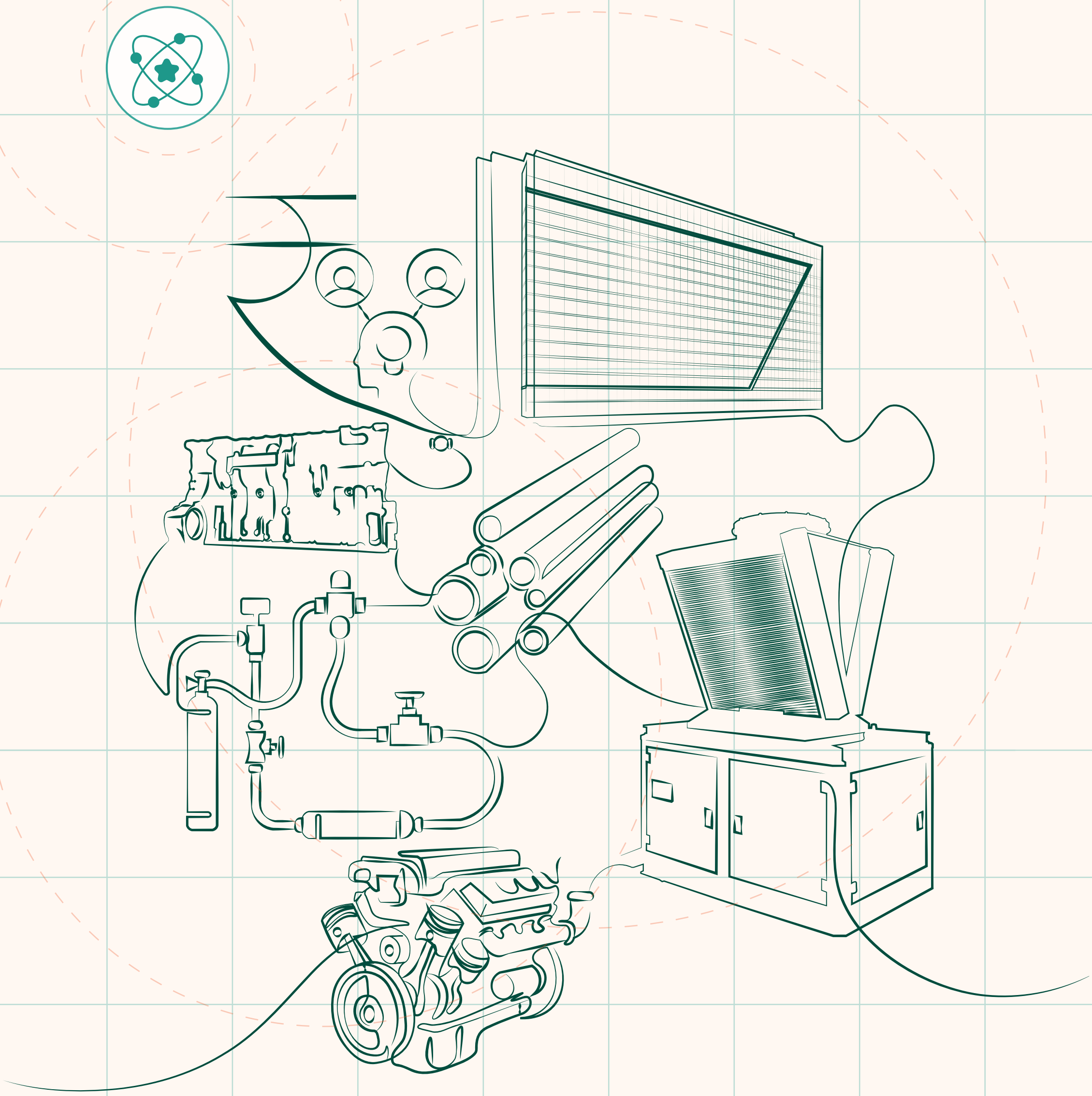
kirloskar Industries

Building on Legacy
Creating the Future



MADE IN KIRLOSKAR

Annual Report 2025-26

MADE IN KIRLOSKAR

IN THE BEGINNING, THERE WAS NOTHING.
THEN WAS BORN AN ENGINEER.

IT TOOK AN ENGINEER TO DIG A WELL.
GROW A FIELD.
MAKE A DAM.
SET SAIL ON A SHIP.
MAKING LATITUDES MEET LONGITUDES.

FROM THE RUBBLE, THE ENGINEER CARVED OUT A PATH,
BUILT ROADS, AND BRIDGES AND HIGHWAYS.

GOD SAID, "LET THERE BE LIGHT."
THE ENGINEER MADE A LIGHTBULB.

WHERE ONLY BIRDS FLEW,
AN ENGINEER TOOK FLIGHT.

WHEN AN ENGINEER LOOKED AT THE MOON,
SHE SAW A SATELLITE.

LANDS BECAME TOWNS
TURNED CITIES
GREW COUNTRIES
SHAPED CONTINENTS.

THE WORLD WASN'T JUST BORN.
IT WAS BUILT.

Building on Legacy Creating the Future

At Kirloskar Industries Limited (KIL), we believe that legacy finds its true purpose in what we continue to build. The spirit of 'Made in Kirloskar' reminds us that ideas have value only when they are translated into action, whether in strengthening the sustainable, engineering-led foundation of Kirloskar Ferrous Industries Limited (KFIL) or in shaping new avenues of growth.

As an investment company, we bring together diverse businesses united by a shared ethos of quality, discipline, and long-term value creation. Through Avante Spaces Limited, we extend this philosophy into the developed environment. One Avante marks our first expression of thoughtful, collaborative design, while our upcoming development in Kothrud, Pune, along with the potential to unlock larger land parcels, reflects our ambition to create iconic spaces for the future.

Guided by a strong engineering mindset and a commitment to responsible growth, we are not merely diversifying, we are creating future-ready businesses that carry forward the Kirloskar legacy of making with purpose.

The architecture of building value

At Kirloskar Industries Limited (KIL), value is created through disciplined stewardship. We focus on building long-term value by investing in businesses with strong fundamentals, supporting capable leadership and providing the strategic oversight that enables sustainable growth. Every investment is guided by patience, governance and a conviction that enduring businesses create enduring returns.

Our portfolio reflects this philosophy. Through Kirloskar Ferrous Industries Limited (KFIL), we continue to strengthen India's manufacturing ecosystem by supporting one of the country's leading integrated ferrous companies. At the same time, through Avante Spaces Limited (Avante Spaces), we are expanding into premium commercial real estate, creating sustainable, future-ready developments that respond to the evolving needs of businesses and cities. Together, these investments represent a balanced portfolio of established industrial leadership and emerging growth opportunities.

Responsible governance remains central to the way we operate. Strong Board oversight, disciplined risk management and prudent capital allocation enables us to preserve financial strength while creating opportunities for long-term wealth creation. This governance-led approach provides resilience across market cycles and reinforces stakeholder confidence.

Our commitment extends beyond financial performance. We continue to strengthen human capital, foster meaningful stakeholder relationships and encourage responsible environmental practices across our portfolio companies. By integrating sustainability, transparency and ethical business conduct into our decision-making, we seek to create value that benefits shareholders, businesses and society alike.

As India continues its journey of industrial and economic transformation, KIL remains focused on identifying opportunities that complement its legacy while preparing for the future. By combining disciplined investments, responsible stewardship and a long-term perspective, we continue to build businesses that are resilient, relevant and positioned for sustained growth.

This is how we build on legacy while creating the future, through investments that endure, businesses that prosper and value that compounds over generations, proudly **Made in Kirloskar**.

CONTENTS

About the Report

We are pleased to present our Annual Report, which includes voluntary information to the extent available to us, in accordance with reporting framework developed and designed by International Integrated Reporting Council (IIRC). This report is primarily intended to address the information requirements of 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 Companies Act, 2013, Indian Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Scope and boundary

As an unregistered Core Investment Company (CIC), Kirloskar Industries Limited (KIL) operates by primarily investing in its Group companies and overseeing these investments. KIL's operations are guided by consistent focus on integrating material aspects into its standalone business model, aligning with Integrated Reporting Standards (IRS). In this context, this Report includes topics that are significant to KIL's financial performance, strategic direction and overall value creation. KIL prioritises its material aspects, adhering to Integrated Reporting Standards to focus on its standalone business model. This allows a clear presentation of its investment strategy, performance and value creation, enhancing transparency and informed decision-making. While it recognises broader macro-economic and external factors affecting its subsidiaries, these are detailed in the subsidiaries' individual annual reports. The data covered under 'Decade at a glance' in this Report is in relation to 'Kirloskar Industries Limited' on a standalone basis.

Reporting period

The major reporting period for the Annual Report is from 1st April, 2025 to 31st March, 2026. However, certain portions of the report provide facts and figures from previous years in order to give readers a complete picture.

Auditor's report

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

For more information, please visit our website: www.kirloskarindustries.com/

Stakeholder feedback

Stakeholders' constructive participation and feedback are welcomed and appreciated.

Please send us your feedback to:
Email: investorrelations@kirloskar.com;
Website: https://www.kirloskarindustries.com

Our stakeholders

- Employees
- Shareholders and investors
- Customers
- Suppliers
- Communities
- Regulatory bodies and Government

Our capitals

- Financial
- Manufactured
- Intellectual
- Human and social
- Natural

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.

Corporate Information

Board of Directors

Mr. Atul Kirloskar
Chairman
DIN - 00007387

Mr. George Verghese
Managing Director
(with effect from 20 May 2025)
DIN - 11068946

Ms. Aditi Chirmule
Executive Director
DIN - 01138984

Mr. Anil Alawani
Non-Independent Director
DIN - 00036153

Mr. Vinesh Kumar Jairath
Non-Independent Director
DIN - 00391684

Mr. Rahul Kirloskar
Non-Independent Director
(with effect from 14 November 2025)
DIN - 00007319

Mr. Tejas Deshpande
Independent Director
(Up to 27 August 2025)
DIN - 01942507

Mr. D. Sivanandhan
Independent Director
(Up to 2 February 2026)
DIN - 03607203

Mr. Ashit Parekh
Independent Director
(Up to 13 February 2026)
DIN - 00821577

Mr. Satish Jamdar
Independent Director
DIN - 00036653

Mr. Vijay Varma
Independent Director
DIN - 00011352

Ms. Purvi Sheth
Independent Director
DIN - 06449636

Ms. Pallavi Gokhale
Independent Director
(with effect from 1 July 2025)
DIN - 00036369

Mr. Sumit Mitra
Independent Director
(with effect from 14 November 2025)
DIN - 07189815

Mr. S. Venkataramani
Independent Director
(with effect from 14 November 2025)
DIN - 00229998

Chief Financial Officer

Mr. Anandh Baheti
(Up to 4 November 2025)

Mr. Bharathan Gopalakrishnan
(From 14 November 2025)

Company Secretary

Mrs. Ashwini Mali

Statutory Auditors

Kirtane & Pandit LLP
Chartered Accountants

Secretarial Auditors

M/s. M. J. Risbud & Co.,
a proprietorship firm of
Mr. Mahesh J. Risbud,
Practicing Company Secretary

Bankers

HDFC Bank Limited

DBS Bank Limited

Kotak Mahindra Bank Limited

ICICI Bank Limited

State Bank of India

Registrar and Share Transfer Agent (R & T Agent)

MUFG Intime India Private Limited
(Formerly known as Link Intime India Private Limited)
'Akshay' Complex, Block No. 202, 2nd Floor,
Near Ganesh Temple, Off Dhole Patil Road,
Pune - 411 001
Tel.: +91 (20) 2616 1629 / 2616 0084
Fax: +91 (20) 2616 3503
Email: pune@in.mpms.mufg.com

Registered Office

One Avante, Level 14, Karve Road,
Kothrud, Pune - 411 038
Tel.: +91 (20) 69065007
E mail: investorrelations@kirloskar.com
Website: www.kirloskarindustries.com
CIN: L70100PN1978PLC088972

Information for the members of the Company

32nd Annual General Meeting

Day & Date: Tuesday, 18 August 2026

Time: 11.30 a.m.

