataka has so far conducted 6 phases of e-auction. In FY 2024-2025 the Government of Karnataka has auctioned 10 mineral Blocks. The Company plans to participate in the e-auction of iron ore mines as and when the mines are put up for e- auction.

A new tax bill, The Karnataka (Mineral Rights and Mineral Bearing Land) Tax Bill, 2024 was introduced in the state legislature aiming to impose two new taxes, viz. one on mineral-bearing land and another on mineral rights for mining leases. The Mineral Right as per the proposed bill majorly taxes the mines, which were allotted through non e-auction route. The proposed tax hike is expected to increase production cost for steel makers, thereby impacting their profit margins.

(C) Risks and concerns

The Company faces certain risks and concerns that could impact its operations. Fluctuations in price due to the depreciation of the Indian Rupee to the US Dollar can lead to elevated costs of raw materials such coal, coke, steel scrap and crude oil, resulting in increased input costs and decreased margins. Availability of quality iron ore supply in domestic market and fluctuation in power and fuel prices will have impact on production cost and consequently on profit. The uncertainty on the trade tariff by the US Administration may also impact the business and margins.

The Company's reliance on auto and tractor industry makes it vulnerable to demand fluctuations and poor market conditions. Further, environmental and regulatory risks remain a concern, as heightened emphasis on sustainability and stricter pollution control norms could lead to higher compliance costs

(D) Cost Control

Your Company adopted following measures to reduce cost :

- Strategically sourced raw material and consumables.
- Installation of Solar Power Plant to reduce the power costs.
- Pulverised coal injection system with oxygen enrichment for both mini blast furnaces at Koppal to reduce the coke consumption.
- Installation of bell less tops for both mini blast furnaces.
- Improvement of projects through Total Productivity Management (TPM), Kaizens, involvement of cross functional teams to bring cost reductions.
- Improved operational efficiencies and cost control measures at all plants have resulted in reduced consumption of consumables, stores and spares.
- Improved power generation using mini blast furnace gas and thereby reducing the power cost.
- Roller hearth furnace II charging method improved for accommodating more batch weight resulted in power saving at the tubes plant.
- Rotary hearth furnace combustion system automated to maintain air fuel ratio and avoid excess air to reduce fuel consumption at the tubes plant.
- Improvement of overall power factor of the plant resulted in additional savings at the steel plant.

(E) Outlook for the current financial year

Following activities are proposed to be undertaken in the current financial year:

- Strategical planning to acquire mining assets in the upcoming iron ore mines e-auction as and when declared by the Government. This aligns with the vision of the Company.
- Increasing the supply of castings in machined condition to increase the value of sales. Machine shop expansions are planned and will be expanded progressively in a phased manner based on order positions.
- Foundry expansion project at Solapur plant is in progress and expected to complete in the financial year 2025-2026.
- Operations of 30 MW Solar Plant and 12.6 MW Wind Power Plant are proposed to commence to reduce the power cost.
- Invest in in-house machining of proprietary threading for casing and tubing to increase the premium connection business.

(F) Internal Control Systems and their adequacy

The Company has a proper and adequate system of controls in order to ensure that all assets are safeguarded against loss from unauthorised use or disposal. All transactions are properly checked, verified, recorded and reported correctly.

Regular Internal Audit checks are carried out to ensure that the responsibilities are executed effectively and that proper and adequate systems are in place. The Board also reviews regularly internal audit functioning and accounting systems in order to take suitable corrective actions in case of any deviations.

(G) Safety, Health and Environment

Safety

The Company recognizes that safety is our foremost priority and is committed to safeguarding the environment while providing a secure and outstanding workplace for all employees and contractors. Our objective is to achieve 'Zero Harm' by continually advancing our safety performance. This commitment extends to all areas of our operations including routine, non-routine and outsourced activities.

Our Safety Excellence Journey is steered by an Integrated Safety Organization, which provides governance and ensures continuous improvement and sustainability through the Business Safety Council. This is supported by corporate committees, apex committees, and departmental safety committees.

To realize our vision of an injury-free workplace, the Company has identified key activities and processes and developed high risk standards for uniform implementation across the plants. These standards include:

- Working at Height (WAH)
- Personal Protective Equipment (PPE)
- Road Safety (RS)
- Permit to Work (PTW)
- Material Handling (MH)
- Lock Out and Tag Out (LOTO)

The Company has also established a robust Process Safety Management (PSM) framework, supported by key standards such as :

- Management of Change (MOC)
- Process Technology (PT)
- Emergency Response Planning (ERP)
- Barrier Health Management (BHM)
- Human Factor Risk Profile (HFRP)

These initiatives are aimed at strengthening operational safety and resilience.

To maintaining a safe and healthy workplace, the Company has implemented a set of Life-Saving Rules aimed at protecting employees, minimizing risk and fostering a proactive safety culture throughout the organization.

Over the years, the Company has provided comprehensive safety training, demonstrations, coaching, and counselling to all employees to strengthen adherence to safety systems of the Company across all locations. Continuing the journey toward safety excellence, the Life-Saving Rules have been introduced in collaboration with DuPont Sustainable Solutions (DSS+) as part of the Consequence Management System Policy (CMSP).

Life Saving Rules are as given below :

#1 – Reporting an incident

Always report safety incidents, however small they may be.

#2 – Working at height

Always maintain continuous safety fall protection while working at height.

Never work at height without a valid work permit.

#3 – Working around conveyors

Never perform maintenance / housekeeping while a conveyor is in operation.

Never bypass conveyor safety interlocks.

Never run a conveyor without protection guards.

To maintain a safe workplace and ensure compliance with these standards, a strategic approach has been adopted, which includes :

- Training all employees on safety standards and best practices.
- Conducting comprehensive gap assessments across the site based on standard guidelines.
- Developing and executing action plans to address identified gaps.
- Audit processes, including first and second party audits.

As part of our ongoing safety initiatives, the Company has deployed proactive safety tools to foster a strong and sustainable safety culture. Special programs such as 'SAHYOG Suggestion Scheme', 'SAMANVAYA - Safety Action Meetings' and 'SAKSHAM - Action Employees Can Take', process have been introduced, all focused on accident prevention and the continual enhancement of safety practices.

Additionally, a 'Monthly Safety Theme Program' has been launched to create optimal conditions for employees to excel in safety each day. This program enhances safety awareness, increases employee engagement, helps to eliminate unsafe conditions and acts, and contributes to a safer workplace for all.

To verify the effectiveness of health and safety programs and procedures, the systems have been established that include :

- Leadership demonstration and periodic reviews.
- Internal and external audits and assessments.
- Legal compliance evaluations.
- Continuous improvement through the PDCA (Plan-Do-Check-Act) methodology.

Further, various safety events are conducted throughout the year to promote safety awareness and foster a strong safety culture. Programs such as Fire Service Week, Chemical Disaster and Prevention Day, Road Safety Week, National Safety Day, etc. serve as platforms to engage employees in safety related activities through competitions, awareness sessions and other safety initiatives. Employees are encouraged to actively participate and contribute to continuous improvement in workplace safety. The Company remains steadfast in the commitment to build a culture of safety and achieving excellence in safety performance.

Health

Occupational Health Centre (OHC) has been provided with full-time medical officer and qualified medical staff to cater emergency services 24 by 7, outpatient wing to treat the sick and to conduct pre employment and periodic health check-ups at all locations. The Company believes "Healthy workforce is key to success" and has taken various initiative towards "Employees Health and wellbeing". In the financial year 2024-2025, OHC staffs have conducted periodic medical evaluation for the employees and the out patients including emergency services for both medical and surgical cases have been treated.

The Occupational Health Department has been working on various modes on interventions like health promotion, specific protection, early diagnosis and rehabilitation. It has adopted pro-active measures like expert talks both internal and external, which includes all super specialities (e.g. Cardiac, Gastro), regular interval eye check-ups, cardiac screening, NCD / ICTC, bone density screening. Reactive approaches like weight reduction plans for employees with high BMI and reward for achieving healthy weight loss to ensure health of the employees. It included identification of cardiac diseases and early intervention leading to improved quality of life and productivity. Health initiatives viz. organising various super speciality health camps, specialised doctor visits, health seminars, weight reduction challenges, screening camps for NCD and communicable diseases. In association with HCG cancer hospital and Suchirayu hospital, Hubballi had an awareness session on breast cancer with screening and nutritional deficiency screening for Vitamin D and Vitamin B12 for women employees and ladies club members. In association with M M Joshi Eye hospital, eye screening camp conducted for causes of blindness like cataract, glaucoma, corneal opacities and infective causes. Memorandum of Understanding has been signed with certain hospitals for subsidised treatment of all kinds of medical and surgical emergencies.

Environment Management

The Company is deeply committed to fostering innovation while placing environmental sustainability at the core of our operations. This dual focus drives our long term vision of creating value not only for our stakeholders but also for the planet. Our dedication is exemplified by substantial and continuous investments in research and development, through which the Company seeks to pioneer advanced technologies and implement environmentally responsible practices across all facets of businesses.

The Company is actively developing solutions that reduce environmental impact, including technologies designed to lower greenhouse gas emissions, improve energy efficiency and minimize waste. By integrating eco friendly practices into the innovation pipeline, the Company aims not only meet but exceed evolving regulatory standards and societal expectations regarding environmental responsibility.

A key pillar of the approach is the adoption of responsible manufacturing processes. These practices are grounded in principles of resource efficiency, pollution prevention, and circular economy thinking. From sourcing raw materials to final product delivery, the Company strives to reduce our environmental footprint while maintaining the highest standards of quality and safety.

Sustainability strategy of the Company is both proactive and adaptive. The Company continuously optimizing existing operational processes to enhance efficiency, reduce emissions and conserve resources such as water and energy. For new projects and expansions, rigorous environmental assessments are applied and best-in-class technologies are integrated to ensure that every new operation begins with sustainability embedded from the ground up.

Beyond our operational footprint, the Company is committed to making a positive impact on the communities. Through partnerships, education, and environmental initiatives, the Company works to promote environmental awareness and stewardship at the local level, contributing to the broader goals of climate resilience and ecological preservation. By aligning innovation with sustainability, the Company aims to build a resilient, future-ready organization that drives progress while safeguarding the natural environment for generations to come.

Environmental Monitoring

Online environmental monitoring stations ensure proper emission control through a combination of real-time data collection, automated analysis, and regulatory reporting. These stations are equipped with sensors that continuously monitor a wide range of pollutants, including particulate matter (PM2.5 and PM10), sulfur dioxide (SO_2), nitrogen oxides (NOx), and carbon monoxide (CO) etc.. The real-time data collected helps us to track fluctuations and spikes in emissions, enabling quicker responses to potential issues. Automated alert systems are programmed to detect when pollutant levels exceed regulatory thresholds, prompting immediate notifications to responsible persons and logging the events for compliance tracking. Data from these monitoring stations is transmitted via GSM / 5G or Wi-Fi networks and stored on centralized servers or cloud platform, allowing for easy access by regulatory bodies, industry representatives and public dashboards. Compliance is verified through the continuous analysis of the data, allowing authorities to detect unauthorized releases. These modern systems also help to predictive analytics to identify emission trends, trace pollution sources, suggest operational changes and enhance emission control strategies. To maintain accuracy and reliability, the stations are routinely calibrated, maintained and cross checked with manual sampling. Additionally, public facing platforms offer transparency and community engagement, holding industries accountable and fostering trust among stakeholders.

Further to improve environment and ecology in and around the operation sites, the Company has planned to develop and plant native species, which will help to biodiversity conservation. A biodiversity assessment was carried out for Koppal plant and the surrounding area engaging local communities and environmental groups for better biodiversity conservation. In the assessment, number of native species have been identified, planned and developed at the nursery to improve and conserve local species.

Environmental Activities / Initiatives

- Participated and created awareness during Wild Life Week 2024-2025 organised by Karnataka Forest Department, Regional Office Koppal, the Government of Karnataka.
- Successfully completed EOHS (Environment, Occupational Health and Safety) external audit surveillance II by third party with "Zero NC".
- Participated in workshops organised by the universities and expert talks were delivered.
- Awareness sessions conducted regarding eco friendly festival celebrations as promoted by the state pollution control boards.
- Environmental awareness sessions on World Environment Day, World Ozone Day, environment protection, climate changes, reducing plastic waste, water management, etc. were conducted in colleges and villages.
- Competitions were conducted on the occasion of World Environment Day to create awareness among the employees.

(H) Social Responsibility

In order to align with the Mission viz. "To be a preferred Employer and responsible neighbor", the Company has taken various measures as a part of its Corporate Social Responsibility. The CSR activities focus on Education, Health and Hygiene, Environment and Rural Development in the vicinity of plants and office locations. Major CSR activities undertaken during the financial year 2024–2025 are as given below :

- **Education**
  - Financial assistance for higher education relating to professional and degree courses to people in neighbouring villages of plant locations.
  - Provided scholarship assistance for meritorious students of 10th, PUC, Diploma, Engineering, MBBS, MD, MS, Veterinary Science and Horticulture / Agriculture.
  - Financial assistance to schools for project excursion activities.
  - Provided educational equipment and facilities to nearby various schools, degree and engineering colleges of plant locations.
  - Provided assistance for conducting workshops, seminars, skill up-gradation, sports, assisting and exploring new technologies and related educational up-gradation activities.
  - Provided benches / desks to the Government schools.
  - Provided infrastructure up-lift facilities like school buildings, playground facilities, etc.
  - Financial assistance for students studying in rural areas for professional and degree Courses.
- **Health and Hygiene**
  - Constructed new community health centers to cater medical services for villages.
  - Organized health check up camps in neighboring villages and Government schools. Medical services were provided by specialists like Orthopedic, Gynecology, Heart Specialist, Dentists and Pediatric.
  - Arranged visit of specialist doctors to community health centers.
  - Financial assistance to neighboring community for undergoing medical treatment in chronic medical cases / major health issues at reputed hospitals.
  - Conducted health and hygiene awareness programs among women in neighboring villages and educational institutions.
  - Provided medical equipment and necessary infrastructure to primary health care centers.
  - Organized blood donation camps in association with the hospitals.
  - Medical aid camps were organized for handicapped and differently abled persons.
  - Distributed nutritional food kits to the patients.
  - Financial support for establishing dialysis center.
- **Rural Development**
  - Construction of storm water drain and concrete roads in nearby villages.
  - Activities conducted in relation to waste management and provided necessary equipment for handling waste and cleaning of roads to gram panchayat.
  - Provided office furniture and facilities for panchayat offices.
  - Provided sewing machines to women in villages.
  - Financial assistance and participation in festival celebrations of nearby villages.

- Provided financial support for construction of samudaya bhavan and temple in villages.

■ **Environment**

- Organized Kirloskar Vasundhara International Film Festival ('KVIFF') with global participation.
- Organised Kirloskar Vasundhara Eco Rangers Program in various colleges.
- Green belt development and planted avenue plants in surrounding villages.
- Trees development in association with city municipal corporations.

(I) Developments in Human Resource / Industrial Relations

With the rapid advancement of technologies, globalization of markets and increasing demand for efficiency and sustainability, Human Resource Development ('HRD') has emerged as a critical function in the businesses. HRD focuses not just on equipping employees with technical expertise, but also on leadership development, safety training and fostering innovation to meet global standards.

The Company considers human resource to be an important and valuable asset for the organization. Therefore, it constantly strives to attract and retain key talents for present and future business needs in order to succeed in the hyper competitive and increasingly complex global economy.

During the financial year 2024-2025, the Company has taken following initiatives :

- iKARE – HRMS for Talent Acquisition, Organization & People Management, Learning Management System, Leave & Attendance, Performance Management System modules are implemented. Completed employee life cycle from Hire to Retire.
- Safety excellence standards were framed and intensive training to all relevant employees were given on safety Interaction, incident management, work at height, lock out and tag out, personal protective equipment and permit to work standards, etc.
- Training programmes on behavioural and technical skills were organized on a continuous basis by engaging internal and external faculties to enhance competencies and skills of employees.
- Launched DSS+ Safety e-learning modules in iKARE Learning Management portal.
- To develop future leaders, Management Development Programmes (MDP) were organized on various topics.
- Reward and recognition are critical components of Human Resource Management that directly influence employee motivation, engagement and performance, aim to appreciate employee contributions. Talented employees are continuously recognized and are motivated through rewards and recognitions platforms like quarterly champions award, SAHYOG, exemplary awards and Lambhe Awards for the employees, who have completed twenty five years of long service.
- Management Development Programs ('MDP') were organized.
- Bhoomi pooja conducted for Kirloskar Bharat Mines.
- Conducted skill development programmes for apprentices and earn and learn trainees as per their trade.
- Training programmes on '5'S and Total Productivity Management were organized on regular basis.
- I Pledge – Life Saving Rules and Consequence Management System are implemented across Koppal, Solapur and Hiriyur plants.
- Celebrated International Women's Day by recognizing and rewarding women employees.
- Organised / sponsored conferences by the educational institutions. Faculty lectures were delivered by the Senior Management of the Company.

Recognitions / awards received during the financial year are as given below :

- Greentech – "Pollution Control, Waste Management and Recycling' award received.
- "Best safety performance industry award" received from the Department of Factories and Boilers.
- Kirloskar ICON Award 2024 to the steel and tubes business team under 'Collaboration'.
- Kirloskar ICON Award 2024 to Koppal team for development of FORD Panther Block under 'Collaboration'.
- Mr. R.S. Srivatsan, Executive Director (Finance) and CFO has been awarded with "CFO of the year" award.
- Mr. C. Ramesh, President has been awarded with "Foundry man of the year" award from the Indian Institute of Foundrymen.
- Best Medical Officer award to Dr. Praveen Kumar, Best Welfare Officer award to Mr. Umesh Meti, Life time achievement in safety award to Mr. Murlidhar Nadiger and Life time achievement in Human Resource Development for valuable contribution in EHS and welfare to Dr. P. Narayana.
- Mr. P. Narayana got "Honorary Doctor of Philosophy in Management" from NIILM University, for outstanding contributions in the field of Human Resource Management and Industrial Relations.

(J) Discussion on financial performance with respect to operational performance has been covered in the Directors' Report.

(K) Details relating to Key Financial Ratios

Sl No	Particulars	Ratio as of 31 March 2025	Ratio as of 31 March 2024	% Change	Explanations, if any
1	Debtors' Turnover	6.78	7.08	-4 %	-
2	Inventory Turnover	3.47	3.21	8 %	-
3	Interest Coverage Ratio	3.99	5.44	-27 %	-
4	Current Ratio	1.07	1.11	-3 %	-
5	Debt Equity Ratio	0.37	0.38	-2 %	-
6	Operating Profit Margin (%)	11.54	14.15	-18 %	-
7	Net Profit Margin (%)	4.83	5.24	-8 %	-

Details of change in Return on Net Worth as compared to the immediately previous financial year is as given below :

Particulars	Ratio as of 31 March 2025	Ratio as of 31 March 2024	% Change	Explanations, if any
Return on Net worth	9.15	9.93	-8 %	-

Report on Corporate Governance

[Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI LODR Regulations')]

1. Company's philosophy on Code of Governance

Corporate Governance contains a set of principles, process and systems to be followed by Directors, Management and Employees of the Company for increasing the shareholders' value, keeping in view interest of other stakeholders. While adhering to the above, the Company is committed to integrity, accountability, transparency and compliance with laws and in dealings with the Government, customers, suppliers, employees and other stakeholders.

2. Board of Directors

(a) Composition of the Board

The Board of Directors comprised of eleven Directors as on 31 March 2025. Out of these, there is one Managing Director, two Executive Directors, one Non-Executive Non-Independent Director and seven Independent Directors (including one Woman Director). The Board of Directors is duly constituted pursuant to the provisions of Section 149 of the Companies Act, 2013 and Regulation 17(1) of the SEBI LODR Regulations.

(b) Number of Board meetings

During the financial year 2024–2025, six meetings of the Board of Directors were held on 17 May 2024, 9 August 2024, 23 September 2024, 6 November 2024, 4 February 2025 and 6 March 2025.

(c) Directors' attendance record

Details on composition and category of Directors, attendance of each Director at the meeting of the Board of Directors, number of other Board of Directors or Committees in which a Director is a member or chairperson are as given below

Category of Directors and Name of Director	Financial Year 2024–2025		Number of Directorships in other public limited companies incorporated in India	Committee positions held in other public limited companies	
	Board Meetings held	Board Meetings attended		Member	Chairman
Promoter Directors (Non Executive)					
Mr. Rahul Kirloskar, Chairman	6	6	3	1	Nil
Non Independent Directors (Executive)					
Mr. R. V. Gumaste, Managing Director	6	6	Nil	Nil	Nil
Mr. R. S. Srivatsan Executive Director (Finance) and CFO	6	6	Nil	Nil	Nil
Mr. N. B. Ektare Executive Director (Operations)	5	5	Nil	Nil	Nil
Independent Directors (Non Executive)					
Mr. V. M. Varma	6	6	1	2	Nil
Mr. S. Venkataramani	6	6	Nil	Nil	Nil
Mr. P. Vohra	6	6	3	5	1
Dr. Shalini Sarin	6	6	4	3	1
Mr. M. S. Srinivasan	5	5	Nil	Nil	Nil
Mr. P. Rajashekhar	5	5	Nil	Nil	Nil
Mr. S. Rajagopalan	5	5	Nil	Nil	Nil

Notes :

- Directorships held in foreign companies, private limited companies, one person companies and companies under Section 25 of the Companies Act, 1956 / under Section 8 of the Companies Act, 2013 have not been considered.
- For the purpose of reckoning the limit on committee positions, chairmanship / membership of the Audit Committee and the Stakeholders Relationship Committee are considered.
- None of Directors on the Board is a Director of more than seven listed companies.
- Mr. M. S. Srinivasan has been a Director on the Board of the Company from 16 July 2024.
- Mr. N. B. Ektare has been an Executive Director (Operations) with effect from 9 August 2024.
- Mr. P. Rajashekhar has been a Director on the Board of the Company from 9 August 2024.

- Mr. S. Rajagopalan has been a Director on the Board of the Company from 10 August 2024.
- Mr. Y. S. Bhave has retired as an Independent Director on 15 July 2024. He attended one meeting of the Board of Directors held during that period.
- Mrs. Nalini Venkatesh has retired as an Independent Director on 12 August 2024. She attended one of two meetings of the Board of Directors held during that period.
- Mr. Atul Kirloskar has retired as a Director of the Company on 24 September 2024. He attended two of three meetings of the Board of Directors held during that period.
- Mr. A. N. Alawani has retired as a Director of the Company on 24 September 2024. He attended three meetings of the Board of Directors held during that period.
- Mr. M. R. Chhabria has resigned as a Director of the Company from 31 March 2025. He attended six meetings of the Board of Directors held during that period.
- Fourteen directors were present at the annual general meeting held on 24 September 2024.

Name of other listed companies, where a Director holds directorship and the category of directorship are as given below :

Name of the Director	Name of the listed entities in which Director holds Directorship	Category of Directorship
Mr. Rahul Kirloskar	Kirloskar Pneumatic Company Limited	Executive Chairman
	Kirloskar Oil Engines Limited	Non-Independent Director
Mr. R. V. Gumaste	Nil	-
Mr. R. S. Srivatsan	Nil	-
Mr. N. B. Ektare	Nil	-
Mr. V. M. Varma	Kirloskar Industries Limited	Independent Director
Mr. S. Venkataramani	Nil	-
Mr. P. Vohra	Kirloskar Pneumatic Company Limited	Independent Director
	Thomas Cook (India) Limited	Independent Director
	IDFC First Bank Limited	Independent Director
Dr. Shalini Sarin	Kirloskar Oil Engines Limited	Independent Director
	Linde India Limited	Independent Director
	Sagility India Limited	Independent Director
	Polyplex Corporation Limited	Independent Director
Mr. M. S. Srinivasan	Nil	-
Mr. P. Rajashekhar	Nil	-
Mr. S. Rajagopalan	Nil	-

No Director is related to any other Director of the Company within the meaning of Section 2(77) of the Companies Act, 2013 and rules there of.

Statement showing number of equity shares of the Company held by the Directors as on 31 March 2025 :

Name of the Director	Equity shares of ₹ 5 each
Mr. Rahul Kirloskar	1,425,279
Mr. R. V. Gumaste	987,521
Mr. R. S. Srivatsan	187,000
Mr. N. B. Ektare	117,000
Mr. V. M. Varma	3,922
Mr. S. Venkataramani	Nil
Mr. P. Vohra	Nil
Dr. Shalini Sarin	Nil
Mr. M. S. Srinivasan	934
Mr. P. Rajashekhar	Nil
Mr. S. Rajagopalan	Nil

Meeting of Independent Directors

Meetings of the Independent Directors of the Company were held on 18 December 2024 and 4 February 2025 to discuss, inter-alia:

- the performance of Non-Independent Directors and the Board as a whole;
- the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All seven Independent Directors attended both the meetings.

Criteria for performance evaluation of Directors has been specified in the section 'Nomination and Remuneration Committee' given below at Item No. 4.

Statement of Declaration by the Independent Directors

All the Independent Directors have given declarations that they meet the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI LODR Regulations and also confirmed that they have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

Pursuant to provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014; all seven Independent Directors have confirmed that they hold valid registration certificate with the Databank of Independent Directors.

After due assessment of veracity (to the extent possible) of declarations received from Independent Directors, the Board of Directors took on record declarations and confirmations submitted by the Independent Directors pursuant to Regulation 25(8) of the SEBI LODR Regulations.

The Board of Directors is of the view that the Independent Directors fulfill conditions specified in the SEBI LODR Regulations and that they are independent of the management.

Familiarization program for Independent Directors

Independent Directors of the Company are made aware of their role, rights and responsibilities at the time of their appointment, through a formal letter of appointment, which also stipulates various terms and conditions of the engagement. All Board Members are made aware of from time to time, latest applicable legal, regulatory and business developments / updates, by way of presentations where Directors have an opportunity to interact with Key Management Personnel. Presentations include, inter-alia, quarterly and annual results, budgets, review of internal audit report, details relating to business operations and performance, financial parameters, changes in senior management, major litigations, compliances, risk management and regulatory scenarios and related matters as may arise from time to time.

The Company has conducted various familiarization programs and presentations for Independent Directors. Details of familiarisation programs and presentations have been disclosed at the website of the Company, viz. www.kirloskarferrous.com

Skills matrix for the Directors

The Board of Directors of the Company comprises members, who bring in the required skills and expertise for effective functioning of the Company, the Board and its Committees.

Skill	Skill definitions
Strategy and Strategic planning	Ability to identify and critically assess strategic opportunities and threats to the Company vis-à-vis the Company's objectives and develop strategies for the Company's long term growth and sustainability.
Corporate Governance	Ability to maintain management accountability and formulate policies to safeguard interests of the Company and shareholders; understanding of control environments and ability to ensure adherence to highest standards of corporate governance.
Business Acumen	Ability to drive success in the market and formulate policies for enhancing market share; ability to understand business environment and economic and regulatory conditions impacting market.
Leadership	Understanding of operations and organizational processes; ability to develop talent and ensure succession planning; ability to bring about organizational change and improvement; ability to manage crisis.
Industry knowledge	Experience and knowledge with respect to pig iron and foundry industry.
Financial Skills	Expertise in financial management, capital allocation, financial reporting requirements; ability to evaluate proposals relating to merger / acquisition and execute the same effectively, including integration of operations.
ESG	Ability to develop and drive leading practices in ESG creating meaningful impact on environment, society and enriching overall governance quotient of the organization
Technology	Ability to anticipate changes in technology, drive product and process innovation.
Legal and Regulatory knowledge	Understanding of regulatory and legal frameworks

Table given below summarizes key skills and expertise possessed by the Board of Directors :

Name of Director	Skills								
	Strategy & Strategic Planning	Corporate Governance	Business Acumen	Leadership	Industry Knowledge	Financial Skills	ESG	Technology	Legal & Regulatory Knowledge
Rahul Kirloskar	√	√	√	√	√	√	√	√	√
R. V. Gumaste	√	√	√	√	√	√	√	√	√
V. M. Varma	√	√	√	√	√	√	√		√
S. Venkataramani	√	√	√	√	√	√	√		√
R S. Srivatsan	√	√	√	√	√	√	√	√	√
P. Vohra	√	√	√	√		√			√
Shalini Sarin	√	√	√	√		√	√		√
N. B. Ektare	√	√	√	√	√	√	√	√	√

Name of Director	Skills								
	Strategy & Strategic Planning	Corporate Governance	Business Acumen	Leadership	Industry Knowledge	Financial Skills	ESG	Technology	Legal & Regulatory Knowledge
M. S. Srinivasan	√	√	√	√	√	√			√
P. Rajashekhar	√	√	√	√	√	√	√		√
S. Rajagopalan	√	√	√	√	√	√	√	√	√

3. Audit Committee

(a) Composition

The Audit Committee comprises of three Independent Directors.

Mr. S. Venkataramani, an Independent Director is the Chairman of the Audit Committee. Other Members of the Committee are Mr. V. M. Varma and Mr. P. Vohra.

The Company Secretary acts as the Secretary to the Committee.

During the financial year 2024-2025, five meetings of the Audit Committee were held on 17 May 2024, 9 August 2024, 23 September 2024, 6 November 2024 and 4 February 2025.

Details of attendance by committee members are as given below :

Name of Director	Category	Number of meetings held	Number of meetings attended
Mr. S. Venkataramani	Independent and Non - Executive	5	5
Mr. V. M. Varma	Independent and Non - Executive	5	5
Mr. P. Vohra	Independent and Non - Executive	5	5
Mr. A. N. Alawani	Non-Independent and Non-Executive	3	3
Mr. M. R. Chhabria	Non-Independent and Non-Executive	2	2

Notes :

- Mr. A. N. Alawani retired as a Non-Executive Non-Independent Director on the Board of the Company on 24 September 2024.
- Mr. M. R. Chhabria has ceased as a Non-Executive Non-Independent Director from the Board of the Company with effect from 31 March 2025.

The Managing Director and the Executive Director(s) attended the meetings of the Audit Committee as the invitees. Representatives of the Statutory Auditors, the Internal Auditor and the Cost Auditor were invited and attended meetings of the Audit Committee.

Mr. S. Venkataramani, the Chairman of the Audit Committee was present at the annual general meeting of the Members of the Company held on 24 September 2024.

The Audit Committee acts as a link between the Management, the Statutory Auditor, the Internal Auditor and the Board of Directors.

The Audit Committee has been vested with following powers :

- To investigate any activity within its terms of its reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

(b) Terms of Reference

The terms of reference of the Audit committee include the matters specified in the SEBI LODR Regulations as well as those specified in the Companies Act, 2013 and inter-alia, includes following :

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Examination of the financial statement and the auditor's report thereon.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the Management, the annual financial statements and auditors' report thereon before submission to the Board, for approval, with particular reference to :

a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.

b) Changes, if any, in accounting policies and practices and reasons for the same.

c) Major accounting entries involving estimates based on the exercise of judgment 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) Disclosure of any related party transactions.

g) Modified opinions in the 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 / applications 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.
- Reviewing and monitoring 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 the 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 auditors 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 statutory auditors before the audit commences about 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 of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
- Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10 percent of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc., on the Company and its shareholders.
- Reviewing the following information :

a. Management discussion and analysis of financial condition and results of operations;

b. Management letters / letters of internal control weaknesses issued by the statutory auditors;

c. Internal audit reports relating to internal control weaknesses and

d. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

e. Statement of deviations :

- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

- Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).
- Reviewing with the compliance of provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems of internal control are adequate and are operating effectively.
- Carrying out any other function as mentioned in terms of reference of the Audit Committee and as amended from time to time by the Companies Act, 2013; rules thereof and the SEBI LODR Regulations.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of three Directors, out of which two Directors are Independent Directors.

Dr. Shalini Sarin, Independent Director is the Chairperson of the Nomination and Remuneration Committee. Other Members of the Committee are Mr. Rahul Kirloskar and Mr. S. Venkataramani.

The Company Secretary acts as the Secretary to the Committee.

During the financial year 2024-2025, three meetings of the Nomination and Remuneration Committee were held on 17 May 2024, 9 August 2024 and 6 November 2024.

Details of attendance by committee members are as given below :

Name of Director	Category	Number of meetings held	Number of meetings attended
Dr. Shalini Sarin	Independent and Non - Executive	3	3
Mr. Rahul Kirloskar	Non-Independent and Non-Executive	1	1
Mr. S. Venkataramani	Independent and Non - Executive	2	2
Mr. Atul Kirloskar	Non-Independent and Non-Executive	2	1
Mr. Y. S. Bhave	Independent and Non-Executive	1	1

Notes :

- Mr. Y. S. Bhave retired as an Independent Director on 15 July 2024.
- Mr. S. Venkataramani has been a Member of the Committee with effect from 16 July 2024.
- Mr. Atul Kirloskar retired as a Non-Independent and Non-Executive Director on 24 September 2024.
- Mr. Rahul Kirloskar has been a Member of the Committee with effect from 25 September 2024.

Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors has adopted the Nomination and Remuneration Policy for selection and appointment of Directors, Senior Management and their remuneration. The copy of the policy is available at the website of the Company viz. www.kirloskarferrous.com

Terms of reference of the Nomination and Remuneration Committee are as given below :

- Identify persons, who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down.
- Recommend to the Board appointment and/or removal of Directors and senior management.
- Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- For every appointment of an independent director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director and recommend to the Board for appointment as an Independent Director.
- 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.
- 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.

- Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- Perform such functions as may be assigned by the Board of Directors from time to time and
- Carrying out any other function as mentioned in terms of reference of the Nomination and Remuneration Committee and as amended from time to time by the Companies Act, 2013; rules thereof and the SEBI LODR Regulations.

Criteria for performance evaluation of Directors

Performance evaluation of each Director was carried out based on the criteria as laid down by the Nomination and Remuneration Committee.

Criteria for performance evaluation included aspects such as attendance at the meetings, participation and independence during the meetings, interaction with management, role and accountability, knowledge and proficiency. Further, performance evaluation of the Managing Director was also based on the performance and the business achievements of the Company.

5. Stakeholders Relationship Committee

The Company has the Stakeholders Relationship Committee, which comprises of three Directors, viz. Mr. Rahul Kirloskar, Mr. V. M. Varma and Mr. R. S. Srivatsan.

Mr. Rahul Kirloskar acts as the Chairman of the Committee.

During the financial year 2024-2025, two meetings of the Stakeholders Relationship Committee were held on 23 April 2024 and 19 December 2024.

Details of attendance by the committee members are as given below :

Name of Director	Category	Number of meetings held	Number of meetings attended
Mr. Rahul Kirloskar	Non-Independent and Non-Executive	1	1
Mr. V. M. Varma	Independent and Non - Executive	2	2
Mr. R. S. Srivatsan	Executive Director (Finance)	1	1
Mr. Atul Kirloskar	Non-Independent and Non-Executive	1	1
Mr. A. N. Alawani	Non-Independent and Non-Executive	1	1

Notes :

- Mr. Atul Kirloskar and Mr. A. N. Alawani retired as Non-Independent and Non-Executive Director on 24 September 2024.
- Mr. Rahul Kirloskar has been the Chairman of the Committee with effect from 25 September 2024.
- Mr. R. S. Srivatsan has been the Member of the Committee with effect from 25 September 2024.

Terms of reference of the Stakeholders Relationship Committee are as given below :

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company.

Mr. Mayuresh Gharpure, Company Secretary and the Compliance Officer has been authorised by the Board of Directors to consider and approve applications for transfer, transmission, name deletions and related matters and to look into the investor complaints.

Contact details of the Compliance Officer are as given below :

Mr. Mayuresh Gharpure, Company Secretary

Kirloskar Ferrous Industries Limited

'One Avante', Level 5, Karve Road, Kothrud, Pune 411038, Maharashtra

Telephone No. (020) 69065040

The Company has designated an exclusive email ID kfilinvestor@kirloskar.com for investors to register grievances, if any. The said email ID has been displayed at the website of the Company.

Two investor complaints were pending as on 31 March 2024. One hundred and fifty investor complaints were received and one hundred and fifty investor complaints were redressed during the financial year 2024-2025. Two complaints were pending as on 31 March 2025.

6. Risk Management Committee

The Board of Directors at its meeting held on 26 July 2021 has constituted the Risk Management Committee and assigned terms of reference to it. It comprises of four Directors, out of which three Directors are Independent Directors.

Mr. V. M. Varma, Independent Director is the Chairman of the Risk Management Committee. Other Members of the Committee are Mr. R. V. Gumaste, Mr. S. Venkataramani and Mr. P. Vohra.

The Company Secretary acts as the Secretary to the Committee.

During the financial year 2024–2025, two meetings of the Risk Management Committee were held on 5 April 2024 and 1 October 2024.

Details of attendance by the committee members are as given below :

Name of Director	Category	Number of meetings held	Number of meetings attended
Mr. V. M. Varma	Independent and Non – Executive	2	2
Mr. P. Vohra	Independent and Non – Executive	2	2
Mr. S. Venkataramani	Independent and Non – Executive	1	Nil
Mr. R. V. Gumaste	Managing Director	2	2
Mr. A. N. Alawani	Non–Independent and Non–Executive	1	1

Notes :

- Mr. A. N. Alawani retired as a Non-Independent and Non-Executive Director on 24 September 2024.
- Mr. S. Venkataramani has been the Member of the Committee with effect from 25 September 2024.

Role and powers of the Risk Management Committee are as given below :

- To formulate a detailed risk management policy which shall include :
  - a. A framework for identification of internal and external risks specifically faced by the company, 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.
- Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
- Coordination of its activities with other committees of the Board, wherever required.
- To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
- Such other role / powers as may be assigned from time to time by the SEBI LODR Regulations and the Board of Directors.

7. Senior Management

Particulars of the Senior Management personnel as of 31 March 2025 are as given below :

Name of employee	Designation
Mr. C. Ramesh	Chief Operating Officer
Mr. P. Narayana	Executive Vice President
Mr. P. M. Manojkumar	Executive Vice President
Mr. Mayuresh Gharpure	Company Secretary

There was no change in the senior management personnel during the financial year.

8. Remuneration to Directors

a) Remuneration to the Managing Director and the Executive Directors

The Company pays remuneration by way of salary, perquisites, allowances and commission to the Managing Director and the Executive Directors. The commission to the Managing Director and the Executive Directors is decided by the Nomination and Remuneration Committee on determination of the profits for the financial year and approved by the Board of Directors. The remuneration to the Managing Director and the Executive Directors is in accordance with the provisions of the Companies Act, 2013; rules thereof and within the ceiling prescribed thereunder.

Remuneration to Mr. R. V. Gumaste, the Managing Director

The Members of the Company at their thirty second annual general meeting held on 3 August 2023 approved the re-appointment and the terms of remuneration of Mr. R. V. Gumaste as the Managing Director for a period of 5 years with effect from 1 July 2023. The Company has entered into an agreement with the Managing Director for a period of five years. No notice period and severance fees have been prescribed in the agreement.

Details of remuneration, by payment and provision, for the financial year 2024-2025 are as given below :

Particulars	Amount in ₹
Basic Salary	16,350,000
Special Allowance	2,250,000
House Rent Allowance	1,200,000
Leave Travel Assistance	200,000
Contribution to Provident Fund	1,962,000
Perquisites	683,100
Perquisite value for stock options	59,867,650
Gratuity	6,172,717
Leave Encashment	1,627,150
Commission	35,000,000
Total	**125,312,617**

Salary includes basic salary, special allowance and house rent allowance. Perquisites include reimbursement of medical expenses, personal accident insurance and mediclaim insurance premium.

Pursuant to the resolution passed by the Members of the Company at their annual general meeting held on 3 August 2023 and upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 17 May 2024 has approved the increment in basic salary payable to Mr. R. V. Gumaste from ₹ 1,250,000 per month to ₹ 1,400,000 per month with effect from 1 July 2024

Pursuant to 'KFIL Employee Stock Option Scheme 2017'; the Nomination and Remuneration Committee at its meeting held on 3 November 2017 has granted to him 500,000 stock options at an exercise price of ₹ 50 per stock option. 487,500 stock options were vested and have been exercised by him.

Pursuant to 'KFIL Employee Stock Option Scheme 2021'; the Nomination and Remuneration Committee at its meeting held on 19 May 2022 has granted to him 500,000 stock options at an exercise price of ₹ 157 per stock option. These stock options would be vested over a period of four years subject to fulfillment of vesting conditions. As of 31 March 2025; 225,000 stock options were vested and 100,000 stock options have been exercised by him.

Remuneration to Mr. R. S. Srivatsan, the Executive Director (Finance) and CFO

The Members of the Company at their annual general meeting held on 1 August 2022 approved the appointment and the terms of remuneration of Mr. R. S. Srivatsan as the Executive Director (Finance) for a period of five years with effect from 17 May 2022. The Company had entered into an agreement with the Executive Director for a period of five years. No notice period and severance fees have been prescribed in the agreement.

Details of remuneration, by payment and provision, for the financial year 2024-2025 are as given below :

Particulars	Amount in ₹
Basic Salary	11,719,355
Special Allowance	1,440,000
House Rent Allowance	1,200,000
Leave Travel Assistance	120,000
Contribution to Provident Fund	1,368,000
Perquisites	544,074
Perquisite value for stock options	17,123,300
Gratuity	3,527,561
Leave Encashment	1,108,537
Commission	15,000,000
Total	**53,150,827**

Salary includes basic salary, special allowance and house rent allowance. Perquisites include reimbursement of medical expenses, personal accident insurance and mediclaim insurance premium.

Pursuant to the resolution passed by the Members of the Company at their annual general meeting held on 1 August 2022 and upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 17 May 2024 has approved the increment in basic salary payable to him from ₹ 875,000 per month to ₹ 950,000 per month with effect from 1 April 2024.

Pursuant to 'KFIL Employee Stock Option Scheme 2017'; the Nomination and Remuneration Committee at its meeting held on 3 November 2017 has granted to him 500,000 stock options at an exercise price of ₹ 50 per stock option. 117,000 stock options were vested and have been exercised by him.

Pursuant to 'KFIL Employee Stock Option Scheme 2021'; the Nomination and Remuneration Committee at its meeting held on 19 May 2022 has granted to him 200,000 stock options at an exercise price of ₹ 157 per stock option. These stock options would be vested over a period of four years subject to fulfillment of vesting conditions. As of 31 March 2025; 90,000 stock options were vested and 30,000 stock options have been exercised by him.

Remuneration to Mr. N. B. Ektare, the Executive Director (Operations)

The Members of the Company at their annual general meeting held on 24 September 2024 have appointed Mr. N. B. Ektare, as the Executive Director (Operations) for a term from 9 August 2024 to 9 March 2027.

Details of remuneration, by payment and provision, for the financial year 2024-2025 are as given below :

Particulars	Amount in ₹
Basic Salary	11,700,000
Special Allowance	1,575,000
House Rent Allowance	1,200,000
Leave Travel Assistance	120,000
Contribution to Provident Fund	750,000
Perquisites	722,662
Gratuity	2,981,875
Leave Encashment	1,300,000
Commission	25,000,000
Total	**45,349,537**

Salary includes basic salary, special allowance and house rent allowance. Perquisites include reimbursement of medical expenses, personal accident insurance and mediclaim insurance premium.

Pursuant to 'KFIL Employee Stock Option Scheme 2017'; the Nomination and Remuneration Committee at its meeting held on 3 November 2017 has granted to him 120,000 stock options at an exercise price of ₹ 50 per stock option. 117,000 stock options were vested and have been exercised by him.

Pursuant to KFIL Employee Stock Option Scheme 2021; the Nomination and Remuneration Committee at its meeting held on 9 August 2024 has granted to him 150,000 stock options at an exercise price of ₹ 563 per stock option and these stock options would be vested over a period of four years subject to fulfillment of vesting conditions.

b) Remuneration to Non-Executive Directors

Section 197 of the Companies Act, 2013 and rules thereof state that, except with the approval of the members in the general meeting by a special resolution, the remuneration payable to Directors, who are neither Managing Directors nor Whole Time Directors, shall not exceed one percent of the net profits of the Company, if there is a Managing Director.

Upon the recommendation of the Nomination and Remuneration Committee and based on the performance of the Company, the Board of Directors decides the remuneration by way of commission to Non-Executive Directors.

Details of commission payable to Non-Executive Directors for the financial year 2024-2025 are as given below :

Name of Director	Amount in ₹
Mr. Rahul Kirloskar	900,000
Mr. V. M. Varma	1,350,000
Mr. S. Venkataramani	1,925,000
Mr. P. Vohra	1,350,000
Dr. Shalini Sarin	1,050,000
Mr. M. S. Srinivasan	500,000
Mr. P. Rajashekhar	500,000
Mr. S. Rajagopalan	500,000
Mr. Atul Kirloskar	400,000
Mr. A. N. Alawani	750,000
Mr. M. R. Chhabria	900,000
Mrs. Nalini Venkatesh	100,000
Mr. Y. S. Bhave	200,000
Total	**10,425,000**

There are no pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company.

Payment of sitting fees to Non-Executive Directors

The Board of Directors at its meeting held on 5 August 2022 has approved the sitting fees payable to a Non-Executive Director, viz. ₹ 1,00,000 for attending a meeting of the Board of Directors, ₹ 75,000 for attending a meeting of Audit Committee and ₹ 50,000 for attending a meeting of any other Committee as may be constituted from time to time by the Board of Directors.

Details of Sitting Fees paid to Non-Executive Directors during financial year 2024-2025 are as given below :

Name of Director	Amount in ₹
Mr. Rahul Kirloskar	750,000
Mr. V. M. Varma	1,175,000
Mr. S. Venkataramani	1,075,000
Mr. P. Vohra	1,075,000
Dr. Shalini Sarin	750,000
Mr. M. S. Srinivasan	500,000
Mr. P. Rajashekhar	500,000
Mr. S. Rajagopalan	500,000
Mr. Atul Kirloskar	300,000
Mr. A. N. Alawani	625,000
Mr. M. R. Chhabria	750,000
Mrs. Nalini Venkatesh	150,000
Mr. Y. S. Bhave	150,000
Total	**8,300,000**

General Body Meetings

Details of previous three annual general meetings held are as given below :

31st Annual General Meeting on 1 August 2022 at 11.00 a.m. (IST)

The Annual General Meeting was held through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') facility.

One special resolution was passed :

- Appointment of Mr. Y. S. Bhave as an Independent Director of the Company to hold office for another term upto 15 July 2024.

32nd Annual General Meeting on 3 August 2023 at 11.00 a.m. (IST)

The Annual General Meeting was held through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') facility.

Three special resolutions were passed :

- Re-appointment of Mr. Ravindranath Venkatesh Gumaste (DIN : 00082829) as the Managing Director for a term of five years with effect from 1 July 2023 (notwithstanding his completion of the age of seventy years during the proposed tenure) and approval to the terms of remuneration.
- Authority to the Board of Directors of the Company for borrowing or raising of funds not exceeding ₹ 750 Crores by issuance of Non Convertible Debentures in one or more tranches on private placement basis.
- Appointment of Dr. Shalin Sarin (DIN 06604529) as an Independent Director of the Company to hold office for a term upto 12 May 2028.

33rd Annual General Meeting on 24 September 2024 at 11.00 a.m. (IST)

The Annual General Meeting was held through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') facility.

Nine special resolutions were passed :

- Authority to the Board of Directors of the Company for borrowing or raising of funds not exceeding ₹ 1,000 Crores by issuance of Non-convertible Debentures in one or more tranches on private placement basis.
- Appointment of Mr. Maruthuvakudi Sankaranarayana Srinivasan (DIN : 10709097) as an Independent Director of the Company to hold the office for a term upto 15 July 2029.
- Appointment of Mr. Pattanasetty Rajashekhar (DIN : 09514548) as an Independent Director of the Company to hold the office for a term upto 8 August 2029.
- Appointment of Mr. Sourirajan Rajagopalan (DIN : 10738323) as an Independent Director of the Company to hold the office for a term upto 31 August 2028.
- Reappointment of Mr. Vijaydipak Mukundprasad Varma (DIN : 00011352) as an Independent Director of the Company to hold the office for another term upto 30 September 2026.
- Authority to the Board of Directors of the Company pursuant to provisions of Section 180(1)(c) of the Companies Act, 2013 to borrow from time to time any sum or sums of money, which together with the monies borrowed earlier by the Company, may exceed at any time the aggregate of the paid up share capital, the free reserves and the securities premium of the Company by a sum of not more than ₹ 2,000 Crores.
- Authority to the Board of Directors of the Company pursuant to provisions of Section 180(1)(a) of the Companies Act, 2013 to create security from time to time by way of mortgage(s), pledge(s), lien(s), hypothecation(s), charge(s), and/ or any other encumbrance(s) in addition to existing pledge(s), lien(s), mortgage(s), hypothecation(s) and/or charge(s) created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board of Directors may determine, on all or any of the assets of the Company (including immovable and/or movable properties of the Company), both present and future, and/or the whole or substantially the whole of the undertaking(s) wheresoever situated, in favour of bank(s) / non-banking financial companies / public financial institution(s) / body corporate(s) / security trustee(s) / debenture trustee(s) / investor(s), to secure the loan(s) and/ or the credit facilities and/ or the debt(s), availed / to be availed by the Company and/or debenture(s) / bond(s), issued / to be issued, upto a sum of ₹ 3,000 Crores at any point of time.
- Authority to the Board of Directors of the Company pursuant to provisions of Section 186 of the Companies Act, 2013 for :
  - giving loans to any person(s) or other body corporate(s),
  - giving guarantees or providing security in connection with a loan to any other body corporate(s) or person(s),
  - acquiring whether by way of subscription, purchase or otherwise, the securities of any other body corporate(s),

  upto a sum, the aggregate outstanding of which shall not exceed at any time by ₹ 2,000 Crores over and above the aggregate of the paid up share capital, the free reserves and the securities premium of the Company.
- Approval to the alteration of the Articles of Association of the Company by inserting new Article 87(c) i.e., 'Appointment of Chairman Emeritus of the Company", after the present Article 87(b) of the Articles of Association of the Company.

No resolution was passed by way of postal ballot during the financial year 2024–2025.

9. Means of Communication

In compliance with requirements of the SEBI LODR Regulations; the financial results are filed at regular intervals with the BSE Limited, immediately after approval by the Board of Directors. The financial results of the Company are available at the website of BSE Limited viz, www.bseindia.com and that of the Company viz. www.kirloskarferrous.com

Presentations to investors / analysts and official news releases are also available at the website of the Company, viz, www.kirloskarferrous.com

Extract of financial results are published in national and local dailies such as Financial Express (English language newspaper) and Loksatta (Marathi language newspaper) having wide circulation. Since the financial results are available at the websites of BSE Limited and the Company and extract of the same are also published in national and regional newspapers, they are not sent individually to each member.

10. General Shareholders' Information

Corporate Identification Number (CIN)	L27101PN1991PLC063223
Day, Date and Time	Monday, 4 August 2025 at 4:00 p.m. (IST)
Venue	Through Video Conferencing or Other Audio Visual Means (VC / OAVM)
Record Date for payment of dividend	Friday, 11 July 2025
Financial Year	For the financial year from 1 April 2024 to 31 March 2025; financial results were announced as given below : First quarter 9 August 2024 Second quarter 6 November 2024 Third quarter 4 February 2025 Annual 9 May 2025
ISIN	INE884B01025
Dividend payment date	On or before 2 September 2025
Listing on stock exchange	BSE Limited (scrip code : 500245)

The annual listing fees till date has been paid to BSE Limited.

Registrar and Share Transfer Agent (RTA)

MUFG Intime India Private Limited [earlier known as Link Intime India Private Limited] (a SEBI Registered Registrar and Share Transfer Agent) has been maintaining activities in relation to the share transfer facility.

Contact details of the RTA are as given below :

MUFG Intime India Private Limited

Akshay Complex, Block No 202, Second Floor, Off Dhole Patil Road,

Near Ganesh Temple, Pune 411001, Maharashtra

Telephone No. (020) 46014473 Fax No. (020) 26163503

Email : rnt.helpdesk@in.mpms.mufg.com

Share Transfer System

Pursuant to proviso to Regulation 40 of the SEBI LODR Regulations read with the Circular dated 7 September 2020 issued by the SEBI; transfer of securities should take place in electronic form with effect from 1 April 2019. However, applications for transfer of securities like change of name, name deletion, transmission and transposition are permitted for securities held in physical form.

Applications for transfer of equity shares held in physical form are processed by the RTA of the Company, approved at regular intervals and are returned after the registration of transfers within fifteen days from the date of receipt, subject to the validity of all documents lodged with the Company. The applications for transfer of shares under objection are returned within a week from the date of receipt.

Shareholding Pattern as on 31 March 2025

Category	Number of Shares	Percentage of Shareholding
Promoters and Promoters Group	83,787,391	50.90
Mutual Funds	16,572,623	10.07
Domestic Companies	12,487,916	7.59
Investor Education and Protection Fund (IEPF)	3,152,097	1.91
Alternate Investments Funds	948,589	0.58
Foreign Institutional Investors	28,745	0.02
Foreign Portfolio Investors	3,140,021	1.91
Financial Institutions / Banks	611	0.00
NBFCs registered with RBI	43,837	0.03
Non Resident Indians	1,934,117	1.17
Directors and their relatives	1,296,377	0.79
Employees	834,231	0.51
Hindu Undivided Families (HUF)	2,291,868	1.39
Clearing Members	4,047	0.00
Trusts	44,609	0.03
Limited Liability Partnerships (LLP)	296,064	0.18
General Public	37,754,195	22.93
Total	**16,46,17,338**	**100.00**

Distribution of Shareholding as on 31 March 2025

Nominal Value of Shares (₹)		Shareholders		Shares	
From	To	Number	Percentage to Total	Number	Percentage to Total
1	5,000	105,205	96.34	11,045,733	6.71
5,001	10,000	1,742	1.60	2,578,014	1.57
10,001	20,000	1,033	0.95	2,958,145	1.79
20,001	30,000	396	0.36	1,985,316	1.21
30,001	40,000	173	0.16	1,218,307	0.74
40,001	50,000	141	0.13	1,302,501	0.79
50,001	100,000	234	0.21	3,307,495	2.01
100,001 and above		275	0.25	140,221,827	85.18
	Total	**109,199**	**100.00**	**164,617,338**	**100.00**

Equity Shares in electronic form

As on 31 March 2025, 98.54 percent of paid-up equity share capital of the Company was held in electronic form.

Outstanding Global Depository Receipts / American Depository Receipts / Warrants or any convertible instruments, conversion date and impact on equity

There was no convertible instrument outstanding as on 31 March 2025 for conversion into equity shares.

Plant Locations

- Bevinahalli Village, P.O. Hitnal, Taluka and District Koppal 583234, Karnataka
- Hotgi Road, Shivashahi, Solapur 413224, Maharashtra
- Paramenahally Village, Taluka Hiriyur, District Chitradurga 577598, Karnataka
- MIDC Industrial Area, Ahmednagar 414111, Maharashtra
- MIDC Industrial Area, Baramati 413133, Maharashtra
- Jejuri Morgaon Road, Jejuri 412303, Maharashtra

Address for correspondence

Kirloskar Ferrous Industries Limited
'One Avante', Level 5, Karve Road, Kothrud, Pune
411038, Maharashtra
Telephone No. (020) 69065040
Email : kfilinvestor@kirloskar.com

MUFG Intime India Private Limited
Akshay Complex, Block No 202,
Second Floor, Off Dhole Patil Road,
Near Ganesh Temple, Pune 411001
Telephone No. (020) 46014473 / 26161629
Fax No. (020) 26163503
Email : rnt.helpdesk@in.mpms.mufg.com

11. Other Disclosures

a) Related Party Transactions

During the financial year 2024–2025, there were no materially significant transaction with any related party that may have potential conflict with the interests of the Company. The Board of Directors has adopted the policy on related party transactions. The copy of the policy is available at the website of the Company, viz. www.kirloskarferrous.com

Details of transactions of the Company with an entity belonging to the Promoter / Promoter Group(s), which hold(s) ten percent or more shareholding in the Company (viz. Kirloskar Industries Limited) have been provided in the Notes forming part of the Financial Statements.

b) There has been no instance of non-compliance by the Company on any matter related to capital markets during previous three financial years.

During the financial year 2024-2025, BSE Limited levied the fine of ₹ 5,900 on the Company towards non redressal of two investor complaints within the stipulated period of 21 days. Fine has been paid and reasons for delay have been communicated to BSE Limited.

c) Vigil Mechanism / Whistle Blower Policy

The Board of Directors has adopted the Vigil Mechanism / Whistle Blower Policy. The policy has provided a mechanism for Directors, Employees and other persons dealing with the Company to report to the Chairman of the Audit Committee, any instance of unethical behaviour, actual or suspected fraud or violation of the Code of Conduct for Board of Directors and Senior Management (the Code) or ethics policy or leakage of Unpublished Price Sensitive Information (UPSI), by any person, who is in possession of UPSI, to any other person in any manner whatsoever, except as otherwise permitted under the SEBI (Prohibition of Insider Trading) Regulations or any other instance. The policy has been uploaded at the website of the Company, viz. www.kirloskarferrous.com No person has been denied access to the Audit Committee.

d) List of credit ratings obtained

ICRA Limited vide its rationale dated 27 December 2024 has assigned the short-term rating of 'ICRA A1+' for fund based and non fund based facilities and the long-term rating of 'ICRA AA (stable)' for fund based facilities. The aggregate sum of ₹ 995 Crores was raised by issue of commercial papers on short term basis and the same were redeemed on respective maturity dates during the financial year 2024–2025.

e) Details regarding adoption of non-mandatory requirements as specified in Regulation 27(1) read with Schedule II of the SEBI LODR Regulations are as given below :

- The Company does not incur any expenses for maintaining the office of the Chairman.
- Shareholder Rights

  Since financial results are available at the website of BSE Limited and the Company and extract of the same are published in national and regional newspapers, the financial results are not sent individually to each member.
- Modified opinion(s) in audit report :

  Audited financial statements (standalone and consolidated) of the Company for the financial year ended 31 March 2025 have unmodified audit opinion.
- Separate posts of the Chairman and the Managing Director

  The Company has separate persons to the post of the Chairman and the Managing Director. The Chairman is a Non-Executive Director and is not related to the Managing Director as per definition of the term 'Relative' defined under the Companies Act, 2013.
- Reporting of Internal Auditor :

  The Internal Auditor reports directly to the Audit Committee.

f) The Board of Directors has adopted the 'policy on determination of material subsidiaries'. The policy has been uploaded at the website of the Company, viz. www.kirloskarferrous.com

g) Disclosures about commodity price risks and commodity hedging activities have been provided in the Notes forming part of the Financial Statements.

h) The Company has not raised any funds through preferential allotment or qualified institutions placement during the financial year 2024-2025

i) Certificate from Practicing Company Secretary

Mr. Mahesh J. Risbud, Practicing Company Secretary has issued a certificate confirming that 'None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI or the Ministry of Corporate Affairs or any such statutory authority.'

j) During the year under review, all recommendations given by the committees of the Board (which are mandatorily required) have been accepted by the Board.

k) Details of payment of total fees to the statutory auditors have been disclosed in the Notes forming part of the Financial Statements.

l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are as given below :

Number of complaints pending at the beginning of financial year	Nil
Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending at the end of financial year	Nil

m) Details of the Cost Auditor

With reference to the General Circular No. 15/2011 dated 11 April 2011 issued by the Government of India, Ministry of Corporate Affairs, Cost Audit Branch, New Delhi; details of the Cost Auditor and filing of cost audit report with the Central Government are as given below :

M/s. Dhananjay V. Joshi & Associates, Cost Accountants (Firm Registration No. 000030) CMA Pride, Ground Floor, Plot No. 6, S. No. 16/6, Erandawana Housing Society, Erandawana, Pune 411004, Maharashtra Email ID: dvjasso@dvjasso.com

The Cost Audit Report for the financial year ended 31 March 2024 has been filed with the Central Government on 22 October 2024.

n) During the year under review, the Company has not given any loan or advance to any firm or company (except subsidiary companies), in which any Director of the Company is interested.

o) The Company does not have any material subsidiary for the financial year ended 31 March 2025.

p) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI LODR Regulations.

q) Report on Management Discussion and Analysis forms part of the Annual Report and is in accordance with requirements specified in Schedule V of the SEBI LODR Regulations.

CEO / CFO Certification

A certificate signed by the Managing Director and the Executive Director (Finance) and CFO confirming compliance of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board of Directors at its meeting held on 9 May 2025.

Registration of details of bank account for payment of dividend by electronic means

As per Regulation 12 of the SEBI LODR Regulations, the Company shall use electronic modes of payment such as electronic clearing services, direct credit, real time gross settlement, national electronic funds transfer, etc. for making payment of dividend.

Accordingly, Members holding shares in electronic form and in physical form are requested to register necessary details of bank account with the Depository Participants and the Registrar and Share Transfer Agent, viz. MUFG Intime India Private Limited respectively.

Transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)

Pursuant to provisions of Section 124(5) of the Companies Act, 2013 and rules thereof; any money transferred to the Unpaid Dividend Account of a company, which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF).

After transfer of unpaid dividend to the IEPF, any person claiming to be entitled to such amount may apply to the IEPF Authority in accordance with provisions of Section 125 of the Companies Act, 2013 and rules thereof.

A Member, who has not yet encashed dividend warrant(s), is requested to make claim without any delay to the Registrar and Share Transfer Agent of the Company, i.e. MUFG Intime India Private Limited.

Due dates for transfer of unclaimed dividend to the IEPF :

Financial Year	Dividend percent	Date of Declaration (DD/MM/YYYY)	Date of Payment (DD/MM/YYYY)	Date on which dividend will become part of IEPF (DD/MM/YYYY)
2017-2018	25	25/07/2018	27/07/2018	29/08/2025
2018-2019 (Interim)	20	30/01/2019	27/02/2019	04/03/2026
2018-2019 (Final)	20	23/07/2019	30/07/2019	28/08/2026
2019-2020 (Interim)	40	05/03/2020	20/03/2020	11/04/2027
2020-2021 (Interim)	40	02/03/2021	25/03/2021	08/04/2028

Financial Year	Dividend percent	Date of Declaration (DD/MM/YYYY)	Date of Payment (DD/MM/YYYY)	Date on which dividend will become part of IEPF (DD/MM/YYYY)
2020-2021 (Final)	60	27/07/2021	10/08/2021	02/09/2028
2021-2022 (Interim)	50	24/01/2022	18/02/2022	02/03/2029
2021-2022 (Final)	60	01/08/2022	19/08/2022	07/09/2029
2022-2023 (Interim)	50	07/02/2023	03/03/2023	16/03/2030
2022-2023 (Final)	60	03/08/2023	04/08/2023	17/08/2030
2023-2024 (Interim)	60	07/03/2024	28/03/2024	02/02/2031
2023-2024 (Final)	50	24/09/2024	22/10/2024	30/10/2031
2024-2025 (Interim)	60	04/02/2025	03/03/2025	10/03/2032

Transfer of equity shares to the Investor Education and Protection Fund (IEPF)

Pursuant to provisions of Section 124(6) of the Companies Act, 2013 and rules thereof as amended from time to time, all shares, in respect of which dividend has not been claimed for a period of seven years from the date of such transfer shall be transferred by the company in the name of Investor Education and Protection Fund (IEPF) alongwith a statement containing such details as may be prescribed.

Procedure for dealing with unclaimed shares

Pursuant to Regulation 39(4) of the SEBI LODR Regulations, the Company had sent reminder letters to those shareholders, whose share certificates have returned undelivered by the postal authorities due to insufficient / incorrect information and are lying with the Company. These share certificates will be sent to eligible shareholders upon submission of necessary documents to the Company.

Declaration of compliance with the Code of Conduct

To the Members of Kirloskar Ferrous Industries Limited,

Pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) 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 and made effective from 1 April 2019.

All Board members and senior management personnel have affirmed compliance with the Code of Conduct.

For Kirloskar Ferrous Industries Limited

R. V. Gumaste
Managing Director
DIN : 00082829

Date : 9 May 2025
Place : Pune

CERTIFICATE ON COMPLIANCE WITH THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 RELATING TO CORPORATE GOVERNANCE REQUIREMENTS

To
The Members of
Kirloskar Ferrous Industries Limited,
'One Avante', Level 5, Karve Road,
Kothrud, Pune 411038

We have examined compliance by Kirloskar Ferrous Industries Limited (CIN : L27101PN1991PLC063223) ('the Company') with the requirements under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended ('Listing Regulations') relating to compliance of conditions of corporate governance for the financial year ended on 31 March 2025.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note / References on Certification of Corporate Governance and Auditing Standards issued by the Institute of Company Secretaries of India ('ICSI') in so far as applicable for the purpose of this certificate.

Based on our examination of records, in our opinion and to the best of our information and according to the explanations given to us and the representations by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and and para C, D and E of schedule V of the Listing Regulations, except that 2 (two) complaints relating to investors' grievances received by the Company, which were pending unresolved as on March 31, 2025, have been resolved subsequently within 21 days from the date of the receipt of the complaint.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance under the Listing Regulations. The examination is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **M. J. Risbud & Co**

sd/-
Mahesh J. Risbud
Proprietor
Practicing Company Secretaries
FCS No. 810 CP No.: 185

UCN – S1981MH000400
PR – 1089/2021
UDIN - F000810G000306753
Date : 09th May, 2025
Place: Pune

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the Listed Entity

1	Corporate Identity Number (CIN) of the Listed Entity	L27101PN1991PLC063223
2	Name of the Listed Entity	Kirloskar Ferrous Industries Limited ('KFIL')
3	Year of incorporation	1991
4	Registered office address	'One Avante', Level 5, Karve Road, Kothrud, Pune 411038, Maharashtra
5	Corporate address	'One Avante', Level 5, Karve Road, Kothrud, Pune 411038, Maharashtra
6	E-mail	kfilinvestor@kirloskar.com
7	Telephone	+91 20 69065041
8	Website	http://www.kirloskarferrous.com/
9	Financial year for which reporting is being done	01/04/2024 to 31/03/2025
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited
11	Paid-up Capital (In ₹)	823,086,690
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Umesh Chincholikar, General Manager Mobile Number : 9823535957 Email ID : umesh.chincholikar@kirloskar.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone basis
14	Name of assessment or assurance provider	Nil
15	Type of assessment or assurance obtained	Nil

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	Seamless Steel Tubes	Manufacture & supply of seamless steel tubes	32.03
2	Pig Iron	Manufacturing & supply of quality Pig iron	31.64
3	Grey Iron Castings	Manufacturing & supply of complex and critical grey iron castings	25.18
4	Steel	Manufacture & supply of steel	8.24

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	Seamless Steel Tubes	24311	32.03
2	Pig Iron	24101	31.64
3	Grey Iron Castings	24319	25.18
4	Steel	24105	8.24

III. Operations

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

S. No	Location	Number of plants	Number of offices	Total
1	National	8	5	13
2	International	0	0	0

19. Markets served by the entity:

a. Number of locations

S. No	Location	Number of plants
1	National (No. of states)	26
2	International (No. of countries)	18

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

Our products are exported to 18 countries. Out of total turnover ₹ 6566.26 Crores, the percentage of revenue from exports contribute to 2.04% (₹ 133.92 Crores).

c. A brief on types of customers

KFIL manufactures pig iron, grey iron castings, steel and seamless steel tubes products, as per the requirement of wide range of customers from various sectors. KFIL manufactures and supplies custom grey iron castings with specific design and specification requirements of original equipment manufacturers (OEMs) and Tier-1 suppliers. The customers for grey iron castings are companies in automobile sector, tractor manufacturers, infrastructure, construction equipment and industrial engine manufacturers. The pig iron manufactured in various grades is used by companies in the automobile, textile sector, pump manufacturers, diesel engine and pipe manufacturers.

Our high quality and cost-effective steel and seamless steel tubes cater to the requirements of automobile and bearing, general engineering, Oil Country Tubular Goods (OCTG) and projects, construction and other Original Equipment Manufacturers.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No	Particulars	Total (A)	Male		Female		Other	
			No.(B)	% (B/A)	No.(C)	% (C/A)	No. (D)	% (D/A)
	Employees							
1	Permanent (D)	3,252	3,219	98.99	33	1.01	0	0
2	Other than Permanent (E)	180	154	85.56	26	14.44	0	0
3	**Total employees (D + E)**	**3,432**	**3,373**	**98.28**	**59**	**1.72**	**0**	**0**
	Workers							
4	Permanent (F)	1	1	100	0	0	0	0
5	Other than Permanent (G)	5,474	5,382	98.32	92	1.68	0	0
6	**Total workers (F + G)**	**5,475**	**5,383**	**98.32**	**92**	**1.68**	**0**	**0**

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female		Other	
			No.(B)	% (B/A)	No.(C)	% (C/A)	No. (D)	% (D/A)
	Differently-abled Employees							
1	Permanent (D)	2	2	100	0	0	0	0
2	Other than Permanent (E)	0	0	0	0	0	0	0
3	**Total differently abled employees (D + E)**	**2**	**2**	**100**	**0**	**0**	**0**	**0**
	Differently-abled Workers							
4	Permanent (F)	0	0	0	0	0	0	0
5	Other than Permanent (G)	0	0	0	0	0	0	0
6	**Total differently abled workers (F + G)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

21. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (D)	% (D/A)
Board of Directors	11	1	9.09
Key Management Personnel	3	0	0

22. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

	FY 2025 (Turnover rate in current FY)				FY 2024 (Turnover rate in previous FY)				FY 2023 (Turnover rate in the year prior to the previous FY)			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
Permanent Employees	11	13	0	11	6	14	0	6	15	20	0	15
Permanent Workers	0	0	0	0	0	0	0	0	0	0	0	0

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

23. a. 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	Kirloskar Industries Limited	Holding	46.02	No
2	Oliver Engineering Private Limited	Subsidiary	100	No
3	Adicca Energy Solutions Private Limited	Subsidiary	100	No
4	Tridem Port and Power Company Private Limited	Subsidiary	100	No
5	Nagapattinam Energy Private Limited	Subsidiary	100	No
6	Best Exim Private Limited	Subsidiary	100	No
7	Success Power and Infraprojects Private Limited	Subsidiary	100	No
8	Marshal Microware Infrastructure Development Company Private Limited	Subsidiary	100	No
9	ISMT Enterprises SA, Luxembour	Subsidiary	99.62	No

VI. CSR Details

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

Yes

ii. Turnover (in ₹)

65,662,600,061

iii. Net worth (in ₹)

20,983,632,215

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 complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2025 (Turnover rate in current FY)			FY 2024 (Turnover rate in previous FY)			If NA, then provide the reason
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	
Communities	Yes	0	0	0	0	0	0	
Investors (other than shareholders)	Yes	0	0	0	53	0	0	
Shareholders	Yes	150	2	0	63	0	0	
Employees and workers	Yes	0	0	0	0	0	0	
Customers	Yes	0	0	0	0	0	0	
Value Chain Partners	Yes	0	0	0	0	0	0	

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	Employee, Health & Safety	R	• Health & safety plays a crucial role in ensuring wellbeing of employees & workers, maintaining productivity and ensuring the compliance with the regulatory standards of steel sector. • Health & safety is considered as risk, as the operations involve working with heavy machinery & equipment and may also be prone to high temperatures, chemical hazards and physical hazards.	• Mitigation of health & safety related risks identified through risk assessment and hazard identification process across all areas of operations and business units. • Implementation of Barrier Health Management and Process Safety Management System. • Conduct health & safety training and awareness programs to employees and workers. • Regular health checkup of employees and workers for diagnosis and treatment of occupational diseases and other ill health conditions. • Ensure safety through usage of Personal Protective Equipment (PPE) by all employees and workers	Negative Implications

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)
2	Business Ethics	O	• Ensuring utmost transparency and integrity by following good governance practices helps in achieving long term success and growth of the company in a sustainable manner. • Aligning with the core business values and running the operations in an ethical and transparent manner in compliance with the local laws brings enhanced reputation, brand value, customer loyalty & trust and creates positive impact on the society and environment.	• Implementation Code of Conduct and ensure ethical decision making in all activities. • Compliance with all applicable laws, regulations and guidelines. • Conduct due diligence on ethics and compliance aspects.	Positive Implications
3	Circular Economy (Waste & Water Management)	O	**Waste:** • Optimization of resources through recovery and recycling of various waste materials reduce the dependency on natural resources. • Promoting recycling & reuse of waste within operations reduces waste disposal costs and improves operational efficiency. • Implementation of 4R waste management hierarchy (Reduce, Reuse, Recycle, Recover) conserves resources, energy and also reduces greenhouse gas emissions associated with extraction and processing of raw materials. **Water:** • Efficient water management practices such as treatment and reuse of wastewater reduces water consumption. • Improvement of water utilization efficiency conserve energy and minimizes water withdrawal and procurement costs. • Reduces the dependency on freshwater resources and mitigates the water related risks.	**Waste:** • Transform to circular economy by optimization of raw material consumption, recycling and reuse of waste byproducts. • Conduct Life Cycle Assessment (LCA) to evaluate and identify opportunities for recycling of waste generated across entire life cycle of products and processes. **Water:** • Optimization of water intensive processes such as cooling systems, cleaning activities etc. • Deployment of water efficient technologies. • Conduct water audits and assessments to identify areas for water conservation and prevent water leakages if any. • Practice rainwater harvesting wherever possible.	Positive Implications

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)
4	Talent Management	O	• Skill upgradation and talent management helps for companies to foster innovation, improve productivity, and achieve sustainable growth. • Attraction and retention of talented employees with required skills, knowledge and experience improves performance and drives the organization success. • Succession planning helps to identify future leaders within the organization.	• Adopt robust hiring system to hire talented employees with desired skill set. • Identify gaps through skill assessment and tailor training & learning programs to address skill gaps. • Improve operational skills on manufacturing process, equipment operation, safety protocols and quality standards. • Develop leadership skills such as communication, team management facilitating the career progression of employees and workers.	Positive Implications
5	Climate Action	R&O	**Risk:** • The production processes in steel manufacturing are carbon & energy intensive and reliance on fossil fuels results in generation of substantial greenhouse gas (GHG) emission. • Climate change poses significant physical and transition risks to the steel production facilities. • Global steel market shift towards low carbon economy and sustainability. **Opportunity:** • Innovation, deployment of cleaner technologies conserves energy & resources, lowers operational costs and helps in producing sustainable steel products. • Rise in demand for low carbon products create competitive advantages in increasing market share and generating more revenue. • Access to green finance and sustainability focused funds.	• Deployment of low carbon and eco-friendly technologies and processes, transition to renewable energy, clean fuels, energy conservation & waste heat recovery. • Promote circular economy by using recycled scrap & byproducts to reduce the carbon emission. • Greenhouse gas emission monitoring and identify opportunities to reduce the emission intensity. • Identify and mitigate the vulnerabilities and potential impacts of climate change on operations, infrastructure and supply chains.	Negative Implications

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)
6	Human Rights	R	• Violation of human rights policy and guidelines can lead to scrutiny by law enforcement agencies leading to loss of customer trust, investor confidence and negatively affects the brand reputation. • Non-compliance to human rights laws can disrupt the operations and supply chain due to protests and strikes.	• Adopt & implement human rights policies and guidelines aligning with the requirements of Universal Declaration of Human Rights and UN Guiding Principles on Business and Human Rights. • Conduct human rights due diligence to mitigate the potential human rights related risks and associated impact on business of the company. • Conduct training programs on human rights principles, policies & guidelines. • Ensure fair employment practices. • Establish grievance redressal mechanism, prompt investigation and appropriate remedial action to address human rights related violations.	Negative Implications
7	Responsible Supply Chain	O	• Ethical sourcing of raw materials, labor rights protection and environmental sustainability enhances the brand value and reputation of the company. • Adopting sustainable practices in supply chain promotes circular economy, conserves resources, and lowers the production costs. • Embracing responsible supply chain practices facilitates long term sustainability by reducing environmental risks, protecting human rights and enhances stakeholder trust and confidence.	• Ensure all suppliers adhere to supplier code of conduct prepared in alignment with company's values and responsible business practices. • Adopting of Business continuity plan and risk management plan addresses risks related to supply chain. • Conduct supplier assessment and due diligence on sustainability and responsible business practices. • Track and monitor the performance of suppliers on ESG Key Performance Indicators (KPIs). • Prioritize the sourcing of materials from suppliers with better performance on ESG parameters.	Positive Implications

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)
8	Data Privacy	R	• Data breaches and loss of confidential information may lead to significant financial losses, legal consequences and reputational damage for the company. • Cyber-attacks may lead to disruption of operations, leading to downtime, operational disruptions & productivity losses and negatively impact the financial performance of the company. • Inadequate prevention, detection, and remediation of data security threats can damage the Company's reputation and thus influence customer acquisition and retention resulting in decreased market share and lower demand for the Company's products.	• Conduct data privacy audits and assessments to identify & mitigate the data privacy vulnerabilities, risks and compliance related gaps. • Adopt data minimization principles through collection of only required information and retaining data for necessary period and safe disposal thereafter. • Implementation of multiple controls to ensure data security and privacy including user awareness and training programs, end point and N/W security controls. • Proactive monitoring and analysis of any new vulnerabilities and threats ensuring all third parties have adequate data protection measures and procedures in place.	Negative Implications
9	Corporate Governance	R	• Deficiencies in the corporate governance structure may negatively impact the trust of stakeholders, overall business and financial performance of the company. • Inadequate independence may hamper the effective oversight of management and strategic initiatives	• Robust corporate governance mechanism which ensures responsible business conduct and regulatory compliance. • Adequate Independent Director representation to protect stakeholders' interests. • Robust enterprise risk management framework and consideration of ESG related risks. • Implement appropriate systems and measures to prevent corruption and noncompliance.	Negative Implications

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Policy and Management Processes

1. a. **Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)**

P1	P2	P3	P4	P5	P6	P7	P8	P9
yes	yes	yes	yes	yes	yes	yes	yes	yes

b. **Has the policy been approved by the Board? (Yes/No)**

P1	P2	P3	P4	P5	P6	P7	P8	P9
yes	yes	yes	yes	yes	yes	yes	yes	yes

c. **Web Link of the Policies, if available**

Vigil Mechanism / Whistle Blower Policy	https://www.kirloskarferrous.com/documents/174991/18a5f1c5-5017-01b7-eea7-efdc235abab6
Dividend Distribution Policy	https://www.kirloskarferrous.com/documents/174991/b5334486-ea2b-a8b1-cbf3-abbb1d586371
Policy on Related Party Transactions	https://www.kirloskarferrous.com/documents/174991/8c6364dd-f2d4-926c-34f2-85b74f5e3fa6
Policy for Determination of Material Events or Information	https://www.kirloskarferrous.com/documents/174991/5588ff7c-ab0a-a84b-d39e-ee08210e735c
Nomination and Remuneration Policy	https://www.kirloskarferrous.com/documents/174991/fedd1cc9-e304-ef7a-4d13-1af866cd1272
Corporate Social Responsibility (CSR) Policy	https://www.kirloskarferrous.com/documents/174991/3c6ddf58-b733-949c-65d9-7686d3987db8
Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of Kirloskar Ferrous Industries Limited	https://www.kirloskarferrous.com/documents/174991/7cf1f039-adf2-6d17-d9e3-a0fac1f5a436
Code for the Board Of Directors and Senior Management	https://www.kirloskarferrous.com/documents/174991/d9ca13d2-e666-74cc-0f83-3e0189ab56c8
Archival Policy	https://www.kirloskarferrous.com/documents/174991/4249a19b-4535-4e40-7709-68bb7979c2c2

2. **Whether the entity has translated the policy into procedures. (Yes / No)**

P1	P2	P3	P4	P5	P6	P7	P8	P9
yes	yes	yes	yes	yes	yes	yes	yes	yes

3. **Do the enlisted policies extend to your value chain partners? (Yes/No)**

P1	P2	P3	P4	P5	P6	P7	P8	P9
yes	yes	yes	yes	yes	yes	yes	yes	yes

4. **Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.**

   KFIL has adopted Integrated Management System (IMS policy) that covers all national, international standards including IATF 16949:2016 (Quality Management System), ISO -14001: 2015 (Environment Management System) and ISO 45001:2018 (Safety Management System) certifications.

5. **Specific commitments, goals and targets set by the entity with defined timelines, if any.**

   KFIL has completed materiality assessment and identified relevant material topics for the company.

   KFIL has set targets for Environmental Social Governance (ESG) KPIs related to reduction in the energy, GHG emissions, water, waste and safety improvement.

6. **Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**

   Performance against set targets is monitored and reported by the company in the annual report.

Governance, Leadership & 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)

The Company is committed to run the business in a sustainable manner being environmentally conscious, socially responsible maintaining high ethical standards across the operations and value chain of the company. The Company has identified key material issues under ESG pillars through materiality assessment and aligned ESG goals, targets and commitments with the business strategy of the company.

As a responsible corporate to reduce environmental footprint of the company, several measures have been taken by the Company such as increasing the share of renewable energy in the energy consumption, deployment of energy efficient equipment, waste heat recovery, installation of air-cooled condensers and implementation of zero liquid discharge. The Company made a significant investment aimed at reducing carbon footprint, conserving resources, and delivering sustainable products to our customers. The Company remains committed to responsible manufacturing practices which prioritizes environmental stewardship and contribute to the well-being of the communities where we operate.

The Company ensures well-being of our employees and workers by practicing industrial best health & safety systems and practices and ensuring zero harm at workplace.

At KFIL, we strive to ensure utmost transparency and business integrity through our good governance practices. Our unwavering commitment to uphold our core values and principles guides our business operations fostering responsible growth. This approach underscores our dedication to ethical business practices.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Mr. R V Gumaste, Managing Director

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, KFIL has set up an ESG Committee for decision making on the sustainability related initiatives and to oversee the implementation of ESG related goals, targets and commitments

10. Details of Review of NGRBCs by the Company

	Principles	Performance against above policies and follow up action	Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances
Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	P1	Yes	Yes
	P2	Yes	Yes
	P3	Yes	Yes
	P4	Yes	Yes
	P5	Yes	Yes
	P6	Yes	Yes
	P7	Yes	Yes
	P8	Yes	Yes
	P9	Yes	Yes
Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)	P1	Yes	Yes
	P2	Yes	Yes
	P3	Yes	Yes
	P4	Yes	Yes
	P5	Yes	Yes
	P6	Yes	Yes
	P7	Yes	Yes
	P8	Yes	Yes
	P9	Yes	Yes

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.

The Company conducts periodic review of the charters, policies internally by the Senior Management, the Committees and the Board Committees. Independent assessment / evaluation of the working of its policies by an external agency will be done on need basis.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

NA

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

1 Principle

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

The Company is committed to integrity, ethics, transparency and accountability across all business operations of the Company by ensuring the strict governance and compliance measures. Our ethical business practices foster trust and credibility, protecting the interests of our stakeholders and promoting brand value and reputation of the Company.

KFIL adopts good governance practices in the board's policies, procedures and business strategy of the Company.

All employees of the company should strictly follow the code of conduct, policies and guidelines of the Company.

An open dialogue is conducted with all stakeholders on business practices and nurture our relations with them ensuring long-term growth and success of the company. To achieve business resilience and long-term success, sustainability is embedded in the business strategy across all operations of the company. We prioritize our actions by addressing the ESG related material issues and mitigating the associated risks.

Essential Indicators

1. Percentage coverage by training and awareness programmes 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 respective category covered by the awareness programmes
Board of Directors	5	Business ethics, risk management, regulatory affairs, health & safety practices and sustainable business practices	100
Key Managerial Personnel	3	Leadership Safety Efforts, Leader Standard Workshop, Personal Profile Assessment, Trait Emotional Intelligence Quote, 360 Degree Feedback, Team Audit business, regulatory, safety, ESG matters	100
Employees other than BoD and KMPs	680	EOHS,DSS Standards,MDP, HR Policies Principles Covered : P1,P2 & P3. Kirloskar Legacy, Value and Code of Conduct, Awareness on product Carbon foot print, Leadership Standard Work, ESG, EHS, Detail Focus and Structured Thinking	100
Workers	776	Safety Induction Safety hazards	100

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):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/fine	P4	BSE Limited	5,900	Two investor complaints (arising on account of the merger of ISMT Limited with the Company) were redressed beyond the stipulated time due to external factors	No
Settlement	Nil	Nil	0	Nil	No
Compounding-fees	Nil	Nil	0	Nil	No

Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil	No
Punishment	Nil	Nil	Nil	Nil	No

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

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.

The Company has a vigil mechanism/ whistle blower policy which covers the anti-corruption and anti-bribery aspects. The Company does not tolerate acts involving acceptance of bribes or any other form of corruption. An individual employee, director, channel partner, supplier, business associate, a customer, contractor or agency staff of the organization; if founds any corruption or bribery related activity can make a protected disclosure to the ombudsman. After thorough investigation by the ombudsman, an appropriate action can be taken on the completion of or during the investigation proceedings, including but not limited to a warning, imposition of fine, suspension from official duties or any such action, as deemed fit, considering the gravity of the matter. The vigil mechanism/ whistle blower policy is available at the weblink https://www.kirloskarferrous.com/documents/174991/18a5f1c5-5017-01b7-eea7-efdc235abab6

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 (Current Financial Year)	FY 2024 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

Nil

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.

NA

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Number of days of accounts payables	93	102

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 (Current Financial Year)	FY 2024 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	19.5%	20.3%
	b. Number of dealers / distributors to whom sales are made	61	73
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	60.2%	66.1%

Parameter	Metrics	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0	0
	b. Sales (Sales to related parties / Total Sales)	0.04%	0.13%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	99.92%	99.89%
	d. Investments (Investments in related parties / Total Investments made)	90.55%	88.76%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

S. No.	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
1	24	Environmental aspects, Health and safety, Whistle blower, Value and Code of Conduct, Awareness on Safety	100

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, the Company has an appropriate process, systems and policies to avoid conflict of interests involving the members of the Board. All board members of KFIL strictly adhere to the Code of Conduct of the Company maintaining ethical standards by practicing highest degree of transparency, integrity and accountability. A conflict of interest is considered only where the interest of a director or member of the senior management conflict with those of the Company. The Director or member of senior management shall not involve in a situation, in which he / she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company. The Company has detailed guidelines in the code of conduct to avoid conflict of interest by the directors and senior management. The code of conduct is available at the weblink viz. https://www.kirloskarferrous.com/documents/174991/d9ca13d2-e666-74cc-0f83-3e0189ab56c8

2 Principle

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 (Current Financial Year)	FY 2024 (Previous Financial Year)	Details of improvements in environmental and social impacts
Capex	23%	37%	• Conversion of LPG to PNG for line oven for safety improvements • Waste heat recovery system • Rain water harvesting • Renewable energy • Energy conservation • Pulverized Coal Injection (PCI) & vacuum pressure swing adsorption - O2 Plant for resource (Coke) reduction • Service road to National highway • Fume extraction system • De-dusting system • Social Impact

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, it is a prerequisite of all suppliers, vendors and service providers to comply with the KFIL supplier code of conduct confirming the sustainable sourcing practices. KFIL supplier code of conduct covers human rights and working conditions, health safety and environment and business ethics related aspects. To ensure transparency in sustainable sourcing and compliance with the supplier code of conduct, KFIL conducts periodic audits and review supporting documents and evidences.

b. **If yes, what percentage of inputs were sourced sustainably?**

All suppliers, vendors and service providers shall have an appropriate system ensuring compliance with the applicable laws, regulations, policies and supplier code of conduct of the Company. KFIL monitors the sustainable sourcing practices based on the criteria defined in the supplier code of conduct and applicable policies.

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)**

All Packaging waste generated is managed with EPR rules

b. **E-waste**

Not applicable

c. **Hazardous waste**

Not applicable

d. **Other waste**

Not applicable

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 the company as per Plastic Waste Management Rules 2016, and subsequent amendments. The Company has obtained EPR authorization from the CPCB and our waste collection plan is in line with the EPR plan and targets given by the Central Pollution Control Board (CPCB). The Company also submits periodical returns to the CPCB on an annual basis as part of EPR compliance requirement.

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.**

Nil

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.**

Nil

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).**

S. No	Indicate input material	Recycled or re-used input material to total material	
		FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
1	Runner Riser	3.03	3.38
2	In-house Metal Scrap	0.09	0.08
3	Procured Metal Scrap	9.96	11.29
4	Reclaimed Core Sand	0.02	0.02
5	Steel Tube Plant rejection	3.24	3.52

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:**

Not applicable

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Not applicable

3 Principle

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	Total (A)	% of employees 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 employees											
Male	3,219	3,219	100	3,219	100	NA	NA	0	0	0	0
Female	33	33	100	33	100	33	100	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	**3,252**	**3,252**	**100**	**3,252**	**100**	**33**	**1.01**	**0**	**0**	**0**	**0**
Other than Permanent employees											
Male	154	154	100	154	100	NA	NA	0	0	0	0
Female	26	26	100	26	100	26	100	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	**180**	**180**	**100**	**180**	**100**	**26**	**14.44**	**0**	**0**	**0**	**0**

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	1	0	0	1	100	-	-	0	0	0	0
Female	0	0	0	0	0	0	0	-	-	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	**1**	**0**	**0**	**1**	**100**	**0**	**0**	**0**	**0**	**0**	**0**
Other than Permanent workers											
Male	5382	5382	100	5382	100	-	-	0	0	0	0
Female	92	92	100	92	100	92	100	-	-	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	**5474**	**5474**	**100**	**5474**	**100**	**92**	**100**	**0**	**0**	**0**	**0**

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Cost incurred on wellbeing measures as a % of total revenue of the company	0.43%	0.44%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

S. No	Benefits	FY 2025 (Turnover rate in current FY)			FY 2024 (Turnover rate in previous FY)		
		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/N.A.)	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/N.A.)
1	PF	100	100	Yes	100	100	Yes
2	Gratuity	100	100	Yes	100	100	Yes
3	ESI	100% as per Eligibility as per ESIC Act		Yes	100% as per Eligibility as per ESIC Act		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

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.

The Company ensures equal opportunities to differently abled employees and workers through recruitment, career progression and professional growth across all business units of the Company. The Company is committed to provide fair remuneration to all employees and workers including differently abled ensuring that compensatory packages are equitable, competitive, and commensurate with the nature of the work performed, as well as the skills, qualifications, and experience of the respective individuals. Equal opportunity policy is under formulation and shall be adopted in the due course of time.

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	0	0	0	0
Female	0	0	0	0
Other	0	0	0	0
Total	**0**	**0**	**0**	**0**

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/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes • Works Committee meeting being held on monthly basis involving workers representatives, managerial representative and shop floor managers to improve the working standards, welfare issues, productivity improvement, safety kaizens and to mitigate environmental and safety issues. • Minutes of the meeting was circulated to communicate the details on grievances received and addressed. • Apart from the above, standing meeting being held between 9:00 a.m. to 9:15 am every day to review the issues / productivity / maintenance / facilities to take appropriate actions for resolving them. • Effective grievance redressal system is in place.
Other than Permanent Workers	Yes • Works Committee meeting being held on monthly basis involving workers representatives, managerial representative and shop floor managers to improve the working standards, welfare issues, productivity improvement, safety kaizens and to mitigate environmental and safety issues. • Minutes of meeting was circulated to communicate the details on grievances received and addressed. • Apart from the above, standing meeting being held between 9:00 a.m. to 9:15 am every day to review the issues / productivity / maintenance / facilities to take appropriate actions for resolving them. • Effective grievance redressal system is in place.
Permanent Employees	Yes • Works Committee meeting being held on monthly basis involving employees' representatives, managerial representative and shop floor managers to improve the working standards, welfare issues, productivity improvement, safety kaizens and to mitigate environmental and safety issues. • Minutes of meeting was circulated to communicate the details on grievances received and addressed. • Apart from the above, standing meeting being held between 9:00 a.m. to 9:15 am every day to review the issues / productivity / maintenance / facilities and take appropriate actions and resolve them. • Effective grievance redressal system is in place.
Other than Permanent Employees	Yes • Works Committee meeting being held on monthly basis involving employees' representatives, managerial representative and shop floor managers to improve the working standards, welfare issues, productivity improvement, safety kaizens and to mitigate environmental and safety issues. • Minutes of meeting was circulated to communicate the details on grievances received and addressed. • Apart from the above, standing meeting being held between 9:00 a.m. to 9:15 am every day to review the issues / productivity / maintenance / facilities and take appropriate actions and resolve them. • Effective grievance redressal system is in place.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	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	3,252	1,202	36.96	3,275	1,304	39.82
Male	3,219	1,202	37.34	3,250	1,304	40.12
Female	33	0	0	25	0	0
Other	0	0	0	0	0	0
Total Permanent Workers	1	1	100	4	4	100
Male	1	1	100	4	4	100
Female	0	0	0	0	0	0
Other	0	0	0	0	0	0

8. Details of training given to employees and workers:

Category	FY 2025 (Current Financial Year)					FY 2024 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill up gradation		Total (D)	On Health and safety measures		On Skill up gradation	
		No.(B)	% B/A	No.(C)	% C/A		No.(E)	% E/D	No.(F)	% F/D
Employees										
Male	3,373	3,373	100	2,042	61	3,455	3,455	100	1,479	43
Female	59	59	100	56	95	54	54	100	20	37
Other		0	0	0	0	0	0	0	0	0
Total	**3,432**	**3,432**	**100**	**2,098**	**61**	**3,509**	**3,509**	**100**	**1,499**	**43**
Workers										
Male	5,383	5383	100	3,713	69	4,693	4,693	100	1,820	39
Female	92	92	100	76	83	130	130	100	55	42
Other		0	0	0	0	0	0	0	0	0
Total	**5,475**	**5,475**	**100**	**3,789**	**69**	**4,823**	**2,325**	**48**	**1,875**	**39**

9. Details of performance and career development reviews of employees and workers :

Category	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	Total (A)	No.(B)	% B/A	Total (C)	No. (D)	% D/C
Employees						
Male	3,373	3,373	100	3,455	3,455	100
Female	59	59	100	54	54	100
Other	0	0	0	0	0	0
Total	**3,432**	**3,432**	**100**	**3,509**	**3,509**	**100**
Workers						
Male	5,383	0	0	4,693	0	0
Female	92	0	0	130	0	0
Other	0	0	0	0	0	0
Total	**5,475**	**0**	**0**	**4,823**	**0**	**0**

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 such system?

Yes. The Company has implemented an occupational health and safety management systems for all employees and workers across all business units of the Company. An appropriate governance structure is in place to track the performance of the Company on health and safety related Key Performance Indicators (KPIs). Performance of the Company is also assessed on health and safety measures by conducting periodic audits by third party agencies. ISO 45001:2018 (Occupational Health & Safety Management System) has been implemented through Indian Register Quality System (IRQS) which is a global ISO certification and training body and the contract for implementation is valid till the year 2026. In March 2025, a surveillance audit was conducted and found no non-conformities.

The Company displays safety instructions, workplace dangers, health hazards and remedial measures to be undertaken overcoming such hazards during exposure to such situations. The Company communicates emergency contact numbers, exit plans, emergency siren indicators, fire alarms, signboards, safety precaution, safety instructions, PPE matrix, fire fighting techniques, evacuation plan, etc. to all employees and workers against the workplace hazards prior to deployment in the official duty.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Workplace hazards have been identified by conducting Risk Assessment (RA), Hazard Identification and Risk Assessment (HIRA), plant safety inspection, Job Safety Analysis (JSA), Process Hazard Analysis (PHA), Hazards and Operability Analysis (HAZOP) study, Barrier Health Management, Management of Change (MoC) etc.

- Risk Assessments (RA) are used to identify hazards and risks that may potentially harm employees and workers while working in the plant premises.
- HIRA is a systematic process to evaluate all potential sources for harm, injury and hazards followed by risk analysis, risk evaluation and implementation of risk controls to mitigate the risks.
- JSA comprises of breakdown of each work activity into series of steps followed by the identification of risks at each step and implementation of risk control measures.
- HAZOP is used for identification and avoiding potential hazards prior to adopting of any new process in the facility.
- Barrier Health Management is implemented to identify critical Hazards under various scenarios to ensure preventive and mitigative barriers are in place and monitored in healthy condition.
- Processes Safety Management ensures process technology and management of change. Inspection is carried out by health and safety departments of the Company and third-party agencies on periodical basis to mitigate health and safety related risks.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Yes/ No)

- Yes. A process and platform to report work related hazards to eliminate / control the hazards such as Safety Interaction (SI) system, Safety Action Meeting (SAM), Saksham, Sahyog, various audit processes, Safety Committee meetings etc. is in place.
- Safety interaction tool and Safety Excellence App is in place to report incidents including near miss incidents, dangerous occurrences, process incidents and high potential occurrences. Group discussions on safety issues are conducted through toolbox talks done at the beginning of shifts prior to commencement of shift operations.
- Safety Action Meetings (SAM) initiative is in place to identify work-related hazards and to rectify such risks. Workmen in the respective areas formed as small groups and identify the work-related hazards and brainstorm the solutions and implement themselves.
- SAHYOG – An Employee safety related Suggestion scheme in place to receive and implement the suggestions. Reward and recognition programs for employee and workers are in place for capturing near miss incidents.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. Occupational Health Centre (OHC) is available 24X7 inside the plant premises with qualified doctors and necessary nursing staff. OHC is also extended to provide services for non-occupational and health care services. After the annual health checkup camps, specialist doctors are also invited to counsel the focused group of patients.