Venue: Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)

Date of Book Closure: Wednesday, 12 August 2026 to Tuesday, 18 August 2026

(Both days inclusive)

Decade at a glance

Amount in Crores

			Ind AS								Indian GAAP
Sr. No.	**Particulars**	**2025-26****	**2024-25****	**2023-24****	**2022-23**	**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**	**2016-17**
1	Revenue from operations	109.6	98.7	94.4	90.2	72.6	29.9	56.3	46.0	38.3	3.5
2	Total Income	130.3	123.5	136.6	118.3	102.7	58.1	86.1	77.9	72.1	48.0
3	Profit Before Tax $	99.2	101.6	102.3	93.4	80.1	32.5	64.9	56.8	49.2	37.5
4	Profit After Tax $	77	78.3	74.6	74.1	60.9	27.2	59.5	49.5	42.4	28.8
5	Dividend per share (₹)	13	13	13	11	10	10	10	21	21	20
6	Dividend (%)	130	130	130	110	100	100	100*	210	210	200*
7	Earnings Per Share (₹)	73.6	76.9	75.4	75.5	62.5	28.0	61.2	51.0	43.7	29.7
8	Book Value Per Share (₹)	4,672.3	4,905.4	3,900.7	2,216.4	1,650.5	1,456.9	862.8	1,239.3	1,709.3	782.6
9	Share Capital	10.5	10.4	9.9	9.9	9.8	9.7	9.7	9.7	9.7	9.7
10	Reserves and Surplus	4,899.8	5,097.6	3,862.5	2,180.8	1,604.4	1,404.8	828.0	1,193.5	1,649.8	750.1
11	Total Capital Employed	4,910.3	5,108	3,872.4	2,190.7	1,614.2	1,414.5	837.7	1,203.2	1,659.5	759.8
12	Net Worth	1,581.2	1,521.2	1,423.9	1,314.9	952.0	898.9	864.1	833.4	796.9	759.8
13	Investment in subsidiary#	491.5	491.9	499.4	297.9	217.3	176.4	175.3	175.3	175.3	175.3
14	Total investment (at cost)	1,359.1	1,271.8	1,205.3	1,029.0	907.1	706.1	690.0	689.8	689.8	680.3

*Interim Dividend
**Includes revenue from discontinued operation
$Includes exceptional items
#Due to reversal of ESAR/ESOP

About Kirloskar Group

Engineering solutions for future generations

For over 137 years, the Kirloskar Group has served as a keystone of India's industrial evolution. Its journey began in 1888 by a forward-thinking founder who transitioned from running a modest bicycle repair shop into creating the nation's first iron plough, an act that laid the foundation for India's industrial revolution. This pioneering spirit catalysed a legacy of progress that continues today.

Today, the Group is a distinguished leader across multiple sectors - internal combustion engines, power backup, castings, and pneumatic and cooling systems, providing critical engineering solutions to a diverse global market.

The Group provides the backbone of infrastructure across a wide variety of sectors, including hospitality, IT/ITES, agriculture, manufacturing, food and beverage, oil and gas, infrastructure and real estate. Kirloskar's remarkable growth and resilience are rooted in strong values that serve as the establishment for every one of its enterprises.

The Group's journey began when the founder, Shri Laxmanrao Kirloskar, established an ordinary bicycle repair shop in Belgaum, Karnataka. This humble start soon transitioned into a machine tool workshop, where he created iron ploughs and chaff cutters, revolutionary examples of engineering advancements that would eventually define the Group's trajectory.

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. Under his expert guidance, the Group expanded into new sectors and international markets, solidifying the Group's reputation on the global stage.

Today, Shri Laxmanrao Kirloskar is remembered as both a pioneer of Indian industry and a reformer dedicated to improving lives. His entrepreneurial spirit continues to provide opportunities for thousands across India and benefits millions more through the Group's extensive global operations.

limitless

KIRLOSKAR GROUP'S PHILOSOPHY

Our exciting story in numbers

137 Years of excellence

₹10,035 crores Combined shareholders' funds*

7,000+ Total Group employees**

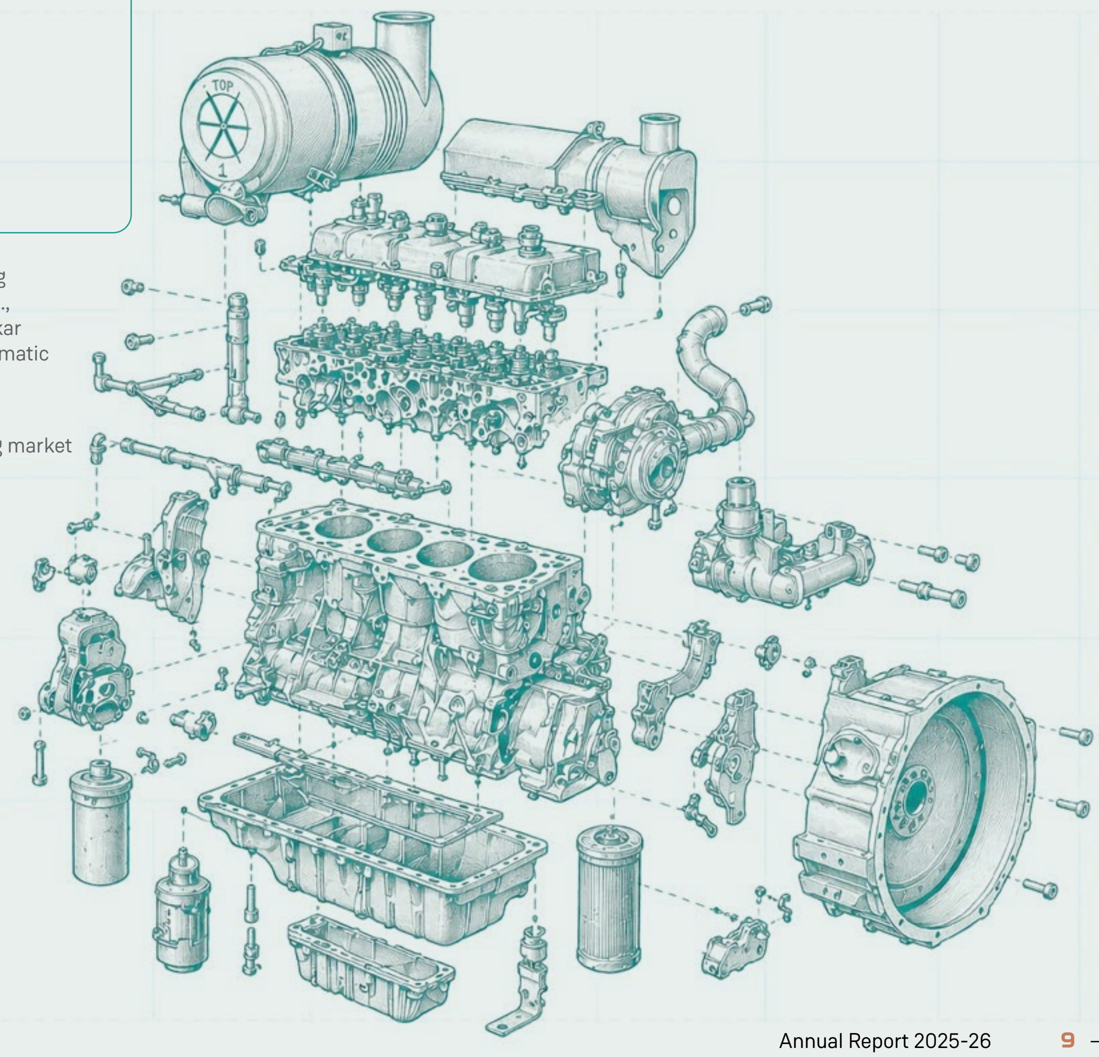
₹48,730 crores Combined market capitalisation***

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 May 29th, 2026.

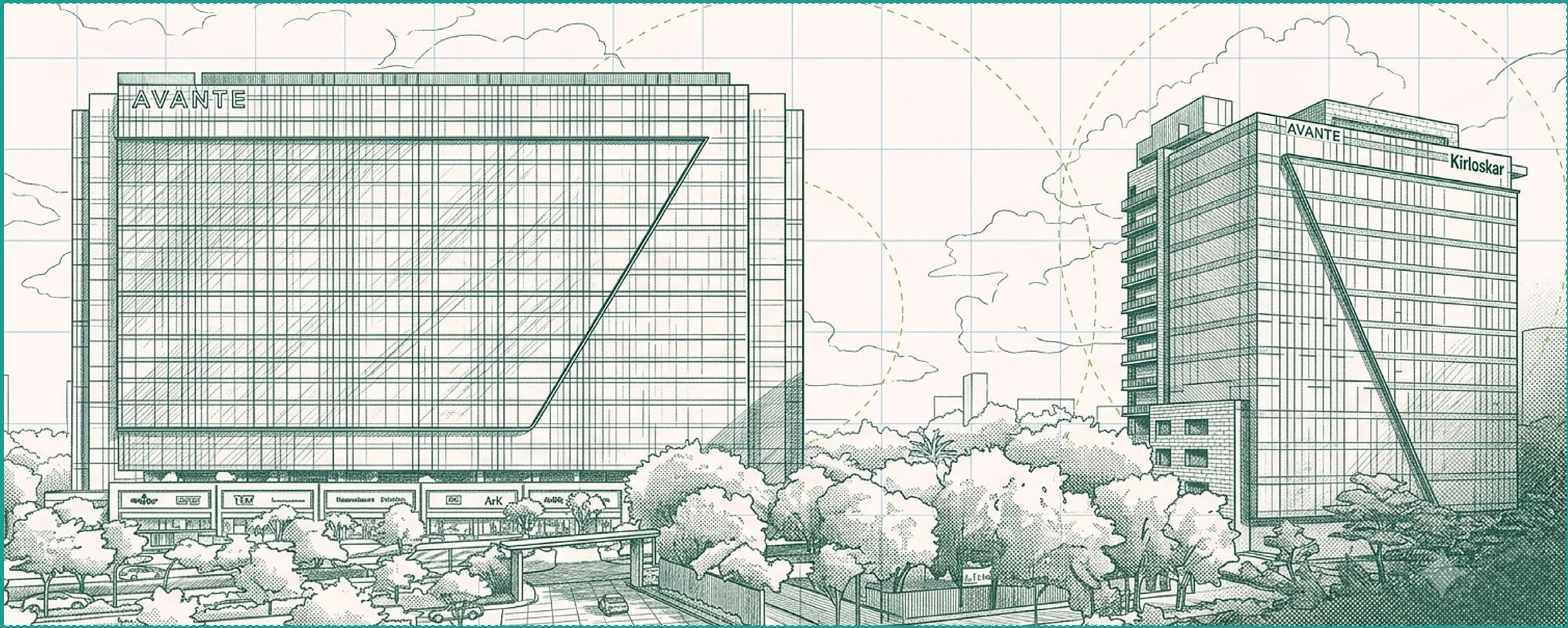


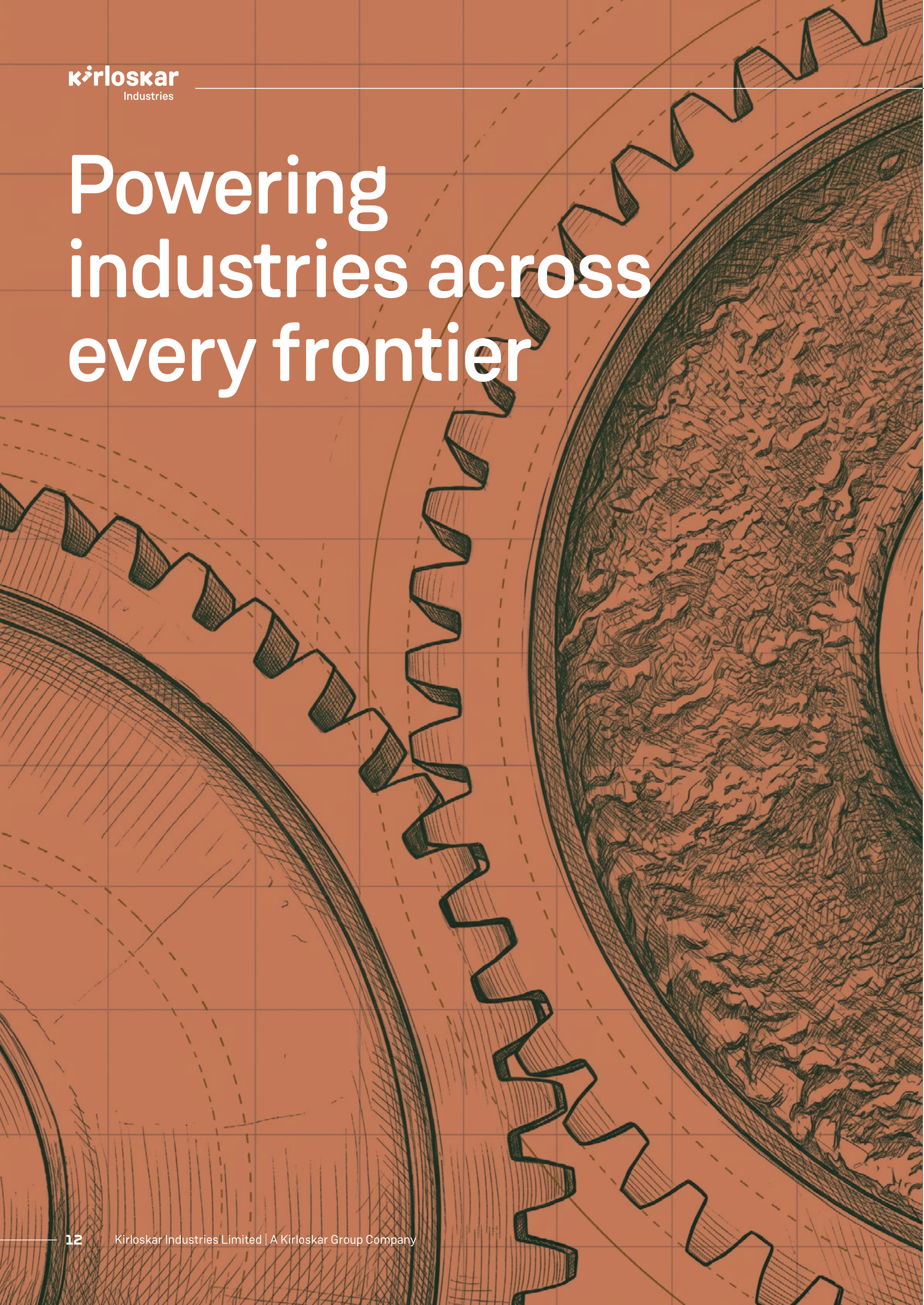
limitless

As society progresses and advances, we at Kirloskar remain at the forefront by continuously evolving. Our core philosophy, which has served as the cornerstone of our Group for more than 137 years, remains deeply committed to the progress of humanity.

We empower our customers to confront the future with courage, urging them to discard conventional constraints and unlock their limitless potential. Our path is steered by a vision that looks toward a horizon of infinite opportunity, anchored firmly in our foundational values. With innovation as our driving force, we engineer the solutions of tomorrow while ensuring human advancement remains our primary focus. We make a conscious effort to look past hurdles, focusing instead on the vast, untapped possibilities of the years ahead.

For us, being "limitless" is a pledge to uphold the principles that define our character: Innovative Thinking, Empathy, Collaboration, Integrity, Excellence, and Value Creation. Through the development of pioneering technology, we forge new paths for services that solve global challenges and deliver benefits to society consistently striving to surpass what is expected of us. Driven by empathy, we are dedicated to advancing hand-in-hand with our partners and clients, fuelled by the belief that our collective potential knows no bounds.





Powering industries across every frontier

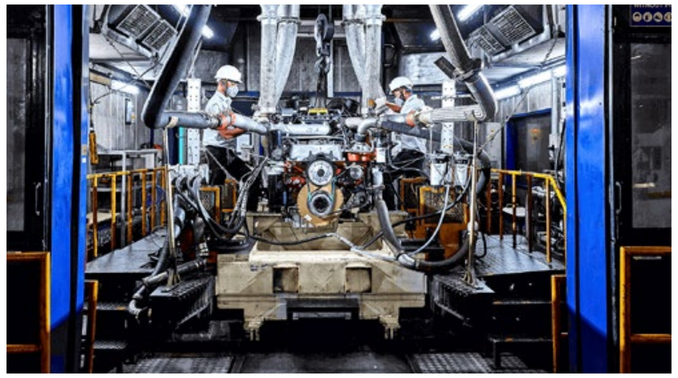
Kirloskar Group companies

Kirloskar Ferrous Industries Limited (KFIL)

Precision castings & tubes value chain - Backward integration from iron ore to pig iron, iron castings, steel, seamless pipes and value-added products.

Kirloskar Industries Limited (KIL) and Avante Spaces Limited

Strategic investments in Group companies & real estate platform – Capital stewardship, portfolio oversight and premium real estate development.



Kirloskar Oil Engines Limited (KOEL), India

Internal combustion engines, gensets, farm mechanisation, pumps and electric motors

ARKA Fincap Limited

Non-banking Financial Company

Kirloskar Pneumatic Company Limited (KPCL)

Compressors and compression systems

Kirloskar Chillers Private Limited

Chillers

About Kirloskar Industries Limited

A legacy that shapes tomorrow

For over a century, we have been synonymous with India's industrial progress. From powering agriculture and manufacturing to enabling infrastructure and urban development, the Group has consistently contributed to the nation's growth through engineering excellence, innovation and responsible enterprise. What began as a modest workshop in Maharashtra in 1888 has evolved into one of India's most respected industrial conglomerates, built on a legacy of trust, integrity and long-term value creation.

At the heart of this legacy is Kirloskar Industries Limited (KIL). Incorporated in 1978 and listed on both the BSE and NSE, KIL functions as an unregistered Core Investment Company (CIC), providing strategic stewardship to the Group's investments while enabling sustainable growth across its portfolio companies. Rather than operating businesses directly, KIL nurtures them through disciplined capital allocation, governance oversight and long-term strategic guidance, ensuring that each enterprise is well-positioned to create enduring stakeholder value.

Today, KIL's portfolio reflects a balanced combination of established industrial leadership and emerging growth opportunities. Its material subsidiary, Kirloskar Ferrous Industries Limited (KFIL), is among India's leading manufacturers of pig iron and iron castings, supported by a robust expansion programme aimed at enhancing manufacturing capabilities and future competitiveness. Complementing its industrial foundation, KIL has also expanded into institutional commercial real estate through Avante Spaces Limited, its wholly owned subsidiary, which is developing premium Grade A office assets designed to meet the evolving requirements of global occupiers and businesses.

Together, these businesses reflect KIL's commitment to preserving a proud legacy while investing with purpose in sectors that are aligned with India's long-term growth aspirations.

Values of KIL

EXCELLENCE
We never compromise on quality

INTEGRITY
We do what we say and say what we do

COLLABORATION
We grow with our people and our partners

EMPATHY
We are always listening, learning and growing

VALUE CREATION
We work at building a shared, prosperous future

INNOVATIVE THINKING
We are bold, brave and forward thinking

Our investment philosophy

At KIL, investing is guided by conviction rather than short-term opportunity. We believe that enduring value is created through patient capital, disciplined governance and the ability to nurture businesses over the long-term.

Our investment philosophy is anchored in three enduring principles:

A long-term perspective

We invest with a long-term horizon, focusing on sustainable growth rather than short-term market movements. Every investment decision is guided by the belief that resilient businesses create superior value over time.

Building independent businesses

Our role extends beyond capital deployment. We support our portfolio companies through strategic guidance, governance and leadership while empowering them to operate independently and build enduring competitive strengths.

Leadership as a value multiplier

We believe that exceptional leadership is fundamental to long-term success. By fostering strong management teams with deep domain expertise, we enable our businesses to execute their strategies effectively and create sustainable value.

Value creation approach

Our approach to value creation is founded on disciplined capital allocation, strategic oversight and a commitment to long-term wealth creation.

Over the years, this philosophy has translated into significant value appreciation across KIL's portfolio. The Company's investments in listed Kirloskar Group companies—including Kirloskar Ferrous Industries Limited, Kirloskar Brothers Limited, Kirloskar Pneumatic Company Limited and Kirloskar Oil Engines Limited—have consistently generated substantial long-term value through steady business growth rather than portfolio churn.

As of FY 25-26:

- Book value of investments: ₹888 crores
- Market value of investments: ~₹6,944 crores

Similarly, KIL's book value per share has grown from ₹783 to ₹4,672 over the last decade, reflecting the strength of its disciplined investment philosophy and the consistent performance of its portfolio companies.

The Company also continues to benefit from strong cash generation across its investments, earning ₹67 crores in dividend income during FY 25-26, demonstrating the resilience and quality of the underlying businesses.

Further strengthening its commitment to transparency, KIL voluntarily adopted the Integrated Reporting Framework, reinforcing its focus on communicating not only financial performance but also the broader value it creates across multiple capitals.