The Company has adopted pro-active (Expert Talks, Health awareness Talks, Free vaccinations for Hep-B, Typhoid and COVID), preventive (periodic medical and eye check-ups, cardiac screening, NCD/ICTC) and reactive approach (Weight reductions plans for employees with high BMI and reward for achieving healthy weight loss) to ensure health of all employees and workers. Health initiatives, viz., organizing various health camps, specialized doctor visits, health seminars, weight reduction challenge were organized in a timely manner to protect health of all employees and workers.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million person-hours worked)	Employees	2.35	1.5
	Workers	3.64	3.82
Total recordable work-related injuries	Employees	21	10
	Workers	70	105
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

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

- Engaged M/s. DuPont Sustainable Solutions (DSS+), world renowned safety consultant for strengthening the safety management systems, practices towards excellence.
- In consultation with DSS safety partners, developed good safety governance structure to monitor and to emphasize the Safety Culture transformation through Apex Committees for implementation and corporate committees to support and develop, drive and monitor the standards under the supervision of the Business Steering Committee (BSC).
- Site-specific high-risk standards were developed and implementation is being reviewed periodically through the integrated safety governance structure by taking necessary interventions wherever required. In addition to health and safety standards, various safety tools introduced for enhancing the safety culture driving towards excellence.

  Implementation of the following standards have been carried out :

  - Safety Interactions: Bring the behavioural change of workmen and quick win improvements through Leadership involvement in field rounds to show the concern about employee.
  - Incidents Investigation: Establish Incident tracking and reporting to learn from incidents through scientific investigation and take proactive actions for preventing reoccurrence.
  - Barrier Health Management : An accountability driven evaluation, up gradation (as needed) and maintenance of the health of preventive and mitigation barriers for each of the risk scenarios.
  - Process Safety Management : Management systems and controls (programs, procedures, audits, evaluations) applied to a manufacturing process in a way that process hazards are identified, understood, and controlled so that process related injuries and incidents are prevented.
  - Contractor Safety Management:

    (a) To improve overall contractor safety management at KFIL.

    (b) Develop qualified contractor pool for KFIL through periodic evaluation and review.
  - Rules and Procedures: To identify all tasks requiring standards, rules and procedures needed to describe safe execution. Standards for high-risk activities like 1. Personal Protective Equipment, 2. Permit to work, 3. LOTO, 4. Material Handling, 5. Road Safety and 6. Work at Heights.
  - Capability Development and communication: Building skills and Competency for consistent Implementation of activities and prioritized standards.

13. Number of Complaints on the following made by employees and workers:

	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	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	-	0	0	-
Health and Safety	0	0	-	0	0	-

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	100
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.

Robust Incidents Investigation procedure is in place. All the incidents including near miss cases are being investigated. Corrective and Preventive Action (CAPA) will be taken for the identified root causes of the safety related incidents. HIRA, JSA and HAZOP outputs were considered for remedial measures and Horizontal implementation being ensured to avoid the occurrence of similar incidents across the plant.

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of**

   a. **Employees (Y/N)**

   Yes. Group Term Life Insurance (GTLI) policy, Workmen's Compensation (WC) policy and Employee State Insurance (ESI) corporation policy and Employees Death Linked Insurance (EDLI) under Provident Fund act coverage is provided to all employees and workers as applicable.

   b. **Workers (Y/N)**

   Yes

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

   100 % compliance is being assessed. Monthly compliance check is performed along with proof of remittance PF and ESI etc.

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 are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Category	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 (Current Financial Year)	FY 2024 (Previous Financial Year)	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
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/ No)**

   Yes. KFIL conducts need based meetings with employees after retirement / termination of employment and provides necessary guidance and support.

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100
Working Conditions	100

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.**

   Audits were conducted on health and safety practices and working conditions of all value chain partners on an annual basis and appropriate mitigation measures were implemented in collaboration with the value chain partners for the identified risks.

4 Principle

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.

The Company has identified its employees, customers, investors, vendors, contractors, technical partners, local communities and Government / Regulators as its key stakeholders. There are various formal and informal mechanisms to engage with each of these stakeholders, which help us to understand and respond to their needs.

The Company recognizes the importance of Stakeholders' involvement and their management for sustainable growth of the Company. The Company has a stakeholder engagement plan and various channels of communication and mechanisms to engage with the stakeholders, which help us to understand and respond to their needs. The identified stakeholders were then prioritized under low and high importance considering the power of influence-interest matrix.

The identified stakeholders were provided below:

Nature of Association	Identified Stakeholder (Process Owner)
Responsibility: Stakeholders towards whom the company has legal, commercial and moral responsibilities.	• Board / Investors /Shareholders (MD, CFO, CS) • Government Agencies (HR Head)
Dependence: Stakeholders who are dependent on the Company's activities, products or services and whom the Company is dependent for its operations.	• Strategic Suppliers / Partners (President, SBU Heads) • Employees (HR Head) • Dealers (Marketing HOD) • Suppliers (Materials HOD)
Influence: Stakeholders who can impact the Company's strategic decision-making	• Key Customers (MD, SBU heads, QA & NPD Head and Marketing Head) • Society (HR Head) • Suppliers (Procurement, SBH Heads)

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

S. No	Stakeholder Group	Whether identified as Vulnerable & Marginalized 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 and scope of engagement including key topics and concerns raised during such engagement
1	Employees	No	Email, Monthly and Quarterly newsletters on key updates, Employee Engagement Survey, Trainings, Safety Committee meetings, Brown paper exercise.	- Monthly - Quarterly - Alternate year	To communicate updates on key business events and activities. Employee morale and productivity. Employee health, safety and well-being. - Learning, development and growth. - Employee satisfaction, engagement and benchmarking
2	Customers and Dealers	No	Email, Customer Visits, Customer meets, Dealer meets, Customer satisfaction survey, Customer events, Camps and Exhibitions	As and when scheduled	To share updates on KFIL product related details such as product improvements and technical specifications and business opportunities.
3	Investors and Shareholders	No	Website - https://www.kirloskarferrous.com/investors Annual General Meetings, Annual Reports. - Quarterly Results, Press Releases, Media Interactions. - Investor Presentations, Investor Meets, Emails, One-to-one Interactions	Quarterly, Annually and As & when scheduled	To share financial results and updates on the performance of the company.

S. No	Stakeholder Group	Whether identified as Vulnerable & Marginalized 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 and scope of engagement including key topics and concerns raised during such engagement
4	Vendors	No	In person / Virtual discussions, One-to-one interaction, Supplier Audit	As and when scheduled	To share mutual needs and expectations and to develop strategic partnerships. Quality, Cost and Delivery Improvements. Share Business Plans
5	Contractors	No	Contractor Meetings	As and when scheduled	To share key updates, to discuss improvement opportunities pertaining to Safety, Health, Environment and other statutory requirements.
6	Technical partners	No	In person / Virtual discussions	As and when scheduled	To share updates and understand sustainable innovations in product development.
7	Local Community	No	Community Meetings	As and when scheduled	Focus on better community life by developing the model villages. • Construction of roads and drainages, cleanliness, construction of temples, School, Primary Health Centre, greenery development, Swachh Abhiyan, organizing sports and cultural events
8	Government/ Regulatory	No	Email Communication Meetings scheduled by Government bodies	As and when scheduled	Align with the rules, regulations and statutory requirements prescribed by the respective government bodies.

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.**

   Consultations on economic, environmental and social aspects are conducted with the identified stakeholders on periodical basis and the feedback from each stakeholder is taken through focused group discussions, surveys and other modes of communication. Feedback and the status of implementation of actions are updated to the board during the board meetings.

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. Identification of Environment Social and Governance (ESG) related material topics relevant to the Company is carried out through material assessment. The Company has taken into account the results obtained from surveys conducted with various stakeholders, sustainability frameworks and priorities of peer companies on ESG material issues. Internal and external stakeholder consultations were carried out through surveys with customized questionnaire for the respective stakeholder.

   Identification of ESG material topics was carried out in a holistic manner taking into account the expectations and priorities of our stakeholders and protecting their interests. Based on the survey results, the prioritization of ESG material issues were carried out and incorporated into company's policies, sustainability related business strategy, goals and targets.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   The Company has a dedicated teams and committees for implementation of CSR related initiatives and projects. The issues and concerns of vulnerable and marginalized groups are addressed in a timely manner by establishment of grievance redressal mechanism. The Company also has a dedicated programme "Kirloskar Vasundhara International Film Festival and Kirloskar Vasundhara ECO rangers" through which seminars, workshops and lectures are conducted with all stakeholders with whom the Company is engaged.

5 Principle

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 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	3,252	3,252	100	3,275	3,275	100
Other than permanent	180	180	100	234	234	100
Total Employees	**3,432**	**3,432**	**100**	**3,509**	**3,509**	**100**
Workers						
Permanent	1	1	100	4	4	100
Other than permanent	5,474	5,474	100	4,819	4,819	100
Total Workers	**5,475**	**5,475**	**100**	**4,823**	**4,823**	**100**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025 (Current Financial Year)					FY 2024 (Previous Financial Year)				
	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	3,252	0	0	3,252	100	3,275	0	0	3,275	100
Male	3,219	0	0	3,219	100	3,250	0	0	3,250	100
Female	33	0	0	33	100	25	0	0	25	100
Other	0	0	0	0	0		0	0	0	0
Other than permanent	180	0	0	180	100	234	0	0	234	100
Male	154	0	0	154	100	205	0	0	205	100
Female	26	0	0	26	100	29	0	0	29	100
Workers										
Permanent	1	0	0	1	100	4	0	0	4	100
Male	1	0	0	1	100	4	0	0	4	100
0Female	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Other than permanent	5,474	5,474	100	0	0	4,819	4,819	100	0	0
Male	5,382	5,382	100	0	0	4,689	4,689	100	0	0
Female	92	92	100	0	0	130	130	100	0	0
Other	0	0	0	0	0	0	0	0	0	0

3. a. Details of remuneration/salary/wages, in the following format:

	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	1,710,000	1	1,205,000	0	0
Key Managerial Personnel	3	53,150,827	0	0	0	0
Employees other than BoD and KMP	3,370	707,593	59	409,416	0	0

b. Gross wages paid to females as % of total wages paid by the entity, in the following format

Category	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Gross wages paid to females as % of total wages	0.71%	0.54%

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

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Yes, The Company has a grievance redressal committee comprising of human resources department and senior management, where the grievances related to human rights are evaluated and necessary action will be taken depending on the nature and severity of the grievance. All employees and workers are encouraged to report human rights related violations on issues such as injustice, criticism, unfairness or violation of dignity. We also have Grievance committee, Works committee, POSH committee, Ethics committee and Standing Orders are in place for addressing human rights related impacts and issues.

6. Number of Complaints on the following made by employees and workers:

	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	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	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on 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.

Yes. The Company has implemented a vigil mechanism / whistle blower policy to conduct all business activities in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. All employees and workers are encouraged to report genuine concerns, including but not limited to unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The Company ensures that genuine Whistle Blower is accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

No unfair treatment shall be given to a Whistleblower by virtue of his/her having reported a Protected Disclosure under the Whistle Blower Policy.

The Company ensures that any kind of discrimination, harassment, victimization or any other unfair employment practice is not adopted against the Whistle-blower. Complete protection will, therefore, be given to Whistle-blower against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behaviour or the like including any direct or indirect use of authority to obstruct the whistle blower's right to continue to perform his duties/ functions including making further Protected Disclosure. The Company will take necessary steps to minimize difficulties, which the Whistle-blower may experience as a result of making the Protected Disclosure.

Further, the complaints committee at each facility of KFIL empowered with powers to conduct investigation on the complaints received on discrimination and harassment cases and to take necessary action accordingly.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

yes

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 Labour/Involuntary Labour	100
Sexual Harassment	100
Discrimination at Workplace	100
Wages	100

Government officers from the respective locations come for inspection

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Nil

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Not applicable. As there are no grievances related to human rights, there is no such requirement to modify or change business processes.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

NA

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, plant premises and offices of the Company are accessible to 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	0
Discrimination at Workplace	0
Child Labour	0
Forced Labour/Involuntary Labour	0
Wages	0

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

NA

6 Principle

Businesses should respect and make e orts 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:

	FY 2025 (Current Financial Year)		FY 2024 (Previous Financial Year)	
	Value	Unit	Value	Unit
From renewable sources				
Total electricity consumption (A)	297,103	GJ	90,767	GJ
Total fuel consumption (B)	141,563	GJ		GJ
Energy consumption through other sources (C)		GJ		GJ
Total energy consumed from renewable sources (A+B+C)	**438,666**	**GJ**	**90,767**	**GJ**
From non-renewable sources				
Total electricity consumption (D)	885,015	GJ	1,203,916	GJ
Total fuel consumption (E)	13,822,875	GJ	10,835,062	GJ
Energy consumption through other sources (F)		GJ		GJ
Total energy consumed from non-renewable sources (D+E+F))	**14,707,890**	**GJ**	**12,038,978**	**GJ**
Total energy consumed (A+B+C+D+E+F)	**15,146,556**	**GJ**	**12,129,745**	**GJ**
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations)	2,307	GJ/rupee	1,977	GJ/rupee
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	NA		NA	
Energy intensity in terms of physical output - Production in mass	12.97	GJ/MT		GJ/MT
Energy intensity (optional) –				

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.

No

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.

Yes, Koppal plant of the Company falls under DC and PAT CYCLE 3 Performance is as follows:
Target SEC for FY 2019-20 - 0.5076 TOE/Tonnes
Achieved SEC for FY 2019-20 - 0.4667 TOE/Tonnes
Over Achieved SEC - 0.0374
ESCERTS Issued - 12576.
Now, the Company is falling under PAT Cycle VIIA and the target SEC for FY 2024-25 is 0.4427 (5.14% of baseline year 2019-20)

3. Provide details of the following disclosures related to water, in the following format:

	FY 2025 (Current Financial Year)		FY 2024 (Previous Financial Year)	
	Value	Unit	Value	Unit
Water withdrawal by source (in kilolitres)				
(i) Surface water	2,243,057	Kilolitres	1,008,767	Kilolitres
(ii) Groundwater	449,615	Kilolitres	575,291	Kilolitres
(iii) Third party water	372,675	Kilolitres	611,328	Kilolitres
(iv) Seawater / desalinated water		Kilolitres	0	Kilolitres
Others		Kilolitres	0	Kilolitres
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	3,065,347	Kilolitres	2,195,386	Kilolitres

	FY 2025 (Current Financial Year)		FY 2024 (Previous Financial Year)	
	Value	Unit	Value	Unit
Total volume of water consumption (in kilolitres)	3,065,347	Kilolitres	2,195,386	Kilolitres
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	467	Kilolitres/rupee	358	Kilolitres/rupee
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	NA	Kilolitres/USD	NA	Kilolitres/USD
Water intensity in terms of physical output- Production in mass	2.62	Kilolitres/MT		Kilolitres/MT
Water intensity (optional) -				

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.

No

4. Provide the following details related to water discharged:

Nil

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:

Yes, wastewater generated from industrial operations is treated and reused for quenching process in coke oven plant. Domestic sewage wastewater is treated in sewage treatment plant and reused in gardening and toilet flushing activities.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	FY 2025 (Current Financial Year)		FY 2024 (Previous Financial Year)	
	Value	Please specify unit	Value	Please specify unit
NOx	236	MT	191	MT
SOx	1,064	MT	1,052	MT
Particulate matter (PM)	1,156	MT	983	MT
Persistent organic pollutants (POP)	0	MT	0	MT
Volatile organic compounds (VOC)	0	MT	0	MT
Hazardous air pollutants (HAP)	0	MT	0	MT

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.

No

Any contextual information necessary to understand how the data has been compiled, such as any standards, methodologies, assumptions and/or calculation tools used.

-

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Total Scope 1 Emissions	Metric tonnes of CO2 equivalent	1,449,419	1,210,798
Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available			
Total Scope 2 Emissions	Metric tonnes of CO2 equivalent	178,725	257,798
Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available			
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO2 equivalent/ rupee	248	239

Parameter	Unit	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO2 equivalent/ rupee	NA	NA
Total Scope 1 and Scope 2 emission intensity in terms of physical output- Production in mass	Metric tonnes of CO2 equivalent/ MT	1.39	
Total Scope 1 and Scope 2 emission intensity (optional)-			

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.

No

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details

Waste heat recovered from coke oven plant is utilized for power generation with a capacity of 40 MW fulfilling in-house electricity demand. Several other initiatives are taken to reduce energy and resource consumption such as installation of VFDs, replacement of old LT motors with new Energy efficient motors and conducting plant level energy audit to find out improvement areas for optimization and conservation of energy.

9. Provide details related to waste management by the entity, in the following format:

a. Total Waste generated

Parameter	FY 2025 (Current Financial Year) Value	FY 2024 (Previous Financial Year) Value
Total Waste generated (in metric tonnes)		
Plastic waste	359.97	234
E-waste	3.49	2.9
Biomedical waste	0.012	0.07
Construction and demolition waste	994.66	0
Battery waste	7.41	0.11
Radioactive waste	0	0.1
Other Hazardous waste		
Other Hazardous waste	224.62	1,549
Other Non-hazardous waste		
Other Non-hazardous waste	445,193	423,889
Total waste		
Total Waste Generated	446,783	425,675
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	67.95	69.40
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	NA	NA
Waste intensity in terms of physical output - Production in mass (Metric ton/MT)	0.38	-
Waste intensity (optional) –	-	-

b. For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Total Waste		
Parameter	**FY 2025 (Current Financial Year)**	**FY 2024 (Previous Financial Year)**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste: Total Waste		
(i) Recycled	334,515	267,580
(ii) Re-used	14,459	15,827
(iii) Other recovery operations	0	0
Total	**348,974**	**283,407**

c. For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Total Waste		
Parameter	**FY 2025 (Current Financial Year)**	**FY 2024 (Previous Financial Year)**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste: Total Waste		
(i) Incineration	0.0037	0.07
(ii) Landfilling	1,01,086	99,358
(iii) Other disposal operations	47,068	6
Total	**1,48,155**	**99,364**

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

Waste generated is segregated at the source of generation, stored securely and disposed off to the State Pollution Control Board authorized waste recyclers / co-processors / re-users / recyclers in line with the authorization taken by the respective agencies under Hazardous and Other Waste Rules 2016. The granulated and un-granulated slag generated is being recycled completely by cement industry and other recyclers.

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:

The Company do not have any offices and facilities in the vicinity of any ecologically sensitive area.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

NA

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, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non compliances, in the following format:

Yes. The Company is compliant with the applicable laws pertaining to the Water (Prevention and Control of Pollution) Act, the Air (Prevention and Control of Pollution) Act, the Environment Protection Act and rules thereunder.

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Consolidated data for water stress area

NA

2. Please provide details of total Scope 3 emissions and its intensity, in the following format:

Parameter	Unit	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Total Scope 3 Emissions	Metric tonnes of CO2 equivalent	Not monitored	Not monitored
Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available			
CO2	Metric tonnes of CO2 equivalent	NA	NA
CH4	Metric tonnes of CO2 equivalent	NA	NA
N2O	Metric tonnes of CO2 equivalent	NA	NA
HFCs	Metric tonnes of CO2 equivalent	NA	NA

Parameter	Unit	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
PFCs	Metric tonnes of CO2 equivalent	NA	NA
SF6	Metric tonnes of CO2 equivalent	NA	NA
NF3	Metric tonnes of CO2 equivalent	NA	NA
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO2 equivalent/rupee	NA	NA
Total Scope 3 emission intensity (optional)- Production in mass	Metric tonnes of CO2 equivalent/MT	NA	NA

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

No

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities**

   NA

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:**

   The Company has undertaken several measures to optimize its energy and resource consumption and reducing carbon emissions. Some of the initiatives are captive power plant operating on waste heat recovery, use of energy efficient equipment, use of renewable energy, rain water harvesting lake water recycling, sand reclamation plant, etc.

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   - Appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
   - Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
   - Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
   - Keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
   - Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
   - Coordination of its activities with other committees of the Board, wherever required.
   - To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
   - Such other role / powers as may be assigned to the Risk Management Committee by the SEBI LODR Regulations and the Board of Directors from time to time.
   - The Company is in the process of analyzing cloud services for major ERP systems and file servers. This would increase uptime and business continuity during disasters by bringing scalability and flexibility to IT Hardware sizing and utilization.

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.**

   The Company has a plan for assessments for value chain partners

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts**

   The Company has a plan for assessments for value chain partners

8. **How many Green Credits have been generated or procured:**

   NA

7 Principle

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.**

The Company affiliates with 11 National and 7 State 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	Pig Iron Manufactures Association	National
2	Association of Mini Blast Furnaces	National
3	Automotive Component Manufacturers Association of India (ACMA)	National
4	Engineering Export Promotion Council of India	National
5	National Safety Council	National
6	The Institute of Indian Foundrymen	National
7	Federation of Indian Minerals Industries	National
8	The Institute of Company Secretaries of India (ICSI)	National
9	Legal Entity Identifier of India Ltd	National
10	The Institute of Chartered Accountants of India (ICAI)	National
11	Membership of Labor Law reporter	National
12	Karnataka Employers' Associations	State
13	Ballari Koppal Regional Industries Safety Events (BKRISE)	State
14	Karnataka Iron & Steel Manufacturers Association	State
15	Mahratta Chambers of Commerce & Industries	State
16	District Chambers of Commerce and Industry (DCCI) J	State
17	Jejuri Industrial Manufacturers Associates	State
18	The Alloy Steel Producers Association	State

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities**

There were no incidents of anti-competitive behaviour involving the Company during the reporting period FY 2024-2025.

Leadership Indicators

1. **Details of public policy positions advocated by the entity**

KFIL is a member of several industrial associations at regional and national level where it actively put forth its strategic decisions and be instrumental in policy level decision making. The public policy advocacy consultations of the Company are periodically reviewed by the senior management of the Company and give necessary directions ensuring sustainable long-term growth of the Company mitigating business risks in compliance with the applicable laws.

8 Principle

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.**

   NA

2. **Provide information on project(s) for which on-going Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

   NA

3. **Describe the mechanisms to receive and redress grievances of the community**

   Regular interaction and discussions were held with the local communities and gram panchayat members / village sarpanch to receive and redress the grievances related to the communities.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	17.04 %	9.09 %
Directly from within India	76.65 %	63.81 %

Note: The percentage calculations were based on the quantity of input materials sourced.

5. **Job creation in smaller 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 (Current Financial Year)	FY 2024 (Previous Financial Year)
Rural	40.13%	40.12%
Semi-urban	19.61%	18.38%
Urban	6.85%	7.32%
Metropolitan	33.41%	34.17%

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):**

   NA

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

   NA

3.a. **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

   No

b. **From which marginalized /vulnerable groups do you procure?**

   NA

c. **What percentage of total procurement (by value) does it constitute?**

   NA

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

NA

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.

NA

6. Details of beneficiaries of CSR Projects:

S. No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Organised Kirloskar Vasundhara International Film Festival to create awareness on environmental, social and other sustainability aspect.	800	NA
2	Organised Kirloskar Vasundhara Eco Rangers in various colleges	680	NA
3	Provided Study Materials to Government Schools	4,300	NA
4	Provided writing desks to 33 GHPS	15,000	NA
5	Nutrition support to TB patients in association	690	NA
6	Organised health checkup camps	3,300	NA
7	Renovation and construction of temple	2,000	NA
8	School Bags Distribution	6,000	NA
9	Distribution of Beds to Govt Health Center	300	NA
10	Distribution of tree plants	1,000	NA
11	Distribution of medicines	2,000	NA
12	Water tanks provided	1,000	NA
13	Renovation of temples	3,000	NA
14	Distribution of roof top solar panels	3,000	NA
15	Construction of community health centre	6,000	NA
16	Financial assistance to schools for project activities	342	NA

9 Principle

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Robust customer complaint management system is established to collect and resolve the consumer complaints. Heads of the marketing and quality departments are responsible to take necessary action against the complaints received.

All the complaints are analysed with internal defined 8D approach and responds on customer complaint as per customer specified formats & specified response timeline mentioned in the customer specific requirements.

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	-
Safe and responsible usage	-
Recycling and/or safe disposal	-

3. Number of consumer complaints in respect of the following:

	FY 2025 (Current Financial Year)		Remarks	FY 2024 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	-
Forced recalls	0	-

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 of the policy.

The Company has formulated the Information Technology policy covering cyber security and risks related to data privacy. The same will be uploaded at the website of the Company in due course.

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

NA

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

Nil

b. Percentage of data breaches involving personally identifiable information of customers

Nil

c. Impact, if any, of the data breaches

NA

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed(provide web link, if available).

https://www.kirloskarferrous.com/products

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services

Since the products of the Company are directly supplied to the OEMs, who assemble and supply the end products to the customer, there is limited scope for informing and educating the end user about the safe and responsible usage of its products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services

Since the products of the Company are directly supplied to the OEMs, who assemble and supply the end products to the customer, there is limited scope for informing and educating the end user about the risk of disruption / discontinuation of its essential service.

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 with regard to 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)

Not applicable. There is no display of product information on the product over and above what is mandated as per local laws. Customer satisfaction is assessed by conducting a Customer Satisfaction Survey (CSS) through external professional agency at regular intervals. The survey captures Customer Satisfaction parameters like eQ Index, Commitment Share and Vulnerability along with perception for various attributes. The survey is based on direct interviews with customers using a structured questionnaire covering various factors such as brand image, business support, research and development, product, order execution, delivery, packaging and experience with sales team.

Standalone
Financial Statements

Independent Auditors' Report

To the Members of
Kirloskar Ferrous Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone Financial Statements of Kirloskar Ferrous Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of Material Accounting Policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

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 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the standalone state of affairs of the Company as at March 31, 2025, and its standalone profit (including Other Comprehensive Income), standalone changes in equity and its standalone cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit 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 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements for financial year ended March 31, 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matters below, our description of how our audit addressed the matter provided in that context.

We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	**Contingent Liability** The Company is involved in direct and indirect tax litigations that are pending with various tax authorities as mentioned in Note No. 49 of the Financial Statements. Whether a liability is recognized or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on assumptions and assessments. We placed specific focus on the judgements in respect to these demands against the Company. Determining the amount, if any, to be recognized or disclosed in the financial statements, is inherently subjective. Therefore, these litigations amount is considered to be a key audit matter	Obtained an understanding from the management with respect to process and controls followed by the Company for identification and monitoring of significant developments in relation to the litigations, including completeness thereof. Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations. Assessed management's discussions held with their legal consultants and understanding precedents in similar cases; Obtained and evaluated the confirmations from the consultants representing the Company before the various authorities and our own dedicated teams of direct tax and indirect tax. Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the financial statements.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
2.	**Capital Expenditure in respect of Property, Plant and Equipment (PPE)** The Company has incurred significant expenditure on capital projects, as reflected by additions in property plant and equipment including capital work in progress in note no. 5 of the standalone financial statements. We considered Capital expenditure to PPE as a Key audit matter due to: • Significance of amount incurred on such items during the year ended March 31, 2025. • Judgement and estimate required by management in assessing assets meeting the capitalisation criteria set out in Ind AS 16 Property, Plant and Equipment. • Judgement involved in determining the eligibility of costs including borrowing cost and other directly attributable costs for capitalisation as per the criteria set out in Ind AS 16 Property, Plant and Equipment.	We obtained an understanding of the Company's capitalisation policy and assessed for compliance with the relevant accounting standards. We obtained understanding, evaluated the design and tested the operating effectiveness of internal controls related to capital expenditure and capitalisation of assets. Reviewed management's evaluation of project in progress and their intent to bring assets to its intended use. We performed substantive testing on a sample basis for various elements of capitalised costs and directly attributable cost, including verification of underlying supporting evidence and understanding nature of the costs capitalised. We have tested on sample basis the appropriate classification of asset category and its useful life in accordance with the Schedule II of the Companies Act 2013. We have obtained componentisation and Completion reports issued by third party management experts (Project management consultant) for capitalisations carried out during the year, wherever applicable and have assessed appropriateness of basis of componentisation and stages of completion. In relation to borrowing costs we obtained the supporting calculations, tested the inputs to the calculation and tested the arithmetical accuracy of the model.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Corporate Governance and Board of Director's report, but does not include the standalone Financial Statements and our auditor's report thereon. This information is expected to be made available to us after the date of this auditor's report.

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 and in doing so, consider whether the other information is materially inconsistent with the standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the information as mentioned above, if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is 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 standalone financial position, standalone financial performance including other comprehensive income, standalone changes in equity and standalone cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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, the management is 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.

Those Board of Directors are also 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:

- 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.

- 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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.

- 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.

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 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 Matter

The standalone financial statements of the company for the year ended March 31, 2024 were audited by one of the Joint Statutory Auditors who expressed an unmodified opinion on those standalone financial statements vide report dated August 09, 2024. Accordingly, other Joint Statutory Auditors do not express any opinion on the figures reported for the year ended March 31, 2024.

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, 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).

   c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow 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 Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With reference to the maintenance of accounts and other matters connected therewith, refer to our comment in Paragraph 2(b) above and refer to our comment in paragraph 2(i)(vi) below, on reporting under rule 11 (g).

g) With respect to the adequacy of the internal financial controls with reference to financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

h) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid by the company to its directors is in accordance with the provisions of section 197 of the Act and remuneration paid to directors is not in excess of the limit laid down under this section.

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 on its financial position in its Financial Statements – Refer Note No. 49 to the Financial Statements.

(ii) The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.

(iii) There is one instance of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company amounting to ₹ 0.65 crores during the year.

(iv) (a) The management has represented to us that, to the best of its knowledge and belief, no funds 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, whether, 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 to us, that, to the best of its knowledge and belief, no funds 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, whether, 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 information and explanation given to us and audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the management and as mentioned under sub-clause (iv)(a) and (iv)(b) above contain any material misstatement.

(v) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

(vi) Based on our examination which included test checks, 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.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For
KIRTANE & PANDIT LLP
Chartered Accountants
Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No: 117309
Date: May 09, 2025
UDIN: 25117309BMJDHP5641
Pune

For
P G BHAGWAT LLP
Chartered Accountants
Firm Registration No. 101118W/ W100682

Nachiket Deo
Partner
Membership No: 117695
Date: May 09, 2025
UDIN: 25117695BMJNLT6192
Pune

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:

(i) (a) (A) The company has maintained records showing particulars of property, plant & equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Property, Plant & Equipment are physically verified by the Management according to a phased program designed to cover all the items which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the Property, Plant & Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) According to information and explanation given to us and based on the examination of records provided to us, we report that, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in **Note No. 5** on Property, Plant & Equipment to the financial statements, are held in the name of the Company except for the following:

Description of property	Gross carrying value (crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held (i.e. dates of capitalisation provided in range)#	Reason for not being held in the name of the Company
Freehold Land	242.67	Erstwhile ISMT Limited	No	July, 2024	For immovable properties acquired through merger, the name change is under process
Buildings	187.29	Erstwhile ISMT Limited	No	July, 2024	

#Immovable properties acquired from Erstwhile ISMT Limited which got merged with the Company pursuant to National Company Law Tribunal Order dated July 24, 2024 (refer Note No. 51)

(d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year. Accordingly reporting under Clause 3(i)(d) of the order is not applicable to the Company.

(e) According to the information and explanations provided to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Hence reporting under clause 3(i)(e) of the order is not applicable.

(ii) (a) The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. In our opinion and based on the policy adopted by the management, the coverage and procedure of such verification is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and those have been appropriately dealt with in the books of accounts.

(b) According to the information and explanations provided to us, the company has been sanctioned working capital limits in excess of five crore rupees during the year, in aggregate, from banks or financial institutions on the basis of security of current assets. The management of the company has provided us with the quarterly returns or statements, which they have represented to us have been filed by the company with their banks or financial institutions. We have observed the quarterly return submitted to bank for the quarter ended June 2024, is based on the values considered prior to merger (Refer Note No. 24). However, we have not carried out specific audit of these statements.

(iii) (a) The company during the year has granted unsecured loans to employees and to a wholly owned subsidiary.

The aggregate amount of loans granted during the year and balances thereof as at balance sheet date are as under:

Particulars	Loans (₹ in Crores)
Aggregate Amount granted/ provided during the year	
Subsidiaries	61.24
Loan to Employees	3.98
Loans to Contractors	2.01
Balance outstanding as at balance sheet date in respect of above cases	
Subsidiaries*	192.03
Loan to Employees	0.62
Loans to Contractors	0.88

* Includes interest amount of ₹ 16.10 Crores.

(b) In terms of the information and explanations given to us and the books of account and records examined by us, loans provided, securities given and the terms and conditions of the grant of all aforesaid loans and advances in the nature of loans during the year are not prejudicial to the Company's interest.

(c) In respect of the aforesaid loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated by the Company. The parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable except in two cases of loans to employee where there is delay upto three months in re-payment of loan amounting to ₹ 0.0004 Crores (Entire amount of ₹ 0.0004 Crore have been repaid till March 31, 2025).

(d) In respect of the aforesaid loans and advances in the nature of loans, there is no amount which is overdue for more than ninety days.

(e) In respect of the loans and advances in the nature of loans granted which has fallen due during the year, no renewal or extension were granted or no fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of re-payment, except following:

Particulars	All parties	Promoters under section 2(69) ofthe Act	Related parties under section 2(76) of the Act
Aggregate amount of loans/advances in nature of loans			
Repayable on demand (A)	Adicca Energy Solutions Private Limited		0.10
- Agreement does not specify any terms or period of repayment (B)		-	
Total (A+B)			**0.10**
Percentage of loans/advances in nature of loans to the total loans			0.00%

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made by it. The Company has not provided any guarantees or security to the parties covered under Section 185 and 186.

(v) In our opinion and according to information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, the provisions of Clause 3(v) of the said Order are not applicable to the Company.

(vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing Goods and Service Tax, though there has been a slight delay in a few cases, and regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Labour Welfare Fund, Cess and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2025, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (in Crores)	Period to which the amount relates	Due date	Date of Payment
Employees' State Insurance	Employee State Insurance Corporation	0.014	April 2022 to September 2022	15th of every month	Unpaid as at March 31, 2025

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2025 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of disputed due	Amount under dispute not deposited (₹ in Crores)	Period to which amount is related	Forum where the dispute is pending
Central Excise Act, 1944	Interest on refund	0.03	FY 2003-04	Assistant Commissioner of Central Excise, Bellary
Central Excise Act, 1944	Cenvat Credit availed on Steel	0.01	FY 2010-11	Assistant Commissioner of Central Excise, Bellary
Central Excise Act, 1944	Disputes on account of determination of assessable value, availment and utilisation of CENVAT credit & other matters	17.02	FY 2007-08 to 2009-10, FY 2012-13 to FY 2017-18,FY 2015-2016 TO 2017-2018	CESTAT
Central Excise Act, 1944	Disputes on account of determination of assessable value, availment and utilisation of CENVAT credit & other matters	5.10	FY 14-15 to FY 2017-18	Commissioner Central Excise
Central Excise Act, 1944	Disputes on account of determination of assessable value, availment and utilisation of CENVAT credit & other matters	6.74	FY 2001-02 to FY 2002-03, FY 2004-05	High Court, Bombay
CGST Act 2017 & IGST Act 2017	GST under reverse charge on Service received from Trainees (Stipend paid) & dispute of Input Tax Credit availed on inward supplies related to Construction of Railway Siding	0.61	2017 – 18	Commissioner of Central Tax (Appeals) Belgaum.
CGST Act, 2017	Dispute on account of transition of CENVAT credit of cess and ISD invoices	0.38	FY 2017-18	Appellate Commissioner
CGST Act, 2017	Dispute on account of transition of CENVAT credit of cess and ISD invoices	0.50	FY 2017-18	Assistant Commissioner
Customs Act, 1962	Disputes related to exemptions, classification & other matters	5.58	FY 1990-91, FY 2008-09 to 2010-11, FY 2014-15, FY 2015-16, FY 2018-19, FY 2019-20	CESTAT
Finance Act, 1994	Service Tax demand on Interest on Letter of Credit	1.15	FY 2008-09 to FY 2011-12	CESTAT, Bangalore
Finance Act, 1994	Service Tax Cenvat Credit availed on Input Services	0.53	FY 2011-12 to FY 2014-15	CESTAT, Bangalore
Finance Act, 1994	Refund Claim filed in respect of Service Tax and KKC Cenvat Credit pertaining to Railway Siding Project	0.41	FY 2016-17 and FY 2017-18	CESTAT, Bangalore
Finance Act, 1994	Service Tax paid on Royalty charges towards the purchase of Iron ore through e-auction	0.34	FY 2016-17	CESTAT, Bangalore
Income Tax Act 1961	Tax Demand Raised	3.35	FY 2021-22	Commissioner of Income Tax, (Appeals) Pune
Income Tax Act 1961	Tax Demand Raised	2.07	FY 2023-24	Commissioner of Income Tax, (Appeals) Pune
Income Tax Act, 1961	Minimum Alternate Tax	8.22	FY 2004-05 and FY 2006-07	Hon'ble High Court Mumbai
Income Tax Act, 1961	Depreciation allowance - TG-3 Assessment Demand	0.25	FY 2010-11 and FY 2011-12	Income Tax Appellate Tribunal, Pune

Name of the Statute	Nature of disputed due	Amount under dispute not deposited (₹ in Crores)	Period to which amount is related	Forum where the dispute is pending
Income Tax Act, 1961	Tax demand raised for Guest House Expenses	0.01	FY 2013-14	Asst. Commissioner of Income Tax, Pune
Income Tax Act, 1961	Income Tax demand raised for Disallowance of prior period expenses	0.04	FY 2016-17	Commissioner of Income Tax, (Appeals) Pune
Income Tax Act, 1961	Disallowance of Depreciation on TG-III & Foreign Exchange Losses	2.44	FY 2018-19	Commissioner of Income Tax (Appeals), Pune
Income Tax Act, 1961	Disallowance of Education CESS Claimed, Creditors written off	7.92	FY 2020-21	Commissioner of Income Tax, (Appeals) Pune
Income Tax Act, 1961	Tax Demand Raised	17.53	FY 2020-21	Commissioner of Income Tax (Appeals), Pune
Income Tax Act, 1961	Disputed Business Expenses	0.20	FY 18-19	Assistant Commissioner
Karnataka Stamp Act, 1957	Stamp Duty & Registration Fee on Land	1.21	FY 2020-21	Deputy Accountant General, Audit Management Group, Bangalore
Pune Municipal Corporation Tax	Disputed Property Tax	0.26	FY 1995-96 and FY 1996-97	High Court, Bombay

Note: - Out of the total amount under dispute ₹ 3.22 Crores is paid under protest.

(viii) In terms of the information and explanations given to us and the books of account and records examined by us, the Company has not surrendered or disclosed any transaction as income during the year in the tax assessments under the Income Tax Act, 1961. Hence reporting under clause 3(viii) of the order is not applicable.

(ix) (a) According to the records of the company examined by us and the information and explanation given to us, during the year, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender as at the balance sheet date. However, loans amounting to ₹ 5.75 crores are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. According to the information and explanations given to us, such loans have not been demanded for repayment during the relevant financial year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that 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.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, the provisions of Clause 3(x)(a) of the Order are not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, the provisions of Clause 3(x)(b) of the Order are not applicable to the Company.

(xi) (a) According to the information and explanation given to us and based on our examination of records, no material fraud by the Company or on the Company has been noticed or reported except that we have been informed about an instance of unauthorized fund transfer aggregating to amount ₹ 0.17 Crores during the period August-2024 to November-2024 by contractual person. As informed, the Company has terminated the services and initiated legal action against the person responsible. Further, another instance of fraud on the company has been noticed by management involving amount of ₹ 6.48 Crore wherein the company has been deceived by unknown third party posing as capital vendor for an equipment. The company has received the equipment and it is pending for installation. An FIR was filed with Cyber Cell against the vendor, its staff, and the unknown fraudster. The matter is under arbitration and the company has offered 50% bank guarantee.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, report in the form ADT-4 as specified under sub-section (12) of section 143 of the Companies Act has not been filed. Accordingly reporting under clause 3(xi)(b) of the order is not applicable.

(c) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and as represented to us by the management, there are no whistle blower complaints received by the company during the year.

(xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements (Note No. 48) as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

(xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the company issued till date, for the period under audit.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and procedures performed by us, we report that the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, reporting under clause 3(xvi)(b) of the order is not applicable.

(c) According to the information and explanations given to us and procedures performed by us, the Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence reporting under clause 3(xvi)(c) of the order is not applicable.

(d) In our opinion, and according to the information and explanation given to us, in the group (in accordance with Core Investment Companies (Reserve Bank) Directions, 2016), there are two companies forming part of the promoter/promoter group of the Company which are CICs. (These are unregistered CICs as per Para 9.1 of Notification No. RBI/2020-21/24 dated 13th August 2020 of the Reserve Bank of India).

(xvii) The Company has not incurred cash losses during current financial year and had not incurred cash losses during immediately preceding financial year.

(xviii) There has been no resignation by statutory auditors during the year hence reporting under clause 3(xviii) of the order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization 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) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, reporting under clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For
KIRTANE & PANDIT LLP
Chartered Accountants
Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No: 117309
Date: May 09, 2025
UDIN: 25117309BMJDHP5641
Pune

For
P G BHAGWAT LLP
Chartered Accountants
Firm Registration No. 101118W/ W100682

Nachiket Deo
Partner
Membership No: 117695
Date: May 09, 2025
UDIN: 25117695BMJNLT6192
Pune

Annexure B to the Independent Auditors' Report

Referred to in paragraph 2 (g) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the Standalone Financial Statements of Kirloskar Ferrous Industries Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as at March 31, 2025, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls with reference to standalone financial statements issued by the Institute of Chartered Accountants of India. 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 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 Company's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 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 with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk.

The procedures selected depend on the auditor's judgement, 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 evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Standalone Financial Statements.