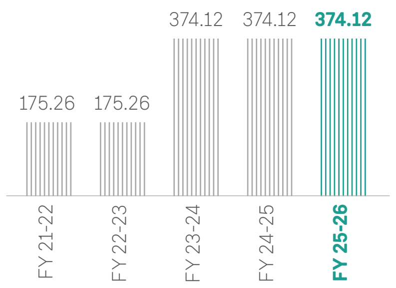
Key Investment Portfolio

45.93%	Kirloskar Ferrous Industries Limited
23.91%	Kirloskar Brother Limited
9.89%	Kirloskar Pneumatic Company Limited
5.65%	Kirloskar Oil Engines Limited
7%	Kirloskar Management Services Private Limited
100%	Avante Spaces Limited
9.90%	S.L. Kirloskar Foundation

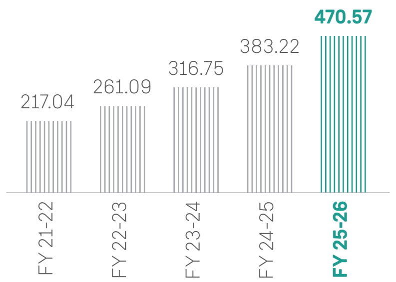
Note: As at 31st March, 2026

Investments in subsidiaries*

Kirloskar Ferrous Industries Limited
(₹ in crores)



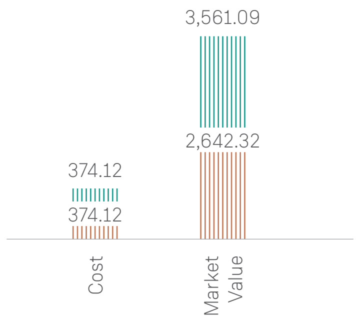
Avante Spaces Limited
(₹ in crores)



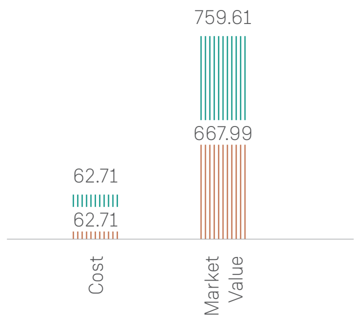
*Includes loans to subsidiaries

KIL's listed investments

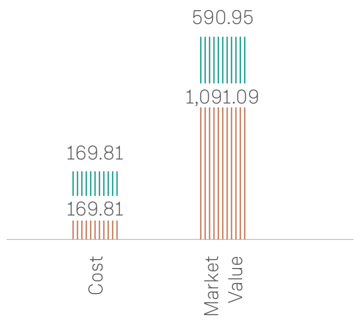
Kirloskar Ferrous Industries Limited
(₹ in crores)



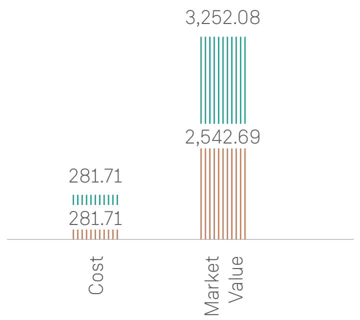
Kirloskar Pneumatic Company Limited
(₹ in crores)



Kirloskar Oil Engines Limited
(₹ in crores)



Kirloskar Brothers Limited
(₹ in crores)



- FY 24-25
- FY 25-26

Board of Directors

1. **Mr. Vinesh Kumar Jairath** Non-Independent Director
2. **Mr. George Verghese** Managing Director
3. **Mr. Rahul Kirloskar** Non-Independent Director
4. **Mr. Atul Kirloskar** Chairman
5. **Ms. Purvi Sheth** Independent Director
6. **Ms. Aditi Chirmule** Executive Director
7. **Ms. Pallavi Gokhale** Independent Director
8. **Mr. Anil Alawani** Non-Independent Director
9. **Mr. S. Venkataramani** Independent Director
10. **Mr. Sumit Mitra** Independent Director
11. **Mr. Satish Jamdar** Independent Director
12. **Mr. Vijay Varma** Independent Director

Leadership Message

Building the foundation for the future

George Verghese
Managing Director
Kirloskar Industries Limited

Atul Kirloskar
Chairman
Kirloskar Industries Limited

Dear Valued Shareholders,

It is with a great sense of optimism that we present to you the Annual Report for Kirloskar Industries Limited (KIL) for FY 25-26. For over 137 years, the Kirloskar name has been synonymous with industrial progress, and at KIL, we are privileged to be the stewards of this enduring legacy. As a Key Investment Company in the Group, KIL is entrusted with the responsibility of advancing this legacy while positioning the portfolio for the opportunities of tomorrow.

Our role extends beyond investing in group companies. We are committed to nurturing businesses that advance engineering excellence, strengthen capabilities, and create sustainable long-term value for all stakeholders. Every investment we make is guided by a disciplined approach to capital stewardship, innovation, and strategic growth, ensuring that the trust placed in us by our shareholders continues to compound across generations.

Now looking at FY 25-26 performance, on a standalone basis, KIL recorded a Total Income of ₹130 crores (₹123 crores in FY 24-25). Profit After Tax (PAT) was ₹77 crores (₹78 crores in FY 24-25).

Our material subsidiary, Kirloskar Ferrous Industries Limited (KFIL), continues to be the cornerstone of our portfolio and a key driver of our consolidated performance. With its uniquely integrated model spanning from mines to machined castings and seamless tubes, KFIL has solidified its position as a market leader. The activation of the Bharath iron ore mine and the ongoing ₹900 crores expansion plan are strategic steps that will enhance raw material security, reduce costs, and fortify its competitive advantage for the future.

Our strategic entry into commercial real estate through our wholly-owned subsidiary, Avante Spaces Limited (ASL), is an extension of our core philosophy. India's real estate sector is undergoing a structural transformation, and we see a clear opportunity for an institutional player with a legacy of trust and excellence.

Our maiden project, 'One Avante', now stands as a fully operational, IGBC Platinum-certified landmark that proudly houses all Kirloskar Group companies under one roof for the first time in our history.

Building on this success, we have launched our next ambitious project, 'Infinia', a ~2 million sq. ft. Grade A+ commercial space within the newly designated Avante Business Park in Kothrud, Pune. With design pre-certified for the highest green building standards and development progressing on schedule, Infinia is set to become a future-ready workspace for the world's leading corporations.

The timing of this venture is anchored in Pune's dynamic growth, supported by major infrastructure initiatives like the Pune Metro and Ring Road, and a robust demand for high-quality commercial real estate, particularly from Global Capability Centres.

Our success is powered by our people. We remain deeply committed to fostering a culture of integrity, innovation, and inclusion. By nurturing talent, empowering our teams through initiatives like LinkedIn Learning, and engaging with our communities, we are building a foundation of human and social capital that is as strong as our financial and manufactured capital.

Reflecting the solid performance of our investee companies, we are pleased to announce that your Board has recommended a dividend of ₹13 per share i.e. 130% on the face value of ₹10 per share.

As we look ahead, KIL is in a position of strength—stewarding a portfolio of resilient, market-leading businesses while simultaneously building a new engine of growth in a sector with immense potential. We are confident that our disciplined approach to capital allocation, our focus on nurturing best-in-class leadership, and our unwavering commitment to our values will continue to create sustainable, long-term value for you.

Thank you for your continued trust and partnership.

Sincerely,

Atul Kirloskar
Chairman
Kirloskar Industries Limited

George Verghese
Managing Director
Kirloskar Industries Limited

External Environment

Momentum meets opportunity

India's real estate sector has evolved into one of the country's most significant economic growth engines over the past decade. Supported by rapid urbanisation, expanding multinational presence, progressive Government policies and increasing foreign investments, the sector has demonstrated sustained resilience across market cycles. The commercial real estate segment, in particular, continues to benefit from structural growth drivers such as digital transformation, expanding infrastructure, Government initiatives, including Smart Cities and Make in India, and the growing adoption of PropTech solutions. Together, these factors are strengthening occupier demand, improving investment sentiment and positioning the sector for long-term growth.

Strong capital flows reinforce investor confidence

Institutional investments in Indian real estate accelerated during the year, reflecting sustained confidence in the sector's long-term fundamentals. Capital velocity remained exceptionally strong, with institutional equity inflows increasing to USD 5.1 billion in Q1 FY26, representing significant growth from USD 3.1 billion in the previous quarter.

Investment activity was largely concentrated in built-up office assets, supported by continued momentum in acquisition of land and development sites, underscoring investor preference for income-generating commercial assets and long-term development opportunities. Together, these asset classes accounted for over 90% of total equity investments during the quarter.

The growing depth of institutional participation reflects increasing confidence in India's commercial real estate ecosystem. Supported by sustained capital inflows, the sector is projected to expand from approximately USD 200 billion in 2021 to over USD 1 trillion by 2030, while contributing nearly 13% to India's GDP by FY 25-26.

Key investment indicators

Metric	FY26 highlights
Institutional Equity Inflows (Q1 FY26)	USD 5.1 billion
Quarter-on-Quarter Growth	53%
Share of Investments in Office Assets & Development Sites	>90%
REIT Investments	~USD 2 billion
Estimated Market Size by 2030	USD 1 trillion+
Expected GDP Contribution	~13%

Commercial office market sets new benchmarks

India's office market recorded its strongest performance to date, driven by robust demand from domestic and multinational occupiers. Office absorption during 2025 exceeded 82 million sq. ft., the highest annual absorption ever recorded, supported by sustained expansion across technology companies, flexible workspace operators and BFSI institutions.

The positive momentum continued into Q1 FY26, with gross office leasing reaching a record 20.7 million sq. ft., marking the strongest first-quarter performance on record. A significant contributor to this demand was the continued expansion of Global Capability Centres (GCCs), which leased 9.1 million sq. ft. during the quarter.

Strong occupier demand outpaced fresh supply of approximately 10.3 million sq. ft., leading to lower vacancy levels and steady rental appreciation across major commercial hubs.

Occupier demand by sector

Sector	Share
Flexible Spaces	23%
Technology	17%
BFSI	13%
E-Commerce	12%
Research, Consulting & Analytics	12%
Engineering & Manufacturing	6%
Infrastructure, Real Estate & Logistics	4%

REITs continue to expand their market presence

The country also witnessed a significant increase in investment activity through Real Estate Investment Trusts (REITs), with investments reaching approximately USD 2 billion. The strong growth in REIT participation reflects rising investor preference for professionally managed, income-generating commercial assets and further demonstrates the growing maturity of India's institutional real estate market.

Source: CBRE Research Q1 2026, IBEF Real Estate Industry Report

Pune emerges as a leading commercial destination

Pune continued to strengthen its position as one of India's fastest-growing commercial office markets, recording a gross absorption of approximately 1.4 million sq. ft. The city's performance was primarily driven by expanding Global Capability Centres, which accounted for 59% of total leasing activity, significantly higher than the national average.

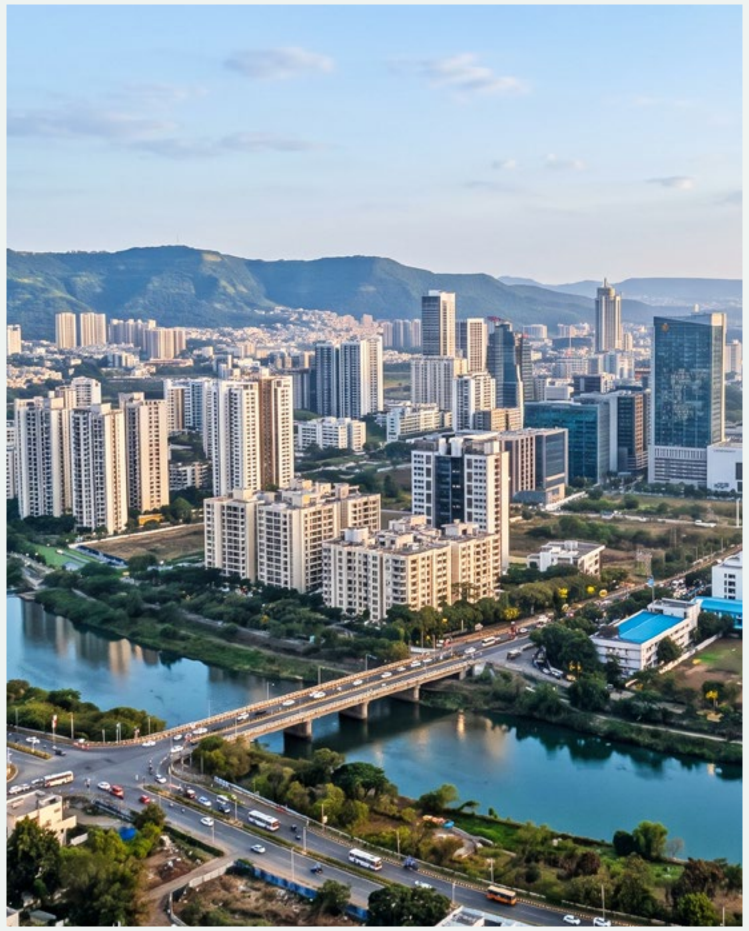
Demand remained concentrated across IT-BPM and Engineering & Manufacturing occupiers, particularly in SBD East and PBD West, reinforcing Pune's position as a preferred destination for knowledge-based industries.

The sustained demand for premium office developments also contributed to an increase in Grade A office rentals, reflecting the city's improving commercial fundamentals and growing attractiveness to institutional investors.

Pune market snapshot

- 1.4 million sq. ft. gross office absorption in Q1 FY26
- 59% of leasing driven by GCCs
- Strong demand from IT-BPM and Engineering & Manufacturing sectors
- Continued expansion across SBD East and PBD West

CASE STUDY



Infrastructure investments strengthen Pune's growth outlook

Pune's long-term commercial potential continues to be reinforced by large-scale infrastructure projects aimed at improving connectivity, supporting urban expansion and unlocking new business districts.

The Pune Metro Corridor III, currently under construction, will establish a 23.3 km elevated corridor connecting Hinjewadi with Shivaji Nagar, integrating with the existing Metro network through 23 stations. Complementing this, the 170 km Pune Ring Road is expected to significantly improve regional connectivity, reduce congestion and create new development corridors across the metropolitan region.

Future infrastructure initiatives, including Metro Corridors IV and IVA, the proposed expansion of the Rainbow BRTS network, and the Mann-Mahalunge Town Planning Scheme, are expected to support integrated urban development by creating new residential, commercial and social infrastructure while enhancing accessibility across the city.

Major infrastructure initiatives

Pune Metro Corridor III

Status: Under Construction
Expected completion: 2026
Strategic impact: 23.3 km corridor connecting Hinjewadi and Shivaji Nagar through 23 stations, with first 12 km stretch (12 stations) to be operational by 2026.

Pune Ring Road

Status: Under Construction
Expected completion: TBD
Strategic impact: 170 km eight-lane expressway expected to decongest the city and unlock new commercial and residential corridors.

Pune Metro Corridor IV

Status: Proposed
Expected completion: TBD
Strategic impact: 25.5 km corridor connecting Khadakwasla and Kharadi through key commercial zones.

Pune Metro Corridor IVA

Status: Proposed
Expected completion: TBD
Strategic impact: 6.1 km corridor improving last-mile connectivity across western Pune.

Rainbow BRTS Expansion

Status: Proposed
Expected completion: TBD
Strategic impact: Planned expansion to complement Metro connectivity and strengthen urban mobility.

Mann-Mahalunge TPS

Status: Proposed
Expected completion: TBD
Strategic impact: Integrated township spanning over 250 hectares with residential, commercial and social infrastructure to support future urban growth.

Source: CBRE Research Q1 2026, PuneMetroRail.org, PMRDA.gov.in

Outlook

India's commercial real estate sector remains well positioned for sustained growth, supported by strong institutional capital, record leasing activity, expanding GCC investments and a robust infrastructure pipeline. As businesses continue to scale their operations and demand for high-quality commercial assets strengthens, the sector is expected to play an increasingly important role in India's economic development.

Pune, with its growing infrastructure, deep talent pool and strong occupier demand, is expected to remain one of India's most attractive commercial real estate destinations, offering significant opportunities for developers, occupiers and long-term investors alike.

KIL's positioning

While KIL continues to strengthen its established businesses, it also actively evaluates opportunities that align with long-term structural growth themes.

The Company's entry into commercial real estate through Avante Spaces Limited reflects this forward-looking approach. Driven by increasing urbanisation, infrastructure investments, the growing demand for institutional-grade commercial developments and an evolving regulatory environment, India's real estate sector presents compelling long-term opportunities.

For KIL, this expansion represents a natural extension of its investment philosophy—deploying patient capital into businesses with strong fundamentals, capable leadership and the potential to create sustainable value over decades.

As India continues to evolve, KIL remains committed to identifying opportunities that complement its legacy while strengthening its ability to deliver long-term value for shareholders, businesses and society.

Key projects and initiatives

Building what's next

During FY 25-26, KIL continued to build on its long-term growth strategy by advancing high-impact projects across its portfolio. From sustainable commercial developments through Avante Spaces to operational optimisation at KFIL, these initiatives reinforce the Company's focus on creating enduring value for stakeholders.

Avante Business Park

Landmark commercial development by Avante Spaces, in Kothrud, Pune, integrating commerce, culture and community.

Launched in Q4 FY26

Avante Business Park - Phase II

~2 million sq. ft. Grade A commercial development in Pune, designed to high sustainability standards.

Under development through FY 25-26

IGBC & LEED Platinum pre-certified development

Avante Business Park - Phase II received IGBC and LEED Platinum pre-certification, reinforcing KIL's sustainability focus.

Progressing as planned

KFIL capacity optimisation

Improving utilisation across foundry, tubes and steel operations to drive profitability.

Continued through FY 25-26

Operational excellence & cost competitiveness (KFIL)

Focus on manufacturing efficiency, cost optimisation and responsible manufacturing.

Ongoing strategic initiative

Raw material security & strategic synergies (KFIL)

Strengthening integration and procurement to improve margins and supply resilience.

Ongoing strategic initiative

Corporate Governance

Oversight with integrity

We are committed to upholding the highest standards of Corporate Governance, anchored in transparency, accountability and integrity. Our governance framework fosters open communication, timely decision-making and responsible oversight, strengthening stakeholder trust. Guided by an experienced Board, we ensure strategic alignment and effective oversight, while specialised Board Committees provide focused leadership to drive robust governance, policy implementation and regulatory compliance.

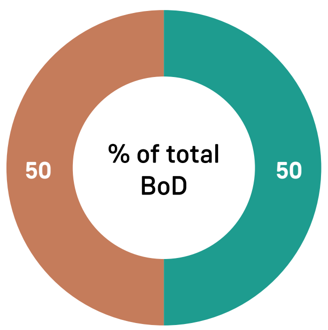
Our Policies*

- ESG Policy
- Stakeholder Engagement Policy
- Grievance Redressal Policy
- Human Rights Policy
- Familiarisation Programme for Independent Directors
- Whistleblower / Vigil Mechanism Policy
- Policy for Determination of Material Events or Informations
- Business Continuity Policy
- Policy for Preservation of Documents
- Nomination and Remuneration Policy
- Risk Management Policy
- Dividend Distribution Policy
- Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions
- Corporate Social Responsibility Policy
- Policy of Material Subsidiaries
- Business Responsibility Policy
- Archival Policy
- Code of Practices and Procedures for Fair Disclosure of UPSI

*Indicative list

Board's strategic leadership and oversight

Our Board comprises experienced professionals with diverse industry expertise and functional knowledge. As the Company's highest governing authority, it provides strategic direction, ensures regulatory compliance, and oversees economic, social and environmental priorities to drive sustainable long-term value creation.



- Independent Directors
- Non-Independent Directors

Key committees and their activities

Audit Committee

Roles

Oversees the financial reporting process, ensures the accuracy and reliability of financial statements, and monitors the effectiveness of internal control systems.

Responsibilities

- Timeliness and accuracy of financial reporting
- Review of internal audit findings and implementation of corrective actions
- Compliance with applicable regulatory requirements

Number of meetings held
5

Risk Management Committee

Roles

Identifies, assesses and mitigates enterprise risks while ensuring effective risk management policies and processes are in place.

Responsibilities

- Review of key risks and their potential impact
- Effectiveness of risk mitigation strategies
- Periodic review of risk mitigation plans

Number of meetings held
4

Nomination and Remuneration Committee

Roles

Reviews and recommends the appointment, remuneration and performance evaluation of Directors, Key Managerial Personnel (KMP) and senior management.

Responsibilities

- Performance against set objectives for Senior Management
- Talent retention and succession planning
- Diversity and inclusion across leadership positions

Number of meetings held
2

Stakeholder Relationship Committee

Roles

Oversees the timely and effective resolution of grievances raised by shareholders and other security holders.

Responsibilities

- Timely resolution of stakeholder grievances
- Stakeholder satisfaction
- Review of pending and resolved grievances

Number of meetings held
4

Corporate Social Responsibility Committee

Roles

Formulates, oversees and monitors the Company's CSR policy, programmes and initiatives in line with statutory requirements and community priorities.

Responsibilities

- CSR spending in accordance with statutory requirements
- Implementation and monitoring of CSR action plans
- Impact and outreach of CSR programmes

Number of meetings held
3

Board of Directors

- Mr. Atul Kirloskar – Chairman
- Mr. George Verghese – Managing Director
- Ms. Aditi Chirmule – Executive Director
- Mr. Anil Alawani – Non-Independent Director
- Mr. Vinesh Kumar Jairath – Non-Independent Director
- Mr. Rahul Kirloskar – Non-Independent Director
- Mr. Satish Jamdar – Independent Director
- Mr. Vijaydipak Varma – Independent Director
- Ms. Purvi Sheth – Independent Director
- Ms. Pallavi Gokhale – Independent Director
- Mr. Sumit Mitra – Independent Director
- Mr. S. Venkataramani – Independent Director

Sustainability at KIL

Our ESG commitment

We integrate Environmental, Social and Governance (ESG) principles into our strategy to strengthen resilience, uphold integrity and create sustainable value. Through responsible governance and meaningful social impact, we contribute to the long-term success of our stakeholders and communities.

ESG Governance

Our ESG governance is anchored by an engaged Board of Directors that provides strategic oversight of governance, environmental stewardship and social responsibility. Through dedicated committees, including the Audit Committee, Risk Management Committee and CSR Committee, we strengthen accountability, regulatory compliance and responsible business practices.

At the Group level, our ESG Committee, chaired by an Independent Director, guides the integration of ESG considerations into strategic decision-making and long-term value creation. The ESG Core Committee, comprising Managing Directors and senior leaders, translates this strategy into actionable priorities and measurable outcomes. Supporting execution, the ESG Operational Team brings together cross-functional expertise to drive implementation, foster collaboration and embed ESG principles across our businesses.