Meaning of Internal Financial controls with reference to the Standalone Financial Statements

A company's internal financial controls with reference to the 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 controls with reference to the 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 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 the Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to the 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 the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the 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
KIRTANE & PANDIT LLP
Chartered Accountants
Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No: 117309
Date: May 09, 2025
UDIN: 25117309BMJDHP5641
Pune

For
P G BHAGWAT LLP
Chartered Accountants
Firm Registration No. 101118W/ W100682

Nachiket Deo
Partner
Membership No: 117695
Date: May 09, 2025
UDIN: 25117695BMJNLT6192
Pune

Standalone Balance Sheet

as at 31st March 2025

(₹ in Crores)

Particulars	Note No.	As at 31st March, 2025	As at 31st March, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,382.74	3,100.57
Capital work-in-progress	5	289.71	449.71
Intangible assets	6	26.29	2.52
Intangible assets under development	6	2.00	37.40
Financial assets			
(i) Investments	7	9.95	10.14
(ii) Loans	8	176.07	114.82
(iii) Other financial assets	9	34.39	33.21
Other non-current asset	10	55.60	55.02
Total non-current assets		**3,976.75**	**3,803.39**
Current assets			
Inventories	11	1,126.71	1,026.82
Financial assets			
(i) Trade receivables	12	1,039.92	896.57
(ii) Cash and cash equivalents	13	42.28	34.64
(iii) Bank balances other than (ii) above	13	26.24	9.89
(iv) Loans	14	2.25	2.24
(v) Other financial assets	15	33.60	7.30
Current tax assets (net)	16	9.26	12.50
Other current assets	17	96.56	98.24
Total current assets		**2,376.82**	**2,088.20**
TOTAL ASSETS		**6,353.57**	**5,891.59**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	82.31	82.11
Other equity	19	3,384.37	3,157.35
Total Equity		**3,466.68**	**3,239.46**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	417.12	520.90
Lease Liabilities	21	1.58	3.88
Provisions	22	12.32	13.08
Deferred tax liabilities (Net)	23	244.73	229.26
Total non-current liabilities		**675.75**	**767.12**
Current liabilities			
Financial liabilities			
(i) Borrowings	24	858.74	696.94
(ii) Lease Liabilities	25	0.83	1.79
(iii) Trade payables	26		
- Total outstanding dues of micro enterprises and small enterprises		57.24	32.38
- Total outstanding dues of creditors other than micro enterprises and small enterprises		989.46	819.29
(iv) Other current financial liabilities	27	186.45	242.05
Other current liabilities	28	82.59	70.05
Provisions	29	35.83	22.51
Total current liabilities		**2,211.14**	**1,885.01**
Total liabilities		**2,886.89**	**2,652.13**
TOTAL EQUITY AND LIABILITIES		**6,353.57**	**5,891.59**

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No.
105215W/ W100057

PARAG PANSARE
Partner
Membership No. 117309

Pune 09th May 2025

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.
101118W/ W100682

NACHIKET DEO
Partner
Membership No. 117695

Pune 09th May 2025

For and on behalf of the Board of Directors

RAHUL KIRLOSKAR
Chairman
DIN 00007319

R.V.GUMASTE
Managing Director
DIN 00082829

R.S.SRIVATSAN
Executive Director (Finance)
& Chief Financial Officer
DIN 09607651

Pune 09th May 2025

MAYURESH GHARPURE
Company Secretary

Pune 09th May 2025

Standalone Statement of Profit and Loss

for the year ended 31st March, 2025

(₹ in Crores)

Particulars	Note No.	For the year ended 31st March, 2025	For the year ended 31st March, 2024
INCOME			
Revenue from operations	30	6,566.26	6,133.90
Other Income	31	62.34	17.60
Total Income		**6,628.60**	**6,151.50**
EXPENSES			
Cost of materials consumed	32	3,782.17	3,389.37
Purchases of stock-in-trade			
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(48.93)	(19.46)
Employee benefits expense	34	352.37	331.26
Finance costs	35	144.44	120.14
Depreciation and amortization expense	36	243.70	231.63
Other expenses	37	1,722.71	1,565.03
Total expenses		**6,196.46**	**5,617.97**
Profit/(loss)before exceptional items and tax		432.14	533.53
Exceptional items	38	-	(56.70)
Profit/(Loss) before tax		**432.14**	**476.83**
Tax expenses			
(1) Current tax		97.23	130.51
(2) Short/ (excess) for the earlier years		(1.44)	(0.26)
(3) Deferred tax		19.07	25.00
Profit for the year		**317.28**	**321.58**
Other Comprehensive Income			
Items that will not be reclassified to profit or (loss)			
Remeasurements of post-employment benefit obligations		(14.14)	(8.20)
Income Tax relating to above		3.56	2.05
Fair value changes on equity Instruments through other comprehensive income		(0.19)	0.10
Income Tax relating to above		0.04	(0.02)
Other Comprehensive Income for the year, net of tax		**(10.73)**	**(6.07)**
Total Comprehensive Income for the year (Comprising profit and Other Comprehensive Income for the year)		**306.55**	**315.51**
Earnings per equity share (for continuing operations)	40		
Basic (₹)		19.29	19.60
Diluted (₹)		19.18	19.46

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No.
105215W/ W100057

PARAG PANSARE
Partner
Membership No. 117309

Pune 09th May 2025

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.
101118W/ W100682

NACHIKET DEO
Partner
Membership No. 117695

Pune 09th May 2025

For and on behalf of the Board of Directors

RAHUL KIRLOSKAR
Chairman
DIN 00007319

R.V.GUMASTE
Managing Director
DIN 00082829

R.S.SRIVATSAN
Executive Director (Finance)
& Chief Financial Officer
DIN 09607651

Pune 09th May 2025

MAYURESH GHARPURE
Company Secretary

Pune 09th May 2025

Standalone Cash Flow Statement

for the year ended 31st March 2025

(₹ in Crores)

Particulars	For the year ended 31st March, 2025		For the year ended 31st March, 2024	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit / (Loss) before tax		432.14		476.83
Add :				
Depreciation	243.70		231.63	
(Profit) / Loss on sale of assets	5.61		0.68	
Allowance for credit losses (including Expected credit loss)	5.04		3.07	
Unrealised Foreign exchange (Gain)/Loss	1.89		(0.43)	
Employee share-based payment expense	5.95		5.44	
Remeasurements of post-employment benefit obligations	(14.14)		(8.20)	
Fair value changes in derivative financial instrument	3.33		0.33	
Finance Costs	144.44		119.97	
Provision for Diminuition in Value of Investment	-		55.01	
Loss on liquidation of Subsidary	-		1.69	
		395.82		**409.19**
Less :		827.96		886.02
Interest Income	(16.73)		(8.29)	
Profit on redemption of Mutual funds	(0.06)		(0.10)	
Provision no longer required written back	(25.66)		(4.34)	
Sundry Credit balances appropriated	(1.77)		(2.13)	
Profit on lease retirement	(0.49)		(0.01)	
		(44.71)		**(14.87)**
Operating profit before working capital changes		783.25		871.15
Movements in working capital:				
Decrease / (increase) in inventories	(99.89)		45.02	
Decrease / (increase) in trade receivables	(141.96)		(57.48)	
Decrease / (increase) in non-current loans	(0.01)		0.10	
Decrease / (increase) in other non-current assets	7.42		(2.72)	
Decrease / (increase) in current loans	(0.03)		0.41	
Decrease / (increase) in other current assets	1.69		14.99	
Decrease / (increase) in Bank balance other than cash and cash equivalent	(18.70)		1.27	
(Increase) / Decrease in other financial assets	(23.36)		4.81	
Increase / (decrease) in non-current provisions	(0.76)		2.63	
Increase / (decrease) in trade payables	206.25		(176.60)	
Increase / (decrease) in other current financial liabilities	13.02		(2.86)	
Increase / (decrease) in other current liabilities	12.66		(0.64)	
Increase / (decrease) in current provisions	13.32		11.26	
		(30.35)		**(159.81)**
Cash generated from Operations		752.90		711.34
Taxes paid		(92.55)		(144.01)
Net cash from Operating Activities (A)		**660.35**		**567.33**

Standalone Cash Flow Statement

for the year ended 31st March 2025

(₹ in Crores)

Particulars	For the year ended 31st March, 2025		For the year ended 31st March, 2024	
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of property, plant and equipment including CWIP and Capital Advances	(428.54)		(522.55)	
Purchase of Investments	-		(9.01)	
Inter Corporate deposit to Subsidiaries	(61.24)		(114.69)	
Proceeds from sale of property, plant and equipment	5.65		6.81	
Receipt from subsidairy on investment	-		0.09	
Investment in other Financial Assets	(0.04)		1.95	
Interest Received	4.36		2.77	
Profit on redemption of Mutual funds	0.06		0.10	
Net Cash from Investing Activities (B)		**(479.75)**		**(634.53)**
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Interest and other borrowing costs paid	(144.07)		(120.16)	
Proceeds from long term borrowings (net)	(116.96)		150.52	
Proceeds/(Repayment) from short term borrowings	174.98		105.66	
Payment of Lease Liabilities	(1.77)		(2.35)	
Increase on issue of equity shares	5.22		4.48	
Dividend Paid	(90.36)		(90.51)	
Net Cash from Financing Activities (C)		**(172.96)**		**47.64**
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)		**7.64**		**(19.56)**
Cash and Cash Equivalents at the beginning of the Period	**34.64**		**54.20**	
Cash and Cash Equivalents at the end of the year	**42.28**		**34.64**	

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No.
105215W/ W100057

PARAG PANSARE
Partner
Membership No. 117309

Pune 09th May 2025

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.
101118W/ W100682

NACHIKET DEO
Partner
Membership No. 117695

Pune 09th May 2025

For and on behalf of the Board of Directors

RAHUL KIRLOSKAR
Chairman
DIN 00007319

R.V.GUMASTE
Managing Director
DIN 00082829

R.S.SRIVATSAN
Executive Director (Finance)
& Chief Financial Officer
DIN 09607651

Pune 09th May 2025

MAYURESH GHARPURE
Company Secretary

Pune 09th May 2025

Standalone Statement of Changes in Equity

for the year ended 31st March, 2025

A. Equity Share Capital (Note 18)

(₹ in Crores)

Opening Balance as on 1st April, 2023	Shares issued during the year	Closing Balance as on 31st March, 2024	Shares pending issuance	Total
69.48	0.18	69.66	12.45	82.11

(₹ in Crores)

Opening Balance as on 1st April, 2024	Shares issued during the year	Closing Balance as on 31st March, 2025	Shares pending issuance	Total
69.66	12.65	82.31	-	82.31

B. Other Equity (Note 19)

(₹ in Crores)

Particulars	Reserves and surplus			Equity Instruments through Other Comprehensive Income	Share options outstanding account	Share Application Money pending allotment	Capital reserve arising out of business combination	Capital reserve arising out of Merger	Total
	Securities premium	General reserve	Surplus of profit or loss						
Restated Balance as on 1st April, 2023	**207.80**	**75.00**	**1,275.61**	**0.41**	**11.46**	**0.16**	**496.83**	**855.64**	**2,922.90**
Total Comprehensive Income									
Profit for the year	**-**	**-**	**321.58**	**-**	**-**	**-**	**-**	**-**	**321.58**
Other Comprehensive Income									-
- Remeasurement of defined benefit liability (net of tax)	-	-	(6.14)	-	-	-	-	-	(6.14)
- Fair value changes on equity Instruments through other comprehensive income	-	-	-	0.08	-	-	-	-	0.08
Transfer to General Reserve	-	5.00	(5.00)	-	-	-	-	-	-
Employee stock option expense	-	-	-	-	5.44	-	-	-	5.44
Share application money received	-	-	-	-	-	4.65	-	-	4.65
Issue of equity shares on account of exercise of employee stock options	6.86	-	-	-	(2.74)	(4.47)	-	-	(0.35)
Lapse of employee stock options	-	-	0.13	-	(0.13)		-		-
Distribution to shareholders									
Final Dividend	-	-	(41.70)	-	-	-	-	-	(41.70)
Interim Dividend	-	-	(41.80)	-	-	-	-	-	(41.80)
Interim Dividend paid by Amalgamating Company	-	-	(7.32)		-	-	-		(7.32)
Balance as on 31st March, 2024	**214.66**	**80.00**	**1,495.36**	**0.49**	**14.03**	**0.34**	**496.83**	**855.64**	**3,157.35**

Standalone Statement of Changes in Equity

for the year ended 31st March, 2025

(₹ in Crores)

Particulars	Reserves and surplus			Equity Instruments through Other Comprehensive Income	Share options outstanding account	Share Application Money pending allotment	Capital reserve arising out of business combination	Capital reserve arising out of Merger	Total
	Securities premium	General reserve	Surplus of profit or loss						
Total Comprehensive Income									
Profit for the year	-	-	317.28	-	-	-	-	-	317.28
Other Comprehensive Income									
- Remeasurement of defined benefit liability (net of tax)	-	-	(10.58)	-	-	-	-	-	(10.58)
- Fair value changes on equity Instruments through other comprehensive income (net of tax)	-	-	-	(0.15)	-	-	-	-	(0.15)
Transfer to General Reserve	-	5.00	(5.00)	-	-	-	-	-	-
Employee stock option expense	-	-	-	-	5.95	-	-	-	5.95
Share application money received	-	-	-	-	-	5.22	-	-	5.22
Issue of equity shares on account of exercise of employee stock options	8.74	-	-	-	(3.51)	(5.42)	-	-	(0.19)
Lapse of employee stock options	-	-	1.10	-	(1.10)	-	-	-	-
Distribution to shareholders									
Final Dividend	-	-	(41.13)	-	-	-	-	-	(41.13)
Interim Dividend	-	-	(49.38)	-	-	-	-	-	(49.38)
Balance as on 31st March, 2025	**223.40**	**85.00**	**1,707.65**	**0.34**	**15.37**	**0.14**	**496.83**	**855.64**	**3,384.37**

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No.
105215W/ W100057

PARAG PANSARE
Partner
Membership No. 117309

Pune 09th May 2025

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.
101118W/ W100682

NACHIKET DEO
Partner
Membership No. 117695

Pune 09th May 2025

For and on behalf of the Board of Directors

RAHUL KIRLOSKAR
Chairman
DIN 00007319

R.V.GUMASTE
Managing Director
DIN 00082829

R.S.SRIVATSAN
Executive Director (Finance)
& Chief Financial Officer
DIN 09607651

Pune 09th May 2025

MAYURESH GHARPURE
Company Secretary

Pune 09th May 2025

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

1) THE CORPORATE OVERVIEW

Kirloskar Ferrous Industries Limited ('the Company') was incorporated in 1991, a flagship Company of Kirloskar Group, promoted by Kirloskar Oil Engines Limited and Shivaji Works Limited. Shivaji Works Limited was subsequently merged with Kirloskar Oil Engines Limited. The erstwhile Kirloskar Oil Engines Limited now changed its name and is known as Kirloskar Industries Limited.

At present, the Company is the subsidiary of Kirloskar Industries Limited. The Company is having manufacturing facilities situated at Koppal district and Chitradurga district in Karnataka State and at Solapur, Ahmednagar, Baramati and Jejuri in Maharashtra State. The Company is engaged in manufacturing of iron castings, seamless tubes and engineering steels.

2) BASIS OF PREPARATION

a) Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS). Ind AS are notified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards), Rules, 2015 as amended from time to time and other relevant provisions of the Act. Accounting policies have been consistently applied except where newly issued accounting standards or revision to existing accounting standards require changes in the existing accounting policies.

b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on each reporting date on the basis as explained below:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value.
- Defined benefit plans – plan assets are measured at fair value.
- Equity settled share-based payments – measured at grant date fair value.

c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is expected to be realised within twelve months from the reporting, or
- It is cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months from the reporting date, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after reporting date.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) Functional and presentation currency

Company has identified Indian Rupee (₹) as its functional currency. All amounts presented in the Financial Statements including notes have been rounded off to the nearest crores in Indian Rupee as per the requirements of Schedule III of the Companies Act, 2013; unless otherwise indicated.

3) MATERIAL ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Property, plant and equipment

- **Recognition and measurement**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost comprises of purchase price and any directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Borrowing costs attributable to construction or acquisition of a qualifying asset for the period up to the date, the asset is ready for its intended use are included in the cost of the asset to which they relate.

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Pre-operative expenditure including trial run expenses comprising of revenue expenses incurred as reduced by the revenue generated during the period up to the date, the asset is ready for its intended use are treated as part of costs of that asset.

Capital work-in-progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use as at the balance sheet date.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under "Other non-current assets".

Property, Plant and Equipments amounting to INR 0.10 Crore are considered immaterial and expensed out to the Statement of Profit and Loss.

- **Subsequent costs**

The cost of replacing a part of an item of property, plant and equipment 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 property, plant and equipment are recognised in the Statement of Profit and Loss as incurred.

- **Subsequent Measurement**

Property, plant and equipment are subsequently measured costs less accumulated depreciation less accumulated impairment losses.

- **Derecognition**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net and disclosed within other income or expenses in the Statement of Profit and Loss.

- **Depreciation methods, estimated useful lives and residual value**

Casting segment:

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its estimated residual value. 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 property, plant and equipment as prescribed in Schedule II of the Companies Act 2013, as assessed by the management of the Company based on technical evaluation except in the case of following assets:

Description	Useful life considered	Justification for deviation
Plant and equipments:		
a) Sinter plant	20 years	Based on past history of usage and supported by technical evaluation report
b) Blast furnace and allied machineries used in manufacture of pig Iron	20 years	
c) Foundry machineries	20 years	
d) Turbo generator	20 years	
e) Plant and equipments given under operating lease	5 years	
f) Machinery spares and Other Components of PPE.	2 to 10 years	
g) Captive power plant	20 years	
h) Patterns	8 years	
Office equipments		
Equipment installed at employee's residence	3 years	As per the terms of Company's policy
Vehicles		
Vehicles given to employees	5 years	As per the terms of Company's policy

Freehold land is not depreciated.

Tube and Steel segment:

Depreciation on Plant & Machinery other than Captive Power Plant is provided on its useful life estimated by the management on Written Down Value method. For these classes of assets, based on the technical evaluation carried out by the external experts, the management has estimated the useful lives in the range of 8 years to 65 years.

For Captive power plant, depreciation has been provided on straight line method with useful life of 20 years which is supported by technical evaluation.

Freehold land is not depreciated.

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b) Intangible assets

- **Recognition and measurement**

  Intangible assets are recognised when the asset is identifiable, is within the control of the Company, and 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 any accumulated impairment losses.

- **Derecognition**

  An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of intangible asset are determined by comparing the proceeds from disposal with the carrying amount of intangible asset and are recognised net and disclosed within other income or expenses in the Statement of Profit and Loss.

- **Amortisation**

  Amortisation is calculated over the cost of the asset, or other amount substituted for cost. Amortisation is recognised in Statement of Profit and Loss on a straight-line basis over the estimated useful life 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 estimated useful life for current and comparative periods are as follows:

Computer software	6 years

c) Leases

The Company assesses at the inception of the contract whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

d) 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. In determining fair value less costs of disposal, recent market transactions are considered.

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.

- **Reversal of impairment loss**

  For assets other than goodwill, 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. An impairment loss in respect of goodwill is not reversed.

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e) Inventories

Raw materials, stores and spares are valued at lower of cost and net realizable value. Cost is determined using weighted average method.

Work in process and finished goods other than by-products are valued at lower of cost and net realizable value. Cost includes direct material and labour and a proportion of manufacturing overhead based on normal operating capacity.

By-products are valued at net realisable value.

Necessary provisions are made for obsolete and non-moving inventories as per the policy framed by the management and the value of inventory is net of such provision.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

f) Cash and cash equivalents

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

g) Revenue recognition

The Company is in the business of manufacture and sale of iron castings, seamless tubes and steel. Sales are recognised when substantial control of the products has been transferred to the customer, being when the products are delivered to the customer or its authorised representative without any unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from these sales is recognised based on the price specified in the sales order, net of the estimated discounts, rebates, returns and Goods and Service Tax. The Company's obligation to provide a refund for defects in the products is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Company does not have any payment terms exceeding one year for any contract. Accordingly, the Company does not adjust any of the transaction prices for the time value of money.

h) Other income

- **Interest income**

  Interest income from debt instruments is recognised using Effective Interest Rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

- **Dividends**

  Dividends are recognised in the Statement of Profit and Loss only when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount can be measured reliably.

- **Any other incomes are accounted for on accrual basis.**

i) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset, are expensed in the period in which they are incurred.

j) Foreign currency 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.

k) 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, ex-gratia, performance pay etc. are recognised in the period in which the employee renders the related service.

- **Post-employment benefits**

  Defined contribution plans

  The Company's approved superannuation scheme and central provident fund scheme are a defined contribution plan. 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.

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Defined benefit plans

The employees' gratuity fund scheme is managed by a trust, is the Company's defined benefit plan. 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 as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, 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, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

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

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Net interest is calculated by applying the discount rate to the net defined benefit liability or the fair value of the plan asset. The cost is included in employee benefit expense in the Statement of Profit and Loss.

- **Other long-term employee benefits**

The liabilities for earned leave which are not expected to be settled within twelve months from the date of reporting period in which the employee render the related service are measured as the present value of expected future payments to be made in respect of services provided by employee 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. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the Statement of Profit and Loss. The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer settlement beyond twelve months of the reporting period, regardless of when the actual settlement is expected to occur.

l) Share-based payments

Employees of the Company who are entitled to receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

- **Equity-settled transactions**

The cost of equity-settled transactions is determined by the fair value at the grant date using fair valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss represents the movement in cumulative expense recognised as at the beginning and at the end of the period and to be recognised in the employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Employee share-based payment reserve with respect to vested options which gets forfeited as per ESOS policy will be transferred to retained earnings.

m) Research and development cost

Revenue expenditure on the research and development is charged off as expense in the year in which incurred. Capital expenditure for research and development activity is grouped with property, plant and equipment under appropriate categories and depreciation is provided as per the applicable rates.

n) Income tax

Income tax expense comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to the items recognised directly in OCI.

- **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable profits

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computed for the current accounting period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

- **Deferred tax**

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

  Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

  Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

  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 deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

o) Provisions and contingencies

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and 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.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

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.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in financial statements, unless they are virtually certain. However, contingent assets are disclosed where inflow of economic benefits are probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

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- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing 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.

q) 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.

- **Initial recognition and measurement**

  Financial instruments are initially recognised when the entity becomes party to the contract.

  Financial instruments are measured initially at fair value adjusted for transaction costs that are directly attributable to the origination of the financial instrument where financial instruments not classified at fair value through profit or loss. Transaction costs of financial instruments which are classified as fair value through profit or loss are expensed in the Statement of Profit and Loss.

- **Subsequent measurement of financial assets**

  For the purposes of subsequent measurement, the financial assets are classified in the following categories based on the Company's business model for managing the financial assets and the contractual terms of cash flows:

  - those to be measured subsequently at fair value; either through OCI or through profit or loss
  - those measured at amortised cost

  For assets measured at fair value, changes in fair value will either be recorded in the Statement of Profit and Loss or OCI. For investments in debt instruments, this will depend on the business model in which investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through OCI.

  The Company reclassifies debt investments when and only when its business model for managing those assets changes.

  Debt instruments at amortised cost

  A 'debt instrument' is measured at the amortised cost if both the following conditions are satisfied:

  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - The contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

  A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of hedging relationship is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using Effective Interest Rate (EIR) method.

  Equity investments

  All equity investments in the scope of Ind AS 109 Financial Instruments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to recognise subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

  If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of equity instrument.

  Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

- **Subsequent measurement of financial liabilities**

  For the purposes of subsequent measurement, the financial liabilities are classified in the following categories:

  - those to be measured subsequently at fair value through profit or loss (FVTPL)
  - those measured at amortised cost

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Following financial liabilities will be classified under FVTPL:

- Financial liabilities held for trading
- Derivative financial liabilities
- Liability designated to be measured under FVTPL

All other financial liabilities are classified at amortised cost.

For financial liabilities measured at fair value, changes in fair value will recorded in the Statement of Profit and Loss except for the fair value changes on account of own credit risk are recognised in Other Comprehensive Income (OCI).

Interest expense on financial liabilities classified under amortised cost category are measured using Effective Interest Rate (EIR) method and are recognised in Statement of Profit and Loss.

- **Derecognition of financial instruments**

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 does not retain control of the financial asset.

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 and Loss.

- **Impairment of financial assets**

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets mentioned below:

- Financial assets that are debt instrument and are measured at amortised cost
- Financial assets that are debt instruments and are measured as at FVOCI
- Trade receivables

The impairment methodology applied depends on whether there has been a significant increase in credit risk. Details how the Company determines whether there has been a significant increase in credit risk is explained in the respective notes.

For impairment of trade receivables, the Company chooses to apply practical expedient of providing expected credit loss based on provision matrix and does not require the Company to track changes in credit risk. Percentage of ECL under provision matrix is determined based on historical data as well as futuristic information.

- **Derivative financial instruments**

Initial measurement and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge 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. Any gains or losses arising from changes in the fair value of derivatives are recognised in the Statement of Profit and Loss.

r) Dividends

The final dividend on shares is recorded as liability on the date of approval of shareholders, and the interim dividends are recorded as liability on the date of declaration by the Company's Board of Directors.

s) 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.

t) Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (CODM). The CODM, who is responsible

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for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director who makes strategic decisions.

Identification of Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director who makes strategic decisions.

u) Government Grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

4) SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in conformity with Ind AS, requires the management to make judgments, estimates and assumptions that affect the amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, disclosure of the contingent liabilities and notes to accounts at the end of each reporting period. Actual results may differ from these estimates.

Judgments

In the process of applying the Company's accounting policies, management have made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating segment

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by the Managing Director being the Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires Management to make judgments with respect to recognition of segments. Accordingly, the Company recognizes Iron Castings, Tube and Steel Segment as its three segments.

Contingent liability

The Company has received various orders and notices from different Government authorities and tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyses current information about these matters and discloses the information relating to contingent liability. In making the decision regarding the need for creating loss provision, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its estimates and assumptions on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market conditions or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit obligation

The cost of the defined benefit plans and other post-employment benefits and the present value of the obligations are determined using actuarial valuation. 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, mortality rates and future post-retirement medical benefit increase. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligations and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

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The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on the expected future inflation rates for the country.

Further details about defined benefit obligations are provided in the respective note.

Deferred Tax

Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits are unused tax losses can be utilized.

Useful lives of Property, plant and equipment

Useful lives of property, plant and equipment are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. The depreciable lives are reviewed annually using the best information available to the Management.

Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognised prospectively.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (₹) in crores unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

Particulars	Freehold land	Leasehold land	Buildings	Plant & Equipments	Plant & Equipments given under operating lease	Furniture & Fixtures	Vehicles	Office equipments	Computers	Total	ROU – Building	ROU – Plant & Machinery	Total ROU asset	Capital Work-in-progress
GROSS CARRYING AMOUNT														
As at 31st March, 2023	**282.86**	**242.09**	**505.09**	**3,777.27**	**0.07**	**9.14**	**11.00**	**24.29**	**5.80**	**4,857.61**	**5.85**	**8.19**	**14.04**	**170.33**
As at 31st March, 2023	**282.86**	**242.09**	**505.09**	**3,777.27**	**0.07**	**9.14**	**11.00**	**24.29**	**5.80**	**4,857.61**	**5.85**	**8.19**	**14.04**	**170.33**
Additions	18.60	-	55.49	264.44	-	0.53	5.22	7.55	0.67	352.50	-	-	-	631.88
Disposals	0.16	-	0.01	24.54	-	0.04	2.30	7.02	1.07	35.14	0.30	-	0.30	352.50
Adjustments	-	(0.89)	-	(0.05)	-	-	-	0.05	-	(0.89)	-	-	-	-
As at 31st March, 2024	**301.30**	**241.20**	**560.57**	**4,017.12**	**0.07**	**9.63**	**13.92**	**24.87**	**5.40**	**5,174.08**	**5.55**	**8.19**	**13.74**	**449.71**
As at 31st March, 2024	**301.30**	**241.20**	**560.57**	**4,017.12**	**0.07**	**9.63**	**13.92**	**24.87**	**5.40**	**5,174.08**	**5.55**	**8.19**	**13.74**	**449.71**
Additions	6.07	1.14	100.27	421.83	-	1.35	3.18	3.24	1.12	538.20	-	-	-	378.34
Disposals	0.35	-	2.88	22.61	-	-	0.49	0.51	0.05	26.89	5.55	-	5.55	538.34
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2025	**307.02**	**242.34**	**657.96**	**4,416.34**	**0.07**	**10.98**	**16.61**	**27.60**	**6.47**	**5,685.39**	**0.00**	**8.19**	**8.19**	**289.71**
Accumulated depreciation														
As at 31st March, 2023	**-**	**27.86**	**190.81**	**1,625.46**	**0.05**	**7.22**	**4.49**	**19.75**	**4.12**	**1,879.77**	**1.40**	**4.00**	**5.40**	**-**
Charge for the period	-	3.56	21.29	197.77	0.00	0.46	1.81	2.81	0.82	228.53	1.18	1.16	2.34	-
Disposals	-	-	0.01	18.38	-	0.04	1.51	6.62	1.07	27.64	0.25	-	0.25	-
Adjustments	-	(0.89)	-	0.19	-	-	-	(0.19)	-	(0.89)	-	-	-	-
As at 31st March, 2024	**-**	**30.53**	**212.09**	**1,805.03**	**0.06**	**7.64**	**4.79**	**15.75**	**3.87**	**2,079.76**	**2.33**	**5.16**	**7.49**	**-**
As at 31st March, 2024	**-**	**30.53**	**212.09**	**1,805.03**	**0.06**	**7.64**	**4.79**	**15.75**	**3.87**	**2,079.76**	**2.33**	**5.16**	**7.49**	**-**
Charge for the period	-	3.61	25.48	203.45	-	0.44	2.48	4.09	0.76	240.31	0.57	1.22	1.79	-
Disposals	-	-	2.38	12.21	-	-	0.44	0.53	0.05	15.61	2.90	-	2.90	-
As at 31st March, 2025	**-**	**34.14**	**235.19**	**1,996.27**	**0.06**	**8.08**	**6.83**	**19.31**	**4.58**	**2,304.46**	**-**	**6.38**	**6.38**	**-**
NET CARRYING AMOUNT														
As at 31st March, 2025	**307.02**	**208.20**	**422.77**	**2,420.07**	**0.01**	**2.90**	**9.79**	**8.29**	**1.88**	**3,380.93**	**0.00**	**1.81**	**1.81**	**289.71**
As at 31st March, 2024	**301.30**	**210.67**	**348.48**	**2,212.09**	**0.01**	**1.99**	**9.14**	**9.12**	**1.52**	**3,094.32**	**3.22**	**3.03**	**6.25**	**449.71**
As at 31st March, 2023	**282.86**	**214.23**	**314.28**	**2,151.82**	**0.02**	**1.93**	**6.51**	**4.54**	**1.67**	**2,977.86**	**4.45**	**4.19**	**8.64**	**170.33**

Note: Title deeds of Immovable Property not held in name of the Company

Description of property	Gross carrying value (crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held since	Reason for not being held in the name of the Company
Freehold Land	242.67	Erstwhile ISMT Limited	No	July, 2024	For immovable properties acquired through merger, the name change is under process
Buildings	187.29	Erstwhile ISMT Limited	No	July, 2024	

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for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT (Contd..)

Amount in Capital Work in Progress for a period of	Projects in Progress		Projects temporarily suspended		Total	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Less than 1 Year	228.20	402.44	-	-	228.20	402.44
1-2 Years	52.30	44.40	-	-	52.30	44.40
2-3 Years	8.44	2.62	-	-	8.44	2.62
More than 3 Years	0.77	0.25	-	-	0.77	0.25
Total	**289.71**	**449.71**	**-**	**-**	**289.71**	**449.71**

6. INTANGIBLE ASSETS

(₹ in Crores)

Particulars	Mining Rights	Computer software	Total	Intangible assets under development
GROSS CARRYING AMOUNT				
As at 31st March, 2023	**0.12**	**14.33**	**14.44**	**35.16**
As at 31st March, 2023	**0.12**	**14.33**	**14.44**	**35.16**
Additions	-	0.08	0.08	2.32
Disposals	-	2.04	2.04	0.08
Adjustments	-	-	-	-
As at 31st March, 2024	**0.12**	**12.37**	**12.48**	**37.40**
As at 31st March, 2024	**0.12**	**12.37**	**12.48**	**37.40**
Additions	25.09	0.28	25.37	-
Disposals	-	-	-	25.37
Adjustments	-	-	-	(10.04)
As at 31st March, 2025	**25.21**	**12.65**	**37.85**	**2.00**
DEPRECIATION				
As at 31st March, 2023	**0.12**	**11.13**	**11.25**	**-**
Charge for the period	-	0.76	0.76	-
Disposals	-	2.04	2.04	-
Adjustments	-	-	-	-
As at 31st March, 2024	**0.12**	**9.85**	**9.96**	**-**
As at 31st March, 2024	**0.12**	**9.85**	**9.96**	**-**
Charge for the period	0.95	0.65	1.60	-
Disposals	-	-	-	-
As at 31st March, 2025	**1.07**	**10.50**	**11.56**	**-**
NET CARRYING AMOUNT				
As at 31st March, 2025	**24.14**	**2.15**	**26.29**	**2.00**
As at 31st March, 2024	**-0.00**	**2.52**	**2.52**	**37.41**
As at 31st March, 2023	**-0.00**	**3.19**	**3.19**	**35.16**

Amount in Capital Work in Progress for a period of	Projects in Progress		Projects temporarily suspended		Total	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Less than 1 Year	-	2.25	-	-	-	2.25
1-2 Years	-	15.34	-	-	-	15.34
2-3 Years	-	4.03	-	-	-	4.03
More than 3 Years	2.00	15.79	-	-	2.00	15.79
Total	**2.00**	**37.41**	**-**	**-**	**2.00**	**37.41**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

7. INVESTMENTS (NON-CURRENT)

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Investments in Equity Shares (Fully Paid up)		
In unquoted equity instruments		
In Subsidiary Companies (At cost)		
ISMT Enterprises S.A.,Luxembourg (8,06,757 (Previous year : 8,06,757) Equity Shares of Euro 10 each fully paid)	48.43	48.43
Tridem Port and Power Company Private Limited (25,80,300 (Previous year : 25,80,300) Equity Shares of ₹10 each fully paid)	2.58	2.58
Structo Hydraulics AB, Sweden (40,73,627 (Previous year : 40,73,627) Equity Shares of SEK 5 each fully paid)	16.75	16.75
Adicca Engery Solutions Private Limited (1,00,000 (Previous year : 1,00,000) Equity Shares of ₹1 each fully paid)	0.01	0.01
Oliver Engineering Private Limited (90,00,000 (Previous year : 90,00,000) Equity shares with a face value of ₹10 per share)*	9.00	9.00
Investment in Subsidiary – Equity component (At cost)		
Structo Hydraulics AB, Sweden (Refer note 38.1)	16.58	16.58
Advance to Tridem Power and Port Company Private Limited (Refer note 38.2)	115.23	115.23
At fair value through OCI		
Kirloskar Management Services Private Limited (4,87,500 (Previous year : 4,87,500) Equity shares with a face value of ₹10 per share)	0.93	1.12
Kirloskar Proprietary Limited (11 (Previous year : 11) Equity share with a face value of ₹100 per share)**	0.00	0.00
S. L. Kirloskar CSR Foundation (9,800 (Previous year : 9,800) Equity shares with a face value of ₹10 per share) **	0.01	0.01
Less : Provision for impairment	(199.57)	(199.57)
Total	**9.95**	**10.14**

Note:

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Aggregate value of unquoted investments	209.52	209.71
Aggregate value of impairment investments	(199.57)	(199.57)

*The Company had acquired 100 percent of the paid-up equity share capital and the sole management control of Oliver Engineering Private Limited ('OEPL') in terms of the Order passed by the National Company Law Tribunal, New Delhi and OEPL had become wholly owned subsidiary of KFIL with effect from 29-Sep-2023.

**The company has not performed fair valuation of these investments in unquoted ordinary shares, which are classified as FVTOCI, as the company believes that impact of change on account of fair value is insignificant.

8. LOANS (NON-CURRENT)

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good		
Loans to contractors	0.11	0.10
Loans to employees	0.03	0.03
Loan to subsidaries*	175.93	114.69
Total	**176.07**	**114.82**

Note:

* Refer Note No.48 for related party disclosure

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

9. OTHER FINANCIAL ASSETS (NON-CURRENT)

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good		
Non-current bank balances		
Margin money deposit	0.02	0.02
Deposits with more than 12 months maturity	0.06	0.06
Security deposits	34.31	33.13
Total	**34.39**	**33.21**

10. OTHER NON-CURRENT ASSETS

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good		
Capital advances	53.06	45.05
Prepaid expenses	0.91	3.78
Advance to suppliers	0.45	5.22
Statutory refund from government authorities	1.18	0.97
Unsecured, considered doubtful		
Claims receivable	0.44	0.44
Less: Provision	(0.44)	(0.44)
Total	**55.60**	**55.02**

11. INVENTORIES

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Raw materials at site	372.15	413.10
Raw materials in transit	193.59	87.92
	565.74	**501.02**
Work-in-progress	190.58	172.75
Finished goods	139.39	123.83
Finished goods in transit	31.14	23.20
Stores and spares	188.25	202.06
Stores and spares in transit	0.63	0.58
By-products	10.98	3.38
Total	**1,126.71**	**1,026.82**

Details of work-in-progress

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
a. Castings	62.66	49.45
b. Tube	73.52	76.81
c. Steel	32.00	25.58
d. Others	22.40	20.91
Total	**190.58**	**172.75**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

11. INVENTORIES (Contd..)

Details of finished goods and finished goods in transit

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
a. Castings	11.79	17.06
b. Pig Iron	11.72	20.01
c. Tube	105.90	94.83
d. Steel	41.12	15.13
Total	**170.53**	**147.03**

12. TRADE RECEIVABLES

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Trade receivables (Unsecured) :		
Receivables considered good	1,040.43	897.87
Receivables which are credit impaired	10.26	10.97
	1,050.69	**908.84**
Less: Allowance for credit losses (including Expected credit loss)	(10.77)	(12.27)
Total	**1,039.92**	**896.57**

Movement in Allowance for credit losses

Particulars	(₹ in Crores)
At 31st March, 2023	**45.70**
Provided during the year	0.24
Amount written off	-
Amount written back	(33.67)
At 31st March, 2024	**12.27**
Provided during the year	0.07
Amount written off	-
Amount written back	(1.57)
At 31st March, 2025	**10.77**

Ageing of Trade receivables

(₹ in Crores)

Particulars (Outstanding from due date of payment)	As at 31 March 2025	As at 31 March 2024
(i) Undisputed trade receivables – considered good		
Not Due	733.93	639.49
Less than 6 months	274.51	237.61
6 months - 1 year	18.12	3.12
1-2 years	2.87	6.23
2-3 years	0.42	11.11
More than 3 years	10.58	0.30
Sub-total (i)	**1,040.43**	**897.87**
Less: Allowance for credit losses (including Expected credit loss)	(0.51)	(1.30)
(ii) Disputed trade receivables – which are credit impaired		
Less than 6 months	0.07	-
6 months - 1 year	0.23	-
1-2 years	-	-

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

12. TRADE RECEIVABLES (Contd..)

(₹ in Crores)

Particulars (Outstanding from due date of payment)	As at 31 March 2025	As at 31 March 2024
2-3 years	4.59	0.21
More than 3 years	5.36	10.76
Sub-total (ii)	**10.26**	**10.97**
Less: Allowance for credit losses (including Expected credit loss)	(10.26)	(10.97)
	1,039.92	**896.57**

13. CASH & CASH EQUIVALENTS AND OTHER BANK BALANCES

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
A. Cash and cash equivalents		
Balances with banks		
In Current accounts	42.28	32.16
In Fixed deposits	-	2.48
Cash on hand ("0.00" denotes amount less than ₹ 1 lakh)	0.00	0.00
Total (A)	**42.28**	**34.64**
B. Bank balances other than cash & cash equivalents		
Earmarked balances	7.33	9.68
Deposit with banks - Maturity more than 3 months but less than 1 year (against Guarantees / Letter of Credit and borrowings).	18.91	0.21
Total (B)	**26.24**	**9.89**

14. LOANS (CURRENT)

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good		
Loan to employees	1.48	1.48
Loan to contractors	0.77	0.76
Total	**2.25**	**2.24**

15. OTHER FINANCIAL ASSETS (CURRENT)

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good		
Interest accrued on deposits and Loans*	17.65	5.87
Security deposits	0.37	0.13
Amount receivable from government authorities	15.58	1.30
Others	-	0.00
Total	**33.60**	**7.30**

* Refer Note No.48 for related party disclosure

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

16. CURRENT TAX ASSETS (NET)

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Income tax (net)	9.26	12.50
Total	**9.26**	**12.50**

17. OTHER CURRENT ASSETS

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good		
Advance to suppliers	54.70	61.22
Balances with government authorities #	24.25	22.37
Export incentives receivables	1.17	0.60
Prepaid expenses	16.44	11.52
Others	0.00	2.53
Total	**96.56**	**98.24**

The Balances with government authorities includes an amount of ₹13.96 Crores (Previous Year : ₹ 2.19 Crores) receivable on account of government incentive under Industrial Policies.

18. SHARE CAPITAL

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Authorised Equity Share Capital		
52,70,00,000 (52,70,00,000) Equity Shares of ₹ 5 each	263.50	263.50
Total	**263.50**	**263.50**
Issued, Subscribed and Paid up Equity Share Capital:		
16,46,17,338 (13,93,21,459) Equity Shares of ₹ 5 each	82.31	69.66
Shares pending issuance:		
Nil (2,49,04,259) Equity shares of ₹ 5/- each, pursuant to amalgamation of erstwhile ISMT Limited with the company	-	12.45
Total	**82.31**	**82.11**

The Company has authorised preference share capital comprising of 11,70,00,000 (11,70,00,000) Preference Shares of ₹ 10 each aggregating to ₹117.00 (117.00) Crores. However, the same has not been issued nor subscribed."

a. Reconciliation of the shares at the beginning and at the end of the reporting period

Particulars	For the year ended 31st March, 2025		For the year ended 31st March, 2024	
	Number	₹ In Crores	Number	₹ In Crores
Equity shares				
Balance at the beginning of the year	13,93,21,459	69.66	13,89,58,215	69.48
Share issued pursuant to merger	2,49,04,259	12.45	-	-
Shares issued during the year	3,91,620	0.20	3,63,244	0.18
Balance at the end of the year	16,46,17,338	82.31	13,93,21,459	69.66
Add: Shares pending issuance	-	-	2,49,04,259	12.45
Total	**16,46,17,338**	**82.31**	**16,42,25,718**	**82.11**

b. Rights and preferences attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

18. SHARE CAPITAL (Contd..)

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 preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders."

c. Equity shares held by holding company

Name of Shareholder	For the year ended 31st March, 2025			
	No. of shares held	Share issued pursuant to merger	No. of shares held	Percentage of holding
Kirloskar Industries Limited*	7,57,43,754	-	7,57,43,754	46.01%

Name of Shareholder	For the year ended 31st March, 2024			
	No. of shares held	Share issued pursuant to merger	No. of shares held	Percentage of holding
Kirloskar Industries Limited*	7,06,43,754	51,00,000	7,57,43,754	46.12%

* Kirloskar Industries Limited is the only shareholder holding more than 5 percent of the total equity shares.

Promotors Shareholding in the Company is set out below:

Disclosure of shareholding of promoters as at 31st March, 2025 is as follows:

Equity shares of ₹5 each fully paid	As at 31st March, 2025		% change during the year
	No. of shares	Percentage of holding	
Kirloskar Industries Limited	7,57,43,754	46.01%	0.00%
Indian Individuals/ HUFs / Others			
Atul Kirloskar	9,89,726	0.60%	0.00%
Rahul Kirloskar	14,25,279	0.87%	0.00%
Sanjay Kirloskar	380	0.00%	0.00%
Arti Atul Kirloskar	10,55,651	0.64%	0.00%
Alpana Rahul Kirloskar	15,91,229	0.97%	0.00%
Suman Kirloskar	90,155	0.05%	-0.42%
Alok Sanjay Kirloskar	1,520	0.00%	0.00%
Gauri Atul Kirloskar	1,140	0.00%	0.00%
Aditi Atul Kirloskar	8,77,187	0.53%	0.00%
Rama Sanjay Kirloskar	760	0.00%	0.00%
Alika Rahul Kirloskar	380	0.00%	0.00%
Geetanjali Vikram Kirloskar	200	0.00%	0.00%
Roopa Jayant Gupta	6,939	0.00%	0.00%
Kirloskar Pneumatic Company Limited	20,00,000	1.21%	0.00%
Achyut and Neeta Holdings and Finance Private Limited	541	0.00%	0.00%
Aman Rahul Kirloskar	200	0.00%	100.00%
Kirloskar Systems Private Limited	2,150	0.00%	100.00%
Alpak Investments Private Limited	100	0.00%	0.00%
Navsai Opportunities Private Limited (earlier known as Navsai Investments Private Limited)	100	0.00%	0.00%
Indian Individuals/ HUFs / Others	**80,43,637**		

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

18. SHARE CAPITAL (Contd..)

Disclosure of shareholding of promoters as at 31st March, 2024 is as follows:

Equity shares of ₹5 each fully paid	As at 31st March, 2024				% change during the year
	No. of shares	Share pending issuance pursuant to Merger	Total No. of shares held	Percentage of holding	
Kirloskar Industries Limited	7,06,43,754	51,00,000	7,57,43,754	46.12%	3.48%
Indian Individuals/ HUFs / Others					
Atul Kirloskar	9,89,726	-	9,89,726	0.60%	0.00%
Rahul Kirloskar	14,25,279	-	14,25,279	0.87%	0.00%
Sanjay Kirloskar	380	-	380	0.00%	0.00%
Arti Atul Kirloskar	10,55,651	-	10,55,651	0.64%	0.00%
Alpana Rahul Kirloskar	15,91,229	-	15,91,229	0.97%	0.00%
Suman Kirloskar	90,535	-	90,535	0.06%	0.00%
Mrinalini Shreekant Kirloskar	-	-	-	0.00%	-100.00%
Alok Sanjay Kirloskar	1,520	-	1,520	0.00%	0.00%
Gauri Atul Kirloskar	1,140	-	1,140	0.00%	0.00%
Aditi Atul Kirloskar	8,77,187	-	8,77,187	0.53%	0.00%
Rama Sanjay Kirloskar	760	-	760	0.00%	0.00%
Alika Rahul Kirloskar	380	-	380	0.00%	0.00%
Geetanjali Vikram Kirloskar	200	-	200	0.00%	0.00%
Roopa Jayant Gupta	6,939	-	6,939	0.00%	3369.50%
Kirloskar Pneumatic Company Limited	20,00,000	-	20,00,000	1.22%	0.00%
Achyut and Neeta Holdings and Finance Private Limited	541	-	541	0.00%	0.00%
Alpak Investments Private Limited	100	-	100	0.00%	0.00%
Navsai Investments Private Limited	100	-	100	0.00%	0.00%
Indian Individuals/ HUFs / Others	**80,41,667**	**-**	**80,41,667**		

Disclosure of shareholding of promoters as at 31st March, 2023 is as follows:

Equity shares of ₹5 each fully paid	As at 31st March, 2023			
	No. of shares	Share pending issuance pursuant to Merger	Total No. of shares held	Percentage of holding
Kirloskar Industries Limited	7,06,43,754	25,50,000	7,31,93,754	44.67%
Indian Individuals/ HUFs / Others				
Atul Kirloskar	9,89,726	-	9,89,726	0.60%
Rahul Kirloskar	14,25,279	-	14,25,279	0.87%
Sanjay Kirloskar	380	-	380	0.00%
Arti Atul Kirloskar	10,55,651	-	10,55,651	0.64%
Alpana Rahul Kirloskar	15,91,229	-	15,91,229	0.97%
Suman Kirloskar	90,535	-	90,535	0.06%
Mrinalini Shreekant Kirloskar	6,500	-	6,500	0.00%
Alok Sanjay Kirloskar	1,520	-	1,520	0.00%
Gauri Atul Kirloskar	1,140	-	1,140	0.00%
Aditi Atul Kirloskar	8,77,187	-	8,77,187	0.54%
Rama Sanjay Kirloskar	760	-	760	0.00%
Alika Rahul Kirloskar	380	-	380	0.00%
Geetanjali Vikram Kirloskar	200	-	200	0.00%
Roopa Jayant Gupta	200	-	200	0.00%
Kirloskar Pneumatic Company Limited	20,00,000	-	20,00,000	1.22%
Achyut and Neeta Holdings and Finance Private Limited	541	-	541	0.00%
Alpak Investments Private Limited	100	-	100	0.00%
Navsai Investments Private Limited	100	-	100	0.00%
Indian Individuals/ HUFs / Others	**80,41,428**	**-**	**80,41,428**	

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

19. OTHER EQUITY

(₹ in Crores)

Particulars		As at 31 March 2025	As at 31 March 2024
a. Securities premium			
Opening balance		214.66	207.80
Add : Changes during the year		8.74	6.86
Closing balance	**Total (a)**	**223.40**	**214.66**
b. General reserve			
Opening balance		80.00	75.00
Add: Current year transfer from surplus		5.00	5.00
Closing balance	**Total (b)**	**85.00**	**80.00**
c. Surplus - balance in the statement of profit and loss			
Opening balance		1,495.36	1,275.61
Add :			
Profit for the year		317.28	321.58
Other comprehensive income / (loss)		(10.58)	(6.14)
Preaqusition profit / loss		-	-
Transfer from Share Options on account of lapse of employee stock options		1.10	0.13
Less : Appropriations			
Final Dividend on equity shares		(41.13)	(41.70)
Interim Dividend on equity shares		(49.38)	(41.80)
Interim Dividend paid by Amalgamating Company		-	(7.32)
Amount transferred to General reserve		(5.00)	(5.00)
Closing balance	**Total (c)**	**1,707.65**	**1,495.36**
d. Share options outstanding account			
Opening balance		14.03	11.46
Add: Employee stock option expense		5.95	5.44
Less: Transfer to profit and loss on account of lapse of employee stock options		(1.10)	(0.13)
Less: Transfer to securities premium on account of exercise of employee stock options		(3.51)	(2.74)
Closing balance	**Total (d)**	**15.37**	**14.03**
e. Equity Instruments through Other Comprehensive Income			
Opening balance		0.49	0.41
Add: Fair value changes net of deferred tax		(0.15)	0.08
Closing balance	**Total (e)**	**0.34**	**0.49**
f. Share Application Money pending allotment			
Opening balance		0.34	0.16
Add: Amount received on exercise of stock options		5.22	4.65
Less: Issue of equity shares on account of exercise of employee stock options		(5.42)	(4.47)
Closing balance	**Total (f)**	**0.14**	**0.34**
g. Capital reserve arising out of business combination			
Opening balance		496.83	496.83
Addition during the year		-	-
Closing balance	**Total (g)**	**496.83**	**496.83**
h. Capital reserve arising out of Merger			
Opening balance		855.64	855.64
Addition during the year		-	-
Closing Balance	**Total (h)**	**855.64**	**855.64**
	Total (a+b+c+d+e+f+g+h)	**3,384.37**	**3,157.35**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

19. OTHER EQUITY (Contd..)

Description of the purposes of reserves within equity

General Reserve

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net income in accordance with applicable regulations.

Securities premium

The amount in the Securities premium account represents the additional amount paid by the shareholders for the issued shares in excess of the face value of those shares.

Share options outstanding account

The company offers ESOP, under which, options to subscribe for the Company's share have been granted to specified senior management employees. The Share options outstanding account balance represents fund created as per the companie's ESOP scheme.

Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Capital reserve arising out of business combination

Capital reserve represents the gains of capital nature which mainly include the excess of value of net assets acquired over consideration paid by the Company for business combination transactions and the same is not available for distribution as dividends.

Capital reserve arising out of Merger

This represents capital reserve on business combination which arises on transfer of business between entities under common control.

20. LONG TERM BORROWINGS

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured		
Term loans		
From bank	417.12	520.90
Total (a)	**417.12**	**520.90**

Details of unsecured term loan from banks

Name of bank	Loan availed (₹ in Crores)	Interest rate per annum payable monthly	Tenure	Terms of Repayment
Kotak Mahindra Bank Ltd.	60	7.8%	48 Months	Repayment in 39 monthly equal installments of ₹1.53 Crores. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e. 1st July 2021.
Kotak Mahindra Bank Ltd.	40	8.1%	48 Months	Repayment in 31 monthly equal installments of ₹1.29 Crores. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e. 1st July 2021.
Kotak Mahindra Bank Ltd.	200	8.2%	36 months	Repayment in 3 equal annual installments of ₹ 66.67 Crores. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e. 19th March 2024.
Axis Bank Ltd.	125	7.8%	48 months	Repayment in 42 monthly equal installments of ₹ 2.98 Crores. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e. 30th Sep 2023.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

20. LONG TERM BORROWINGS (Contd..)

Name of bank	Loan availed (₹ in Crores)	Interest rate per annum payable monthly	Tenure	Terms of Repayment
Axis Bank Ltd.	125	7.6%	48 months	Repayment in 42 monthly equal installments of ₹ 2.98 Crores. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e. 28th Feb 2023.
Axis Bank Ltd.	125	7.7%	48 months	Repayment in 39 monthly equal installments of ₹ 3.21 Crores. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e. 30th Sep 2023.
HDFC Bank Ltd.	125	7.4%	48 months	Repayment in 42 monthly equal installments of ₹ 2.98 Crores. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e. 20th March 2024.
Indusind Bank	190	7.8%	60 months	Quarterly repayment. Interest Rate Swap has been taken for 12 months. Put and call option at the end of every 12 months from the date of first draw down of the facility ie. 5th March 2025.

The amount repayable within 12 months from the reporting date i.e. ₹ 260.71 Crores (PY ₹ 273.69 Crores) has been reflected in note no. 24 - short term borrowings

21.. LEASE LIABILITY (NON-CURRENT)

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Lease liability	1.58	3.88
Total	**1.58**	**3.88**

22. PROVISIONS (NON-CURRENT)

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for employee benefits		
Leave encashment	12.32	13.08
Total	**12.32**	**13.08**

23. DEFERRED TAX LIABILITIES (NET)

The major components of income tax expense for the year ended 31st March, 2025 as given below:

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Statement of Profit and Loss section		
Current income tax:		
Current income tax charge	97.23	130.51
Short/ (excess) for the earlier years	(1.44)	(0.26)
Deferred tax:		
Relating to origination and reversal of temporary differences	19.07	25.00
Income tax expense reported in the Statement of Profit and Loss	114.86	155.25
OCI Section		
Deferred tax:		
Deferred tax net loss / (gain) on actuarial gains and losses	(3.56)	(2.05)
Fair value changes on equity Instruments	(0.04)	0.02
Income tax charged to OCI	**(3.60)**	**(2.03)**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

Reconciliation of actual income tax and effective income tax

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Accounting profit before tax	432.14	476.83
At India's statutory income tax rate of 25.168%	108.76	120.01
Tax effects on adjustments which are not deductible (taxable) in calculating taxable income		
Tax of earlier years	(1.44)	(0.26)
On account of business combination and consolidation adjustments	-	1.51
Other Items which are not deductible (taxable) in calculating taxable income	5.11	32.97
Others	2.43	1.02
Income tax expense reported in the statement of profit and loss	**114.86**	**155.25**

Deferred tax relates to the following

(₹ in Crores)

Particulars	Deferred tax asset / (liability)	Deferred tax asset / (liability)	Movement in deferred tax
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025
Property, plant and equipment and intangible assets	(316.79)	(297.83)	(18.95)
Disallowances under section 43B of Income tax Act, 1961	20.42	16.97	3.45
Provision for impairment	50.31	50.27	0.04
Provision for doubtful debts and advances	1.43	1.41	0.02
Others	(0.10)	(0.08)	(0.02)
Total	**(244.73)**	**(229.26)**	**(15.47)**

(₹ in Crores)

Breakup of movement in Deferred tax liabilities (net)	As at 31 March 2025	As at 31 March 2024
Opening balance	229.26	206.29
Tax expense during the year recognised in statement of profit and loss	19.07	25.00
Tax expense during the year recognised in OCI	(3.60)	(2.03)
Sub-total	**15.47**	**22.97**
Closing balance	**244.73**	**229.26**

(₹ in Crores)

Reflected in the Balance Sheet as follows	As at 31 March 2025	As at 31 March 2024
Deferred tax liabilities	316.89	297.91
Deferred tax assets	72.16	68.65
Deferred tax liabilities, net	**244.73**	**229.26**

The Company offsets the tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

24. BORROWINGS (CURRENT)

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Secured		
Loans payable on demand		
Short term loans	65.00	159.20
Buyers' credit	-	26.29
Cash credit from banks	-	6.51
Total (a)	**65.00**	**192.00**
Unsecured		
Loans payable on demand		
Commercial papers	344.73	96.86
Current maturities of long term borrowings	260.71	273.89
Customer bills discounted	112.55	98.44
Short term loans	70.00	30.00
Others	5.75	5.75
Total (b)	**793.74**	**504.94**
Total (a + b)	**858.74**	**696.94**

Security for Secured loans

Working capital facilities with Consortium Banks (fund based and non fund based) aggregating to ₹ 840 crores (previous year: ₹ 840 Crores) are secured by first charge by way of hypothecation on the current assets both present and future, in favour of IDBI Trusteeship Services Limited, as Security Trustees, for the benefit of consortium banks.