Reporting standards that match global excellence

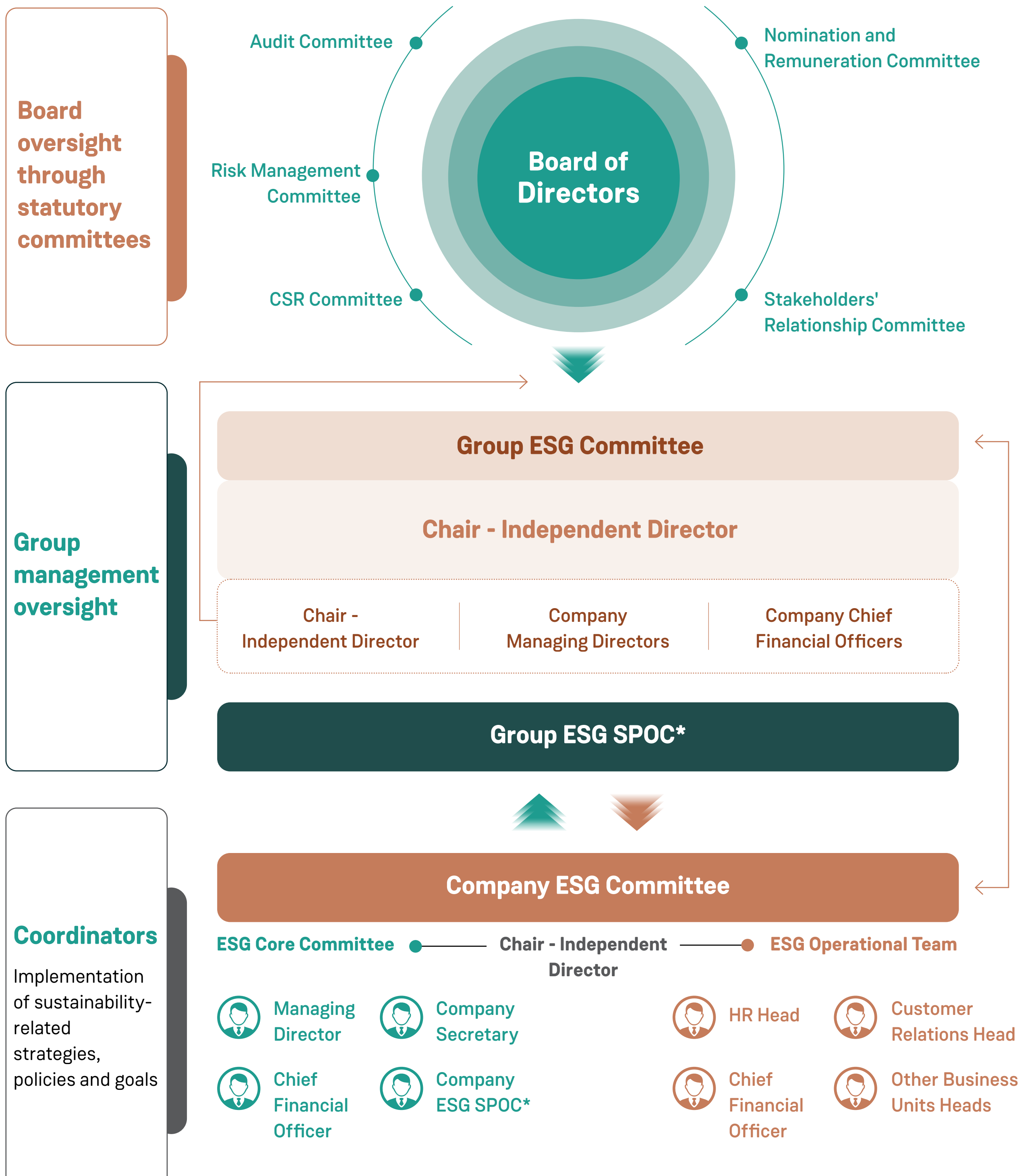
Our Voluntary Assurance

We have voluntarily sought independent assurance for our Business Responsibility and Sustainability Report (BRSR), reaffirming our commitment to transparent, credible and accountable ESG reporting.

By validating the integrity of our disclosures and identifying opportunities for improvement, the assurance process strengthens stakeholder confidence and supports our journey of continuous enhancement.

Please refer to BRSR Assurance Certificate, which is part of BRSR Report

Sustainable governance structure



SPOC*- Single Point of Contact

Material Topics

Creating impact from insights

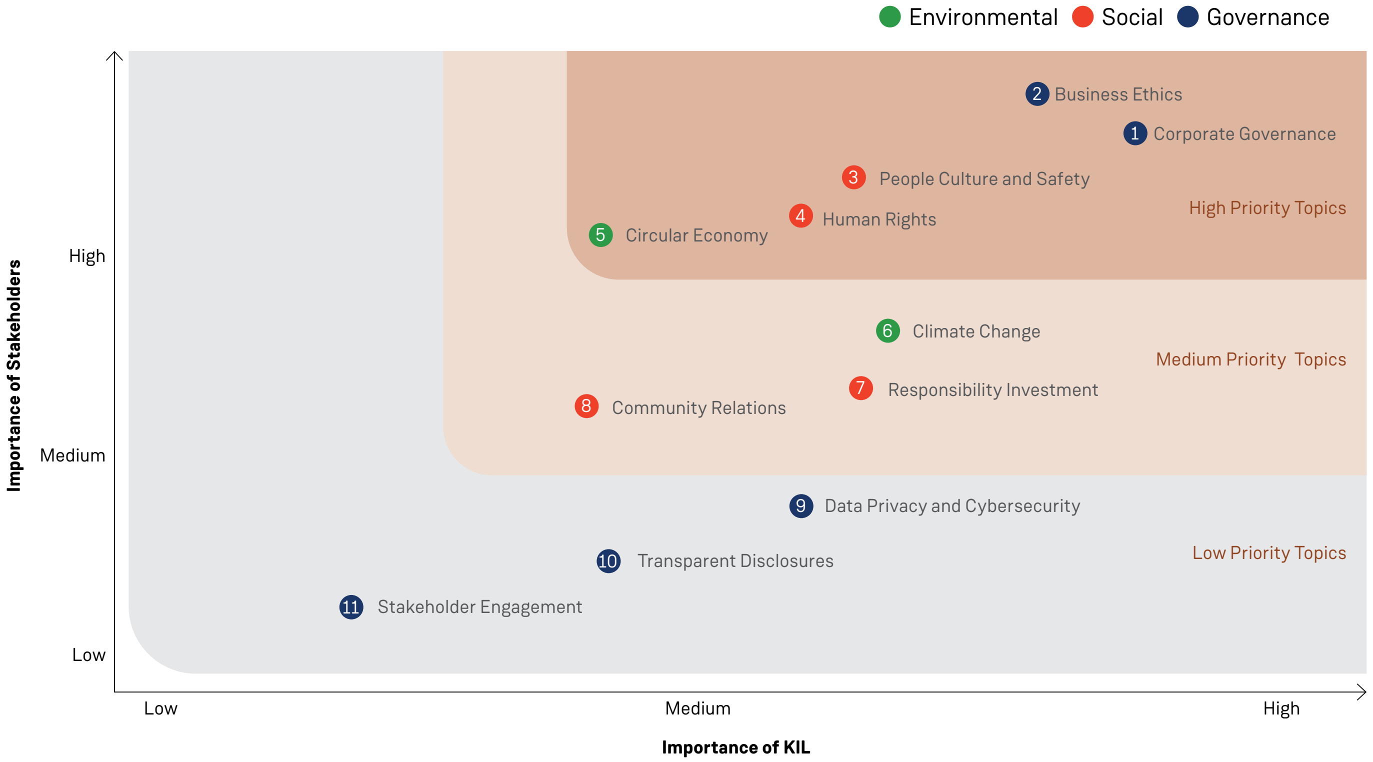
At KIL, stakeholder engagement plays a vital role in identifying and prioritising the Environmental, Social and Governance (ESG) matters that drive long-term value creation. As an Investment Company, we engage diverse stakeholders to strengthen our governance, sustainability priorities and risk oversight.

In FY 25-26, we conducted a comprehensive materiality reassessment, building on the FY 22-23 assessment to validate existing material topics and evaluate emerging ESG issues in line with evolving stakeholder expectations, regulatory developments and the changing business environment.

The reassessment drew on structured feedback from the Board, senior management, employees, investors, suppliers, subsidiaries and other key stakeholders. Their inputs were evaluated through a robust prioritisation framework to update KIL's materiality matrix and reaffirm the ESG topics most significant to our governance, risk management and disclosure practices.

The findings have been integrated into our governance and sustainability framework, strengthening strategic decision-making, enterprise risk management and ESG oversight across KIL and its subsidiaries. This process continues to guide our sustainability priorities and reinforce our commitment to responsible governance and long-term value creation.

Materiality matrix



Material topics ranking

Material Topic	FY 25-26 Ranking	FY 22-23 Ranking
Corporate Governance	1	Not included in ranking
Business Ethics	2	2
People, Culture and Safety	3	5
Human Rights	4	7
Circular Economy	5	4
Climate Change	6	8
Responsible Investment	7	New topic
Community Relations	8	6
Data Privacy and Cybersecurity	9	10
Transparent Disclosures	10	Not included in ranking
Stakeholder Engagement	11	New topic
Employee Health and Safety	Not included in new list	1
Responsible Supply Chain	Not included in new list	3
Sustainable Innovation	Not included in new list	9

Framework for ESG commitments

To create a sustainable and limitless future through Innovation, Inclusion and Integrity

ESG Focus

Integrating Climate Action and enhancing Circular Economy efforts

Green planet

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

Maintaining stakeholders relationships and creating social value

Nurturing workplace

- 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 and inclusion, human rights)

Building transparent governance

Transparent governance

- Corporate Governance (business ethics, Board structure and management, risk management, tax transparency)
- Innovation Management
- Cyber security and data privacy
- Transparent disclosure

Sustainability Foundation | **Corporate Governance** | **Policies** | **Transparency**

Stakeholder Engagement

Listening. Engaging. Creating value.

We believe enduring relationships are built on consistent and meaningful stakeholder engagement. Through open and transparent dialogue, we gain valuable insights into stakeholder expectations and concerns, enabling informed decisions and timely action. This collaborative approach reinforces our commitment to ethical business practices, transparency and sustainable long-term value creation.

Employees

Importance of the stakeholders

Our people power our progress. Their talent, dedication and ideas shape our business strategy, and we are committed to enabling their growth, well-being and continued success.

Channels of engagement

- Emails, notices, displays, meetings, intranet and website
- Review meetings
- Employee engagement activities
- Learning Management System (LinkedIn Learning), training programmes and theme-based virtual roundtables
- Performance appraisal dialogues
- Employee engagement surveys

Frequency of engagement

- Continuous
- Weekly/Monthly/Quarterly/Annually
- As per the annual training and events calendar

Purpose, scope and key topics of engagement

- Enhance employee morale, engagement and productivity.
- Promote employee health, safety and well-being.
- Support learning, development and career growth.
- Communicate policies, processes and organisational performance.
- Assess employee satisfaction and gather feedback for continuous improvement.