Commercial Papers

During FY 2024-25, the following Commercial Papers have been issued :

a. On 20th Jun 2024 ₹ 120 Crores issued at a discounted rate of 7.40% p.a. paid on 18th Sep 2024

b. On 29th Aug 2024 ₹ 125 Crores issued at a discounted rate of 7.52% p.a. paid on 27th Dec 2024

c. On 13th Sep 2024 ₹ 100 Crores issued at a discounted rate of 7.38% p.a. paid on 12th Dec 2024

d. On 08th Oct 2024 ₹ 100 Crores issued at a discounted rate of 7.55% p.a. paid on 13th Mar 2025

e. On 27th Dec 2024 ₹ 100 Crores issued at a discounted rate of 7.40% p.a. paid on 27th Mar 2025

f. On 30th Dec 2024 ₹ 125 Crores issued at a discounted rate of 7.72% p.a. payable on 05th Jun 2025

g. On 13th Mar 2025 ₹ 100 Crores issued at a discounted rate of 7.68% p.a. payable on 11th Jun 2025

h. On 21st Mar 2025 ₹ 125 Crores issued at a discounted rate of 7.70% p.a. payable on 19th Jun 2025

During FY 2023-24, the following Commercial Papers have been issued :

a. On 27th Jul 2023 ₹ 100 Crores issued at a discounted rate of 7.65% p.a. paid on 27th Mar 2024

b. On 11th Aug 2023 ₹ 100 Crores issued at a discounted rate of 7.25% p.a. paid on 09th Nov 2023

c. On 08th Nov 2023 ₹ 100 Crores issued at a discounted rate of 7.40% p.a. paid on 29th Dec 2023

d. On 29th Dec 2023 ₹ 100 Crores issued at a discounted rate of 7.60% p.a. paid on 28th Mar 2024

e. On 06th Mar 2024 ₹ 100 Crores issued at a discounted rate of 7.80% p.a. payable on 30th Aug 2024

Reconciliation of Quarterly returns filled with Banks :

The quarterly return submitted to bank for the quarter ended June 2024, is based on the values considered prior to merger.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

24. BORROWINGS (CURRENT) (Contd..)

Net Debt position

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Cash and bank balance		
Cash and cash equivalents	42.28	34.64
Borrowings		
Current borrowings	(858.74)	(696.94)
Long term borrowings	(417.12)	(520.90)
	(1,275.86)	**(1,217.84)**
Net debt	**(1,233.58)**	**(1,183.20)**

Net debt reconciliation as at 31 March, 2025

(₹ in Crores)

Particulars	Cash and bank balance	Borrowings	Total
Net debt as at 31st March, 2024	**34.64**	**(1,217.84)**	**(1,183.20)**
Cash flows	7.64	-	7.64
Interest accrued but not due as on 1st April, 2024	-	0.10	0.10
Interest accrued but not due as on 31st March, 2025	-	-	-
Interest expense	-	141.21	141.21
Interest paid	-	(141.31)	(141.31)
(Borrowing) / Repayment (net) - Long term	-	116.96	116.96
(Borrowing) / Repayment (net) - Short term	-	(174.98)	(174.98)
Net debt as at 31st March, 2025	**42.28**	**(1,275.86)**	**(1,233.58)**

Net debt reconciliation as at 31 March, 2024

(₹ in Crores)

Particulars	Cash and bank balance	Borrowings	Total
Net debt as at 31st March, 2023	**54.20**	**(961.66)**	**(907.46)**
Cash flows	(19.56)	-	(19.56)
Interest accrued but not due as on 1st April, 2023	-	1.01	1.01
Interest accrued but not due as on 31st March, 2024	-	(0.10)	(0.10)
Interest expense	-	118.94	118.94
Interest paid	-	(119.85)	(119.85)
(Borrowing) / Repayment (net) - Long term	-	(150.52)	(150.52)
(Borrowing) / Repayment (net) - Short term	-	(105.66)	(105.66)
Net debt as at 31st March, 2024	**34.64**	**(1,217.84)**	**(1,183.20)**

25. LEASE LIABILITY (CURRENT)

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Lease liability	0.83	1.79
Total	**0.83**	**1.79**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

26. TRADE PAYABLES

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Total outstanding dues of micro enterprises and small enterprises	57.24	32.38
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	319.12	551.38
Others	670.34	267.91
Total	**1,046.70**	**851.67**

Ageing of Trade payables

(₹ in Crores)

Particulars (Outstanding from due date of payment)	As at 31 March 2025	As at 31 March 2024
(i) MSME		
Not due	54.27	29.81
Less than 1 year	2.97	2.44
1-2 years	-	0.12
2-3 years	-	0.01
More than 3 years	-	-
Sub-total (i)	**57.24**	**32.38**
(ii) Others		
Unbilled	96.88	55.40
Not due	764.93	719.86
Less than 1 year	125.12	40.03
1-2 years	1.17	1.91
2-3 years	0.45	0.12
More than 3 years	0.91	1.64
Sub-total (ii)	**989.46**	**818.96**
(iii) Disputed dues – Others		
Not due	-	-
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	0.32
Sub-total (iii)	**-**	**0.32**
	1,046.70	**851.67**

27. OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Derivative liabilities		
Foreign currency forward contract	2.39	0.33
Interest rate swap contract	0.94	-
Other financial liabilities		
Interest accrued but not due on borrowings	-	0.10
Unclaimed dividend #	7.79	9.99
Payable for capital purchases	109.02	162.52
Payable to employees	47.40	46.09
Creditors for expenses	8.47	14.12
Security deposit	0.06	0.03
Other liabilities	10.38	8.87
Total	**186.45**	**242.05**

#There is no amount due and outstanding as at balance sheet date to be credited to Investor Education and Protection Fund.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

27. OTHER FINANCIAL LIABILITIES (CURRENT) (Contd..)

Disclosure in respect of principal and interest pertaining to the "Micro, Small and Medium Enterprises Development Act 2006". The information has been given in respect of such vendors on the basis of information available with the Company

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Total outstanding to MSME Suppliers (not due)		
i. Trade payables	54.28	32.61
ii. Other current liabilities - creditors for capital goods	4.92	1.78
Principal amount due remaining unpaid		
i. Trade payables	2.97	-
ii. Creditors for capital goods	0.76	-
Principal amount outstanding and overdue out of above	3.73	0.16
Interest on above and unpaid interest	0.06	
Interest paid	-	2.66
Payment made beyond the appointed day	89.85	13.47
Interest due and payable for the period of delay	0.40	0.15
Interest accrued and remaining unpaid at the end of the year	0.46	0.15
Amount of further interest remaining due and payable in succeeding year	1.60	1.14

28. OTHER CURRENT LIABILITIES

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Advance from customers	61.52	50.06
Taxes and duties (Net)	19.47	19.09
Provident fund payable	1.60	0.90
Total	**82.59**	**70.05**

29. PROVISIONS (CURRENT)

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for employee benefits		
Superannuation funds	0.27	0.17
Gratuity	13.90	7.28
Leave encashment	16.75	9.31
Provision for expected sales returns	4.91	5.75
Total	**35.83**	**22.51**

30. REVENUE FROM OPERATION

(₹ in Crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Sale of products		
Pig iron	2,077.88	1,805.25
Castings	1,653.69	1,508.32
By-products	95.13	101.35
Tube	2,103.19	2,064.80
Steel	540.89	534.52
Other operating income		
Export incentive	23.69	29.34
Scrap / Coke / Miscellaneous sales	71.79	90.32
Total	**6,566.26**	**6,133.90**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

31. OTHER INCOME

(₹ in Crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Interest income	16.14	7.72
Profit on redemption of mutual funds	0.06	0.10
Profit on sale of assets	-	1.12
Interest income on financial instruments measured at amortised cost	0.60	0.57
Other non-operating income -		
Government incentive under Industrial Policies	12.83	-
Rental income	0.26	0.25
Insurance claim received	0.30	0.08
Provision no longer required written back	27.14	4.35
Sundry credit balances appropriated	0.29	0.14
Miscellaneous income	4.72	3.27
Total	**62.34**	**17.60**

32. COST OF MATERIAL CONSUMED

(₹ in Crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Stock at the beginning of the year	501.02	589.71
Add : Purchases	3,846.89	3,300.68
	4,347.91	**3,890.39**
Less : Stock at the end of the year	565.74	501.02
Cost of material consumed	**3,782.17**	**3,389.37**

33. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND BY-PRODUCT

(₹ in Crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
At the end of the year		
a. Finished goods	170.53	147.03
b. By-products	10.98	3.38
c. Work-in-progress	190.58	172.75
Total (A)	**372.09**	**323.16**
At the beginning of the year		
a. Finished goods	147.03	118.16
b. By-products	3.38	1.42
c. Work-in-progress	172.75	184.12
Total (B)	**323.16**	**303.70**
(Increase)/Decrease (B - A)	**(48.93)**	**(19.46)**

34. EMPLOYEE BENEFITS EXPENSE

(₹ in Crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Salaries, wages and incentives	296.69	279.17
Contributions to		
Provident fund (Refer Note No. 44)	10.43	9.41
Superannuation scheme (Refer Note No. 44)	2.56	3.40
Gratuity (Refer Note no.45)	5.27	3.67
Others	3.06	3.17
Employee share-based payment expense (Refer Note no. 46)	5.95	5.44
Staff welfare expenses	28.41	27.00
Total	**352.37**	**331.26**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

35. FINANCE COSTS

(₹ in Crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Interest expense		
on term loans	56.39	51.20
on working capital loans	20.44	9.75
on others	64.38	57.99
Other borrowing costs	3.23	1.20
Total	**144.44**	**120.14**

36. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Property, plant and equipment (Refer Note No. 5)	242.10	230.87
Intangible assets (Refer Note No. 6)	1.60	0.76
Total	**243.70**	**231.63**

37. OTHER EXPENSES

(₹ in Crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
a. OPERATIONAL EXPENSES		
Consumption of stores and spare parts	296.05	257.34
Consumption of consumables	297.80	276.34
Power, fuel and water	526.73	535.87
Machinery hire charges	11.28	8.49
Repairs and maintenance		
Machinery	46.93	39.66
Buildings	2.91	5.59
Fettling and other manufacturing expenses	43.35	35.66
Other processing expenses	111.75	60.91
Other direct expenses	43.88	41.29
Total (a)	**1,380.68**	**1,261.15**
b. SELLING EXPENSES		
Freight and forwarding expenses (net)	179.88	168.93
Advertisement	0.38	0.12
Sales commission and incentive	0.42	0.92
Royalty	9.37	8.73
Other selling expenses	32.91	12.37
Total (b)	**222.96**	**191.07**
c. ADMINISTRATIVE EXPENSES		
Rent	1.39	0.75
Rates and taxes	4.54	6.30
Insurance	5.23	5.34
Other repairs and maintenance	6.71	4.40
Travelling expenses	7.15	7.27
Legal and professional charges	31.94	27.69
Communication expenses	1.00	1.67
Printing and stationery	1.10	0.89
Auditors remuneration	0.97	1.08
Miscellaneous expenses	33.30	30.17
Directors' commission	1.04	2.04

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

37. OTHER EXPENSES (Contd..)

(₹ in Crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Provision for doubtful debts and advances	5.04	0.23
Directors' sitting fees	0.95	1.29
CSR expenses	10.06	22.72
Net loss on foreign currency transactions	3.04	0.96
Loss on assets sold, demolished, discarded and scrapped	5.61	0.01
Total (c)	**119.07**	**112.81**
Total (a+b+c)	**1,722.71**	**1,565.03**

37.i Payments to auditors

(₹ in Crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
a. As auditors	0.81	0.81
b. For taxation matters	0.06	0.07
c. For certification fees and other services	0.05	0.13
d. Reimbursement of expenses	0.06	0.07
Total	**0.97**	**1.08**

37.ii Details of CSR expenditure

(₹ in Crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Gross amount to be spent during the year	**9.91**	**23.42**
Amount spent in cash during the year on:		
Construction/acquisition of any asset		
Others		
Education	6.76	19.03
Environment	0.23	1.24
Health	0.38	0.36
Rural development	2.69	2.08
Total (A)	**10.06**	**22.72**
Excess spent of earlier years (B)	**0.09**	**0.79**
Total spent (A+B)	**10.14**	**23.51**
Reason for shortfall	**NA**	**NA**

37.iii Research and Development expenditure

(₹ in Crores)

Revenue expenses on research and development unit situated at Bevinahalli village, Koppal incurred during the year are given below	For the year ended 31st March 2025	For the year ended 31st March 2024
Cost of materials/consumables/spares	0.44	0.41
Employee related expense	5.14	3.78
Other expenses	0.70	0.37
Total	**6.28**	**4.56**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

37. OTHER EXPENSES (Contd..)

(₹ in Crores)

Capital expenditure on research and development unit situated at Bevinahalli village, Koppal incurred during the year are given below	For the year ended 31st March 2025	For the year ended 31st March 2024
Tangible assets		
Plant and machinery	0.53	0.73
Building	-	-
Computers	0.05	-
Office equipment	-	-
Furniture and fixtures	-	-
Intangible assets	-	-
Total	**0.58**	**0.73**

38. EXCEPTIONAL ITEMS

(₹ in Crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Impairment allowance on other assets (Refer Note 38.1 & 38.2)	-	(55.01)
Loss on liquidation of investment in subsidiary (Refer Note 38.3)	-	(1.69)
Total	**-**	**(56.70)**

38.1 The Company and its Subsidiary Company, ISMT Enterprises S.A., Luxembourg has invested ₹ 48.43 Crores in Structo Hydraulics AB, Sweden (SHAB). The Company has received approval from regulatory authorities for conversion into equity of an amount of ₹ 33.33 Crores (USD 5 Million) due from SHAB, out of which ₹ 16.75 Crores had been converted into equity. SHAB's business was facing significant challenges due to the Eurozone crisis and ongoing slowdown in the European market, leading to a working capital crisis. After exploring various options including sale, revival, or liquidation, the management has decided to file bankruptcy liquidation for both SHAB and ISMT EUROPE. Accordingly, Liquidators were appointed on 12th Feb '24 and 5th Mar '24 respectively, following multiple rounds of internal and external discussions. Based on bankruptcy liquidation filed by the company in the previous year, ₹ 21.08 Crores was provided towards net assets due to loss of control and disclosed as an exceptional item.

38.2 Tridem Port and Power Company Private Limited (TPPCPL), a wholly owned subsidiary, along with its subsidiaries had proposed to set up a thermal power project and captive port in Tamil Nadu. TPPCPL had obtained the approvals for the projects including acquisition of land, but no construction activity had commenced. The Government of Tamil Nadu had granted various permissions to TPPCPL for setting up the aforesaid port and power project. Subsequently, the Government had withdrawn permissions so given in earlier years which was challenged by the company in high court by way of writ petitions. The Hon'ble Madras High Court had dismissed all the said Writ Petitions filed by TPPCPL & its subsidiaries. TPPCPL had challenged the above-mentioned Order by filing Writ Petitions before the Division Bench of the High Court, Madras on 06th October 2023. On further hearings, the bench had directed the Government to file the reply. The Company after assessing the opportunities / business plan, after legal consultation, decided not to pursue the project. Therefore, during the current quarter the company has withdrawn the abovementioned writ petition filled in High Court. In accordance with existing laws & regulations, land holding above permissible ceiling is ceased and compulsorily transferred to Government. Having regards to the no plan and considering the laws and regulations, the company does not expect any return and conservatively provided for impairment of ₹ 33.93 crores in previous financial year and disclosed as an exceptional item.

38.3 Indian Seamless Inc. (IS Inc), was initially established to facilitate trading activities in the USA market. However, due to commencement of direct exports of tubes in USA. Market, the requirement of having intermediary entity was not required. Accordingly, our business activities in IS Inc. were ceased.

During the previous year, the management of the company evaluated prospects of all of its subsidiaries including IS Inc., considering the cessation of scope and other business aspects, management decided to liquidate the company. Consequently, voluntary liquidation was filed during the quarter ended March 24 and final closer was achieved on February 29, 2024.

Pursuant to the closure of IS Inc., Investment amounting to ₹1.69 Crores in IS Inc. was considered irrecoverable and written off after adjusting final settlement amount received on voluntary liquidation.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

39. Leases

The Company have taken various premises and plants and machinery under lease. These are generally cancellable and ranges from 13 months to 10 years and are renewable by mutual consent on mutually agreeable terms. There are no restrictions imposed by these lease arrangements and there are no sub leases. There are no contingent rents.

a) Following are the changes in the carrying amount of Right-of-use assets for the year ended 31st March 2025 and 31st March 2024.

(₹ in Crores)

Particulars	For the year ended 31st March 2025			For the year ended 31st March 2024		
	Office building	Leasehold Land	Plant and machinery	Office building	Leasehold Land	Plant and machinery
Opening balance	3.22	210.67	3.03	4.45	214.23	4.19
Addition during the year	-	1.14	-	-	-	-
Deletion on cancellation of lease	5.32	-	-	0.30	-	-
Depreciation on ROU of assets	0.56	3.61	1.22	1.18	3.56	1.16
Depreciation on deletion	2.66	-	-	0.25	-	-
Closing balance	**-**	**208.20**	**1.81**	**3.22**	**210.67**	**3.03**

b) The following is the movement in Lease liabilities for the year ended 31st March 2025 and 31st March 2024.

(₹ in Crores)

Particulars	For the year ended 31st March 2025			For the year ended 31st March 2024		
	Office building	Leasehold Land	Plant and machinery	Office building	Leasehold Land	Plant and machinery
Opening balance	3.63	-	2.04	4.68	-	2.68
Additions during the year	-	1.14	-	-	-	-
Finance cost incurred during the year	0.16	0.07	0.23	0.40	-	0.32
Deletion on cancellation of lease	(3.09)	-	-	(0.06)	-	-
Payment of lease liabilities	(0.70)	(0.12)	(0.95)	(1.39)	-	(0.96)
Closing balance	**-**	**1.09**	**1.32**	**3.63**	**-**	**2.04**

c) The table below provides details regarding the contractual maturities on an undiscounted basis and lease liabilities :

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Due within one year	1.04	2.32
Due within one year to five years	0.96	4.31
Due for more than five years	2.15	-
Total undiscounted lease liabilities	**4.15**	**6.63**
Lease liabilities included in the Balance sheet		
Non-current financial liabilities	1.58	3.88
Current financial liabilities	0.83	1.79
Total	**2.41**	**5.67**

d) The following amounts are recognized in the Statement of Profit and Loss for the year ended 31st March 2025 and 31st March 2024.

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Interest expenses on financial liabilities	0.46	0.72
Depreciation on ROU assets	5.39	2.33
Expenses relating to short term lease	1.39	0.75
Total	**7.25**	**3.80**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

39. Leases (Contd..)

e) The following amounts are recognized in the Statements of Cash Flows for the year ended 31st March 2025 and 31st March 2024.

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Total cash outflows for leases	1.77	2.35

40. Earnings per equity share as calculated in accordance with Indian Accounting Standard

Basic EPS amounts are 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 year.

Particulars	As at 31st March, 2025	As at 31st March, 2024
a. Net Profit after tax considered for the calculation of EPS (₹in Crores)	317.28	321.58
b. Number of equity shares outstanding at the end of year	16,46,17,338	16,42,25,717
c. Weighted average number of equity shares used in computing earnings per equity share	**16,44,93,661**	**16,40,73,797**
d. Effects of dilution on account of Stock options granted under ESOS	9,56,479	11,62,636
e. Weighted average number of equity shares adjusted for the effect of dilution*	**16,54,50,140**	**16,52,36,433**
f. Earnings per share		
Basic (₹)	**19.29**	**19.60**
Diluted (₹)	**19.18**	**19.46**
g. Face value per equity share (₹)	5.00	5.00

* There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

41. Fair value measurements

Financial instruments by category as at 31st March, 2025

(₹ in Crores)

Particulars	Amortised cost	FVTPL	FVTOCI
Financial assets			
Investments in unquoted equity shares	-	-	0.94
Loans	178.32	-	-
Trade receivables	1,039.92	-	-
Cash and cash equivalents	42.28	-	-
Other bank balances	26.24	-	-
Other financial assets excluding derivative assets	67.99	-	-
Total	**1,354.75**	**-**	**0.94**
Financial liabilities			
Borrowings	1,275.86	-	-
Lease liabilities	2.41		
Trade payables	1,046.70	-	-
Other financial liabilities excluding derivative liabilities	183.12	-	-
Derivative liabilities on foreign currency forward contracts and interest rate swaps	-	3.33	-
Total	**2,508.09**	**3.33**	**-**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

41. Fair value measurements (Contd..)

Financial instruments by category as at 31st March, 2024

(₹ in Crores)

Particulars	Amortised cost	FVTPL	FVTOCI
Financial assets			
Investments in unquoted equity shares	-	-	1.13
Loans	117.06	-	-
Trade receivables	896.57	-	-
Cash and cash equivalents	34.64	-	-
Other bank balances	9.89	-	-
Other financial assets excluding derivative assets	40.51	-	-
Total	**1,098.67**	**-**	**1.13**
Financial liabilities			
Borrowings	1,217.84	-	-
Lease liabilities	5.67		
Trade payables	851.67	-	-
Other financial liabilities excluding derivative liabilities	241.72	-	-
Derivative liabilities on foreign currency forward contracts	-	0.33	-
Total	**2,316.90**	**0.33**	**-**

The Company has not performed a fair valuation of some of its investments in unquoted ordinary shares, which are classified as FVTOCI (refer Note No. 7), as the Company believes that impact of change on account of fair value is insignificant.

Fair value hierarchy

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on a recurring basis :

Quantitative disclosures fair value measurement hierarchy for assets:

(₹ in Crores)

Particulars	Amount	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs(Level 3)
Financial asset/(liability) measured at fair value through profit or loss				
Derivative asset/(liability) on account of forward exchange contracts and interest rate swaps				
Date of valuation				
As at 31st March, 2025	(3.33)	-	(3.33)	-
As at 31st March, 2024	(0.33)	-	(0.33)	-
Equity Instruments through Other Comprehensive Income				
Date of valuation				
As at 31st March, 2025	0.93	-	-	0.93
As at 31st March, 2024	1.12	-	-	1.12

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Derivative financial assets / (liability) are valued based on inputs that are directly or indirectly observable in the market.

The Company has invested in unquoted equity shares of Kirloskar Management Services Private Limited which is measured subsequently at FVTOCI. Accordingly, the company has fair valued the investment using income approach under Ind AS 113 (Discounted Cash Flow method). Free cash flows, risk adjusted cost of equity and perpetual growth rate are the significant unobservable inputs considered in fair valuation of investment.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

41. Fair value measurements (Contd..)

Sensitivity analysis of Level 3 Fair values

For the fair values of Investment in equity instruments, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects:

(₹ in Crores)

Significant observable inputs	Change in input	Effect on pre-tax equity as at 31st March 2025	Effect on pre-tax equity as at 31st March 2024
Perpetual growth rate	Increase by 50 basis points	0.01	0.05
Perpetual growth rate	Decrease by 50 basis points	(0.01)	(0.05)
Risk adjusted cost of equity	Increase by 50 basis points	(0.02)	(0.05)
Risk adjusted cost of equity	Decrease by 50 basis points	0.02	0.05

Fair value of financial assets and financial liabilities measured at amortised cost :

The management believes that the fair values of non-current financial assets (e.g. loans and others), current financial assets (e.g., cash and cash equivalents, trade receivables, loans and others excluding other derivative assets), non-current liabilities and current financial liabilities (e.g. trade payables and other payables excluding derivative liabilities) approximate their carrying amounts.

42. Financial instruments risk management objectives and policies

The Companie's activities exposes it to market risks, credit risks and liquidity risks. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments such as forward foreign exchange contract are entered to hedge the foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as a trading or speculative purposes.

This note explains the source of risk which the entity is exposed to and how entity manages the risk in the financial statements

Significant observable inputs	Change in input	Effect on pre-tax equity as at 31st March 2024
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Diversification of bank deposits, credit limits and letter of credits.
Liquidity risk	Borrowings and other liabilities.	Availability of fund based and non fund based borrowing facilities.
Market risk - Foreign exchange	Recognised payables denominated in foreign currency, receivables denominated in foreign currency, firm commitments in foreign currency.	Forward foreign exchange contract.
Market risk - Interest rate risk	Borrowings on account of working capital. Borrowings on account of Term loans.	Entity continuously monitors interest rates on working capital borrowings at regular intervals and economises the transactions at the best possible rates drawn at the time of monitoring on the basis of comparative rates with various banks / institutions. Long term borrowings are at fixed as well as variable rate of interest. Interest rate swaps are entered for variable rate borrowings.
Market risk - Commodity price risk	Coke/ Coal, Iron ore, Pig iron, Steel scraps and Steel	Every month entity monitors and reviews the price trend of the materials, demand and supply position and market intelligence report and strategy is adopted before finalising the next consignment / quantities for subsequent months. The Commodity price risk is managed without any hedging of commodities by the Company.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

42. Financial instruments risk management objectives and policies (Contd..)

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, trade and other payables, foreign exchange forward contracts, security deposit, trade and other receivables, deposits with banks.

The sensitivity analysis in the following sections relate to the position as at reporting dates. The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations and provisions.

The Companie's activities expose it to variety of market risks, including effect of changes in foreign currency exchange rate, interest rate and commodity price.

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.The Company manages its interest rate risk arising from variable rate borrowings by using interest rate swap contracts.

At the reporting date the interest rate profile of the Company's interest bearing financial instruments are follows:

(₹ in Crores)

Particulars	31st March, 2025	31st March, 2024
Fixed rate borrowings		
Commercial Papers	344.73	96.86
Total fixed rate borrowings	**344.73**	**96.86**
Variable rate borrowings		
Term loan from banks	677.83	794.79
Loans repayable on demand	247.55	320.44
Total variable rate borrowings	**925.38**	**1,115.23**
Less: Interest rate swaps (principal amount hedged)	190.00	-
Net exposure to variable rate borrowings	**735.38**	**1,115.23**

(₹ in Crores)

Particulars	31st March, 2025	31st March, 2024
Impact on profit before tax and pre-tax equity		
Increase by 25 basis points	(1.84)	(2.79)
Decrease by 25 basis points	1.84	2.79

b. Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Company transacts business in its functional currency and in different foreign currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, where revenue or expense is denominated in a foreign currency. The Company manages its foreign currency risk by hedging foreign currency payables using foreign currency forward contracts. It negotiates the terms of those foreign currency forward contracts to match the terms of the hedged exposure.

Details of foreign currency exposures that are hedged by derivative instruments or otherwise

(₹ in Crores)

Particulars	Currency	Amount in foreign currency	Equivalent Indian currency	Maturity profile
As at 31st March, 2025				
Payables	USD	2.41	209.61	Within 6 Months
	EURO	-	-	
	YEN	-	-	
As at 31st March, 2024				
Payables	USD	4.31	360.08	Within 6 Months
	EURO	0.08	7.07	
	YEN	8.01	4.62	

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

42. Financial instruments risk management objectives and policies (Contd..)

Details of foreign currency exposures that are not hedged by derivative instruments or otherwise

(₹ in Crores)

Particulars	Currency	Amount in foreign currency	Equivalent Indian currency
As at 31st March, 2025			
Secured loans	USD	-	-
Receivables	USD	0.14	11.61
	EURO	0.00	0.00
Payables	USD	1.12	95.71
	EURO	0.01	1.14
	SEK	0.00	0.02
As at 31st March, 2024			
Secured loans	USD	0.16	13.24
Receivables	USD	0.18	14.68
	EURO	0.07	5.82
Payables	USD	1.58	131.34
	EURO	0.05	4.06
	SEK	0.00	0.02

Foreign currency sensitivity on unhedged exposure

(₹ in Crores)

Financial Year	Foreign currency	Change in foreign currency rates	Effect on profit before tax ₹ In Crores	Effect on pre-tax equity ₹ In Crores
For 31st March, 2025	USD	+5%	(4.20)	(4.20)
		-5%	4.20	4.20
	EURO	+5%	(0.06)	(0.06)
		-5%	0.06	0.06
	SEK	+5%	(0.00)	(0.00)
		-5%	0.00	0.00
For 31st March, 2024	USD	+5%	(6.50)	(6.50)
		-5%	6.50	6.50
	EURO	+5%	0.09	0.09
		-5%	(0.09)	(0.09)
	SEK	+5%	(0.00)	(0.00)
		-5%	0.00	0.00

c. Commodity price risk

Commodity price risk is a financial risk on the company's financial performance which is affected by the fluctuating prices on account of global and regional supply / demand. Fluctuations in the prices of commodities mainly depend on market conditions. The company is subject to fluctuations in prices for the purchase of metallurgical coke, coking coal, iron ore and steel scraps which are the major input materials for production of pig iron and steel.

The company has an elaborate control procedure for finalising the prices of commodities through approval process from designated Company officials. Every month the price trend of the materials, demand and supply position and market intelligence report are reviewed and strategy is adopted before finalising the next consignment/quantities for subsequent months. The Commodity Price Risk is managed without any hedging of the commodities.

ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities such as primarily trade receivables and from its investing activities, including deposits with banks and financial institutions, cash and cash equivalent and other financial instruments.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

42. Financial instruments risk management objectives and policies (Contd..)

a. Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit exposure risk is mainly influenced by class or type of customers, depending upon their characteristics. Credit risk is managed through credit approval process by establishing credit limits along with continuous monitoring of credit worthiness of customers to whom credit terms are granted. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are combined into homogenous category and assessed for impairment collectively. The calculation is based on actual incurred historical data as well as futuristic information. The Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors.

The ageing of trade receivables at the reporting date that were not impaired (Before Allowance for credit losses) are as follows

(₹ in Crores)

Particulars	31st March, 2025		31st March, 2024	
	Amount	Percentage	Amount	Percentage
- Less than one year	1,026.56	98.67%	880.22	98.03%
- one year to three years	3.28	0.32%	17.34	1.93%
- three years and above	10.58	1.02%	0.30	0.03%
Total	**1,040.43**	**100.00%**	**897.87**	**100.00%**

b. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counter parties. The Company monitors rating, credit spreads and financial strength of its counter parties. Based on ongoing assessment the Company adjust it's exposure to various counter parties

c. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash flow and collateral obligations without incurring unacceptable losses. Companie's objective is to, at all time maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including overdraft, debt from domestic and international banks at optimised cost. The Company has access to banks, capital and money market across debt, equity and hybrids.

The table given below summarises the maturity profile of the Company's financial liabilities based on contractual payments excluding interest payments :

(₹ in Crores)

Particulars	Less than 1 year	2 years to 4 years	More than 4 years	Total
As at 31st March, 2025				
Borrowings - Current	858.74	-	-	858.74
Borrowings - Non-current	-	376.08	41.04	417.12
Lease liabilities	0.83	1.58	-	2.41
Trade payables	1,046.70	-	-	1,046.70
Any other financial liabilities	186.45	-	-	186.45
Total	**2,092.72**	**377.66**	**41.04**	**2,511.42**
As at 31st March, 2024				
Borrowings - Current	696.94	-	-	696.94
Borrowings - Non-current	-	520.90	-	520.90
Lease liabilities	1.79	3.88	-	5.67
Trade payables	851.67	-	-	851.67
Any other financial liabilities	242.05	-	-	242.05
Total	**1,792.45**	**524.78**	**-**	**2,317.23**

Note : The Company is not expecting to prepay any of its liabilities.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

43. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2025 and 31st March, 2024.

44. Disclosure pursuant to Ind-AS 19 Employee Benefits:

Defined contribution plan

Contribution to the defined contribution plan recognised as expense are as under

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
a. Employer's contribution to provident fund	10.43	9.41
b. Employer's contribution to superannuation fund	2.56	3.40

The Provident Fund contributions are remitted to the Regional Provident Fund Commissioner.

The Contribution on account of Superannuation is remitted to Life Insurance Corporation of India, who manages the Superannuation fund.

45. Disclosure pursuant to Ind-AS 19 Employee Benefits:

1) Defined Benefit Plan:

The Employee Gratuity Fund Scheme is a Defined Benefit Plan. The present value of the obligation is based on the actuarial valuation using Projected Unit Credit Method

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
a. Asset and Liability		
Present Value of Obligation	104.40	88.48
Fair Value of Plan Assets	90.50	81.20
Surplus/ (Deficit)	**(13.90)**	**(7.29)**
b. Expenses Recognized during the year		
In income Statement	5.27	3.67
In Other Comprehensive Income	14.14	8.20
Total Expenses Recognized during the year	**19.41**	**11.88**
c. Changes in the Present Value of Obligations (PVO)		
PVO at beginning of Year	88.48	79.06
Current Service Cost	4.67	3.92
Interest Expenses or Cost	6.10	5.70
Re-measurement (or actuarial) (Gain) / Loss arising from:	-	-
change in Demographic assumptions	-	(0.02)
change in Financial assumptions	7.88	3.25
experience Variance (i.e., actual experience vs assumptions)	6.20	4.74
Others	-	-
Past Service Cost	0.28	-
Effect of Change in Foreign exchange rates	-	-
Benefits paid	(9.28)	(8.16)

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

45. Disclosure pursuant to Ind-AS 19 Employee Benefits: (Contd..)

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Transfer In / (Out)	0.07	-
Effect of Business Combinations or Disposals	-	-
PVO at end of Year	**104.40**	**88.48**
d. Bifurcation of Present Value of Obligation		
Current Liability (Short term)	15.14	9.89
Non-Current Liability (Long term)	89.26	78.59
Present Value of Obligation	**104.40**	**88.48**
e Changes in Fair Value of Plan Assets		
Fair Value of Plan Assets as at the beginning	81.20	80.04
Investment income	5.76	5.78
Employer's Contribution	12.87	3.88
Mortality Charges and Taxes	(0.00)	(0.11)
Benefit Paid	(9.28)	(8.16)
Return on plan Assets, Excluding amount recognised in net interest expense	(0.04)	(0.23)
Acquisition Adjustment	-	-
Fair Value of Plan Assets at the end of Year	**90.50**	**81.20**
f. Change in the effect of asset ceiling		
Effect of asset ceiling at the beginning	-	-
Interest Expense or cost (to the extent not recognized in net interest expense)	-	-
Re-measurement (or Actuarial) (Gain)/loss arising because of Change in effect of asset ceiling	-	-
Effect of Asset Ceiling at the End	-	-
g. Expenses Recognized in the Statement of Profit and Loss		
Current Service Cost	4.64	3.75
Past Service Cost	0.28	-
Loss/(Gain) on Settlement	-	-
Net interest cost/ (Income) on the net Defined Benefit Liability / (Asset)	0.35	(0.08)
Acquisition Adjustment		
Expenses Recognized in the income Statement	**5.27**	**3.67**
h. Effect on Other Comprehensive income		
Actuarial (gains) / losses		
change in Demographic Assumptions	-	(0.02)
change in financial Assumptions	7.26	2.33
Experience variance (i.e. Actual experience vs. assumptions)	0.04	4.75
others	-	-
Return on plan assets, excluding amount recognized in net interest expense	6.85	1.14
Re-measurement (or Actuarial) (Gain)/loss arising because of Change in effect of asset ceiling	-	-
Components of defined benefit costs recognized in other comprehensive income	**14.14**	**8.20**
i. Actuarial Assumptions		
Mortality	100%	100%
	(% of IALM 2012-14)	(% of IALM 2012-14)
Discount Rate	6.80% - 7.00%	7.15% - 7.50%
Rate of increase in compensation	5.00% - 10.00%	5.00% - 7.00%
Attrition Rate	1.00% - 7.00%	1.00% - 7.00%

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

Sensitivity Analysis

(₹ in Crores)

Particulars	31st March, 2025		31st March, 2024	
Defined Benefit Obligation (Base)		104.40		88.48
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+0.01%)	109.68	99.60	92.93	84.42
(% Change compared to base due to sensitivity)	5.06%	-4.60%	5.03%	-4.59%
Salary Growth Rate (- / + 1 %)	100.10	109.02	84.78	92.45
(% Change compared to base due to sensitivity)	-4.12%	4.42%	-4.18%	4.48%
Attrition Rate (-/ + 50% of attrition rates	105.48	103.64	88.38	88.58
(% Change compared to base due to sensitivity)	1.03%	-0.73%	-0.12%	0.11%
Mortality Rate (- / + 10% of mortality rates)	104.42	104.38	88.48	88.48
(% Change compared to base due to sensitivity)	0.02%	-0.02%	0.00%	0.00%

Effect of Plan on entity's future cash flows

a) **Funding arrangements and funding policy**

The Company has purchased and insurance policy to provide for payment of gratuity to the employees. Every year,the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) **Expected contribution during the next annual reporting period**

(₹ in Crores)

The Company's best estimate of contribution during the next year	16.28

c) **Maturity Profile of defined benefit Obligation**

(₹ in Crores)

Particulars	As at 31st March, 2025
Expected cash flows over the next (Valued on Undiscounted basis):	
1 year	18.20
2 to 5 years	64.20
More than 5 years	66.34

Major category of Fair Value of Plan Assets at the end of the year is as under :

Particulars	31st March, 2025		31st March, 2024	
	₹ in Crores	Percent	₹ in Crores	Percent
Funds with Life Insurance Corporation of India	88.58	97.88%	79.37	97.75%
Others	1.92	2.12%	1.83	2.25%
Total	**90.50**	**100.00%**	**81.20**	**100.00%**

Asset liability matching strategy

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The Insurance company, as a part of policy rules makes payment of all gratuity payouts during the year as per policy conditions. The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

46. Stock options scheme - Kirloskar Ferrous Industries Limited

KFIL Employee Stock Option Scheme 2017 :

The Company has introduced employee stock option scheme. This employee equity-settled compensation scheme is known as KFIL Employee Stock Option Scheme 2017 ("KFIL ESOS 2017/ Scheme"). The employee stock option scheme is approved and authorized by the Board of Directors. This scheme is designed to provide incentives to specified senior management employees who are in the employment of the company and director(s), whether wholetime or otherwise, (other than promoters of the company, persons belonging to promoters group, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company). The specific employees to whom the options would be granted, and their eligibility criteria would be determined by the Nomination and Remuneration Committee.

Options granted under KFIL ESOS 2017 would vest after 1 (one) year but not later than 4 (four) years from the date of grant of such options. Options will be vested equally over four years. Vesting of options would be subject to continued employment with the Company and thus the options would vest essentially on passage of time. In addition to this, the Nomination and Remuneration Committee may also specify certain performance criteria subject to satisfaction of which the options would vest. Any option granted shall be exercisable according to the terms and conditions as determined by the Nomination and Remuneration Committee and as set forth in the grant letter. The exercise period shall be 3 (three) years from the date of vesting of options in case of employee is in continuation of employment. The vested options can be exercised by the employee at any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter. When exercisable, each option is convertible into one equity share. The options not exercised within the exercise period shall lapse and the employee shall have no right over such lapsed or cancelled options. The shares arising out of exercise of vested options shall not be subject to any lock-in period from the date of allotment of such shares under KFIL ESOS 2017.

Under the said scheme, Nomination and Remuneration Committee of the board of directors has granted following options to its eligible employees :

Grant date	No. of options
3rd November 2017	17,65,000
30th October 2018	1,20,000
18th October 2019	1,00,000
16th October 2020	1,30,000
22nd October 2021	3,70,000
05th November 2022	1,60,000

Reconciliation of outstanding options:

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	Weighted average exercise price per share per option (₹)	Number of options	Weighted average exercise price per share per option (₹)	Number of options
Opening Balance	139	4,76,395	124	7,41,589
Granted during the year	-	-	-	-
Exercised during the year	110	99,410	74	1,80,694
Lapsed during the year	52	16,025	-	-
Forfeited during the year	152	38,200	150	84,500
Closing Balance	**150**	**3,22,760**	**139**	**4,76,395**
Options exercisable at the end of the year	**141**	**1,94,760**	**117**	**2,11,395**

Weighted average share price as on the date of exercise is ₹ 648.35 (Previous year : ₹ 502.39/-)

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

46. Stock options scheme - Kirloskar Ferrous Industries Limited (Contd..)

Share options outstanding at the end of the year have the following expiry date and exercise prices :

Grant date	Exercise price (₹)	Options outstanding as at 31st March 2025	Options outstanding as at 31st March 2024
3rd November, 2017	50	-	21,325
30th October, 2018	51	7,800	12,200
18th October, 2019	50	4,000	16,000
16th October, 2020	55	29,450	59,700
22nd October, 2021	163	1,73,110	2,29,170
5th November, 2022	166	1,08,400	1,38,000
Total		**3,22,760**	**4,76,395**
Weighted average remaining contractual life of the options outstanding at the end of the period		**2.68 years**	**3.25 years**

II. KFIL Employee Stock Option Scheme 2021 :

The Company has introduced employee stock option scheme. This employee equity-settled compensation scheme is known as KFIL Employee Stock Option Scheme 2021 ("KFIL ESOS 2021/ Scheme"). The employee stock option scheme is approved and authorized by the Board of Directors. This scheme is designed to provide incentives to specified senior management employees who are in the employment of the company and director(s), whether wholetime or otherwise, (other than promoters of the company, persons belonging to promoters group, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company). The specific employees to whom the options would be granted, and their eligibility criteria would be determined by the Nomination and Remuneration Committee.

Options granted under KFIL ESOS 2021 would vest after 1 (one) year but not later than 4 (four) years from the date of grant of such options. Options will be vested equally over four years. Vesting of options would be subject to continued employment with the Company and thus the options would vest essentially on passage of time. In addition to this, the Nomination and Remuneration Committee may also specify certain performance criteria subject to satisfaction of which the options would vest. Any option granted shall be exercisable according to the terms and conditions as determined by the Nomination and Remuneration Committee and as set forth in the Grant Letter. The exercise period shall be 3 (three) years from the date of vesting of options in case of employee is in continuation of employment. The vested options can be exercised by the employee at any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter. When exercisable, each option is convertible into one equity share. The options not exercised within the exercise period shall lapse and the employee shall have no right over such lapsed or cancelled options. The shares arising out of exercise of vested options shall not be subject to any lock-in period from the date of allotment of such shares under KFIL ESOS 2021.

Under the said scheme, Nomination and Remuneration Committee of the board of directors has granted following options to its eligible employees

Grant date	No. of options
19th May, 2022	16,70,000
3rd November, 2023	16,000
9th August, 2024	2,40,000

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

46. Stock options scheme - Kirloskar Ferrous Industries Limited (Contd..)

Reconciliation of outstanding options:

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	Weighted average exercise price per share per option (₹)	Number of options	Weighted average exercise price per share per option (₹)	Number of options
Opening Balance	159	13,51,827	157	16,70,000
Granted during the year	563	2,40,000	357	16,000
Exercised during the year	157	2,56,487	157	1,99,673
Lapsed during the year	-	-	-	-
Forfeited during the year	159	1,04,825	157	1,34,500
Closing Balance	**239**	**12,30,515**	**159**	**13,51,827**
Options exercisable at the end of the year	**160**	**1,88,515**	**157**	**1,34,500**

Weighted average share price as on the date of exercise is ₹ 684.61/- (Previous year : ₹ 484.40/-).

Share options outstanding at the end of the year have the following expiry date and exercise prices

Grant date	Exercise price (₹)	Options outstanding as at 31st March 2025	Options outstanding as at 31st March 2024
19th May 2022	157	9,75,715	13,35,827
3rd November 2023	357	14,800	16,000
9th August 2024	563	2,40,000	-
Total		**12,30,515**	**13,51,827**
Weighted average remaining contractual life of the options outstanding at the end of the period		**3.61 years**	**3.92 years**

Fair value of the options granted

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes-Merton model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Fair value and assumptions for the equity-settled grant made on 9th August, 2024

Grant: KFIL ESOS 2021	Vesting date 9th August			
Grant Date: 9th August, 2024 Exercise price- ₹ 563	9th August, 2025	9th August, 2026	9th August, 2027	9th August, 2028
Input variables				
Share Price (₹)	750.20	750.20	750.20	750.20
Standard Deviation (Volatility)	40.56%	42.84%	47.25%	44.62%
Risk-free rate	6.80%	6.81%	6.81%	6.80%
Exercise price (₹)	563.00	563.00	563.00	563.00
Time to maturity (in years)	2.50	3.50	4.50	5.50
Dividend yield	0.56%	0.98%	0.83%	0.77%
Output				
Fair value of option (₹)	**318.28**	**353.24**	**401.50**	**419.51**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

46. Stock options scheme - Kirloskar Ferrous Industries Limited (Contd..)

Fair value and assumptions for the equity-settled grant made on 3rd November, 2023

Grant: KFIL ESOS 2021	Vesting date 3rd November			
Grant Date: 3rd November, 2023 Exercise price- ₹ 357	3rd November, 2024	3rd November, 2025	3rd November, 2026	3rd November, 2027
Input variables				
Share Price (₹)	475.90	475.90	475.90	475.90
Standard Deviation (Volatility)	42.52%	43.88%	44.42%	42.66%
Risk-free rate	7.31%	7.31%	7.33%	7.35%
Exercise price (₹)	357.00	357.00	357.00	357.00
Time to maturity (in years)	2.50	3.50	4.50	5.50
Dividend yield	1.98%	1.98%	1.98%	1.98%
Output				
Fair value of option (₹)	**194.23**	**215.71**	**232.02**	**240.25**

Rationale for principle variables used

1. Time to maturity of options is the period of time from the grant date to the date on which option is expected to be exercised. The minimum life of stock option is the minimum period before which the options cannot be exercised and maximum life is the period after which the options cannot be exercised.

2. The expected price volatility is based on the historic volatility, adjusted for any changes to future volatility due to publicly available information.

   The Company has recorded employee share-based compensation expense in current year amounting to ₹5.95 Crores (Previous Year : ₹ 5.44 Crores) for the options issued to the employees.

47. The disclosure required by Indian Accounting Standard (Ind AS 37) "Provisions, Contingent Liabilities, Contingent Assets" are as follows

(₹ in Crores)

Class of Provision	Opening balance as on 1st April, 2024	Provisions for the year	Amounts used during the year	Closing balance as on 31st March, 2025
Casting rejections	5.75	4.91	5.75	4.91

(₹ in Crores)

Class of Provision	Opening balance as on 1st April, 2023	Provisions for the year	Amounts used during the year	Closing balance as on 31st March, 2024
Casting rejections	1.51	5.75	1.51	5.75

Nature of obligation : Provision for possible obligation towards outflow of resources on casting rejections.