Customers

Importance of the stakeholders

Our diverse customer base strengthens our understanding of evolving market needs. Their insights guide strategic decision-making and help us unlock new opportunities for growth across markets and industries.

Channels of engagement

- Physical interactions
- Digital communication channels
- Website and online engagement

Frequency of engagement

- Continuous and need-based

Purpose, scope and key topics of engagement

- Deliver seamless customer service throughout the customer lifecycle.
- Address customer queries, feedback and grievances promptly.
- Understand evolving customer needs and expectations.
- Strengthen customer satisfaction, loyalty and long-term relationships.

Investors and Shareholders

Importance of the stakeholders

We value the trust and confidence of our shareholders and investors. Our focus remains on delivering consistent financial performance while creating sustainable long-term value.

Channels of engagement

- Annual General Meeting
- Quarterly results announcements
- Annual Report
- Investor presentations
- Press releases and media interactions
- Stock exchange filings
- Notices to shareholders, postal ballots, advertisements, emails and website

Frequency of engagement

- Annually
- Quarterly
- Need-based
- Continuous

Purpose, scope and key topics of engagement

- Promote transparency and high standards of Corporate Governance.
- Communicate financial performance, business strategy and key developments.
- Provide timely disclosures and regulatory updates.
- Engage on ESG, CSR and long-term value creation initiatives.
- Address investor queries and build stakeholder confidence.

Communities

Importance of the stakeholders

Our engagement with communities is guided by active listening, mutual trust and meaningful action. By addressing local needs through impactful projects, we strive to create lasting positive change.

Channels of engagement

- Engagement with NGOs for CSR initiatives
- Employee volunteering programmes
- Website
- Community and perception surveys

Frequency of engagement

- Need-based

Purpose, scope and key topics of engagement

- Understand community needs and expectations through regular dialogue and feedback.
- Identify priority areas for social investment and community development initiatives.
- Promote education, healthcare, livelihood enhancement, skill development and environmental conservation through CSR programmes.
- Foster inclusive growth by partnering with local institutions and NGOs.
- Build trust and strengthen long-term relationships through transparent communication and responsible business practices.

Vendors, Contractors & Technical Partners

Importance of the stakeholders

We cultivate strong, transparent relationships with our suppliers and partners to ensure seamless collaboration. This strengthens communication, enhances mutual understanding, and supports operational efficiency and innovation.

Channels of engagement

- Physical meetings
- Digital communication channels
- Emails
- Review meetings

Frequency of engagement

- Continuous and need-based

Purpose, scope and key topics of engagement

- Build strategic partnerships and strengthen long-term relationships.
- Communicate business requirements, expectations and performance standards.
- Facilitate technology exchange and innovation.
- Address queries, feedback and grievances throughout the engagement lifecycle.
- Create mutually beneficial partnerships through collaboration and shared value creation.

Regulatory Authorities

Importance of the stakeholders

We maintain ongoing dialogue with regulatory authorities and Government agencies to uphold high standards of compliance and transparency while staying aligned with changing laws and policy frameworks.

Channels of engagement

- Physical meetings
- Digital communication channels
- Regulatory filings and submissions

Frequency of engagement

- Continuous and need-based

Purpose, scope and key topics of engagement

- Ensure compliance with applicable laws, regulations and statutory requirements.
- Engage on regulatory updates, approvals, inspections and policy changes.
- Maintain transparent and constructive communication with Government authorities.
- Strengthen Governance and proactively manage regulatory risks.

Risk Management

Building a resilient enterprise

Risk management is integral to KIL's governance framework. Through a structured approach, we proactively identify, assess and mitigate potential risks, enabling informed decisions and operational resilience.

Risk management process

Identification and categorisation of risks → Risk rating → Risk mitigation → Risk monitoring and review → Risk activity calendar

Risk management governance structure

Our risk governance framework clearly defines roles and responsibilities across the organisation, enabling a coordinated approach to risk identification, assessment and mitigation. By fostering organisation-wide participation, it strengthens effective risk management and supports informed decision-making.

Board of Directors

Risk Management Committee

Risk coordinator

Risk owners

Key risks and their mitigation

Risk	Description	Mitigation measures	Capital employed
Strategic Risk	• Arises from internal and external factors • Includes economic shifts, regulatory changes and evolving customer demands • Can also result from internal issues like poor planning or resource constraints	• Monitor market trends and Government policies • Strengthen stakeholder relationships • Diversify product portfolio to reduce competition impact	
Operational Risk	• Results from failures in internal processes or systems • Includes risks related to HR, IT, supply chain and mining activities • Disrupts day-to-day operations	• Regularly upgrade machinery and equipment • Implement advanced technologies and automation • Enhance efficiency and reduce human error	
Financial Risk	• Involves financial losses such as reduced profitability or insolvency • Can arise from poor working capital, hedging failures, or forex exposure	• Pursue strategic mergers and acquisitions • Strengthen market position • Expand access to technologies, customers and markets	
Compliance Risk	• Arises from non-adherence to prevailing laws, evolving regulations or internal policies • Can lead to penalties, disputes, or reputational harm	• Regularly update compliance policies in line with legal and regulatory changes • Conduct internal audits to ensure adherence and identify gaps	
Reputational Risk	• Involves adverse impact on the organisation's reputation due to negative publicity or ethical lapses • Can cause loss of customer trust and market share	• Develop innovative and reliable products aligned with customer expectations • Ensure consistent product quality and service standards	
Sustainability	• Related to ESG impacts like climate change, health and safety, or resource scarcity • Affects both operational and financial performance	• Continuously upgrade processes and equipment • Focus on energy efficiency and waste reduction	

Financial Capital | Intellectual Capital | Social & Relationship Capital | Manufactured Capital | Human Capital | Nature Capital

Financial Capital

Creating lasting value

We maintain a prudent and disciplined approach to financial management, underpinned by a clear focus on long-term value creation and sustainable growth. Through strategic capital allocation, operational efficiency and robust risk management, we strengthen financial resilience and stability. Our commitment to sound governance and disciplined investment decisions drives consistent performance while reinforcing confidence among stakeholders.

Prudent capital allocation

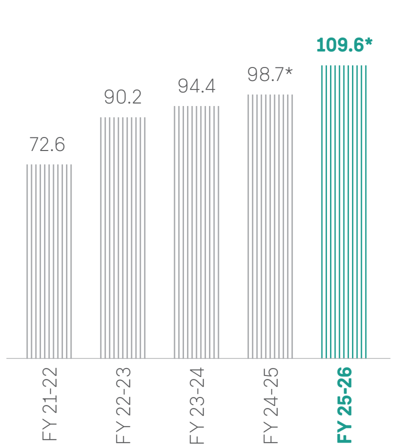
Our investment policy reflects our commitment to responsible capital allocation by balancing capital preservation, liquidity and sustainable risk-adjusted returns. Guided by a robust governance framework, disciplined risk management practices and a diversified investment approach, we seek to optimise the deployment of surplus funds while maintaining financial flexibility and resilience. We make investment decisions with a long-term perspective, ensuring that capital is allocated prudently to preserve value, support future growth opportunities and reinforce our financial strength. This disciplined approach enables us to navigate changing market conditions effectively while remaining aligned with regulatory requirements and our overarching objective of creating sustainable long-term value for all stakeholders.

Financial management approach

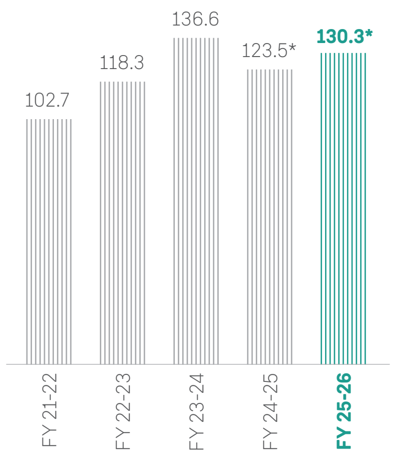
As an Investment Company of the Kirloskar Limitless Group, we maintain a disciplined financial management approach focused on preserving our financial strength while enabling long-term value creation. Our primary sources of income comprise dividends from our investments in Group companies and rental income generated from our leased commercial properties. These stable cash flows provide us with the financial flexibility to support our strategic priorities and strengthen the Group's growth agenda.

Five-year trend of key financial parameters

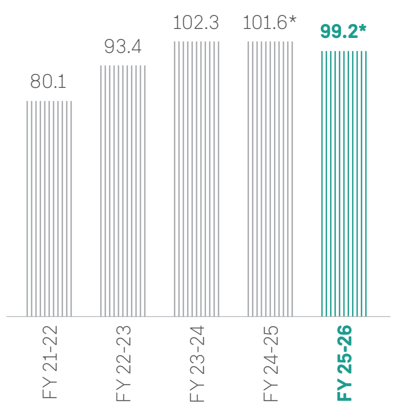
Revenue
(₹ in crores)



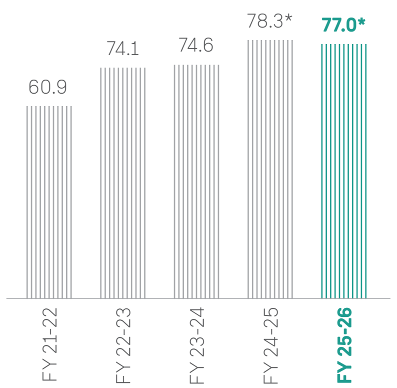
Total Income
(₹ in crores)



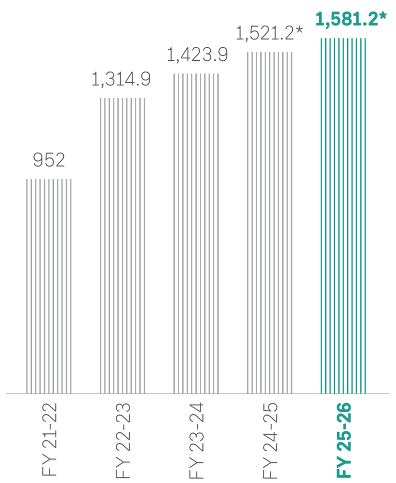
PBT
(₹ in crores)



PAT
(₹ in crores)



Net Worth
(₹ in crores)



*Includes revenue from discontinuing operations

Manufactured and Intellectual Capital

Engineering excellence through manufactured and intellectual capital

At Kirloskar Industries Limited, our manufactured and intellectual capital work together to strengthen operational excellence, foster innovation and create long-term stakeholder value. Through Kirloskar Ferrous Industries Limited (KFIL), we continue to enhance manufacturing capabilities by investing in advanced technologies, process excellence and sustainable business practices that improve efficiency, quality and resource productivity across our operations. At Avante Spaces Limited (ASL), we are developing future-ready real estate that combines thoughtful design, sustainability and modern infrastructure to create enduring value for customers and communities.

Our intellectual capital complements these physical assets through the adoption of best-in-class manufacturing practices, energy-efficient technologies and continuous innovation. Across our businesses, we leverage engineering expertise, digitalisation and process improvements to optimise operations, reduce environmental impact and strengthen competitiveness. This combination of robust manufacturing capabilities and knowledge-driven innovation enables us to deliver sustainable growth while remaining responsive to evolving customer needs and industry trends.

Avante Spaces Limited

Through Avante Spaces Limited (ASL), our wholly owned subsidiary, we combine strategic asset development, technology-led execution and sustainable design to build premium commercial destinations that enhance customer experience and generate long-term stakeholder value.