Expected timing of resulting outflow : Substantial costs will be incurred in the next financial year.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

48. Disclosures of transactions with Related Parties as required by Ind AS 24

Name of Related Party & Relationship

Holding Company

Kirloskar Industries Limited

Key Managerial Personnel

For Kirloskar Ferrous Industries Limited

Mr. R.V.Gumaste - Managing Director

Mr. R.S. Srivatsan - Executive Director (Finance) & CFO

Mr. N. B. Ektare - Executive Director (Operations) (w.e.f. 09th August, 2024)

Mr. Mayuresh Gharpure - Company Secretary

Subsidiary

Oliver Engineering Private Limited

ISMT Enterprises SA, Luxemburg

Tridem Port and Power Company Private Limited

Indian Seamless Inc., USA*

Structo Hydraulics AB, Sweden#

ISMT Eurpore AB, Sweden#

Nagapattinam Energy Private Limited

PT ISMT Resources, Indonesia**

Best Exim Private Limited

Success Power and Infra Projects Private Limited

Marshal Microware Infrastructure Development Company Private Limited

Adicca Energy Solutions Private Limited

* The companies have been liquidated in the FY 2023-24

The Companies are under process of liquidation since FY 2023-24

** The company has been sold during the FY 2023-24

Fellow Subsidiary

Avante Spaces Limited

Post Employment Benefit Plans

KFIL Employees Group Gratuity

The Indian Seamless Metal Tubes Ltd Provident Fund (Unit -A)

ISMTL Provident Fund (Unit B)

ISSAL Provident Fund

Indian Seamless Superannuation Scheme

ISSAL Superannuation Fund

Indian Seamless Gratuity Fund

ISSAL Gratuity Fund

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025
(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

48. Disclosures of transactions with Related Parties as required by Ind AS 24 (Contd..)

(₹ in Crores)

Name of related party and nature of relationship	Nature of transaction	2024-2025		2023-2024	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
A. Holding Company					
Kirloskar Industries Limited	Building rent paid	0.05	-	0.07	-
	Rent Deposit	0.03	-	-	0.03
	Advance Receivable	-	1.62	-	1.62
B Key management personnel					
Mr. R.V.Gumaste - Managing Director	Compensation	12.53	-	11.56	0.27
	Compensation payable	-	3.67	-	5.18
	Sitting Fees Paid	0.02	-	0.07	-
Mr. Mayuresh Ghapure - Company Secretary	Compensation	0.51	-	0.60	-
	Compensation payable	-	0.04	-	0.04
Mr. R. S. Srivatsan - Executive Director (Finance) & Chief Financial Officer	Compensation	5.35	-	4.77	-
	Compensation payable	-	1.62	-	2.12
Mr. Nishikant Ektare - Executive Director (Operation) (w.e.f. 09th August, 2024)	Compensation	4.53	-	5.74	-
	Compensation payable	-	2.57	-	4.31
C Subsidiary Company					
Oliver Engineering Private Limited	Equity Investment	-	-	9.00	-
	Unsecured Long Term Loan - Given / (received)	61.09	172.83	111.74	111.74
	Interest on Loan	12.64	15.68	4.78	4.31
	Sale (Inclusive of tax)	3.06	1.34	0.09	0.09
Structo Hydraulics AB, Sweden	Sale of Goods	-	-	7.65	-
	Loss Allowance	-	-	5.92	-
	Loss Allowance Reversal	-	-	24.07	-
	Bad Debts written off / (recovered)	(3.81)	-	24.46	-
	Provision for Impairment in the Value of Investment in subsidiary	-	-	21.08	-
ISMT Europe AB, Sweden	Commission on Sales	-	-	0.03	-
	Payables	-	0.02	-	0.02
Indian Seamless Inc, USA.	Commission on Sales	-	-	0.11	-
	Loss Allowance Reversal	-	-	12.74	-
	Bad Debts written off	-	-	12.74	-
	Loss on Investment	-	-	1.69	-
Tridem Port and Power Company Private Limited.	Reimbursemnt of expenses	0.17	-	0.16	-
	Provision for Impairment in the Value of Investment in subsidiary	-	-	33.93	-
Adicca Energy Solutions Private Limited	Interest accrued on Unsecured Loan given	0.27	0.42	0.20	0.18
	Unsecured Loan Receivable/ Payable	0.05	3.00	-	2.95
	Advances given	0.10	0.10		
	Equity Investment	-	-	0.01	-
D Fellow Subsidiary Company					
Avante Spaces Limited	Capital Advance paid	-	-	(15.41)	-
	Purchase of PPE	-	-	54.74	54.74
	Maintenace Charges	0.59	0.02	-	-

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

48. Disclosures of transactions with Related Parties as required by Ind AS 24 (Contd..)

(₹ in Crores)

Name of related party and nature of relationship	Nature of transaction	2024-2025		2023-2024	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
E Post Employment Benefit Trusts					
KFIL Employees Group Gratuity	Contribution	7.76	-	3.71	-
Indian Seamless Superannuation Scheme	Contribution	0.17	0.20	0.41	0.16
ISSAL Superannuation Fund	Contribution	-	0.06	0.22	0.02
The Indian Seamless Metal Tubes Ltd Provident Fund (Unit -A)	Contribution	4.54	-	4.89	0.40
ISMTL Provident Fund (Unit B)	Contribution	0.30	-	0.43	0.03
Indian Seamless Gratuity Fund	Contribution	5.06	4.81	0.11	3.99
ISSAL Gratuity Fund	Contribution	0.15	4.74	0.06	1.21

Note

(i) Outstanding amount carried in Balance Sheet does not include liability in respect of gratuity and leave encashment which is provided on actuarial basis for the Company as a whole.

(ii) Company has not made any Loans/Advances/Investments during the year to the Ultimate Holding Company.

(iii) Transactions entered into with related parties are made in ordinary course of business and on terms equivalent to those that prevail in arms length transactions.

(iv) The terms of payment are generally similar to those of other non-related parties.

Compensation of key management personnel of the Company

(₹ in Crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Short term employee benefits	13.41	17.05
Post employment benefits	1.30	0.31
Other long term benefits	0.42	0.08
Share-based payments	7.79	5.30
Total	**22.92**	**22.74**

49. Contingent Liabilities and Commitments

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Claims against the Company not acknowledged as debt		
Central Excise and Customs	31.57	32.28
Service Tax	2.44	3.05
Goods and Service Tax	1.50	1.50
Income Tax	42.03	32.55
Labour Matters to the extent quantifiable	0.43	0.40
Provident Fund Matters	-	0.67
Forest Development Fee Matter	271.47	213.54
Others	10.19	11.93

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

49. Contingent Liabilities and Commitments

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Guarantees excluding financial guarantee		
Bank Guarantee	184.51	101.62
Capital and Other Commitments		
Stamp Duty & Reg. Fee	1.21	1.21
Estimated amount of contracts remaining to be executed on capital account and not provided for	395.43	486.54

Note

In the opinion of the management the above legal matters, under claims against Company not acknowledged as debt, when ultimately concluded will not have material effect on the results of the operations or the financial position of the Company.

50. Borrowing cost capitalized

(₹ in Crores)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Amount of borrowing costs capitalized	0.03	0.92

51. Disclosure pursuant to Ind AS 103 "Business Combinations":

Amalgamation of ISMT Limited:

The Board of Directors of the Company, at its meeting held on 5th November 2022, approved The Scheme of Amalgamation and Arrangement under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 for amalgamation of ISMT Limited ('Amalgamating Company') with the Company ('Scheme').

The aforesaid Scheme was sanctioned by Hon'ble National Company Law Tribunal (NCLT) Mumbai Bench vide order dated 24th July, 2024. The Appointed Date of the Scheme was 1 April, 2023 and in terms of the Scheme, all the assets, liabilities, reserves and surplus of the Amalgamating Company transferred to and vested in the Company.

The amalgamation has been accounted in accordance with "Pooling of interest method" as laid down in Appendix C - 'Business combinations of entities under common control' of Ind AS 103 notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as specified in the scheme and Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 9 Issue 2.

Consequent on the Scheme coming into effect and in accordance with the Share Exchange Ratio enshrined in the Scheme, on 09th August, 2024 the Company has alloted its 2,49,04,259 equity shares of 5/- each (fully paid-up) to the equity shareholders of erstwhile ISMT Limited as on the 'Record Date' fixed for the said purpose.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

52. Ratios Analysis

Particulars	Ratio as of 31 March 2025	Ratio as of 31 March 2024	% change	Explanations, if any
Current Ratio *(Current Assets / Current Liabilities)*	1.07	1.11	-3%	NA
Debt-Equity Ratio *(Debt / Equity)* *[Debt : long term borrowings + short-term borrowings]* *[Equity :Total Equity]*	0.37	0.38	-2%	NA
Debt Service Coverage Ratio *[Earning available for debt services / Interest + Installment]* *[Earning available for debt services:net profit before tax+ non cash expenses (Depreciation and Amortisation) + interest expense on borrowings]* *[Interest + Installment :- interest expenses on borrowings and current maturities]*	2.02	2.25	-10%	NA
Return on Equity Ratio *[Profit / (loss) for the year after Tax / Total Equity]*	9.15%	9.93%	-8%	NA
Inventory turnover ratio *[Cost of good sold / Average Inventory]* *[Cost of good sold : Cost of materials consumed + Purchases of stock-in-trade + changes in inventories]*	3.47	3.21	8%	NA
Trade Receivables turnover ratio *[Revenue from operations / Average Trade Receivables]*	6.78	7.08	-4%	NA
Trade payables turnover ratio *[Cost of materials consumed / Average Trade Payables]*	3.98	3.60	11%	NA
Net capital turnover ratio *[Revenue from operations / Total Equity]*	1.89	1.89	0%	NA
Net profit ratio *[Profit / (loss) after tax / Total Income]*	4.83%	5.24%	-8%	NA
Return on Capital employed *[Earning before interest & taxes (EBIT) / Capital Employed]* *[EBIT : Profit / (loss) before tax + interest expenses]* *[Capital Employed : Total Assets (-) Current Liabilities (-) Cash and Cash Equivalents]*	11.33%	11.15%	2%	NA
Return on investment *[Profit / (loss) after tax / Total Equity]*	9.15%	9.93%	-8%	NA

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

53. Relationship with Struck off Companies

Name of the Struck Off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company	Number of Shares held as on March 31, 2025	Number of Shares held as on March 31, 2024
Nenawati Marketing Pvt Ltd	Shares held in the Company	Shareholder	1,900	1,900
Box And Carton (P) Ltd	Shares held in the Company	Shareholder	100	100
Standard Fibrochem Pvt Ltd	Shares held in the Company	Shareholder	-	200
Sri Ramachandra Investments (P) Ltd	Shares held in the Company	Shareholder	100	100
Umasoumya Investments Pvt Ltd	Shares held in the Company	Shareholder	100	100
Uma Sridhar Hire Finance Pvt Ltd	Shares held in the Company	Shareholder	100	100
Unicon Fincap Private Limited	Shares held in the Company	Shareholder	1,105	-
Abhireet Investments & Trading (Pvt) Ltd	Shares held in the Company	Shareholder	200	200
Pci Vanijya Pvt Ltd	Shares held in the Company	Shareholder	85	-
North Point Properties Pvt Ltd	Shares held in the Company	Shareholder	26	-

54. Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA") has vide notification dated May 7, 2025 notified Companies (Indian Accounting Standards) Amendment Rules, 2025 (the 'Rules') which amends certain accounting standards, and are effective from 1 April 2025 onwards. The summary of amendments is as follows –

Ind AS 21, The Effects of Changes in Foreign Exchange Rates - These amendments provide guidance on when a currency is considered as exchangeable, application guidance on determining exchangeability and estimating spot rates, disclosure requirements when the currency is not exchangeable and references to matters contained in other Indian Accounting Standards.

The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

55. Previous year's figures have been regrouped wherever considered necessary to make them comparable with those of the current year.

For and on behalf of the Board of Directors

As per our report of even date attached

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No.
105215W/ W100057

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.
101118W/ W100682

RAHUL KIRLOSKAR
Chairman
DIN 00007319

R.V.GUMASTE
Managing Director
DIN 00082829

PARAG PANSARE
Partner
Membership No. 117309

Pune 09th May 2025

NACHIKET DEO
Partner
Membership No. 117695

Pune 09th May 2025

R.S.SRIVATSAN
Executive Director (Finance)
& Chief Financial Officer
DIN 09607651

Pune 09th May 2025

MAYURESH GHARPURE
Company Secretary

Pune 09th May 2025

Consolidated Financial Statements

Independent Auditors' Report

on the Audit of the Consolidated Financial Statements

To The Members of
Kirloskar Ferrous Industries Limited

Opinion

We have audited the accompanying consolidated financial statements of **Kirloskar Ferrous Industries Limited ("Holding Company") and its subsidiaries,** (Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2025, and 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 a summary of Material 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 the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit 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 year. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	**Contingent Liability** The companies within group are involved in direct and indirect tax litigations that are pending with various tax authorities as mentioned in Note No. 49 of the Consolidated Financial Statements. Whether a liability is recognized or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on assumptions and assessments. We placed specific focus on the judgements in respect to these demands against the companies within group. Determining the amount, if any, to be recognized or disclosed in the financial statements, is inherently subjective. Therefore, these litigations amount is considered to be a key audit matter.	• Obtained an understanding from the management with respect to process and controls followed by the companies within group for identification and monitoring of significant developments in relation to the litigations, including completeness thereof. • Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations. • Assessed management's discussions held with their legal consultants and understanding precedents in similar cases; • Obtained and evaluated the confirmations from the consultants representing the companies within group before the various authorities and our own dedicated teams of direct tax and indirect tax. • Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the financial statements.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
2.	**Capital Expenditure in respect of Property, Plant and Equipment (PPE)** The Group has incurred significant expenditure on capital projects, as reflected by additions in property plant and equipment including capital work in progress in note no. 5 of the Consolidated financial statements. We considered Capital expenditure to PPE as a Key audit matter due to: • Significance of amount incurred on such items during the year ended March 31, 2025. • Judgement and estimate required by management in assessing assets meeting the capitalisation criteria set out in Ind AS 16 Property, Plant and Equipment. • Judgement involved in determining the eligibility of costs including borrowing cost and other directly attributable costs for capitalisation as per the criteria set out in Ind AS 16 Property, Plant and Equipment.	• We obtained an understanding of the Group's capitalisation policy and assessed for compliance with the relevant accounting standards. • We obtained understanding, evaluated the design and tested the operating effectiveness of internal controls related to capital expenditure and capitalisation of assets. • Reviewed management's evaluation of project in progress and their intent to bring assets to its intended use. • We performed substantive testing on a sample basis for various elements of capitalised costs and directly attributable cost, including verification of underlying supporting evidence and understanding nature of the costs capitalised. • We have tested on sample basis the appropriate classification of asset category and its useful life in accordance with the Schedule II of the Companies Act 2013. • We have obtained componentization and Completion reports issued by third party management experts (Project management consultant) for capitalization carried out during the year, wherever applicable and have assessed appropriateness of basis of componentization and stages of completion. • In relation to borrowing costs we obtained the supporting calculations, tested the inputs to the calculation and tested the arithmetical accuracy of the model.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for preparation of the other information The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone 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 identified above and in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by other auditors.

When we read the information as mentioned above, if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance 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 of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the respective 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 any company within Group 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 are also responsible for overseeing the financial reporting process of those Companies.

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 a part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.

- Obtain an understanding of internal financial controls 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 Holding Company and its subsidiaries which are companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- 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 ability of the group 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 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 to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of entities or business activities within the Group 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 or business activities included in the consolidated financial statements of which we are the independent auditors.

For the other entities or business activities included in the consolidated financial statements, which have been audited by the branch auditors or 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the 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 accompanying Consolidated Financial Statements includes the audited Financial Statements and other financial information, in respect of 7 Subsidiaries, whose Financial Statements include total assets of ₹ 3.11 Crores as at March 31, 2025, total income of ₹ 2.90 Crores, total net loss after tax of ₹ (43.07) Crores, total comprehensive income /

(loss) of ₹ (43.07) Crores, for the year ended March 31, 2025, and net cash outflow of ₹ (0.02) Crores for the year ended March 31, 2025, as considered in the Consolidated Financial Statements which have been audited by their respective independent auditors. All the above figures are before consolidation adjustments.

The independent auditors' report on the Financial Statements and other financial information of these entities have been furnished to us by the Management and our opinion on the Consolidated Financial Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the report of such auditors and the procedures performed by us as stated above. According to the information and explanations given to us by the Management, these Financial Statements and Other financial information are not material to the Group.

b. The accompanying statement of consolidated financial Statement of the Company include the financial statements and Other financial information of one Subsidiary whose financial statements, before Consolidation Adjustments, reflect total assets of ₹ 183.75 Crores as at March 31, 2025, total income of ₹ 0.00 Crores, total net loss after tax of ₹ (26.00) Crores, total comprehensive income /(loss) of ₹ (26.00) Crores, for the year ended on March 31, 2025, and net cash outflow of ₹ (0.63) Crores for the year ended March 31, 2025, as considered in the statement. These Audited financial statements have been audited by one of the Joint Statutory Auditors. The opinion of the other Joint Statutory Auditors, in so far as it relates to the affairs of the wholly owned subsidiary, is based solely on report of other Joint Statutory Auditor.

c. The Consolidated financial Statement of the company for the year ended March 31, 2024 were audited by one of the Joint Statutory Auditors who expressed an unmodified opinion on those Consolidated financial Statement vide report dated August 09, 2024. Accordingly, other Joint Statutory Auditors do not express any opinion on the figures reported for the year ended March 31, 2024.

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.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above 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 the other auditors except for matters stated in the paragraph h(vi) below on reporting under Rule 11(g).

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the 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.

e) On the basis of the written representations received from the directors of the Company for the year ended March 31, 2025 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the Internal Financial Controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"** which is based on the auditors' reports of the Holding Company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of Internal Financial Controls with reference to financial statements of those companies.

g) 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 / provided by the Company to its directors' during year is in accordance with the provisions of Section 197 of the Act.

h) 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, as amended 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 on the consolidated financial position of the Group – Refer Note 50 of the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long term contracts including derivative contracts.

iii. There is one instance of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company amounting to ₹ 0.65 crores during the year. Futher, there were no amounts which were required to be transferred to the Investor Education and Protection Fund in case of its Subsidiaries.

iv. With respect to clause (e) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended

(a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, that, to the best of their knowledge and belief, 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 or any such subsidiaries to or in any other person or entity, including foreign entity ('Intermediaries') with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any such subsidiaries from any other person or entity, including foreign entity ('Intermediaries') with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our attention or other auditor's notice that has caused us or the other auditors 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 final dividend proposed in 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 and that performed by the respective Auditors of the subsidiaries, which are incorporated in India:

a. The Holding 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. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Holding Company as per the statutory requirements for record retention.

b. One of the subsidiary company has maintained it's books of Accounts in Spreadsheet and has not used an any other Accounting software till 30th June 2024, consequently reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, is not applicable till that date. From 1st of July, based on our examination which included test checks, the subsidiary 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 from 1st

July 2024 to 31st March 2025 for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Since the subsidiary company had maintained it's books of Accounts in Spreadsheet for the previous year, our comment on preservation of Audit trail is not applicable for the current year.

c. Accounting software for maintaining books of account in respect of six subsidiaries incorporated in India did not had a feature of recording audit trail (edit log) facility and the same was not operated throughout the year for all relevant transactions recorded in the software. Further, since these subsidiaries not used the accounting software having audit trail (edit log) feature in previous year, our comment on preservation of Audit trail is not applicable for the current year.

B. With the respect to matters specified in Paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order" / "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the companies included in the consolidated financial statements except as follows:

Sr. No.	Particulars	CIN	Holding Company/ subsidiary	Clause number of the CARO report which is qualified or adverse
1	Kirloskar Ferrous Industries Limited	L27101PN1991PLC063223	Holding Company	iii(c)
2	Kirloskar Ferrous Industries Limited	L27101PN1991PLC063223	Holding Company	vii(a)
3	Kirloskar Ferrous Industries Limited	L27101PN1991PLC063223	Holding Company	xi(a)

For
KIRTANE & PANDIT LLP
Chartered Accountants
Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No: 117309
Date: May 09, 2025
UDIN: 25117309BMJDHQ8362
Pune

For
P G BHAGWAT LLP
Chartered Accountants
Firm Registration No. 101118W/ W100682

Nachiket Deo
Partner
Membership No: 117695
Date: May 09, 2025
UDIN: 25117695BMJNLU6233
Pune

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Kirloskar Ferrous Industries Limited (hereinafter referred to as "Holding Company") as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies as of that date.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such Internal Financial Controls were operating effectively as at March 31, 2025, based on internal financial control with reference to consolidated financial statements criteria for established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls with reference to financial statements

The respective Board of Directors of the companies included in the Group 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 on Audit of Internal Financial Controls with reference to consolidated financial statements issued by the Institute of Chartered Accountants of India (ICAI). 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 respective 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 Internal Financial Controls with reference to financial statements of the Company and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls with reference to consolidated financial statements (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to 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 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 judgement, including the assessment of the risks of material misstatement of the consolidated 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, 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 internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to 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 consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial 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 consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to 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 with reference to consolidated financial statements 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.

Other Matters

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 insofar as it relates to the subsidiaries which are companies incorporated in India, is based solely on the corresponding reports of the auditors of the Subsidiaries incorporated in India. Our opinion is not modified in respect of the above matters.

For
KIRTANE & PANDIT LLP
Chartered Accountants
Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No: 117309
Date: May 09, 2025
UDIN: 25117309BMJDHQ8362
Pune

For
P G BHAGWAT LLP
Chartered Accountants
Firm Registration No. 101118W/ W100682

Nachiket Deo
Partner
Membership No: 117695
Date: May 09, 2025
UDIN: 25117695BMJNLU6233
Pune

Consolidated Balance Sheet

as at 31st March 2025

(₹ in Crores)

Particulars	Note No.	As at 31st March, 2025	As at 31st March, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,486.68	3,216.15
Capital work-in-progress	5	336.80	457.73
Intangible assets	6	26.33	2.56
Intangible assets under development	6	2.00	37.41
Financial assets			
(i) Investments	7	0.94	1.13
(ii) Loans	8	0.14	0.13
(iii) Other financial assets	9	45.33	33.76
Other non-current asset	10	79.14	58.97
Total non-current assets		**3,977.36**	**3,807.84**
Current assets			
Inventories	11	1,126.71	1,026.82
Financial assets			
(i) Trade receivables	12	1,044.05	896.58
(ii) Cash and cash equivalents	13	42.70	35.71
(iii) Bank balances other than (ii) above	13	26.24	9.89
(iv) Loans	14	2.25	2.24
(v) Other financial assets	15	17.50	2.84
Current tax assets (net)	16	9.26	12.50
Other current assets	17	102.65	100.08
Total current assets		**2,371.36**	**2,086.66**
TOTAL ASSETS		**6,348.72**	**5,894.50**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	82.31	82.11
Other equity	19	3,352.86	3,149.13
Equity attributable to shareholders of the company		3,435.17	3,231.24
Non Controling Interest		(0.01)	(0.01)
Total Equity		**3,435.16**	**3,231.23**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	417.12	520.90
Lease Liabilities	21	1.58	3.88
Provisions	22	12.32	13.08
Deferred tax liabilities (Net)	23	244.72	229.68
Other non-current liabilities			
Total non-current liabilities		**675.74**	**767.54**
Current liabilities			
Financial liabilities			
(i) Borrowings	24	858.74	696.94
(ii) Lease Liabilities	25	0.83	1.79
(iii) Trade payables	26		
- Total outstanding dues of micro enterprises and small enterprises		57.61	32.38
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,012.68	824.80
(iv) Other current financial liabilities	27	189.34	246.97
Other current liabilities	28	82.64	70.23
Provisions	29	35.89	22.51
Current tax liability	30	0.09	0.11
Total current liabilities		**2,237.82**	**1,895.73**
Total liabilities		**2,913.56**	**2,663.27**
TOTAL EQUITY AND LIABILITIES		**6,348.72**	**5,894.50**

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No.
105215W/ W100057

PARAG PANSARE
Partner
Membership No. 117309

Pune 09th May 2025

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.
101118W/ W100682

NACHIKET DEO
Partner
Membership No. 117695

Pune 09th May 2025

For and on behalf of the Board of Directors

RAHUL KIRLOSKAR
Chairman
DIN 00007319

R.V.GUMASTE
Managing Director
DIN 00082829

R.S.SRIVATSAN
Executive Director (Finance)
& Chief Financial Officer
DIN 09607651

Pune 09th May 2025

MAYURESH GHARPURE
Company Secretary

Pune 09th May 2025

Consolidated Statement of Profit and Loss

for the period ended 31st March, 2025

(₹ in Crores)

Particulars	Note No.	For the year ended 31st March, 2025	For the year ended 31st March, 2024
INCOME			
Revenue from operations	31	6,564.23	6,146.29
Other Income	32	52.58	13.36
Total Income		**6,616.81**	**6,159.65**
EXPENSES			
Cost of materials consumed	33	3,780.15	3,392.33
Purchases of stock-in-trade		-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	(48.94)	(17.78)
Employee benefits expense	35	352.77	337.06
Finance costs	36	144.44	120.34
Depreciation and amortization expense	37	255.83	239.38
Other expenses	38	1,724.07	1,572.10
Total expenses		**6,208.32**	**5,643.43**
Profit/(loss)before exceptional items and tax		408.49	516.22
Exceptional items	39	-	63.32
Profit/(Loss) before tax		**408.49**	**452.90**
Tax expenses			
(1) Current tax		97.24	130.50
(2) Short/ (excess) for the earlier years		(1.44)	(0.26)
(3) Deferred tax		18.65	25.00
Profit for the year		**294.04**	**297.66**
Other Comprehensive Income			
Items that will not be reclassified to profit or (loss)			
Remeasurements of post-employment benefit obligations		(14.14)	(8.20)
Income Tax relating to above		3.56	2.06
Fair value changes on equity Instruments through other comprehensive income		(0.19)	0.10
Income Tax relating to above		0.04	(0.02)
Capital reserve on arising account of business combination		-	10.67
Items that will be reclassified to profit or loss			
Foreign Currency Translation Differences		(0.04)	1.35
Income tax effect on above		-	-
Other Comprehensive Income for the year, net of tax		**(10.77)**	**5.96**
Total Comprehensive Income for the period (Comprising profit and Other Comprehensive Income for the year)		**283.27**	**303.62**
Profit for the year attributable to :			
Shareholder of the company		294.03	297.79
Non controling interests		0.01	(0.13)
		294.04	**297.66**
Other comprehensive income for the year attributable to :			
Shareholder of the company		(10.77)	5.96
Non controling interests		0.00	-
		(10.77)	**5.96**
Total comprehensive income for the year attributable to :			
Shareholder of the company		283.26	303.75
Non controling interests		0.01	(0.13)
		283.27	**303.62**
Earnings per equity share (for continuing operations)	41		
Basic (₹)		17.87	18.15
Diluted (₹)		17.77	18.02

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No.
105215W/ W100057

PARAG PANSARE
Partner
Membership No. 117309

Pune 09th May 2025

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.
101118W/ W100682

NACHIKET DEO
Partner
Membership No. 117695

Pune 09th May 2025

For and on behalf of the Board of Directors

RAHUL KIRLOSKAR
Chairman
DIN 00007319

R.V.GUMASTE
Managing Director
DIN 00082829

R.S.SRIVATSAN
Executive Director (Finance)
& Chief Financial Officer
DIN 09607651

Pune 09th May 2025

MAYURESH GHARPURE
Company Secretary

Pune 09th May 2025

Consolidated Cash Flow Statement

for the year ended 31st March 2025

(₹ in Crores)

Particulars	For the year ended 31st March, 2025		For the year ended 31st March, 2024	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit / (Loss) before tax		408.49		452.90
Add :				
Depreciation	255.83		239.38	
(Profit) / Loss on sale of assets	5.61		0.69	
Provision for doubtful debts and others	5.04		6.93	
Unrealised Foreign exchange (Gain)/Loss	1.89		(0.43)	
Employee share-based payment expense	5.95		5.44	
Remeasurements of post-employment benefit obligations	(14.14)		(8.19)	
Fair value changes in derivative financial instrument	3.33		0.33	
Finance Costs	144.44		120.49	
Loss on liquidation of Subsidary	-		18.60	
Profit on Lease retirement	(0.49)		(0.01)	
Foreign Currency Translation Reserves	(0.04)		1.35	
Provision for Impairment in value PPE of Tridem group	-		40.81	
		407.42		**425.39**
Less :		815.91		878.29
Interest Income	(3.84)		(3.34)	
Profit on redemption of Mutual funds	(0.06)		(0.10)	
Provision no longer required written back	(28.54)		(4.34)	
Sundry Credit balances appropriated	(1.77)		(0.14)	
		(34.21)		**(7.92)**
Operating profit before working capital changes		**781.70**		**870.37**
Movements in working capital:				
Decrease / (increase) in inventories	(99.88)		51.68	
Decrease / (increase) in trade receivables	(145.76)		(78.25)	
Decrease / (increase) in non-current loans	(0.01)		0.10	
Decrease / (increase) in other non-current assets	5.47		(6.69)	
Decrease /(Increase) in non current financial assets others	(1.14)		0.75	
Decrease / (increase) in current loans	(0.02)		0.40	
Decrease / (increase) in other current assets	(7.59)		13.81	
Decrease / (increase) in Bank balance other than cash and cash equivalent	(18.70)		1.28	
(Increase) / Decrease in other financial assets	(16.85)		7.84	
Increase / (decrease) in non-current provisions	(0.76)		1.93	
Increase / (decrease) in trade payables	226.92		(158.92)	
Increase / (decrease) in other current financial liabilities	(1.96)		(8.93)	
Increase / (decrease) in other current liabilities	12.29		(0.89)	
Increase / (decrease) in current provisions	13.38		11.24	
		(34.61)		**(164.65)**
Cash generated from Operations		747.09		705.72
Taxes paid		(92.59)		(143.67)
Net cash from Operating Activities (A)		**654.50**		**562.05**
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of property, plant and equipment including CWIP and Capital Advances	(484.55)		(532.32)	
Purchase of Investments	(0.00)		(0.00)	
Receipt from Investment of Subsidairy	-		0.09	
Inter Corporate deposit to Subsidiaries	(0.00)		(0.00)	
Proceeds from sale of property, plant and equipment	5.65		6.82	
Investment in Other Financial Assets	(0.04)		1.95	
Interest Received	4.33		2.78	
Profit on redemption of Mutual funds	0.06		0.10	
Net Cash from Investing Activities (B)		**(474.55)**		**(520.58)**

Consolidated Cash Flow Statement

for the year ended 31st March 2025

(₹ in Crores)

Particulars	For the year ended 31st March, 2025		For the year ended 31st March, 2024	
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Interest and other borrowing costs paid	(144.07)		(120.68)	
Proceeds/(Repayment) from Long term borrowings	(116.96)		128.90	
Proceeds/(Repayment) from short term borrowings	174.98		18.56	
Payment of Lease Liabilities	(1.77)		(2.35)	
Issue of equity shares	5.22		4.48	
Dividend Paid	(90.36)		(90.50)	
Net Cash from Financing Activities (C)		**(172.96)**		**(61.59)**
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)		**6.99**		**(20.12)**
Cash and Cash Equivalents at the beginning of the Period	**35.71**		**55.83**	
Cash and Cash Equivalents acquired pursuant to business combination	**-**		**-**	
Cash and Cash Equivalents at the end of the year	**42.70**		**35.71**	

As per our report of even date attached

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No.
105215W/ W100057

PARAG PANSARE
Partner
Membership No. 117309

Pune 09th May 2025

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.
101118W/ W100682

NACHIKET DEO
Partner
Membership No. 117695

Pune 09th May 2025

For and on behalf of the Board of Directors

RAHUL KIRLOSKAR
Chairman
DIN 00007319

R.V.GUMASTE
Managing Director
DIN 00082829

R.S.SRIVATSAN
Executive Director (Finance)
& Chief Financial Officer
DIN 09607651

Pune 09th May 2025

MAYURESH GHARPURE
Company Secretary

Pune 09th May 2025

Consolidated statement of Changes in Equity

for the year ended 31st March, 2025

A. Equity Share Capital (Note 18)

(₹ in Crores)

Opening Balance as on 1st April, 2023	Changes in equity share capital during the year	Closing Balance as on 31st March, 2024	Share pending issuance	Total
69.48	0.18	69.66	12.45	82.11

(₹ in Crores)

Opening Balance as on 1st April, 2024	Changes in equity share capital during the year	Closing Balance as on 31st March, 2025	Share pending issuance	Total
69.66	12.65	82.31	-	82.31

B. Other Equity (Note 19)

(₹ in Crores)

Particulars	Reserves and surplus			Equity Instruments through Other Comprehensive Income	Share options outstanding account	Share Application Money pending allotment	Foreign currency translation reserve	Capital reserve arising out of business combination	Capital reserve arising out of Merger	Total attributable to owners of the company	Attributable to Non-Controlling interests	Total
	Securities premium	General reserve	Surplus of profit or loss									
Balance as on 31st March, 2023	**207.80**	**75.00**	**1,284.31**	**0.41**	**11.46**	**0.15**	**0.69**	**488.30**	**858.31**	**2,926.44**	**0.11**	**2,926.55**
Total Comprehensive Income												
Profit for the year	-	-	297.79	-	-	-	-	-	-	297.79	(0.12)	297.67
Other Comprehensive Income												
- Remeasurement of defined benefit liability (net of tax)	-	-	(6.13)	-	-	-	-	-	-	(6.13)	-	(6.13)
- Fair value changes on equity Instruments through other comprehensive income	-	-	-	0.08	-	-	-	-	-	0.08		0.08
Foreign Currency Translation Reserve	-	-	-	-	-	-	1.36	-	-	1.36	-	1.36
On account of business acquisiiton	-	-	-					10.67	-	10.67	-	10.67
Transfer to General Reserve	-	5.00	(5.00)	-	-	-	-	-	-	-	-	-
Employee stock option expense	-	-	-	-	5.44	-	-	-	-	5.44	-	5.44
Share application money received	-	-	-	-	-	4.65	-	-	-	4.65	-	4.65
Issue of equity shares on account of exercise of employee stock options	6.86	-	-	-	(2.74)	(4.47)	-	-	-	(0.35)	-	(0.35)
Lapse of employee stock options	-	-	0.13	-	(0.13)		-	-	-	-	-	-
Distribution to shareholders												
Final Dividend	-	-	(41.70)	-	-	-	-	-	-	(41.70)	-	(41.70)
Interim Dividend	-	-	(41.80)	-	-	-	-	-	-	(41.80)	-	(41.80)
Interim Dividend paid by Amalgamating Company	-	-	(7.32)	-	-	-	-	-	-	(7.32)	-	(7.32)
Balance as on 31st March, 2024	**214.66**	**80.00**	**1,480.28**	**0.49**	**14.03**	**0.33**	**2.05**	**498.97**	**858.31**	**3,149.13**	**-0.01**	**3,149.12**

Consolidated statement of Changes in Equity

for the year ended 31st March, 2025

B. Other Equity (Note 19) (Contd..)

(₹ in Crores)

Particulars	Reserves and surplus			Equity Instruments through Other Comprehensive Income	Share options outstanding account	Share Application Money pending allotment	Foreign currency translation reserve	Capital reserve arising out of business combination	Capital reserve arising out of Merger	Total attributable to owners of the company	Attributable to Non-Controlling interests	Total
	Securities premium	General reserve	Surplus of profit or loss									
Total Comprehensive Income												
Profit for the year	-	-	294.03	-	-	-	-	-	-	294.03	-	294.03
Other Comprehensive Income												
- Remeasurement of defined benefit liability (net of tax)	-	-	(10.58)	-	-	-	-	-	-	(10.58)	-	(10.58)
- Fair value changes on equity Instruments through other comprehensive income	-	-	-	(0.15)	-	-	-	-	-	(0.15)	-	(0.15)
Foreign Currency Translation Reserve	-	-	-	-	-	-	(0.04)	-	-	(0.04)	-	(0.04)
Transfer to General Reserve	-	5.00	(5.00)	-	-	-	-	-	-	-	-	-
Employee stock option expense	-	-	-	-	3.31	-	-	-	-	3.31	-	3.31
Share application money received	-	-	-	-	-	5.23	-	-	-	5.23	-	5.23
Issue of equity shares on account of exercise of employee stock options	8.74	-	-	-	(0.87)	(5.42)	-	-	-	2.45	-	2.45
Lapse of employee stock options	-	-	1.10	-	(1.10)	-	-	-	-	-	-	-
Distribution to shareholders												
Final Dividend	-	-	(41.13)	-	-	-	-	-	-	(41.13)	-	(41.13)
Interim Dividend	-	-	(49.38)	-	-	-	-	-	-	(49.38)	-	(49.38)
Balance as on 31st March, 2025	**223.40**	**85.00**	**1,669.32**	**0.34**	**15.37**	**0.14**	**2.01**	**498.97**	**858.31**	**3,352.86**	**-0.01**	**3,352.85**

As per our report of even date attached

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No.
105215W/ W100057

PARAG PANSARE
Partner
Membership No. 117309

Pune 09th May 2025

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.
101118W/ W100682

NACHIKET DEO
Partner
Membership No. 117695

Pune 09th May 2025

For and on behalf of the Board of Directors

RAHUL KIRLOSKAR
Chairman
DIN 00007319

R.S.SRIVATSAN
Executive Director (Finance)
& Chief Financial Officer
DIN 09607651

Pune 09th May 2025

R.V.GUMASTE
Managing Director
DIN 00082829

MAYURESH GHARPURE
Company Secretary

Pune 09th May 2025

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

1) THE CORPORATE OVERVIEW

Kirloskar Ferrous Industries Limited ("the Company" / "Holding Company") is a public company incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Limited and are permitted to trade on National Stock Exchange of India Limited.

The Consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiaries (together referred to as the "Group"). The Consolidated Financial Statements of the Group for the year ended 31 March 2025, were authorised for issue by the Board of Directors on 09 May 2025.

The Holding Company is having manufacturing facilities situated at Koppal district and Chitradurga district in Karnataka State and at Solapur, Ahmednagar, Baramati and Jejuri in Maharashtra State. The Holding Company is engaged in manufacturing of iron castings, seamless tubes and engineering steels.

At present, the Company is the subsidiary of Kirloskar Industries Limited.

2) BASIS OF PREPARATION

a) Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS). Ind AS are notified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards), Rules, 2015 as amended from time to time and other relevant provisions of the Act. Accounting policies have been consistently applied except where newly issued accounting standard or revision to existing accounting standards requires changes in the existing accounting policies.

b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following items, which are measured on each reporting date on the basis as explained below:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value.
- Defined benefit plans – plan assets are measured at fair value.
- Equity settled share-based payments – measured at grant date fair value.

c) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is expected to be realised within twelve months from the reporting, or
- It is cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months from the reporting date, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after reporting date.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) Functional and presentation currency

The Group has identified Indian Rupee (INR) as its functional currency. All amounts presented in the Financial Statements including notes have been rounded off to the nearest crores in Indian Rupee as per the requirements of Schedule III of the Companies Act, 2013; unless otherwise indicated.

3) MATERIAL ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

a) Principles of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31 March 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the subsidiaries. Specifically, the Group controls a subsidiary if and only if the Group has:

- Power over the subsidiaries (i.e. existing rights that give it the current ability to direct the relevant activities of the investee,
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company. The subsidiaries considered in the consolidated financial statements are summarized below.

Sr. No.	Name of the Company	Country of Incorporation
	Direct Subsidiaries	
1.	Oliver Engineering Private Limited	India
2.	Adicca Energy Solutions Private Limited	India
3.	Tridem Port and Power Company Private Limited	India
4.	ISMT Enterprises SA	Luxembourg
	Indirect Subsidiaries	
5.	Nagapattinam Energy Private Limited	India
6.	Best Exim Private Limited	India
7.	Marshal Microware Infrastructure Development Private Limited	India
8.	Success Power and Infraprojects Private Limited	India

In preparing the consolidated financial statements, the Group has used the following key consolidation procedures:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the holding company with those of its subsidiaries.

Offset (eliminate) the carrying amount of the holding company's investment in each subsidiary and the holding company's portion of equity of each subsidiary. Business combinations policy explains accounting for any related goodwill or capital reserve.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment, are eliminated in full. However, intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

Temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions will be accounted as per Ind AS 12 – Income Taxes

Profit and loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the holding company of the group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it deconsolidates the subsidiary from the date it ceases control.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.

Assets and liabilities of entities with functional currency other than the functional currency of the Company have been translated using exchange rates prevailing on the balance sheet date. Statement of profit and loss of such entities has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity. When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognized in OCI is reclassified to statement of profit and loss as part of the gain or loss on disposal.

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

b) Property, plant and equipment

- **Recognition and measurement**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost comprises of purchase price and any directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Borrowing costs attributable to construction or acquisition of a qualifying asset for the period up to the date, the asset is ready for its intended use are included in the cost of the asset to which they relate.

Pre-operative expenditure including trial run expenses comprising of revenue expenses incurred as reduced by the revenue generated during the period up to the date, the asset is ready for its intended use are treated as part of costs of that asset.

Capital work-in-progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use as at the balance sheet date.

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 property, plant and equipment 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 property, plant and equipment are recognised in the Statement of Profit and Loss as incurred.

- **Subsequent Measurement**

Property, plant and equipment are subsequently measured at cost less accumulated depreciation less accumulated impairment losses.

- **Derecognition**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net and disclosed within other income or expenses in the Statement of Profit and Loss.

- **Depreciation methods, estimated useful lives and residual value**

Holding Company :

Casting segment:

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its estimated residual value. 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 property, plant and equipment as prescribed in Schedule II of the Companies Act 2013, as assessed by the management of the company based on technical evaluation except in the case of following assets:

Description	Useful life considered	Justification for deviation
Plant and equipments:		
a) Sinter plant	20 years	Based on past history of usage and supported by technical evaluation report
b) Blast furnace and allied machineries used in manufacture of pig Iron	20 years	
c) Foundry machineries	20 years	
d) Turbo generator	20 years	
e) Plant and equipments given under operating lease	5 years	
f) Machinery spares and Other Components of PPE	2 to 10 years	
g) Captive power plant	20 years	
h) Patterns	8 years	
Office equipments		
Equipment installed at employee's residence	3 years	As per the terms of Group's policy
Vehicles		
Vehicles given to employees	5 years	As per the terms of Group's policy

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Tube and Steel segment:

Depreciation on Plant & Machinery other than Captive Power Plant is provided on its useful life estimated by the management on Written Down Value method. For these classes of assets, based on the technical evaluation carried out by the external experts, the management has estimated the useful lives in the range of 8 years to 65 years.

For Captive power plant, depreciation has been provided on straight line method with useful life of 20 years which is supported by technical evaluation.

Subsidiary Companies

Depreciation on Plant & Machinery other than Captive Power Plant is provided on its useful life estimated by the management on Written Down Value method. For these classes of assets, based on the technical evaluation carried out by the external experts, the management has estimated the useful lives in the range of 8 years to 65 years.

Depreciation on Building and Plant & Machinery of Captive Power Plant of subsidiaries is provided as per the useful life specified in Part ‘C‘ of Schedule II of the Companies Act, 2013 on Straight Line Method.

Depreciation on Furniture & Fixtures, Office Equipment and vehicle of subsidiaries is provided as per the useful life specified in Part ‘C‘ of Schedule II of the Companies Act, 2013 on Written Down Value Method except in case of Tridem Port and Power Company Private Limited and Nagapattinam Energy Private Limited (Subsidiaries of KFIL) where straight line method is followed.

Depreciation on property, plant and equipment of the Group’s foreign subsidiaries has been provided on straight line method as per the estimated useful life of such assets. Details of estimated useful life of property, plant and equipment of these foreign subsidiaries are as follows:

Sr. No.	Class of Assets	Useful life in Years
1	Building	45 Years
2	Equipment’s, Tools, Fixtures and Fittings	3 to 5 years
3	Plant & Machinery and Equipment	3 to 30 Years
4	Computer Hardware and Software	5 Years

Freehold land of the Group is not depreciated.

c) Intangible assets

- #### Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the Group, and 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.

- #### Derecognition

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of intangible asset are determined by comparing the proceeds from disposal with the carrying amount of intangible asset and are recognised net and disclosed within other income or expenses in the Statement of Profit and Loss.

- #### Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost. Amortisation is recognised in Statement of Profit and Loss on a straight-line basis over the estimated useful life 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 estimated useful life for current and comparative periods are as follows:

Computer software 6 years

d) Leases

The Group assesses at the inception of the contract whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Notes to and forming part of Consolidated Financial Statements

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The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

e) 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. In determining fair value less costs of disposal, recent market transactions are considered.

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.

- **Reversal of impairment loss**

  For assets other than goodwill, 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. An impairment loss in respect of goodwill is not reversed.

f) Inventories

Raw materials, stores and spares are valued at lower of cost and net realizable value. Cost is determined using weighted average method.

Work in process and finished goods other than by-products are valued at lower of cost and net realizable value. Cost includes direct material and labour and a proportion of manufacturing overhead based on normal operating capacity.

By-products are valued at net realizable value.

Stores and Spares are valued at cost determined on weighted average basis except for those which have a longer usable life, which are valued on the basis of their remaining useful life.

Necessary provisions are made for obsolete and non-moving inventories as per the policy framed by the management and the value of inventory is net of such provision.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

g) Cash and cash equivalents

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

h) Revenue recognition

The Group is in the business of manufacture and sale of iron castings, seamless tubes, cylinder tubes, components and engineering steels. Sales are recognised when substantial control of the products has been transferred to the customer, being when the products are delivered to the customer or its authorised representative without any unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from these sales is recognised based on the price specified in the sales order, net of the estimated discounts, rebates, returns and Goods and Service Tax. The Group's obligation to provide a refund for defects in the products is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group does not have any payment terms exceeding one year for any contract. Accordingly, the Group does not adjust any of the transaction prices for the time value of money.

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i) Other income

- **Interest income**

  Interest income from debt instruments is recognised using Effective Interest Rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

- **Dividends**

  Dividends are recognised in the Statement of Profit and Loss only when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount can be measured reliably.

- **Export incentives**

  Export Incentives are recognized when right to receive credit as per prevalent scheme is established in respect of the exports made and when there is no significant uncertainty regarding realization of such claim.

- **Any other incomes are accounted for on accrual basis.**

j) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset, are expensed in the period in which they are incurred.

k) Foreign currency 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.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss are also recognized in OCI or Statement of Profit and Loss, respectively). Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

l) 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, ex-gratia, performance pay etc. are recognised in the period in which the employee renders the related service.

- **Post-employment benefits**

  Defined contribution plans

  The Group's approved superannuation scheme and central provident fund scheme are a defined contribution plan. 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

  a. **Gratuity**

  The employees' gratuity fund scheme is managed by a trust, is the Group's defined benefit plan. 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 as at the reporting date, having maturity periods approximating to the terms of related obligations.

  Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on

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the net defined benefit liability and the return on plan assets, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

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

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Net interest is calculated by applying the discount rate to the net defined benefit liability or the fair value of the plan asset. The cost is included in employee benefit expense in the Statement of Profit and Loss.

b. Leave Encashment

The Group provides for the liability at year end on account of unavailed earned leave as per the actuarial valuation.

- **Other long-term employee benefits**

  The liabilities for earned leave which are not expected to be settled within twelve months from the date of reporting period in which the employee render the related service are measured as the present value of expected future payments to be made in respect of services provided by employee 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. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the Statement of Profit and Loss. The obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer settlement beyond twelve months of the reporting period, regardless of when the actual settlement is expected to occur.

m) Share-based payments

Employees of the Group who are entitled to receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

- **Equity-settled transactions**

  The cost of equity-settled transactions is determined by the fair value at the grant date using fair valuation model.

  That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss represents the movement in cumulative expense recognised as at the beginning and at the end of the period and to be recognised in the employee benefits expense.

  The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

  Employee share-based payment reserve with respect to vested options which gets forfeited as per ESOS policy will be transferred to retained earnings.

n) Research and development cost

Revenue expenditure on the research and development is charged off as expense in the year in which incurred. Capital expenditure for research and development activity is grouped with property, plant and equipment under appropriate categories and depreciation is provided as per the applicable rates.

o) Income tax

Income tax expense comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to the items recognised directly in OCI.

- **Current income tax**

  Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable profits computed for the current accounting period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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- **Deferred tax**

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

  Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

  Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

  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 deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

  Minimum Alternate Tax (MAT) Credit:

  MAT credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period.

p) Provisions and contingencies

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and 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.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

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.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in financial statements, unless they are virtually certain. However, contingent assets are disclosed where inflow of economic benefits are probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

q) Business Combinations

The Group accounts for business combinations using the acquisition method when the control is transferred to the Group in accordance with Ind AS 103. The consideration transferred for the business combinations is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. The Holding Company determines the basis of control in line with the requirements of Ind AS 110, Consolidated Financial Statements. 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.

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If a business combination is achieved in stages, any previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI as appropriate.

Business combinations involving entities that are ultimately controlled by the same part(ies) before and after the business combination are considered as Common control entities and are accounted using the pooling of interest method as follows:

The assets and liabilities of the combining entities are reflected at their carrying amounts.

- No adjustments are made to reflect the fair values, or recognize new assets or liabilities. Adjustments are made to harmonies accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference if any, between the amounts recorded as share capital plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the 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.

s) 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.

- **Initial recognition and measurement**

  Financial instruments are initially recognised when the entity becomes party to the contract.

  Financial instruments are measured initially at fair value adjusted for transaction costs that are directly attributable to the origination of the financial instrument where financial instruments not classified at fair value through profit or loss. Transaction costs of financial instruments which are classified as fair value through profit or loss are expensed in the Statement of Profit and Loss.

- **Subsequent measurement of financial assets**

  For the purposes of subsequent measurement, the financial assets are classified in the following categories based on the Group's business model for managing the financial assets and the contractual terms of cash flows:

  - those to be measured subsequently at fair value; either through OCI or through profit or loss
  - those measured at amortised cost

  For assets measured at fair value, changes in fair value will either be recorded in the Statement of Profit and Loss or OCI. For investments in debt instruments, this will depend on the business model in which investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through OCI.

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The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are satisfied:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of hedging relationship is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using Effective Interest Rate (EIR) method.

Debt instruments at Fair Value Through Other Comprehensive Income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent Solely Payments of Principal and Interest (SPPI), are measured at FVTOCI. The movements in the carrying amount are recognised through OCI, except for the recognition of impairment gains and losses, interest revenue and foreign exchange gain or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other gains/ losses. Interest income from these financial assets is included in other income using EIR method.

Debt instruments at Fair Value Through Profit or Loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on debt instrument that is subsequently measured at FVTPL and is not a part of hedging relationship is recognised in the Statement of Profit and Loss within other gains/ losses in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments

All equity investments in the scope of Ind AS 109 Financial Instruments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to recognise subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of equity instrument.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

- **Subsequent measurement of financial liabilities**

For the purposes of subsequent measurement, the financial liabilities are classified in the following categories:

- those to be measured subsequently at fair value through profit or loss (FVTPL)
- those measured at amortised cost

Following financial liabilities will be classified under FVTPL:

- Financial liabilities held for trading
- Derivative financial liabilities
- Liability designated to be measured under FVTPL

All other financial liabilities are classified at amortised cost.

For financial liabilities measured at fair value, changes in fair value will recorded in the Statement of Profit and Loss except for the fair value changes on account of own credit risk are recognised in Other Comprehensive Income (OCI).

Interest expense on financial liabilities classified under amortised cost category are measured using Effective Interest Rate (EIR) method and are recognised in Statement of Profit and Loss.

- **Derecognition of financial instruments**

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

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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 does not retain control of the financial asset.

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 and Loss.

- **Impairment of financial assets**

The Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets mentioned below:

- Financial assets that are debt instrument and are measured at amortised cost
- Financial assets that are debt instruments and are measured as at FVOCI
- Trade receivables

The impairment methodology applied depends on whether there has been a significant increase in credit risk. Details how the Group determines whether there has been a significant increase in credit risk is explained in the respective notes.

For impairment of trade receivables, the Group chooses to apply practical expedient of providing expected credit loss based on provision matrix and does not require the Group to track changes in credit risk. Percentage of ECL under provision matrix is determined based on historical data as well as futuristic information.

- **Derivative financial instruments**

Initial measurement and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge 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. Any gains or losses arising from changes in the fair value of derivatives are recognised in the Statement of Profit and Loss.

t) Dividends

The final dividend on shares is recorded as liability on the date of approval of shareholders, and the interim dividends are recorded as liability on the date of declaration by the Group's Board of Directors.

u) 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.

v) Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director who makes strategic decisions.

w) Events occurring after the Consolidated Balance Sheet Date

Events occurring after the Consolidated Balance Sheet date and till the date on which the consolidated financial statements are approved, which are material in the nature and indicate the need for adjustments in the consolidated financial statements have been considered.

x) Government Grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the

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government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per accounting policy applicable to financial liabilities.

4) SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in conformity with Ind AS, requires the management to make judgments, estimates and assumptions that affect the amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, disclosure of the contingent liabilities and notes to accounts at the end of each reporting period. Actual results may differ from these estimates.

Judgments

In the process of applying the Group's accounting policies, management have made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating segment

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by the Managing Director being the Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires Management to make judgments with respect to recognition of segments. Accordingly, the Group recognizes Iron Castings, Tube and Steel Segment as its three segments.

Contingent liability

The Group has received various orders and notices from different Government authorities and tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyses current information about these matters and discloses the information relating to contingent liability. In making the decision regarding the need for creating loss provision, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Group or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its estimates and assumptions on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market conditions or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Defined benefit obligation

The cost of the defined benefit plans and other post-employment benefits and the present value of the obligations are determined using actuarial valuation. 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, mortality rates and future post-retirement medical benefit increase. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligations and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on the expected future inflation rates for the country.

Further details about defined benefit obligations are provided in the respective note.

Deferred Tax

Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits are unused tax losses can be utilized.

Useful lives of Property, plant and equipment

Useful lives of property, plant and equipment are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. The depreciable lives are reviewed annually using the best information available to the Management.

Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognized prospectively.

Notes to and forming part of Consolidated Financial Statements

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

Particulars	Freehold land	Leasehold land	Buildings	Plant & Equipments	Plant & Equipments given under operating lease	Furniture & Fixtures	Vehicles	Office equipments	Computers	Total	ROU – Building	ROU – Plant & Machinery	Total ROU asset	Capital Work-in-progress
GROSS CARRYING AMOUNT														
As at 31st March, 2023	**338.41**	**242.11**	**534.02**	**3,854.88**	**0.07**	**9.12**	**11.03**	**24.59**	**5.80**	**5,020.03**	**5.85**	**8.19**	**14.04**	**170.33**
Additions	26.67	-	60.97	306.82	-	0.22	-	0.23	0.38	395.28	-	-	-	7.65
Additions due to business combination	20.14	-	55.49	264.43	-	0.57	5.22	7.62	0.79	354.26	-	-	-	542.83
Disposals	0.16	-	28.34	102.91	-	0.04	2.30	7.02	1.07	141.84	0.30	-	0.30	263.09
Foreign currency translation reserve	-	-	(0.50)	(1.47)	-	-	-	-	-	(1.97)	-	-	-	-
Adjustments	-	0.89	-	0.05	-	-	-	(0.05)	-	0.89	-	-	-	-
As at 31st March, 2024	**385.06**	**243.00**	**621.64**	**4,321.80**	**0.07**	**9.86**	**13.95**	**25.37**	**5.89**	**5,626.65**	**5.55**	**8.19**	**13.74**	**457.73**
Additions	6.07	1.14	100.27	421.82	-	1.37	3.28	3.27	1.35	538.58			-	417.64
Additions due to business combination										-			-	-
Disposals	0.35	-	2.88	22.61	-	-	0.48	0.51	0.05	26.87	5.55		5.55	538.58
Foreign currency translation reserve										-			-	-
Adjustments										-			-	-
As at 31st March, 2025	**390.78**	**244.14**	**719.04**	**4,721.02**	**0.07**	**11.23**	**16.75**	**28.13**	**7.20**	**6,138.35**	**-**	**8.19**	**8.19**	**336.80**
Accumulated depreciation														
As at 31st March, 2023	**-**	**27.88**	**208.72**	**1,692.45**	**0.04**	**7.27**	**4.51**	**19.85**	**4.13**	**1,964.84**	**1.40**	**4.00**	**5.40**	**-**
Charge for the year	-	3.56	22.59	204.18	0.00	0.48	1.81	2.82	0.83	236.28	1.18	1.16	2.34	-
Additions due to business combination	-	-	22.22	249.80	-	0.20	-	0.22	0.38	272.81	-	-	-	-
Disposals	-	-	17.84	88.80	-	0.04	1.51	6.62	1.07	115.89	0.25	-	0.25	-
Foreign currency translation reserve	-	-	(0.31)	(1.25)	-	-	-	-	-	(1.56)	-	-	-	-
Adjustments	-	0.89	-	(0.19)	-	-	-	0.19	-	0.89	-	-	-	-

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT (Contd..)

(₹ in Crores)

Particulars	Freehold land	Leasehold land	Buildings	Plant & Equipments	Plant & Equipments given under operating lease	Furniture & Fixtures	Vehicles	Office equipments	Computers	Total	ROU – Building	ROU – Plant & Machinery	Total ROU asset	Capital Work-in-progress
As at 31st March, 2024	**-**	**32.33**	**235.38**	**2,056.18**	**0.04**	**7.91**	**4.81**	**16.45**	**4.26**	**2,357.37**	**2.33**	**5.16**	**7.49**	**-**
Charge for the year		3.61	27.37	213.60	0.00	0.45	2.48	4.11	0.81	252.43	0.57	1.22	1.79	-
Additions due to business combination													-	-
Disposals			2.38	12.32			0.43	0.52	0.05	15.70	2.90		2.90	-
Foreign currency translation reserve										-			-	-
Adjustments										-			-	-
As at 31st March, 2025	**-**	**35.94**	**260.37**	**2,257.46**	**0.05**	**8.35**	**6.86**	**20.04**	**5.03**	**2,594.10**	**-**	**6.38**	**6.38**	**-**
Impairment														
As at 31st March, 2023	**-**	**(0.00)**	**-**	**0.00**	**-**	**-**	**-**	**-**	**-**	**(0.00)**	**-**	**-**	**-**	**-**
Impairment during the year	16.29	-	0.78	1.14	-	0.00	-	0.00	-	18.21	-	-	-	-
Exceptional Item-Provision for Impairment in value of Plant, Property and Equipment	41.17	-	-	-	-	-	-	-	-	41.17	-	-	-	-
Disposals										-			-	-
As at 31st March, 2024	**57.46**	**(0.00)**	**0.78**	**1.14**	**-**	**0.00**	**-**	**0.00**	**-**	**59.38**	**-**	**-**	**-**	**-**
Impairment during the year										-			-	-
As at 31st March, 2025	**57.46**	**(0.00)**	**0.78**	**1.14**	**-**	**0.00**	**-**	**0.00**	**-**	**59.38**	**-**	**-**	**-**	**-**
NET CARRYING AMOUNT														
As at 31st March, 2025	**333.32**	**208.20**	**457.89**	**2,462.41**	**0.02**	**2.88**	**9.89**	**8.09**	**2.16**	**3,484.87**	**-**	**1.81**	**1.81**	**336.80**
As at 31st March, 2024	**327.60**	**210.67**	**385.48**	**2,264.48**	**0.03**	**1.96**	**9.14**	**8.91**	**1.63**	**3,209.90**	**3.22**	**3.03**	**6.25**	**457.73**

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT (Contd..)

(₹ in Crores)

Amount in Capital Work in Progress for a period of	Projects in Progress		Projects temporarily suspended		Total	
	As at 31st March, 2025	As at 31st March, 2024	As at 31st March, 2025	As at 31st March, 2024	As at 31st March, 2025	As at 31st March, 2024
Less than 1 Year	267.63	410.45	-	-	267.63	410.45
1-2 Years	59.95	44.40	-	-	59.95	44.40
2-3 Years	8.44	2.62	-	-	8.44	2.62
More than 3 Years	0.77	0.26	-	-	0.77	0.26
Total	**336.80**	**457.73**	**-**	**-**	**336.80**	**457.73**

6. INTANGIBLE ASSETS

(₹ in Crores)

Particulars	Mining Rights	Computer software	Goodwill	Total	Intangible assets under development
GROSS CARRYING AMOUNT					
As at 31st March, 2023	**0.11**	**14.33**		**14.44**	**35.16**
Additions	-	0.08	0.04	0.12	2.33
Additions due to business combination	-	-	-	-	-
Disposals	-	2.03	-	2.03	0.08
Foreign currency translation reserve	-	-	-	-	-
Adjustments	-	-	-	-	-
As at 31st March, 2024	**0.11**	**12.37**	**0.04**	**12.52**	**37.41**
Additions	25.09	0.28		25.37	-
Additions due to business combination				-	
Disposals				-	25.37
Foreign currency translation reserve				-	
Adjustments				-	(10.04)
As at 31st March, 2025	**25.20**	**12.65**	**0.04**	**37.89**	**2.00**
Accumulated depreciation					
As at 31st March, 2023	**0.11**	**11.14**	**-**	**11.25**	**-**
Charge for the year		0.76		0.76	-
Additions due to business combination				-	-
Disposals		2.04		2.04	-
Foreign currency translation reserve				-	-
Adjustments				-	-
As at 31st March, 2024	**0.11**	**9.86**	**-**	**9.97**	**-**
Charge for the year	0.95	0.64	-	1.60	-
Additions due to business combination	-	-	-	-	-
Disposals	-	-	-	-	-
Foreign currency translation reserve	-	-	-	-	-
Adjustments	-	-	-	-	-
As at 31st March, 2025	**1.06**	**10.50**	**-**	**11.57**	**-**
Impairment					
As at 31st March, 2023	**-**	**-**	**-**	**-**	**-**
Impairment during the year	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31st March, 2024					
Impairment during the year	-	-	-	-	-
As at 31st March, 2025					
NET CARRYING AMOUNT					
As at 31st March, 2025	**24.14**	**2.15**	**0.04**	**26.33**	**2.00**
As at 31st March, 2024	**-**	**2.51**	**0.04**	**2.55**	**37.41**

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

6. INTANGIBLE ASSETS (Contd..)

(₹ in Crores)

Amount in intangible under development for a period of	Projects in Progress		Projects temporarily suspended		Total	
	As at 31st March, 2025	As at 31st March, 2024	As at 31st March, 2025	As at 31st March, 2024	As at 31st March, 2025	As at 31st March, 2024
Less than 1 Year	-	2.25	-	-	-	2.25
1-2 Years	-	15.34	-	-	-	15.34
2-3 Years	-	4.03	-	-	-	4.03
More than 3 Years	2.00	15.79	-	-	2.00	15.79
Total	**2.00**	**37.41**	**-**	**-**	**2.00**	**37.41**

7. INVESTMENTS (NON-CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Investments in Equity Shares (Fully Paid up)		
In unquoted equity instruments		
(at fair value through OCI)		
Kirloskar Management Services Private Limited (4,87,500 (Previous year : 4,87,500) equity shares with a face value of ₹ 10 per share)	0.93	1.12
S. L. Kirloskar CSR Foundation (9,800 (Previous year : 9,800) equity shares with a face value of ₹ 10 per share) *	0.01	0.01
Kirloskar Proprietary Limited (11 (Previous year : 11) equity share with a face value of ₹ 100 per share) *	0.00	0.00
Total	**0.94**	**1.13**

*The Group has not performed fair valuation of these investments in unquoted ordinary shares, which are classified as FVTOCI, as the Group believes that impact of change on account of fair value is insignificant.

8. LOANS (NON-CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Unsecured, considered good		
Loans to contractors	0.11	0.10
Loans to employees	0.03	0.03
Total	**0.14**	**0.13**

9. OTHER FINANCIAL ASSETS (NON-CURRENT)

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good		
Margin money deposit	0.02	0.02
Deposits with more than 12 months maturity	0.06	0.06
Security deposits	34.86	33.68
Deposits with PSPCL	10.39	-
Total	**45.33**	**33.76**

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

10. OTHER NON-CURRENT ASSETS

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Unsecured, considered good		
Capital advances	76.37	48.80
Prepaid expenses	1.14	3.98
Advance to suppliers	0.45	5.22
Statutory refund from government authorities	1.18	0.97
Unsecured, considered doubtful		
Claims receivable	0.44	0.44
Less: Provision	(0.44)	(0.44)
Total	**79.14**	**58.97**

11. INVENTORIES

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Raw materials at site	372.15	413.10
Raw materials in transit	193.59	87.92
	565.74	**501.02**
Work-in-progress	190.58	172.75
Finished goods	139.39	123.83
Finished goods in transit	31.14	23.20
Stores and spares	188.25	202.06
Stores and spares in transit	0.63	0.58
By-products	10.98	3.38
Total	**1,126.71**	**1,026.82**

Details of work-in-progress

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
a. Castings	62.66	49.45
b. Tube	73.52	76.81
c. Steel	32.00	25.58
d. Others	22.40	20.91
Total	**190.58**	**172.75**

Details of finished goods and finished goods in transit

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
a. Castings	11.79	17.06
b. Pig Iron	11.72	20.01
c. Tube	105.90	94.83
d. Steel	41.12	15.13
Total	**170.53**	**147.03**

Notes to and forming part of Consolidated Financial Statements

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

12. TRADE RECEIVABLES

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Trade receivables (Unsecured) :		
Receivables considered good	1,044.56	897.88
Receivables which are credit impaired	10.26	10.97
	1,054.82	**908.85**
Less: Allowance for credit losses (including Expected credit loss)	(10.77)	(12.27)
Total	**1,044.05**	**896.58**

Movement in Allowance for credit losses

(₹ in Crores)

Particulars	
At 31st March, 2023	**45.70**
Provided during the year	0.24
Amount written off	-
Amount written back	(33.67)
At 31st March, 2024	**12.27**
Provided during the year	0.07
Amount written off	-
Amount written back	(1.57)
At 31st March, 2025	**10.77**

Ageing of Trade receivables

(₹ in Crores)

Particulars (Outstanding from due date of payment)	As at 31st March, 2025	As at 31st March, 2024
(i) Undisputed Trade receivables – considered good		
Not due	733.94	639.53
Less than 6 months	278.63	237.59
6 months - 1 year	18.12	3.12
1-2 years	2.87	6.24
2-3 years	0.42	11.11
More than 3 years	10.58	0.30
Sub Total I	**1,044.56**	**897.89**
Less: Allowance for credit losses (including Expected credit loss)	(0.51)	(1.30)
(ii) Disputed trade receivables – which are credit impaired		
Less than 6 months	0.07	-
6 months - 1 year	0.23	-
1-2 years	-	-
2-3 years	4.59	0.21
More than 3 years	5.36	10.76
Sub Total II	**10.26**	**10.97**
Less: Allowance for credit losses (including Expected credit loss)	(10.26)	(10.97)
	1,044.05	**896.58**

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

13. CASH AND BANK BALANCES

(₹ in Crores)

Particulars	As at 31 March 2025	As at 31 March 2024
A. Cash and cash equivalents		
Balances with banks		
In Current accounts	42.70	32.30
In Fixed deposits	-	2.48
Cash on hand ("0.00" denotes amount less than ₹ 1 lakh)	0.00	0.93
Total (A)	**42.70**	**35.71**
B. Other Bank balances		
Earmarked balances	7.33	9.68
Deposit with banks – maturity more than 3 months but less than 1 year (against Guarantees, Letter of Credit and borrowings).	18.91	0.21
Total (B)	**26.24**	**9.89**

14. LOANS (CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Unsecured, considered good		
Loan to employees	1.48	1.48
Loan to contractors	0.77	0.76
Total	**2.25**	**2.24**

15. OTHER FINANCIAL ASSETS (CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Unsecured, considered good		
Interest accrued on deposits and loans	1.54	1.38
Security deposits	0.38	0.15
Amount receivable from government authotities	15.58	1.30
Derivative Asset		
Forward contracts asset	-	0.01
Others	-	-
Total	**17.50**	**2.84**

16. CURRENT TAX ASSETS (NET)

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Income tax (net)	9.26	12.50
Total	**9.26**	**12.50**

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

17. OTHER CURRENT ASSETS

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Unsecured, considered good		
Advance to suppliers	55.09	61.23
Balances with central excise / customs / octroi/ GST	7.25	16.92
Balances with government authotities #	22.47	6.71
Export incentives receivables	1.17	0.60
Prepaid expenses	16.66	11.71
Others	0.01	2.91
Total	**102.65**	**100.08**

The Balances with government authorities also includes an amount of ₹13.96 Crores (Previous Year : ₹ 2.19 Crores) receivable on account of incentive as per Industrial Policies.

18. SHARE CAPITAL

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Authorised Equity Share Capital		
52,70,00,000 (52,70,00,000) Equity Shares of ₹ 5 each	263.50	263.50
Total	**263.50**	**263.50**
Issued, Subscribed and Paid up Equity Share Capital		
16,46,17,338 (13,93,21,459) Equity Shares of ₹ 5 each	82.31	69.66
Shares pending issuance:		
NIL (2,49,04,259) Equity shares of ₹ 5/- each, pursuant to amalgamation of ISMT Limited with the company	-	12.45
Total	**82.31**	**82.11**

Note : Pursuant to the Scheme of amalgamation being effective, authorized share capital ₹ 31.70 Crores of Amalgamating Company stands reclassified and amalgamated with the authorized share capital of the Company with deemed effect from the Appointed Date.

The Company has authorised preference share capital comprising of 11,70,00,000 (11,70,00,000) Preference Shares of ₹ 10 each aggregating to ₹117.00 (117.00) Crores. However the same has not been issued nor subscribed.

a. Reconciliation of the shares at the beginning and at the end of the reporting period

(₹ in Crores)

Particulars	Year ended 31st March, 2025		Year ended 31st March, 2024	
	Number	₹ In Crores	Number	₹ In Crores
Equity shares				
Balance at the beginning of the year	13,93,21,459	69.66	13,89,58,215	69.48
Share issued pursuant to merger	2,49,04,259	12.45	-	-
Shares issued during the year	3,91,620	0.20	3,63,244	0.18
	16,46,17,338	**82.31**	**13,93,21,459**	**69.66**
Add: Share pending issuance	-	-	2,49,04,259	12.45
Balance at the end of the year	**16,46,17,338**	**82.31**	**16,42,25,718**	**82.11**

b. Rights and preferences attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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 preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

18. SHARE CAPITAL (Contd..)

c. Equity shares held by holding company

Name of Shareholder	Year ended 31st March, 2025			
	No. of shares held	Share pending issuance pursuant to Merger	Total No. of shares held	Percentage of holding
Kirloskar Industries Limited*	7,57,43,754	-	7,57,43,754	46.01%

Name of Shareholder	Year ended 31st March, 2025			
	No. of shares held	Share pending issuance pursuant to Merger	Total No. of shares held	Percentage of holding
Kirloskar Industries Limited*	7,06,43,754	51,00,000	7,57,43,754	46.12%

* Kirloskar Industries Limited is the only shareholder holding more than 5 percent of the total equity shares.

Promotors shareholding in the Company is set out below:

Disclosure of shareholding of promoters as at 31st March, 2025 is as follows:

Equity shares of ₹ 5 each fully paid	Year ended 31st March, 2025		% change during the year
	No. of shares	percentage of holding	
Kirloskar Industries Limited	**7,57,43,754**	**46.01%**	**0.00%**
Indian Individuals/ HUFs / Others			
Atul Kirloskar	9,89,726	0.60%	0.00%
Rahul Kirloskar	14,25,279	0.87%	0.00%
Sanjay Kirloskar	380	0.00%	0.00%
Arti Atul Kirloskar	10,55,651	0.64%	0.00%
Alpana Rahul Kirloskar	15,91,229	0.97%	0.00%
Suman Kirloskar	90,155	0.05%	-0.42%
Alok Sanjay Kirloskar	1,520	0.00%	0.00%
Gauri Atul Kirloskar	1,140	0.00%	0.00%
Aditi Atul Kirloskar	8,77,187	0.53%	0.00%
Rama Sanjay Kirloskar	760	0.00%	0.00%
Alika Rahul Kirloskar	380	0.00%	0.00%
Geetanjali Vikram Kirloskar	200	0.00%	0.00%
Roopa Jayant Gupta	6,939	0.00%	0.00%
Kirloskar Pneumatic Company Limited	20,00,000	1.21%	0.00%
Achyut and Neeta Holdings and Finance Private Limited	541	0.00%	0.00%
Aman Rahul Kirloskar	200	0.00%	100.00%
Kirloskar Systems Private Limited	2,150	0.00%	100.00%
Alpak Investments Private Limited	100	0.00%	0.00%
Navsai Opportunities Private Limited (earlier known as Navsai Investments Private Limited)	100	0.00%	0.00%
Indian Individuals/ HUFs / Others	**80,43,637**		

Notes to and forming part of Consolidated Financial Statements

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

18. SHARE CAPITAL (Contd..)

Disclosure of shareholding of promoters as at 31st March, 2024 is as follows:

Equity shares of ₹5 each fully paid	As at 31st March, 2024				% change during the year
	No. of shares	Share pending issuance pursuant to Merger	Total No. of shares held	Percentage of holding	
Kirloskar Industries Limited	**7,06,43,754**	**51,00,000**	7,57,43,754	46.12%	3.48%
Indian Individuals/ HUFs / Others					
Atul Kirloskar	9,89,726	-	9,89,726	0.60%	0.00%
Rahul Kirloskar	14,25,279	-	14,25,279	0.87%	0.00%
Sanjay Kirloskar	380	-	380	0.00%	0.00%
Arti Atul Kirloskar	10,55,651	-	10,55,651	0.64%	0.00%
Alpana Rahul Kirloskar	15,91,229	-	15,91,229	0.97%	0.00%
Suman Kirloskar	90,535	-	90,535	0.06%	0.00%
Mrinalini Shreekant Kirloskar	-	-	-	0.00%	-100.00%
Alok Sanjay Kirloskar	1,520	-	1,520	0.00%	0.00%
Gauri Atul Kirloskar	1,140	-	1,140	0.00%	0.00%
Aditi Atul Kirloskar	8,77,187	-	8,77,187	0.53%	0.00%
Rama Sanjay Kirloskar	760	-	760	0.00%	0.00%
Alika Rahul Kirloskar	380	-	380	0.00%	0.00%
Geetanjali Vikram Kirloskar	200	-	200	0.00%	0.00%
Roopa Jayant Gupta	6,939	-	6,939	0.00%	3369.50%
Kirloskar Pneumatic Company Limited	20,00,000	-	20,00,000	1.22%	0.00%
Achyut and Neeta Holdings and Finance Private Limited	541	-	541	0.00%	0.00%
Alpak Investments Private Limited	100	-	100	0.00%	0.00%
Navsai Investments Private Limited	100	-	100	0.00%	0.00%
Indian Individuals/ HUFs / Others	**80,41,667**	-	**80,41,667**		

Disclosure of shareholding of promoters as at 31st March, 2023 is as follows:

Equity shares of ₹5 each fully paid	As at 31st March, 2023			
	No. of shares	Share pending issuance pursuant to Merger	Total No. of shares held	Percentage of holding
Kirloskar Industries Limited	7,06,43,754	25,50,000	7,31,93,754	44.67%
Indian Individuals/ HUFs / Others				
Atul Kirloskar	9,89,726	-	9,89,726	0.60%
Rahul Kirloskar	14,25,279	-	14,25,279	0.87%
Sanjay Kirloskar	380	-	380	0.00%
Arti Atul Kirloskar	10,55,651	-	10,55,651	0.64%
Alpana Rahul Kirloskar	15,91,229	-	15,91,229	0.97%
Suman Kirloskar	90,535	-	90,535	0.06%
Mrinalini Shreekant Kirloskar	6,500	-	6,500	0.00%
Alok Sanjay Kirloskar	1,520	-	1,520	0.00%
Gauri Atul Kirloskar	1,140	-	1,140	0.00%
Aditi Atul Kirloskar	8,77,187	-	8,77,187	0.54%
Rama Sanjay Kirloskar	760	-	760	0.00%
Alika Rahul Kirloskar	380	-	380	0.00%
Geetanjali Vikram Kirloskar	200	-	200	0.00%
Roopa Jayant Gupta	200	-	200	0.00%
Kirloskar Pneumatic Company Limited	20,00,000	-	20,00,000	1.22%
Achyut and Neeta Holdings and Finance Private Limited	541	-	541	0.00%
Alpak Investments Private Limited	100	-	100	0.00%
Navsai Investments Private Limited	100	-	100	0.00%
Indian Individuals/ HUFs / Others	**80,41,428**	-	**80,41,428**	

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

19. OTHER EQUITY

(₹ in Crores)

Particulars		As at 31st March, 2025	As at 31st March, 2024
a. Securities premium			
Opening balance		214.66	207.80
Add : Changes during the year		8.74	6.86
Closing balance	**Total (a)**	**223.40**	**214.66**
b. General reserve			
Opening balance		80.00	75.00
Add: Current year transfer from surplus		5.00	5.00
Closing balance	**Total (b)**	**85.00**	**80.00**
c. Surplus - balance in the statement of profit and loss			
Opening balance		1,480.28	1,284.31
Add :			
Profit for the year		294.03	297.79
Other comprehensive income / (loss)		(10.58)	(6.13)
Transfer from share options on account of lapse of employee stock options		1.10	0.13
Less : Appropriations			
Final dividend on equity shares		(41.13)	(41.70)
Interim dividend on equity shares		(49.38)	(41.80)
Interim dividend paid by amalgamating company i.e. ISMT Limited		-	(7.32)
Amount transferred to general reserve		(5.00)	(5.00)
Closing balance	**Total (c)**	**1,669.32**	**1,480.28**
d. Share options outstanding account			
Opening balance		14.03	11.46
Add: Employee stock option expense		3.31	5.44
Less: Transfer to profit and loss on account of lapse of employee stock options		(1.10)	(0.13)
Less: Transfer to securities premium on account of exercise of employee stock options		(0.87)	(2.74)
Closing balance	**Total (d)**	**15.37**	**14.03**
e. Equity Instruments through Other Comprehensive Income			
Opening balance		0.49	0.41
Add: Fair value changes net of deferred tax		(0.15)	0.08
Closing balance	**Total (e)**	**0.34**	**0.49**
f. Share application money pending allotment			
Opening balance		0.33	0.15
Add: Amount received on exercise of stock options		5.23	4.65
Less: Issue of equity shares on account of exercise of employee stock options		(5.42)	(4.47)
Closing balance	**Total (f)**	**0.14**	**0.33**
g. Foreign currency translation reserve			
Opening balance		2.05	0.69
Addition during the year		(0.04)	1.36
Closing balance	**Total (g)**	**2.01**	**2.05**
h. Capital reserve arising out of business combination			
Opening balance		498.97	488.30
Addition during the year		-	10.67
Closing balance	**Total (h)**	**498.97**	**498.97**
i. Capital reserve arising out of merger			
Opening balance		858.31	858.31
Addition during the year		-	-
Closing balance	**Total (i)**	**858.31**	**858.31**
	Total (a+b+c+d+e+f+g+h+i)	**3,352.86**	**3,149.13**

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

19. OTHER EQUITY (Contd..)

Description of the purposes of reserves within equity

General Reserve

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net income in accordance with applicable regulations.

Securities premium

The amount in the securities premium account represents the additional amount paid by the shareholders for the issued shares in excess of the face value of those shares.

Share options outstanding account

The Group offers ESOP, under which, options to subscribe for the Parent Company's share have been granted to specified senior management employees. The share options outstanding account balance represents fund created as per the Group's ESOP scheme.

Equity instruments through Other Comprehensive Income

This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Capital reserve arising out of business combination in nature of acquisition

Capital reserve represents the gains of capital nature which mainly include the excess of value of net assets acquired over consideration paid by the Company for business combination transactions and the same is not available for distribution as dividends.

Capital reserve arising out of Merger

This represents capital reserve on business combination which arises on transfer of business between entities under common control.

Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

20. LONG TERM BORROWINGS

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Unsecured		
Term loans		
From bank	417.12	520.90
Total	**417.12**	**520.90**

Details of unsecured term loan from banks

Name of bank	Loan availed (₹ in Crores)	Interest rate per annum payable monthly	Tenure	Terms of Repayment
Kotak Mahindra Bank Ltd.	60	7.80%	48 Months	Repayment in 39 monthly equal installments of ₹1.53 Crores. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e. 1st July, 2021.
Kotak Mahindra Bank Ltd.	40	8.10%	48 Months	Repayment in 31 monthly equal installments of ₹1.29 Crores. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e. 1st July, 2021.

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for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

20. LONG TERM BORROWINGS (Contd..)

Name of bank	Loan availed (₹ in Crores)	Interest rate per annum payable monthly	Tenure	Terms of Repayment
Kotak Mahindra Bank Ltd.	200	8.20%	36 months	Repayment in 3 equal annual installments of ₹ 66.67 Crores. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e. 19th March, 2024.
Axis Bank Ltd.	125	7.80%	48 months	Repayment in 42 monthly equal installments of ₹ 2.98 Crores. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e. 30th September, 2023.
Axis Bank Ltd.	125	7.60%	48 months	Repayment in 42 monthly equal installments of ₹ 2.98 Crores. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e. 28th February, 2023.
Axis Bank Ltd.	125	7.65%	48 months	Repayment in 39 monthly equal installments of ₹ 3.21 Crores. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e. 30th September, 2023.
HDFC Bank Ltd.	125	7.40%	48 months	Repayment in 42 monthly equal installments of ₹ 2.98 Crores. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e. 20th March, 2024.
Indusind Bank	190	7.80%	60 months	Quarterly repayment. Interest Rate Swap has been taken for 12 months. Put and call option at the end of every 12 months from the date of first draw down of the facility ie. 5th March, 2025.

The amount repayable within 12 months from the reporting date, i.e.₹ 260.71 Crores (Previous year ₹ 273.89 Crores) has been reflected in note no.24 short term borrowings.

21. LEASE LIABILITY (NON-CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Lease liability	1.58	3.88
Total	**1.58**	**3.88**

22. PROVISIONS (NON-CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for employee benefits		
Leave encashment	12.32	13.08
Total	**12.32**	**13.08**

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

23. DEFERRED TAX LIABILITIES (NET)

The major components of income tax expense for the year ended 31st March, 2025 as given below:

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Statement of profit and loss section		
Current income tax:		
Current income tax charge	97.24	130.50
Short/ (excess) for the earlier years	(1.44)	(0.26)
Deferred tax:		
Relating to origination and reversal of temporary differences	18.65	25.00
Income tax expense reported in the statement of profit and loss	**114.45**	**155.24**
OCI section		
Deferred tax:		
Deferred tax net loss / (gain) on actuarial gains and losses	(3.56)	(2.06)
Fair value changes on equity Instruments	(0.04)	0.02
Income tax charged to OCI	**(3.60)**	**(2.04)**

Reconciliation of actual income tax and effective income tax

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Accounting profit before tax	**408.49**	**452.90**
At India's statutory income tax rate of 25.168%	102.81	113.99
Tax effects on adjustments which are not deductible (taxable) in calculating taxable income		
Tax of earlier years	(1.44)	(0.26)
Deferred tax assets not recognised	6.54	3.04
On account of business combination and consolidation adjustments	-	12.78
Other Items which are not deductible (taxable) in calculating taxable income	5.18	32.97
Tax difference due to Profit on sale of assets chargeable to tax as LTCG	-	-
Others	1.36	(7.28)
Income tax expense reported in the statement of profit and loss	**114.45**	**155.24**

Deferred tax relates to the following

(₹ in Crores)

Particulars	Deferred tax asset / (liability) As at 31st March, 2025	Deferred tax asset / (liability) As at 31st March, 2024	Movement in deferred tax For the Year ended 31st March 2025
Property, plant and equipment and intangible assets	(316.79)	(298.26)	(18.53)
Disallowances under section 43B of Income tax Act, 1961	20.42	16.97	3.45
Provision for impairment	50.31	50.27	0.04
Provision for doubtful debts and advances	1.43	1.41	0.02
Others	(0.09)	(0.07)	(0.02)
Total	**(244.72)**	**(229.68)**	**(15.04)**

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

23. DEFERRED TAX LIABILITIES (NET) (Contd..)

(₹ in Crores)

Breakup of movement in deferred tax liabilities (net)	As at 31st March, 2025	As at 31st March, 2024
Opening balance	229.68	206.72
Tax expense during the year recognised in statement of profit and loss	18.65	25.00
Tax expense during the year recognised in OCI	(3.60)	(2.04)
Sub-total	**15.05**	**22.96**
Closing balance	**244.72**	**229.68**

(₹ in Crores)

Reflected in the balance sheet as follows	As at 31st March, 2025	As at 31st March, 2024
Deferred tax liabilities	254.25	298.33
Deferred tax assets	9.53	68.65
Deferred tax Liabilities (net)	**244.72**	**229.68**

The Group offsets the tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Group has unused tax losses under the head Business Loss and unabsorbed depreciation as per the Income Tax Act, 1961 of subsidiary Companies. Based on the probable uncertainty regarding the set off of these losses, the said subsidiary Companies have not recognized deferred tax assets in their respective Balance Sheet. Details of tax losses under the head business losses and unabsorbed depreciation with expiry is as follows:

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Within five years	-	3.12
Greater than five years	32.41	33.65
No expiry	108.73	104.87
	141.14	**141.64**

24. BORROWINGS (CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Secured		
Loans payable on demand		
Short term loans	65.00	159.20
Buyers' Credit	-	26.29
Cash credit from banks	-	6.51
Total (a)	**65.00**	**192.00**
Unsecured		
Loans payable on demand		
Current maturities of long term borrowings	260.71	273.89
Commercial Paper	344.73	96.86
Vendor bills discounted	112.55	98.44
Short term loans	70.00	30.00
Commercial Paper	344.73	96.86
Others	5.75	5.75
Total (b)	**793.74**	**504.94**
Total (a + b)	**858.74**	**696.94**

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

24. BORROWINGS (CURRENT) (Contd..)

Security for Secured Loans

Working capital facilities with Consortium Banks (fund based and non fund based) aggregating to ₹ 840 crores (Previous year: ₹ 840 Crores) are secured by first charge by way of hypothecation on the current assets both present and future, in favour of IDBI Trusteeship Services Limited, as Security Trustees, for the benefit of consortium banks.

Commercial Papers

During FY 2024-25, the following Commercial Papers have been issued :

a. On 20th June, 2024 ₹ 120 Crores issued at a discounted rate of 7.40% p.a. paid on 18th September, 2024

b. On 29th August, 2024 ₹ 125 Crores issued at a discounted rate of 7.52% p.a. paid on 27th December, 2024

c. On 13th September, 2024 ₹ 100 Crores issued at a discounted rate of 7.38% p.a. paid on 12th December, 2024

d. On 08th October, 2024 ₹ 100 Crores issued at a discounted rate of 7.55% p.a. paid on 13th March, 2025

e. On 27th December, 2024 ₹ 100 Crores issued at a discounted rate of 7.40% p.a. paid on 27th March, 2025

f. On 30th December, 2024 ₹ 125 Crores issued at a discounted rate of 7.72% p.a. payable on 05th June, 2025

g. On 13th March, 2025 ₹ 100 Crores issued at a discounted rate of 7.68% p.a. payable on 11th June, 2025

h. On 21st March, 2025 ₹ 125 Crores issued at a discounted rate of 7.70% p.a. payable on 19th June, 2025"

During FY 2023-24, the following Commercial Papers have been issued :

a. On 27th July, 2023 ₹ 100 Crores issued at a discounted rate of 7.65% p.a. paid on 27th March, 2024

b. On 11th August, 2023 ₹ 100 Crores issued at a discounted rate of 7.25% p.a. paid on 09th November, 2023

c. On 08th November, 2023 ₹ 100 Crores issued at a discounted rate of 7.40% p.a. paid on 29th December, 2023

d. On 29th December, 2023 ₹ 100 Crores issued at a discounted rate of 7.60% p.a. paid on 28th March, 2024

e. On 6th March, 2024 ₹ 100 Crores issued at a discounted rate of 7.80% p.a. payable on 30th August, 2024

Net debt position

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Cash and bank balance		
Cash and cash equivalents	42.70	35.71
Borrowings		
Current borrowings	(858.74)	(696.94)
Long term borrowings	(417.12)	(520.90)
	(1,275.86)	**(1,217.84)**
Net debt	**(1,233.16)**	**(1,182.13)**

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

24. BORROWINGS (CURRENT) (Contd..)

Net debt reconciliation as at 31 March, 2025

(₹ in Crores)

Particulars	Cash and bank balance	Borrowings	Total
Net debt as at 31st March, 2024	35.71	(1,217.84)	(1,182.13)
Cash flows	6.99	-	6.99
Interest accrued but not due as on 1st April, 2024	-	0.01	0.01
Interest accrued but not due as on 31st March, 2025	-	-	-
Interest expense	-	18.29	18.29
Interest paid	-	(18.30)	(18.30)
(Borrowing) / repayment (net) - long term	-	116.96	116.96
(Borrowing) / repayment (net) - short term	-	(174.98)	(174.98)
Net debt as at 31st March, 2025	**42.70**	**(1,275.86)**	**(1,233.16)**

Net debt reconciliation as at 31 March, 2024

Particulars	Cash and bank balance	Borrowings	Total
Net debt as at 31st March, 2023	55.83	(963.88)	(908.06)
Cash flows	(20.12)	-	(20.12)
On account of acquisition	-	(106.49)	(106.49)
Interest accrued but not due as on 1st April, 2023	-	1.03	1.03
Interest accrued but not due as on 31st March, 2024	-	(0.01)	(0.01)
Interest expense	-	118.11	118.11
Interest paid	-	(119.13)	(119.13)
(Borrowing) / repayment (net) - long term	-	(128.90)	(128.90)
(Borrowing) / repayment (net) - short term	-	(18.56)	(18.56)
Net debt as at 31st March, 2024	**35.71**	**(1,217.84)**	**(1,182.13)**

25. LEASE LIABILITY (CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Lease liability	0.83	1.79
Total	**0.83**	**1.79**

26. TRADE PAYABLES

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Total outstanding dues of micro enterprises and small enterprises	57.61	32.38
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	319.12	551.38
Others	693.56	273.42
Total	**1,070.29**	**857.18**

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

26. TRADE PAYABLES

Ageing of Trade payables

(₹ in Crores)

Particulars (Outstanding from due date of payment)	As at 31st March, 2025	As at 31st March, 2024
(i) MSME		
Not due	54.64	29.81
Less than 1 year	2.97	2.44
1-2 years	-	0.12
2-3 years	-	0.01
More than 3 years	-	-
Sub-total (i)	**57.61**	**32.38**
(ii) Others		
Unbilled	96.88	55.41
Not due	788.16	725.30
Less than 1 year	125.12	40.10
1-2 years	1.17	1.91
2-3 years	0.45	0.12
More than 3 years	0.91	1.64
Sub-total (ii)	**1,012.68**	**824.49**
(iii) Disputed dues – Others		
Not due		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	0.32
Sub-total (iii)	**-**	**0.32**
	1,070.29	**857.18**

27. OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Derivative liabilities		
Foreign currency forward contract	2.39	0.33
Inetrest rate swap contract	0.94	-
Other financial liabilities		
Interest accrued but not due on borrowings	-	0.01
Interest accrued and due on borrowings	1.25	1.34
Unclaimed dividend #	7.79	9.99
Payable for capital purchases	109.02	162.52
Payable to employees	47.56	46.25
Creditors for expenses	9.30	14.27
Security deposit	0.06	0.03
Other liabilities	11.03	12.23
Total	**189.34**	**246.97**

#There is no amount due and outstanding as at balance sheet date to be credited to Investor Education and Protection Fund.

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

27. OTHER FINANCIAL LIABILITIES (CURRENT) (Contd..)

Disclosure in respect of principal and interest pertaining to the "Micro, Small and Medium Enterprises Development Act 2006". The information has been given in respect of such vendors on the basis of information available with the Company

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Total outstanding to MSME Suppliers (not due)		
i. Trade payables	54.64	32.66
ii. Other Current Liabilities - Creditors for capital goods	4.92	1.78
Principal amount due remaining unpaid		
i. Trade payables	2.97	-
ii. Creditors for capital goods	0.76	
Principal amount outstanding and overdue out of above	3.65	0.16
Interest on above and unpaid interest	0.06	
Interest paid	-	2.66
Payment made beyond the appointed day	89.85	13.47
Interest due and payable for the period of delay	0.40	0.15
Interest accrued and remaining unpaid at the end of the year	0.46	0.15
Amount of further interest remaining due and payable in succeeding year	1.60	1.14

28. OTHER CURRENT LIABILITIES

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Advance from customers	61.57	50.06
Taxes and duties (net)	19.47	19.27
Provident fund payable	1.60	0.90
Total	**82.64**	**70.23**

29. PROVISIONS (CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for employee benefits		
Superannuation funds	0.27	0.17
Gratuity	13.96	7.28
Leave encashment	16.75	9.31
Provision for expected sales returns	4.91	5.75
Total	**35.89**	**22.51**

30. CURRENT TAX LIABILITY

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Income tax (net)	0.09	0.11
Total	**0.09**	**0.11**

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

31. REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Sale of products		
Pig iron	2,075.85	1,805.20
Castings	1,653.69	1,508.32
By-products	95.13	101.35
Tube	2,103.19	2,077.09
Steel	540.89	534.52
Other operating income		
Export incentive	23.69	29.33
Scrap / coke / miscellaneous sales	71.79	90.48
Total	**6,564.23**	**6,146.29**

32. OTHER INCOME

(₹ in Crores)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Interest income	3.23	2.77
Dividend income and profit on redemption of mutual funds	0.06	0.10
Profit on sale of assets	-	1.12
Exchange gain on foreign currency	-	-
Interest income on financial instruments measured at amortised cost	0.60	0.57
Government grant-sales tax deferral	-	0.36
Sale of scrap	0.25	0.10
Other non-operating income :		
Incentives as per industrial policies	12.83	-
Rental income	0.26	0.25
Insurance claim received	0.30	0.08
Provision no longer required written back	27.14	4.35
Sundry credit balances appropriated	0.29	0.14
Miscellaneous income	7.62	3.52
Total	**52.58**	**13.36**

33. COST OF MATERIAL CONSUMED

(₹ in Crores)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Stock at the beginning of the year	501.02	590.72
Add : purchases	3,844.87	3,302.63
	4,345.89	**3,893.35**
Less : stock at the end of the year	565.74	501.02
Cost of material consumed	**3,780.15**	**3,392.33**

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

34. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND BY-PRODUCT

(₹ in Crores)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
At the end of the year		
a. Finished goods	170.53	147.03
b. By-products	10.98	3.38
c. Work-in-progress	190.58	172.75
d. Others	-	3.73
Total (A)	**372.09**	**326.89**
At the beginning of the year		
a. Finished goods	147.03	123.43
b. By-products	3.38	1.42
c. Work-in-progress	172.74	184.26
Total (B)	**323.15**	**309.11**
(Increase)/Decrease (B-A)	**(48.94)**	**(17.78)**

35. EMPLOYEE BENEFITS EXPENSE

(₹ in Crores)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Salaries, wages and incentives	297.08	283.99
Contributions to :		
Provident fund (refer note no.45)	10.46	9.41
Superannuation scheme (refer note no.46)	2.56	3.40
Gratuity (refer note no.46)	5.27	3.83
Others	3.04	3.86
Employee share-based payment expense (refer note no. 47)	5.95	5.44
Staff welfare expenses	28.41	27.13
Total	**352.77**	**337.06**

36. FINANCE COSTS

(₹ in Crores)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Interest expense		
on term loans	56.39	51.27
on working capital loans	20.44	7.79
on others	64.38	59.05
Other borrowing costs	3.23	2.23
Total	**144.44**	**120.34**

37. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Crores)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Property, plant and equipment (refer note no. 5)	254.23	238.62
Intangible assets (refer note no. 6)	1.60	0.76
Total	**255.83**	**239.38**

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

38. OTHER EXPENSES

(₹ in Crores)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
a. OPERATIONAL EXPENSES		
Consumption of stores and spare parts	296.05	257.62
Consumption of consumables	297.81	276.35
Power, fuel and water	526.78	538.09
Machinery hire charges	11.28	6.05
Repairs and maintenance :		
Machinery	46.93	39.67
Buildings	2.91	5.58
Fettling and other manufacturing expenses	43.35	35.66
Other processing expenses	111.75	61.41
Other direct expenses	44.14	41.70
Total (a)	**1,381.00**	**1,262.13**
b. SELLING EXPENSES		
Freight and forwarding expenses (net)	179.88	169.14
Advertisement	0.48	0.12
Sales commission and incentive	0.42	0.78
Royalty	9.37	8.73
Other selling expenses	32.91	12.38
Total (b)	**223.06**	**191.15**
c. ADMINISTRATIVE EXPENSES		
Rent	1.44	0.90
Rates and taxes	4.55	6.35
Insurance	5.41	5.60
Other repairs and maintenance	6.81	4.59
Travelling expenses	7.23	7.37
Legal and professional charges	32.14	27.70
Communication expenses	1.00	1.74
Printing and stationery	1.13	0.89
Auditors remuneration	1.09	1.16
Miscellaneous expenses	33.45	37.68
Directors' commission	1.04	2.04
Provision for doubtful debts and advances	5.03	0.23
Recruitment charges	-	0.05
Provision for impairment and other	-	1.92
Directors' sitting fees	0.95	1.29
CSR expenses	10.06	18.76
Net loss on foreign currency transactions	3.04	0.54
Loss on assets sold, demolished, discarded and scrapped	5.61	0.01
Total (c)	**120.01**	**118.82**
Total (a+b+c)	**1,724.07**	**1,572.10**

38.i Payments to auditors

(₹ in Crores)

Particulars	For the year ended 31st March, 2025 ₹	For the year ended 31st March, 2024 ₹
a. As auditors	0.92	0.89
b. For Taxation matters	0.06	0.07
c. For certification fees and other services	0.05	0.13
d. Reimbursement of expenses	0.06	0.07
Total	**1.09**	**1.16**

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

38. OTHER EXPENSES (Contd..)

38.ii Research and Development expenditure

(₹ in Crores)

Revenue expenses on research and development unit situated at Bevinahalli village, Koppal incurred during the year are given below	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Cost of materials/consumables/spares	0.44	0.41
Employee related expense	5.14	3.78
Other expenses	0.70	0.37
Total	**6.28**	**4.56**

(₹ in Crores)

Capital expenses on research and development unit situated at Bevinahalli village, Koppal incurred during the year are given below	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Tangible assets		
Plant and machinery	0.53	0.73
Building	-	-
Computers	0.05	-
Office equipment	-	-
Furniture and fixtures	-	-
Intangible assets	-	-
Total	**0.58**	**0.73**

39. Exceptional Items

(₹ in Crores)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Provision for Impairment in value of plant, property and equipment (refer note 39.1)	-	(40.81)
Loss on bankruptcy liquidation (refer note 39.2)	-	(20.57)
Loss on liquidation of subsidary (refer note 39.3)	-	(1.25)
Reclassification of FCTR on subsidaries	-	(0.70)
Gain on sale of investment	-	0.01
	-	**(63.32)**

39.1 Tridem Port and Power Company Private Limited (TPPCPL), a wholly owned subsidiary of the Parent Company, along with its subsidiaries had proposed to set up a thermal power project and captive port in Tamil Nadu. TPPCPL had obtained the approvals for the projects including acquisition of land, but no construction activity had commenced. The Government of Tamil Nadu had granted various permissions to TPPCPL for setting up the aforesaid port and power project. Subsequently, the Government had withdrawn permissions so given in earlier years which was challenged by the company in high court by way of writ petitions.

The Hon'ble Madras High Court had dismissed all of the said Writ Petitions filed by TPPCPL & its subsidiaries. TPPCPL had challenged the above-mentioned Order by filing Writ Petitions before the Division Bench of the High Court, Madras on 06th October 2023. On further hearings, the bench had directed the government to file the reply.

The Group after assessing the opportunities / business plan, after legal consultation, decided not to pursue the project. Therefore, during the previous year, the group withdrawn the above-mentioned writ petition filed in High Court.

However based on the current facts , TPPCL along with its subsidiaries has conservatively provided for impairment in the value of property , plant & equipment amounting to ₹ 40.81 crores during the year March 31, 2024 is as per Ind AS 36 "Impairment of Assets".

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

39. Exceptional Items (Contd..)

39.2 The Company and through its Subsidiary Company, ISMT Enterprises S.A., Luxembourg had invested ₹ 48.43 Crores in Structo Hydraulics AB, Sweden (SHAB). The Group had received approval from regulatory authorities for conversion into equity of an amount of ₹ 33.33 Crores (USD 5 Million) due from SHAB, out of which ₹ 16.75 Crores had been converted into equity. Further SHAB has invested ₹ 6.30 Crores in ISMT Europe S.A.

"SHAB's business was facing significant challenges due to the Eurozone crisis and ongoing slowdown in the European market, leading to a working capital crisis. After exploring various options including sale, revival, or liquidation, the management decided to file bankruptcy liquidation for both SHAB and ISMT EUROPE. Accordingly, Liquidators were appointed on 12th February 2024 and 5th March 2024 respectively, following multiple rounds of internal and external discussions. Based on bankruptcy liquidation filed by the company, the management has provided ₹ 20.57 Crores towards net assets due to loss of control during the year ended March 31, 2024 and disclosed as an exceptional item."

39.3 Indian Seamless Inc. (IS Inc), was initially established to facilitate trading activities in the USA market. However, due to commencement of direct exports of tubes in USA. Market, the requirement of having intermediary entity was not required. Accordingly, business activities in IS Inc. were ceased.

During the previous year, the management of the Group company evaluated prospects of all of its subsidiaries including IS Inc., considering the cessation of scope and other business aspects, management decided to liquidate the company. Consequently, voluntary liquidation was filed during the quarter ended March 24 and final closer was achieved on February 29, 2024.

Pursuant to the voluntary liquidation of IS Inc., The group has provided an amount of ₹ 1.25 Crores in IS Inc. towards liquidation of its subsidiary IS Inc. during the year ended March 31, 2024.

40. Leases

The Group have taken various premises and plants and machinery under lease. These are generally cancellable and ranges from 13 months to 10 years and are renewable by mutual consent on mutually agreeable terms. There are no restrictions imposed by these lease arrangements and there are no sub leases. There are no contingent rents.

a) Following are the changes in the carrying amount of Right-of-Use assets for the year ended 31st March, 2025 and 31st March, 2024.

(₹ in Crores)

Particulars	Year ended 31st March, 2025			Year ended 31st March, 2024		
	Office building	Leasehold Land	Plant and machinery	Office building	Leasehold Land	Plant and machinery
Opening balance	3.22	210.67	3.03	4.45	214.23	4.19
Addition during the year		1.14	-	-	-	-
Deletion on cancellation of lease	5.32	-	-	0.30	-	-
Depreciation on ROU of assets	0.56	3.61	1.22	1.18	3.56	1.16
Depreciation on deletion	2.66	-	-	0.25	-	-
Closing balance	**-**	**208.20**	**1.81**	**3.22**	**210.67**	**3.03**

b) The following is the movement in Lease Liabilities for the year ended 31st March, 2025 and 31st March, 2024.

(₹ in Crores)

Particulars	Year ended 31st March, 2025			Year ended 31st March, 2024		
	Office building	Leasehold Land	Plant and machinery	Office building	Leasehold Land	Plant and machinery
Opening balance	3.63	-	2.04	4.68	-	2.68
Addition during the year		1.14	-	-	-	-
Finance cost incurred during the year	0.16	0.07	0.23	0.40	-	0.32
Deletion on cancellation of lease	(3.09)	-	-	(0.06)	-	-
Payment of lease liabilities	(0.70)	(0.12)	(0.95)	(1.39)	-	(0.96)
Closing balance	**-**	**1.09**	**1.32**	**3.63**	**-**	**2.04**

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

40. Leases (Contd..)

c) The table below provides details regarding the contractual maturities on an undiscounted basis and lease liabilities :

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Due within one year	1.04	2.32
Due within one year to five years	0.96	4.31
Due for more than five years	2.15	-
Total undiscounted lease liabilities	**4.15**	**6.63**
Lease liabilities included in the statement of consolidated financial position		
Non - current financial liabilities	1.58	3.88
Current financial liabilities	0.83	1.79
Total	**2.41**	**5.67**

d) The following amounts are recognized in the consolidated statement of profit and loss for the year ended 31st March, 2025 and 31st March, 2024.

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Interest expenses on financial liabilities	0.46	0.72
Depreciation on ROU assets	5.39	2.33
Expenses relating to short term lease	1.44	0.90
Total	**7.30**	**3.95**

e) The following amounts are recognized in the consolidated statements of cash flows for the year ended 31st March, 2025 and 31st March, 2024.

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Total cash outflows for leases	1.77	2.35

41. Earnings per equity share as calculated in accordance with Indian Accounting Standard

Basic EPS amounts are 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 year.

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
a. Net Profit after tax considered for the calculation of EPS (₹in Crores)	294.03	297.79
b. Number of equity shares outstanding at the end of year	16,46,17,338	16,42,25,718
c. Weighted average number of equity shares used in computing earnings per equity share	**16,44,93,661**	**16,40,73,797**
d. Effects of dilution on account of Stock options granted under ESOS	9,56,479	11,62,636
e. Weighted average number of equity shares adjusted for the effect of dilution*	**16,54,50,140**	**16,52,36,433**
f. Earnings per share		
Basic (₹)	17.87	18.15
Diluted (₹)	17.77	18.02
g. Face value per equity share (₹)	5.00	5.00

* There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

42. Fair value measurements

Financial instruments by category as at 31st March, 2025

Particulars	Amortised cost	FVTPL	FVTOCI
Financial assets			
Investments in unquoted equity shares	-	-	0.94
Loans	2.39	-	-
Trade receivables	1,044.05	-	-
Cash and cash equivalents	42.70	-	-
Other bank balances	26.24	-	-
Other financial assets excluding derivative assets	62.83	-	-
Total	**1,178.21**	**-**	**0.94**
Financial liabilities			
Borrowings	1,275.86	-	-
Lease liabilities	2.41		
Trade payables	1,070.29	-	-
Other financial liabilities excluding derivative liabilities	186.01	-	-
Derivative liabilities on foreign currency forward and interest rate swap	-	3.33	-
Total	**2,534.57**	**3.33**	**-**

Financial instruments by category as at 31st March, 2024

(₹ in Crores)

Particulars	Amortised cost	FVTPL	FVTOCI
Financial assets			
Investments in unquoted equity shares	-	-	1.13
Loans	2.37	-	-
Trade receivables	896.58	-	-
Cash and cash equivalents	35.71	-	-
Other bank balances	9.89	-	-
Other financial assets excluding derivative assets	36.60	-	-
Total	**981.15**	**-**	**1.13**
Financial liabilities			
Borrowings	1,217.84	-	-
Lease liabilities	5.67	-	-
Trade payables	857.18	-	-
Other financial liabilities excluding derivative liabilities	246.64	-	-
Derivative liabilities on foreign currency forward contracts	-	0.33	-
Total	**2,327.33**	**0.33**	**-**

The Group has not performed a fair valuation of some of its investments in unquoted ordinary shares, which are classified as FVTOCI refer Note No. 7, as the Group believes that impact of change on account of fair value is insignificant.

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

42. Fair value measurements (Contd..)

Fair value hierarchy

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on a recurring basis :

Quantitative disclosures fair value measurement hierarchy for assets:

(₹ in Crores)

Particulars	Amount	Fair value measurement using		
		Quoted prices in active markets(Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial asset / (liability) measured at fair value through profit or loss				
Derivative asset / (liability) on account of forward exchange contracts and interest rate swaps				
Date of valuation				
As at 31st March, 2025	(3.33)	-	(3.33)	-
As at 31st March, 2024	(0.33)	-	(0.33)	-
Equity Instruments through Other Comprehensive Income				
Date of valuation				
As at 31st March, 2025	0.93	-	-	0.93
As at 31st March, 2024	1.12	-	-	1.12

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Derivative financial assets / (liability) are valued based on inputs that are directly or indirectly observable in the market.

The Group has invested in unquoted equity shares of Kirloskar Management Services Private Limited which is measured subsequently at FVTOCI. Accordingly, the Company has fair valued the investment using income approach under Ind AS 113 (Discounted Cash Flow method). Free cash flows, risk adjusted cost of equity and perpetual growth rate are the significant unobservable inputs considered in fair valuation of investment.

Sensitivity analysis of Level 3 Fair values

For the fair values of Investment in equity instruments, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects:

(₹ in Crores)

Significant observable inputs	Change in input	Effect on pre-tax equity as at 31st March 2025	Effect on pre-tax equity as at 31st March 2024
Perpetual growth rate	Increase by 50 basis points	0.01	0.05
Perpetual growth rate	Decrease by 50 basis points	(0.01)	(0.05)
Risk adjusted cost of equity	Increase by 50 basis points	(0.02)	(0.05)
Risk adjusted cost of equity	Decrease by 50 basis points	0.02	0.05

Fair value of financial assets and financial liabilities measured at amortised cost :

The management believes that the fair values of non-current financial assets (e.g. loans and others), current financial assets (e.g., cash and cash equivalents, trade receivables, loans and others excluding other derivative assets), non-current liabilities and current financial liabilities (e.g. trade payables and other payables excluding derivative liabilities) approximate their carrying amounts.

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for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

43. Financial instruments risk management objectives and policies

The Group's activities exposes it to market risks, credit risks and liquidity risks. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments such as forward foreign exchange contract are entered to hedge the foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as a trading or speculative purposes.

This note explains the source of risk which the entity is exposed to and how entity manages the risk in the financial statements

Risk	Exposure arising from	Risk Management Plan
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Diversification of bank deposits, credit limits and letter of credits.
Liquidity risk	Borrowings and other liabilities.	Availability of fund based and non fund based borrowing facilities.
Market risk - Foreign exchange	Recognised payables denominated in foreign currency, receivables denominated in foreign currency, firm commitments in foreign currency.	Forward foreign exchange contract.
Market risk - Interest rate risk	Borrowings on account of working capital.	Entity continuously monitors interest rates on working capital borrowings at regular intervals and economises the transactions at the best possible rates drawn at the time of monitoring on the basis of comparative rates with various banks / institutions.
	Borrowings on account of Term Loans.	Long term borrowings are at fixed as well as variable rate of interest. Interest rate swaps are entered for variable rate borrowings.
Market risk - Commodity price risk (Parent Company)	Coke/ coal, Iron ore, Pig Iron, Steel scrap and Steel	Every month entity monitors and reviews the price trend of the materials, demand and supply position and market intelligence report and strategy is adopted before finalising the next consignment / quantities for subsequent months. The Commodity Price Risk is managed without any hedging of commodities by the Company.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, trade and other payables, foreign exchange forward contracts, security deposit, trade and other receivables, deposits with banks.

The sensitivity analysis in the following sections relate to the position as at reporting dates. The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations and provisions.

The Group's activities expose it to variety of market risks, including effect of changes in foreign currency exchange rate, interest rate and commodity price.

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group manages its interest rate risk arising from variable rate borrowings by using interest rate swap contracts.

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

43. Financial instruments risk management objectives and policies (Contd..)

At the reporting date the interest rate profile of the Group's interest bearing financial instruments are follows:

(₹ in Crores)

Particulars	31st March, 2025	31st March, 2024
Fixed rate borrowings		
Commercial Papers	344.73	96.86
Total fixed rate borrowings	**344.73**	**96.86**
Variable rate borrowings		
Term loan from banks	677.83	794.79
Loans repayable on demand	247.55	320.44
Total variable rate borrowings	**925.38**	**1,115.23**
Less: Interest rate swaps (principal amount hedged)	190.00	-
Net exposure to variable rate borrowing	**735.38**	**1,115.23**

Sensitivity analysis of variable rate borrowing

(₹ in Crores)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Impact on profit before tax and pre-tax equity		
Increase by 25 basis points	(1.84)	(2.79)
Decrease by 25 basis points	1.84	2.79

b. Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Group transacts business in its functional currency and in different foreign currencies. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities, where revenue or expense is denominated in a foreign currency. The Group manages its foreign currency risk by hedging foreign currency payables using foreign currency forward contracts. It negotiates the terms of those foreign currency forward contracts to match the terms of the hedged exposure.

Details of foreign currency exposures that are hedged by derivative instruments or otherwise

(Currency in Crores)

Particulars	Currency	Amount in foreign currency	Equivalent Indian currency	Maturity profile
As at 31st March, 2025				
Payables	USD	2.41	209.61	Within 6 Months
	EURO	-	-	
	YEN	-	-	
As at 31st March, 2024				
Payables	USD	4.31	360.08	Within 6 Months
	EURO	0.08	7.07	
	YEN	8.01	4.62	

Details of foreign currency exposures that are not hedged by derivative instruments or otherwise

(Currency in Crores)

Particulars	Currency	Amount in foreign currency	Equivalent Indian currency
As at 31st March, 2025			
Secured Loans	USD	-	-
Receivables	USD	0.14	11.61
	EURO	0.00	0.00
Payables	USD	1.12	95.71
	SEK	0.00	0.02
	EURO	0.01	1.14

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

43. Financial instruments risk management objectives and policies (Contd..)

(Currency in Crores)

Particulars	Currency	Amount in foreign currency	Equivalent Indian currency
As at 31st March, 2024			
Secured Loans	USD	0.16	13.24
Receivables	USD	0.18	14.68
	EURO	0.07	5.82
Payables	USD	1.58	131.34
	EURO	0.05	4.06
	SEK	0.00	0.02

Foreign currency sensitivity on unhedged exposure

(Currency in Crores)

Financial Year	Foreign currency	Change in foreign currency rates	Effect on profit before tax ₹ In Crores	Effect on pre-tax equity ₹ In Crores
For 31st March, 2025	USD	+5%	4.20	4.20
		-5%	(4.20)	(4.20)
	SEK	+5%	(0.00)	(0.00)
		-5%	0.00	0.00
	EURO	+5%	0.06	0.06
		-5%	(0.06)	(0.06)
For 31st March, 2024	USD	+5%	(6.50)	(6.50)
		-5%	6.50	6.50
	EURO	+5%	0.09	0.09
		-5%	(0.09)	(0.09)
	SEK	+5%	(0.00)	(0.00)
		-5%	0.00	0.00

c. Commodity price risk

Commodity price risk is a financial risk on the Group's financial performance which is affected by the fluctuating prices on account of global and regional supply / demand. Fluctuations in the prices of commodities mainly depend on market conditions. The Group is subject to fluctuations in prices for the purchase of metallurgical coke, coking coal, iron ore and steel scraps which are the major input materials for production of pig iron and steel.

The Group has an elaborate control procedure for finalising the prices of commodities through approval process from designated group officials. Every month the price trend of the materials, demand and supply position and market intelligence report are reviewed and strategy is adopted before finalising the next consignment/quantities for subsequent months. The Commodity Price Risk is managed without any hedging of the commodities.

ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities such as primarily trade receivables and from its investing activities, including deposits with banks and financial institutions, cash and cash equivalent and other financial instruments.

a. Trade receivables

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit exposure risk is mainly influenced by class or type of customers, depending upon their characteristics. Credit risk is managed through credit approval process by establishing credit limits along with continuous monitoring of credit worthiness of customers to whom credit terms are granted. Outstanding customer receivables are regularly monitored.

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

43. Financial instruments risk management objectives and policies (Contd..)

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are combined into homogenous category and assessed for impairment collectively. The calculation is based on actual incurred historical data as well as futuristic information. The Group uses expected credit loss model to assess the impairment loss. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors.

The ageing of trade receivables at the reporting date that were not impaired (Before Allowance for credit losses) are as follows

Particulars	31st March, 2025		31st March, 2024	
	Amount	Percentage	Amount	Percentage
- Less than one year	1,030.70	98.67%	880.24	98.03%
- one year to three years	3.28	0.31%	17.35	1.93%
- three years and above	10.58	1.01%	0.30	0.03%
Total	**1,044.56**	**100.00%**	**897.89**	**100.00%**

b. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counter parties. The Group monitors rating, credit spreads and financial strength of its counter parties. Based on ongoing assessment the Group adjust it's exposure to various counter parties

c. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash flow and collateral obligations without incurring unacceptable losses. Group's objective is to, at all time maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including overdraft, debt from domestic and international banks at optimised cost. The Group has access to banks, capital and money market across debt, equity and hybrids.

The table given below summarises the maturity profile of the Group's financial liabilities based on contractual payments excluding interest payments :

Particulars	Less than 1 year	2 years to 4 years	More than 4 years	Total
As at 31st March, 2025				
Borrowings - current	858.74	-	-	858.74
Borrowings - non-current	-	376.08	41.04	417.12
Lease liabilities	0.83	1.58	-	2.41
Trade payables	1,070.29	-	-	1,070.29
Any other financial liabilities	189.34	-	-	189.34
Total	**2,119.20**	**377.66**	**41.04**	**2,537.90**
As at 31st March, 2024				
Borrowings - current	696.94	-	-	696.94
Borrowings - non-current	-	520.90	-	520.90
Lease liabilities	1.79	3.88	-	5.67
Trade payables	857.18	-	-	857.18
Any other financial liabilities	246.97	-	-	246.97
Total	**1,802.88**	**524.78**	**-**	**2,327.66**

Note : The Group is not expecting to prepay any of its liabilities.

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

44. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2025 and 31st March, 2024.

45. Disclosure pursuant to Ind-AS 19 Employee Benefits:

Defined contribution plan

Contribution to the defined contribution plan recognised as expense are as under

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
a. Employer's contribution to provident fund	10.46	9.41
b. Employer's contribution to superannuation fund	2.56	3.40

Subsidiary Companies : Structo Hydraulics AB

The Company has recognized the following amounts as an expense and included under the head " Employee Benefits Expense" – Contribution to Provident and other Fund :

(₹ in Crores)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Social Security Contribution	-	0.69
Total	**-**	**0.69**

46. Disclosure pursuant to Ind-AS 19 Employee Benefits:

1) Defined Benefit Plan:

The Employee Gratuity Fund Scheme is a Defined Benefit Plan. The present value of the obligation is based on the actuarial valuation using Projected Unit Credit Method

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
a. Asset and Liability		
Present value of obligation	104.46	88.48
Fair value of plan assets	90.50	81.20
Surplus/ (deficit)	**(13.96)**	**(7.29)**
b. Expenses Recognized during the year		
In income statement	5.27	3.84
In Other Comprehensive Income	14.14	8.20
Total expenses recognized during the year	**19.41**	**12.05**
c. Changes in the Present Value of Obligations (PVO)		
PVO at beginning of period	**88.48**	**79.06**
Transfer In / (Out)	0.07	-
Current service cost	4.73	3.92
Interest expenses or cost	6.10	5.70
Re-measurement (or actuarial) (Gain) / Loss arising from:		
change in demographic assumptions	-	(0.02)

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

46. Disclosure pursuant to Ind-AS 19 Employee Benefits: (Contd..)

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
change in financial assumptions	7.89	3.25
experience variance (i.e., actual experience vs assumptions)	6.20	4.74
Past service cost	0.28	-
Benefits paid	(9.28)	(8.16)
PVO at end of period	**104.46**	**88.48**
d. Bifurcation of Present Value of Obligation		
Current liability (short term)	15.20	9.89
Non-current liability (long term)	89.26	78.59
Present value of obligation	**104.46**	**88.48**
e Changes in fair value of plan assets		
Fair value of plan assets as at the beginning	**81.20**	**80.04**
Investment income	5.76	5.78
Employer's contribution	12.87	3.88
Mortality charges and taxes	(0.00)	(0.11)
Benefit paid	(9.28)	(8.16)
Return on plan assets, excluding amount recognised in net interest expense	(0.05)	(0.23)
Fair value of plan assets at the end of period	**90.50**	**81.20**
f. Change in the effect of asset ceiling		
Effect of asset ceiling at the beginning	-	-
Interest expense or cost (to the extent not recognized in net interest expense)	-	-
Re-measurement (or actuarial) (Gain) / loss arising because of change in effect of asset ceiling	-	-
Effect of asset ceiling at the end	**-**	**-**
g. Expenses Recognized in the Statement of Profit and Loss		
Current service cost	4.64	3.92
Past service cost	0.28	-
Net interest cost/ (income) on the net defined benefit liability / (asset)	0.35	(0.08)
Expenses recognized in the income statement	**5.27**	**3.84**
h. Effect on Other Comprehensive income		
Actuarial (Gain) / loss		
Change in demographic assumptions	-	(0.02)
Change in financial assumptions	7.26	2.33
Experience variance (i.e. actual experience vs. assumptions)	0.04	4.75
Others	-	-
Return on plan assets, excluding amount recognized in net interest expense	6.85	1.14
Re-measurement (or actuarial) (Gain) / loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognized in other comprehensive income	**14.14**	**8.20**
i. Actuarial assumptions		
Mortality	100%	100%
	(% of IALM 2012-14)	**(% of IALM 2012-14)**
Discount rate	**6.60% - 6.80%**	**7.15% - 7.50%**
Rate of increase in compensation	**5.00% - 10.00%**	**5.00% - 7.00%**
Attrition Rate	**1.00% - 7.00%**	**1.00% - 7.00%**

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

46. Disclosure pursuant to Ind-AS 19 Employee Benefits: (Contd..)

Sensitivity Analysis

(₹ in Crores)

Particulars	As at 31st March, 2025		As at 31st March, 2024	
Defined Benefit Obligation (Base)		104.40		88.48
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	109.68	99.60	92.93	84.42
(% Change compared to base due to sensitivity)	5.06%	-4.60%	5.03%	-4.59%
Salary Growth Rate (- / + 1 %)	100.10	109.02	84.78	92.45
(% Change compared to base due to sensitivity)	-4.12%	4.42%	-4.18%	4.48%
Attrition Rate (-/ + 50% of attrition rates	105.48	103.64	88.38	88.58
(% Change compared to base due to sensitivity)	1.03%	-0.73%	-0.12%	0.11%
Mortality Rate (- / + 10% of mortality rates)	104.42	104.38	88.48	88.48
(% Change compared to base due to sensitivity)	0.02%	-0.02%	0.00%	0.00%

Effect of Plan on entity's future cash flows

a) **Funding arrangements and funding policy**

The Company has purchased and insurance policy to provide for payment of gratuity to the employees. Every year,the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) **Expected contribution during the next annual reporting period**

(₹ in Crores)

	As at 31st March, 2025
The Company's best estimate of contribution during the next year	16.28

c) **Maturity Profile of defined benefit Obligation**

(₹ in Crores)

	For the year ended 31st March, 2025
Expected cash flows over the next (Valued on Undiscounted basis):	
1 Year	18.20
2 to 5 years	64.20
More than 5 years	66.34

Major category of Fair Value of Plan Assets at the end of the year is as under :

(₹ in Crores)

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	₹ in Crores	Percent	₹ in Crores	Percent
Funds with Life Insurance Corporation of India	88.60	97.88%	79.37	97.75%
Others	1.92	2.12%	1.83	2.25%
Total	**90.52**	**100.00%**	**81.20**	**100.00%**

For Tridem Port and Power Company Private Limited, there is an outstanding defined benefit obligation towards gratuity amounting to ₹ 0.03 Cr (PY : ₹ 0.03 Cr)

Asset liability matching strategy

The Group has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The Insurance company, as a part of policy rules makes payment of all gratuity payouts during the year as per policy conditions. The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

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47. Stock options scheme - Kirloskar Ferrous Industries Limited (Parent company)

KFIL Employee Stock Option Scheme 2017 :

The Company has introduced employee stock option scheme. This employee equity-settled compensation scheme is known as KFIL Employee Stock Option Scheme 2017 ("KFIL ESOS 2017/ Scheme"). The employee stock option scheme is approved and authorized by the Board of Directors. This scheme is designed to provide incentives to specified senior management employees who are in the employment of the company and director(s), whether wholetime or otherwise, (other than promoters of the company, persons belonging to promoters group, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company). The specific employees to whom the options would be granted, and their eligibility criteria would be determined by the Nomination and Remuneration Committee.

Options granted under KFIL ESOS 2017 would vest after 1 (one) year but not later than 4 (four) years from the date of grant of such options. Options will be vested equally over four years. Vesting of options would be subject to continued employment with the Company and thus the options would vest essentially on passage of time. In addition to this, the Nomination and Remuneration Committee may also specify certain performance criteria subject to satisfaction of which the options would vest. Any option granted shall be exercisable according to the terms and conditions as determined by the Nomination and Remuneration Committee and as set forth in the Grant Letter. The exercise period shall be 3 (three) years from the date of vesting of options in case of employee is in continuation of employment. The vested options can be exercised by the employee at any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter. When exercisable, each option is convertible into one equity share. The options not exercised within the exercise period shall lapse and the employee shall have no right over such lapsed or cancelled options. The shares arising out of exercise of vested options shall not be subject to any lock-in period from the date of allotment of such shares under KFIL ESOS 2017.

Under the said scheme, Nomination and Remuneration Committee of the board of directors has granted following options to its eligible employees

Grant date	No. of options
3rd November, 2017	17,65,000
30th October, 2018	1,20,000
18th October, 2019	1,00,000
16th October, 2020	1,30,000
22nd October, 2021	3,70,000
5th November, 2022	1,60,000

Particulars	Year ended 31st March, 2025		Year ended 31st March, 2024	
	Weighted average exercise price per share per option (₹)	Number of options	Weighted average exercise price per share per option (₹)	Number of options
Opening Balance	139	4,76,395	124	7,41,589
Granted during the year	-	-	-	-
Exercised during the year	110	99,410	74	1,80,694
Lapsed during the year	52	16,025	-	-
Forfeited during the year	152	38,200	150	84,500
Closing Balance	**150**	**3,22,760**	**139**	**4,76,395**
Options exercisable at the end of the period	141	1,94,760	117	2,11,395

Weighted average share price as on the date of exercise is ₹ 648.35/- (Previous year : ₹ 502.39).

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

47. Stock options scheme - Kirloskar Ferrous Industries Limited (Parent company) (Contd..)

Share options outstanding at the end of the period :

Grant date	Exercise price (₹)	Options outstanding as at 31 March 2025	Options outstanding as at 31 March 2024
3rd November, 2017	50	-	21,325
30th October, 2018	51	7,800	12,200
18th October, 2019	50	4,000	16,000
16th October, 2020	55	29,450	59,700
22nd October, 2021	163	1,73,110	2,29,170
5th November, 2022	166	1,08,400	1,38,000
Total		**3,22,760**	**4,76,395**
Weighted average remaining contractual life of the options outstanding at the end of the period		**2.68 Years**	**3.25 Years**

II. KFIL Employee Stock Option Scheme 2021 :

The Company has introduced employee stock option scheme. This employee equity-settled compensation scheme is known as KFIL Employee Stock Option Scheme 2021 ("KFIL ESOS 2021/ Scheme"). The employee stock option scheme is approved and authorized by the Board of Directors. This scheme is designed to provide incentives to specified senior management employees who are in the employment of the company and director(s), whether wholetime or otherwise, (other than promoters of the company, persons belonging to promoters group, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company). The specific employees to whom the options would be granted, and their eligibility criteria would be determined by the Nomination and Remuneration Committee.

Options granted under KFIL ESOS 2021 would vest after 1 (one) year but not later than 4 (four) years from the date of grant of such options. Options will be vested equally over four years. Vesting of options would be subject to continued employment with the Company and thus the options would vest essentially on passage of time. In addition to this, the Nomination and Remuneration Committee may also specify certain performance criteria subject to satisfaction of which the options would vest. Any option granted shall be exercisable according to the terms and conditions as determined by the Nomination and Remuneration Committee and as set forth in the Grant Letter. The exercise period shall be 3 (three) years from the date of vesting of options in case of employee is in continuation of employment. The vested options can be exercised by the employee at any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter. When exercisable, each option is convertible into one equity share. The options not exercised within the exercise period shall lapse and the employee shall have no right over such lapsed or cancelled options. The shares arising out of exercise of vested options shall not be subject to any lock-in period from the date of allotment of such shares under KFIL ESOS 2021.

Under the said scheme, Nomination and Remuneration Committee of the board of directors has granted following options to its eligible employees

Grant date	No. of options
19th May, 2022	16,70,000
3rd November, 2023	16,000
9th August, 2024	2,40,000

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

47. Stock options scheme - Kirloskar Ferrous Industries Limited (Parent company) (Contd..)

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	Weighted average exercise price per share per option (₹)	Number of options	Weighted average exercise price per share per option (₹)	Number of options
Opening Balance	159	13,51,827	157	16,70,000
Granted during the year	563	2,40,000	357	16,000
Exercised during the year	157	2,56,487	157	1,99,673
Lapsed during the year	-	-	-	-
Forfeited during the year	159	1,04,825	157	1,34,500
Closing Balance	**239**	**12,30,515**	**159**	**13,51,827**
Options exercisable at the end of the period	160	1,88,515	157	1,34,500

Weighted average share price as on the date of exercise is ₹ 684.61 (Previous year : ₹ 484.40).

Share options outstanding at the end of the period with remaining contractual life and exercise prices:

grant date	Exercise price (₹)	For the year ended 31st March, 2025	For the year ended 31st March, 2024
19th May 2022	157	9,75,715	13,35,827
3rd November 2023	357	14,800	16,000
9th August 2024	563	2,40,000	-
Total		**12,30,515**	**13,51,827**
Weighted average remaining contractual life of the options outstanding at the end of the period		**3.61 years**	**3.92 years**

Fair value of the options granted

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes-Merton model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Fair value and assumptions for the equity-settled grant made on 9th August, 2024:

Grant: ESOS 2021	Vesting date			
Grant Date: 9th August, 2024 Exercise Price – ₹ 563	9th August, 2025	9th August, 2026	9th August, 2027	9th August, 2028
Input variables				
Share Price (₹)	750.20	750.20	750.20	750.20
Standard Deviation (Volatility)	40.56%	42.84%	47.25%	44.62%
Risk-free rate	6.80%	6.81%	6.81%	6.80%
Exercise price (₹)	563.00	563.00	563.00	563.00
Time to maturity (in years)	2.50	3.50	4.50	5.50
Dividend yield	0.56%	0.98%	0.83%	0.77%
Output				
Fair value of option (₹)	**318.28**	**353.24**	**401.50**	**419.51**

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

47. Stock options scheme - Kirloskar Ferrous Industries Limited (Parent company) (Contd..)

Fair value and assumptions for the equity-settled grant made on 3rd November, 2023:

Grant: KFIL ESOS 2021	Vesting date			
Grant Date: 3rd November 2023 Exercise Price – ₹ 357	**3rd November, 2024**	**3rd November, 2025**	**3rd November, 2026**	**3rd November, 2027**
Input variables				
Share Price (₹)	475.90	475.90	475.90	475.90
Standard Deviation (Volatility)	42.52%	43.88%	44.42%	42.66%
Risk-free rate	7.31%	7.31%	7.33%	7.35%
Exercise price (₹)	357.00	357.00	357.00	357.00
Time to maturity (in years)	2.50	3.50	4.50	5.50
Dividend yield	1.98%	1.98%	1.98%	1.98%
Output				
Fair value of option (₹)	**194.23**	**215.71**	**232.02**	**240.25**

Rationale for principle variables used

1. Time to maturity of options is the period of time from the grant date to the date on which option is expected to be exercised. The minimum life of stock option is the minimum period before which the options cannot be exercised and maximum life is the period after which the options cannot be exercised.

2. The expected price volatility is based on the historic volatility, adjusted for any changes to future volatility due to publicly available information.

   The Group has recorded employee share-based compensation expense in current year amounting to ₹ 5.95 Crores (Previous Year : ₹ 5.44 Crores) for the options issued to the employees.

48. The disclosure required by Indian Accounting Standard (Ind AS 37) "Provisions, Contingent Liabilities, Contingent Assets" are as follows

Class of Provision	Opening balance as on 1st April, 2024	Provisions for the year	Amounts used during the year	Closing balance as on 31st March, 2025
Casting rejections	5.75	4.91	5.75	4.91

Class of Provision	Opening balance as on 1st April, 2023	Provisions for the year	Amounts used during the year	Closing balance as on 31st March, 2025
Casting rejections	1.51	5.75	1.51	5.75

Nature of obligation : Provision for possible obligation towards outflow of resources on casting rejections.

Expected timing of resulting outflow : Substantial costs will be incurred in the next financial year.

49. Disclosures of transactions with Related Parties as required by Ind AS 24

Name of Related Party & Relationship

Holding Company

Kirloskar Industries Limited

Fellow Subsidiary

Avante Spaces Limited

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

49. Disclosures of transactions with Related Parties as required by Ind AS 24 (Contd..)

Key Managerial Personnel

Mr. R.V.Gumaste - Managing Director

Mr. R.S. Srivatsan - Executive Director (Finance) & CFO

Mr. N. B. Ektare - Executive Director (Operation) (w.e.f. 09th August, 2024)

Mr. Mayuresh Gharpure - Company Secretary

Post Employment Benefit Plans

KFIL Employees Group Gratuity

The Indian Seamless Metal Tubes Ltd Provident Fund (Unit -A)

ISMTL Provident Fund (Unit B)

ISSAL Provident Fund

Indian Seamless Superannuation Scheme

ISSAL Superannuation Fund

Indian Seamless Gratuity Fund

ISSAL Gratuity Fund

(₹ in Crores)

	Name of related party and nature of relationship	Nature of transaction	2024-2025		2023-2024	
			Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
A.	**Holding Company**					
	Kirloskar Industries Limited	Building rent paid	0.05	-	0.07	-
		Rent deposit receivable	0.03	-	-	0.03
		Advance receivable	-	1.62		1.62
B	**Key management personnel**					
	For Kirloskar Ferrous Industries Limited					
	Mr. R.V.Gumaste - Managing Director	Compensation	12.53	-	11.56	0.27
		Compensation payable	-	3.67	-	5.18
		Setting fees paid	0.02	-	0.07	-
	Mr. Mayuresh Ghapure - Company Secretary	Compensation	0.51	-	0.60	-
		Compensation payable	-	0.04	-	0.04
	Mr. R. S. Srivatsan - Executive Director (Finance) & Chief Financial Officer	Compensation	5.35	-	4.77	-
		Compensation payable	-	1.62	-	2.12
	Mr. Nishikant Ektare - Executive Director (Operation) (w.e.f. 09th August, 2024)	Compensation	4.53	-	5.74	-
		Compensation payable	-	2.57	-	4.31
C	**Fellow Subsidiary Company**					
	Avante Spaces Limited	Capital Advance paid	-	-	(15.41)	
		Purchase of Fixed asset	-	-	54.74	54.74
		Maintenace Charges	0.59	0.02	-	-

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

49. Disclosures of transactions with Related Parties as required by Ind AS 24 (Contd..)

(₹ in Crores)

Name of related party and nature of relationship	Nature of transaction	2024-2025		2023-2024	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
D Post Employment Benefit Trusts					
KFIL Employees Group Gratuity	Contribution	7.76	-	3.71	-
Indian Seamless Superannuation Scheme	Contribution	0.17	0.2	0.41	0.16
ISSAL Superannuation Fund	Contribution	-	0.06	0.22	0.02
The Indian Seamless Metal Tubes Ltd Provident Fund (Unit -A)	Contribution	4.54	-	4.89	0.40
ISMTL Provident Fund (Unit B)	Contribution	0.30	-	0.43	0.03
Indian Seamless Gratuity Fund	Contribution	5.06	4.81	0.11	3.99
ISSAL Gratuity Fund	Contribution	0.15	4.74	0.06	1.21

Note

(i) Outstanding amount carried in Balance Sheet does not include liability in respect of gratuity and leave encashment which is provided on actuarial basis for the Company as a whole.

(ii) Company has not made any Loans/Advances/Investments during the year to the Ultimate Holding Company.

(iii) Transactions with related parties are at arms length price and the balances receivable / payable are un-secured.

(Iv) The terms of payment are generally similar to those of other non-related parties.

Compensation of key management personnel of the Group

(₹ in Crores)

Particulars	For the year ended 31st March, 2025 ₹	For the year ended 31st March, 2024 ₹
Short term employee benefits	13.41	17.05
Post employment benefits	1.30	0.31
Other long term benefits	0.42	0.08
Share-based payments	7.79	5.30
Termination benefits	-	-
Total	**22.92**	**22.74**

50. Contingent Liabilities and Commitments

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Claims against the Company not acknowledged as debt		
Central excise and customs	31.57	32.28
Service tax	2.44	3.05
Goods and service tax	1.50	1.50
Income tax	42.03	32.55
Sales tax	-	-
Labour matters to the extent quantifiable	0.43	0.40
Provident fund matters	-	0.67
Others	10.19	23.32

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

50. Contingent Liabilities and Commitments (Contd..)

(₹ in Crores)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Guarantees excluding financial guarantee		
Bank guarantee	184.51	101.62
Capital and other commitments		
Stamp duty & Reg. fee	1.21	1.21
Estimated amount of contracts remaining to be executed on capital account and not provided for	408.91	486.54
Forest Development Fee Matter	271.47	213.54

Note

In the opinion of the management the above legal matters, under claims against Company not acknowledged as debt, when ultimately concluded will not have material effect on the results of the operations or the financial position of the Group.

51. Borrowing cost capitalized

(₹ in Crores)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Amount of borrowing costs capitalized	0.03	0.92

52. Statement of net assets, profit & loss, other comprehensive income & total comprehensive income attributable to Owners & Non controlling interest as on 31st March 2025

(₹ in Crores)

Name of entity	Net Assets i.e. Total assets minus total liability		Share of profit & loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amounts	As % of consolidated profit & loss	Amounts	As % of consolidated other comprehensive income	Amounts	As % of consolidated total comprehensive income	Amounts
Parent								
Kirlosker Ferrous Industries Limited	100.92%	3,466.68	107.90%	317.28	99.63%	(10.73)	108.22%	306.55
Subsidiaries								
a) Direct Indian subsidiary								
Oliver Engineering Private Limited	-0.86%	(29.63)	-8.84%	(26.00)	0.00%	-	-9.18%	(26.00)
Adicca Engery Solutions Pvt. Ltd	-0.02%	(0.54)	-0.10%	(0.28)	0.00%	-	-0.10%	(0.28)
Tridem Port and Power Company Private Limited	-3.37%	(115.93)	-11.17%	(32.84)	0.00%	-	-11.59%	(32.84)
b) Direct foreign subsidiaries								
ISMT Enterprises SA, Luxembourg	-0.01%	(0.50)	0.85%	2.51	0.00%	-	0.89%	2.51
c) Indirect Indian subsidiaries								
Nagapattinam Energy Private Limited	-1.69%	(58.07)	-4.23%	(12.45)	0.00%	-	-4.40%	(12.45)
Best Exim Private Limited	-0.06%	(2.00)	0.00%	0.01	0.00%	-	0.00%	0.01
Success Power & Infraprojects Private Limited	-0.17%	(5.97)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Marshal Microware Infrastructure Development Company Private Limited	-0.15%	(5.26)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
d) Total	**94.57%**	**3,248.78**	**84.42%**	**248.22**	**99.63%**	**(10.73)**	**83.84%**	**237.49**

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

52. Statement of net assets, profit & loss, other comprehensive income & total comprehensive income attributable to Owners & Non controlling interest as on 31st March 2025 (Contd..)

(₹ in Crores)

Name of entity	Net Assets i.e. Total assets minus total liability		Share of profit & loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amounts	As % of consolidated profit & loss	Amounts	As % of consolidated other comprehensive income	Amounts	As % of consolidated total comprehensive income	Amounts
e) Non-controlling interest	0.00%	(0.01)	0.00%	0.01	0.00%	0.00	0.00%	0.01
f) Elimination & consolidation adjustment	5.43%	186.39	15.58%	45.81	0.37%	(0.04)	16.16%	45.77
g) Total	**100.00%**	**3,435.16**	**100.00%**	**294.04**	**100.00%**	**(10.77)**	**100.00%**	**283.27**

53. Operating Segments

(i) The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Executive Committee, the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments', in deciding how to allocate resources and in assessing performance. These segments have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

(ii) The Group is engaged primarily into manufacturing of Castings, Steel and Tubes. Thus, the primary segments are Casting segment, Tube Segment and Steel Segment.

(iii) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as unallocable.

(iv) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities which cannot be allocated to a segment on a reasonable basis have been included under "Unallocable Assets / Liabilities ".

(v) Inter Division Transfer represents transfer of finished / semi-finished products within the Segment for further processing and sale. Profit or loss on inter Division transfers are eliminated at the Group level.

(₹ in Crores)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
1. Segment Revenue		
(a) Casting Segment	4,081.14	3,681.24
(b) Tube segment	2,190.42	2,181.24
(c) Steel Segment	1,675.84	1,652.26
(d) Unallocated Total	95.49	119.82
Less: Inter Segment Revenue (including inter division)	1,478.66	1,488.27
Net sales/Income From Operations	**6,564.23**	**6,146.29**
2. Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)#		
(a) Casting Segment	348.85	348.08
(b) Tube segment	119.21	245.19
(c) Steel Segment	59.63	42.59
(d) Unallocated Total	25.24	(62.62)
Less: Inter Segment Revenue	-	-
Total	**552.93**	**573.24**
Less: Interest	144.44	120.34
Total Profit Before Tax	**408.49**	**452.90**

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

53. Operating Segments (Contd..)

(₹ in Crores)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
3. Capital Employed		
(Segment assets – Segment Liabilities)		
(a) Casting Segment	1,781.80	1,357.30
(b) Tube segment	1,479.42	1,564.59
(c) Steel Segment	782.45	672.68
(d) Unallocated Total	(608.51)	(363.34)
Total	**3,435.16**	**3,231.23**
4. Segment Assets		
(a) Casting Segment	3,582.75	3,314.28
(b) Tube segment	1,724.29	1,782.94
(c) Steel Segment	980.54	755.25
(d) Unallocated Total	61.14	42.03
Total	**6,348.72**	**5,894.50**
5. Segment Liabilities		
(a) Casting Segment	1,800.95	1,956.98
(b) Tube segment	244.87	218.35
(c) Steel Segment	198.09	82.57
(d) Unallocated Total	669.65	405.37
Total	**2,913.56**	**2,663.27**

54. Recent accounting pronouncements

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. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts, amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions and amendment to Ind AS 21, The Effects of Changes in Foreign Exchange Rates - amendments provide guidance on when a currency is considered as exchangeable, application guidance on determining exchangeability and estimating spot rates, disclosure requirements when the currency is not exchangeable and references to matters contained in other Indian Accounting Standards. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

55. Previous year's figures have been regrouped wherever considered necessary to make them comparable with those of the current year.

As per our report of even date attached

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No.
105215W/ W100057

PARAG PANSARE
Partner
Membership No. 117309

Pune 09th May 2025

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.
101118W/ W100682

NACHIKET DEO
Partner
Membership No. 117695

Pune 09th May 2025

For and on behalf of the Board of Directors

RAHUL KIRLOSKAR
Chairman
DIN 00007319

R.V.GUMASTE
Managing Director
DIN 00082829

R.S.SRIVATSAN
Executive Director (Finance)
& Chief Financial Officer
DIN 09607651

Pune 09th May 2025

MAYURESH GHARPURE
Company Secretary

Pune 09th May 2025

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2025

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

Form AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures for the year ended 31 March 2025

Part A : Subsidiaries

(Figures are ₹ in Crores unless stated otherwise)

Sl. No.	Name of Subsidiary Company	Reporting currency	Share capital	Other Equity	Total Assets	Total Liabilities#	Investments (excluding Investment in Subsidiary)	Total Income	Profit/(loss) before taxation	Provision for taxation	Profit/(loss) after taxation	Proposed Dividend	% of share holding
1.	Oliver Engineering Private Limited	INR	9.00	(38.63)	183.75	213.38	-	0.25	(26.00)	-	(26.00)	-	100.00%
2.	ISMT Enterprises SA, Luxembourg	Euro	61.04	(61.54)	0.00	0.50	-	2.88	2.51	-	2.50	-	99.62%
3.	Adicca Energy Solutions Private Limited	INR	0.01	(0.54)	3.00	3.53	-	-	(0.28)	-	(0.28)	-	100.00%
4.	Tridem Port and Power company Private Limited	INR	2.58	(118.51)	0.10	116.03	-	-	(32.84)	-	(32.84)	-	100.00%
5.	Nagapattinam Energy Private Limited	INR	0.25	(58.32)	0.00	58.07	-	-	(12.45)	-	(12.45)	-	100.00%
6.	Best Exim Private Limited	INR	0.01	(2.00)	0.00	1.99	-	0.01	0.01	-	0.01	-	100.00%
7.	Success Power and Infraprojects Private Limited	INR	0.19	(6.17)	0.00	5.98	-	-	(0.00)	-	(0.00)	-	100.00%
8.	Marshal Microwave Infrastrucure Development company Private Limited	INR	0.01	(5.27)	0.00	5.26	-	-	(0.00)	-	(0.00)	-	100.00%

Excluding Share capital and Other Equity

Exchange rates:	Closing Exchange rates for assets and Liabilities	Average rate for profit and loss items
Euro to INR	92.25	91.16

Note: Salient features of the Consolidated Financial Statements of subsidiary companies has been provided in the above table.

Notes to and forming part of Consolidated Financial Statements
for the Year ended 31st March, 2025
(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

Part B : Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

The Company does not have any associate company or joint venture.

For **Kirtane & Pandit LLP** Chartered Accountants Firm Registration No. 105215W/ W100057	For **P G BHAGWAT LLP** Chartered Accountants Firm Registration No. 101118W/ W100682	**For and on behalf of the Board of Directors**	
		RAHUL KIRLOSKAR Chairman DIN 00007319	**R.V.GUMASTE** Managing Director DIN 00082829
PARAG PANSARE Partner Membership No. 117309	**NACHIKET DEO** Partner Membership No. 117695	**R.S.SRIVATSAN** Executive Director (Finance) & Chief Financial Officer DIN 09607651	**MAYURESH GHARPURE** Company Secretary
Pune 09th May 2025	Pune 09th May 2025	Pune 09th May 2025	Pune 09th May 2025

Notes

Notes

Kirloskar Ferrous Industries Limited
CIN : L27101PN1991PLC063223
Regd. Office : 'One Avante', Level 5, Karve Road,
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Phone : (020) 69065040