Creating future-ready workspaces

As the real estate development arm of the Kirloskar Group, Avante Spaces is redefining commercial workspaces through premium, sustainable and future-ready developments across India's leading urban centres. Guided by the Group's legacy of trust, innovation and engineering excellence, we create integrated environments that foster productivity, collaboration.

Our vision

To be a trusted real estate developer creating distinctive and sustainable developments where communities thrive.

Our mission

To build a world-class organisation that delivers exceptional value to our stakeholders through customer-centricity, innovative design, operational excellence and progressive people practices.

Avante Business Park, Kothrud, Pune

Building on the successful delivery of **One Avante**, our maiden commercial development, Avante Spaces has established a strong platform for future growth. For the first time in the Kirloskar Group's 136-year history, One Avante has brought together Group companies under one roof, strengthening collaboration while demonstrating our execution capabilities.

During FY 25-26, we completed a comprehensive branding exercise for our developments. The operational tower continues to be known as **One Avante**, while the tower under construction has been named **Infinia**. Together with the landscape and amenity spaces, the integrated campus has been officially branded as **Avante Business Park**.

Operational asset – One Avante

One Avante represents a significant milestone in Avante Spaces' growth journey and reflects our commitment to delivering high-quality commercial developments. The project has been awarded the prestigious **IGBC Platinum Certification**, recognising excellence in sustainable design, construction and operations.

Following successful project delivery, Avante Spaces continues to provide comprehensive asset and facility management services. Our proactive, performance-driven approach focuses on operational excellence, occupant well-being, safety and sustainability while preserving long-term asset value. The development also generates stable service-based revenue through integrated facility management and amenity services provided to Kirloskar Group companies occupying the campus.

The Company's commitment to quality, environmental stewardship and occupational health and safety is further reinforced through **ISO 9001, ISO 14001 and ISO 45001 certifications** for One Avante.

Industry recognition

During the year, One Avante received multiple recognitions for excellence in sustainability, facility management and innovation, including:

- iNFHRA Diamond Award for Excellence in Water Management
- iNFHRA Award for Excellence in Energy Management
- iNFHRA Silver Award for Safety & Security Management
- FM GlobalNet Award for Excellence in Facility Management
- Procon Media Award for Excellence and Leadership in Administration & Facility Management

Ongoing development – Infinia

The next phase of Avante Business Park is taking shape through Infinia, a Grade A+ commercial office development with a built-up area of approximately 2 million sq. ft.

Located in Kothrud, Pune, the project is designed to cater to the evolving workplace requirements of multinational corporations, Global Capability Centres (GCCs), BFSI institutions and technology-led enterprises.

The project integrates intelligent building systems, advanced digital connectivity and predictive maintenance technologies to optimise operational efficiency and lifecycle performance. Designed around a campus ecosystem, Infinia will feature curated amenities, wellness-focused spaces and collaborative environments that enhance productivity and user experience.

Construction continues in line with planned timelines, with all statutory approvals in place and completion targeted during FY 27-28.

To strengthen market presence, Avante Spaces formally launched Avante Business Park to the real estate fraternity during the year, engaging leading consultants, brokers and industry stakeholders. The Company continues to actively engage prospective occupiers and partners to build awareness and accelerate leasing momentum.

Sustainability by design

Sustainability is embedded throughout the design, construction and operation of our developments. Both One Avante and Infinia are designed to achieve the highest standards of environmental performance, with Infinia already receiving IGBC and LEED Platinum pre-certifications.

Technology plays a central role in this journey. Through the implementation of the FACTECH digital ecosystem, One Avante has transitioned to a fully digitised, data-driven facility management platform, delivering:

- 100% digitised operations across facility management
- Paperless preventive maintenance and digital checklists
- Intelligent energy and building management
- Integrated assets, inventory and incident management
- Digital security, access control and helpdesk management

Delivering measurable sustainability outcomes

Our integrated sustainability initiatives continue to deliver tangible environmental benefits across operations, including:

- 5.8 million litres of annual water savings
- Over 90,000 sheets of paper are eliminated annually
- Approximately 3,500 kg of CO_2 emissions avoided every year
- 17 trees preserved through reduced paper consumption
- 8-10% reduction in annual diesel consumption
- Water-efficient fixtures and intelligent resource management systems
- Responsible for hazardous waste management and circular economy initiatives
- Community paper recycling programmes supporting women's livelihood generation
- EV charging infrastructure promoting low-carbon mobility

Together, these initiatives have established One Avante as a benchmark for digitally enabled, environmentally responsible commercial asset management.

Roadmap

As Avante Spaces Limited (Avante Spaces) expands its portfolio, Avante Spaces remains focused on developing premium commercial and residential destinations that combine innovation, sustainability and customer-centric design. Supported by the Kirloskar Group's enduring legacy and a strong development pipeline, Avante Spaces is well-positioned to redefine future-ready real estate while creating sustainable long-term value for all stakeholders.

Kirloskar Ferrous Industries Limited

Kirloskar Ferrous Industries Limited (KFIL), the flagship investment of KIL, remains the principal contributor to the Company's consolidated financial performance. Built on over 130 years of engineering excellence, KFIL has evolved from a focused pig iron and grey iron castings manufacturer into one of India's most vertically integrated ferrous companies, with a diversified portfolio spanning pig iron, castings, steel and seamless tubes.

Its pig iron business operates from strategically located manufacturing facilities at Koppal and Hiriyur, with a combined annual liquid metal capacity of 0.55 million tonnes. The facilities are supported by a captive coke oven plant with an annual capacity of 0.2 million tonnes, hot blast stoves and waste heat recovery systems that consistently generate 19-20 MW of power, strengthening operational efficiency while reducing energy costs.

KFIL's casting business produces a broad portfolio of grey iron castings at its Koppal and Solapur facilities, with single-piece weights ranging from 30 kg to 300 kg. To accelerate product development, the Company has invested in an advanced 3D core printing facility that enables rapid prototyping and faster customer turnaround. Its portfolio includes critical engine and transmission components such as cylinder blocks, cylinder heads and transmission housings, supplying leading global OEMs across the automotive, tractor and diesel engine industries.

The acquisition of ISMT Limited marked a strategic expansion into steel and seamless tubes, adding two complementary business verticals to KFIL's portfolio. Today, the Company manufactures seamless tubes ranging from 6 mm to 273 mm in diameter, serving diverse sectors including automotive, bearings, power, oil & gas, boilers, hydraulics and general engineering. The successful turnaround of the ISMT business has strengthened profitability while enhancing the overall resilience and diversity of KFIL's earnings profile.

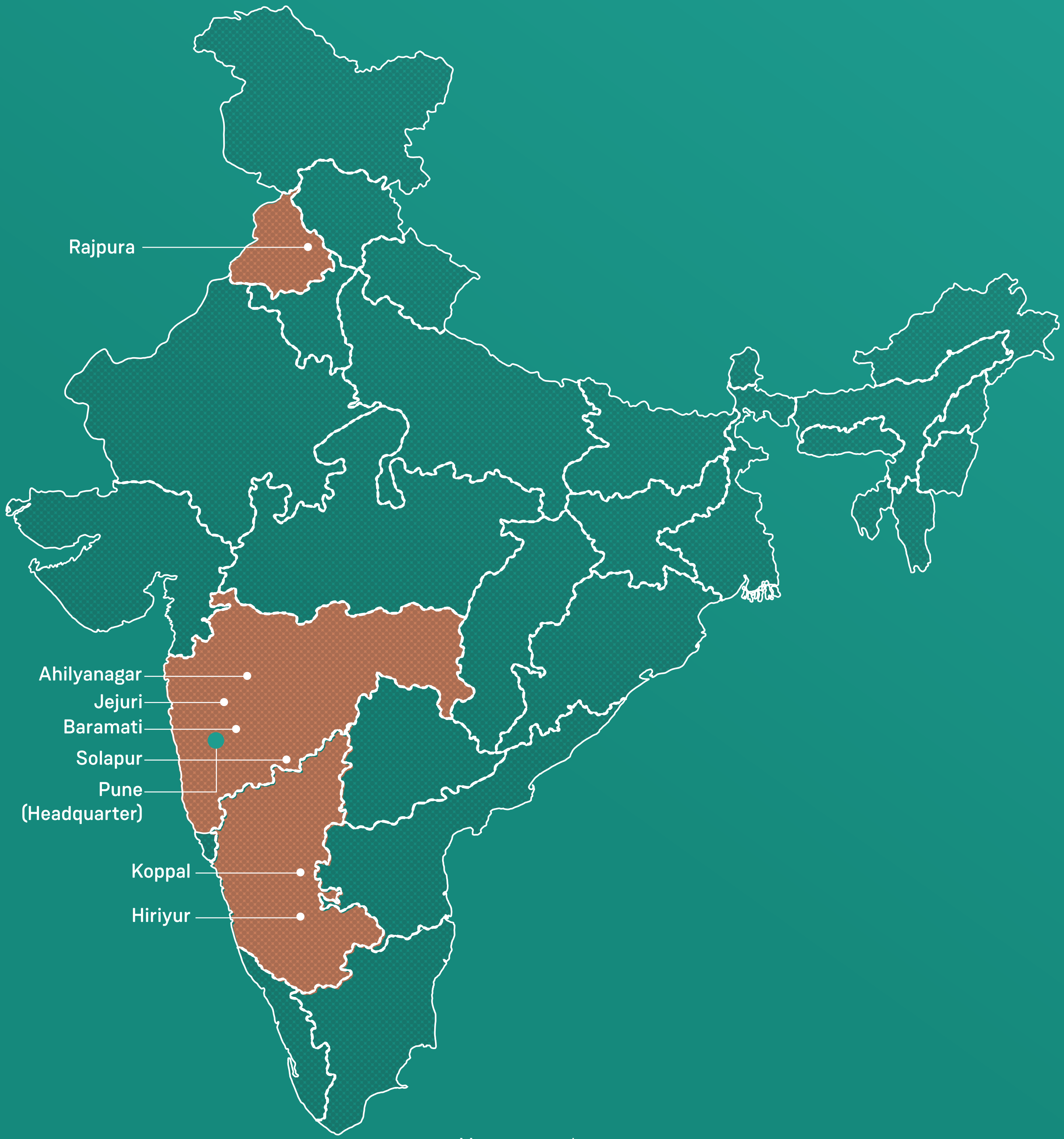
KFIL's greatest competitive advantage lies in the integration of its operations. It is the only company in Asia with an end-to-end manufacturing ecosystem spanning mines to machined castings and mines to steel and seamless tubes. This integrated value chain provides a sustainable cost advantage, greater control over quality and supply security, and improved responsiveness to customer requirements.

Operational efficiencies are further supported through extensive backward integration. Captive coke production, waste heat recovery-based power generation, pulverised coal injection systems and oxygen plants collectively optimise resource utilisation, lower coke consumption and reduce manufacturing costs. The commencement of dispatches from the captive Bharath iron from ore mine during FY 24-25 has further strengthened raw material security and supply chain resilience.

KFIL also enjoys long-standing customer relationships, serving as a preferred single-source supplier across many casting programmes. This integrated approach, coupled with deep engineering expertise, fosters high customer retention, repeat business and stable demand across market cycles.

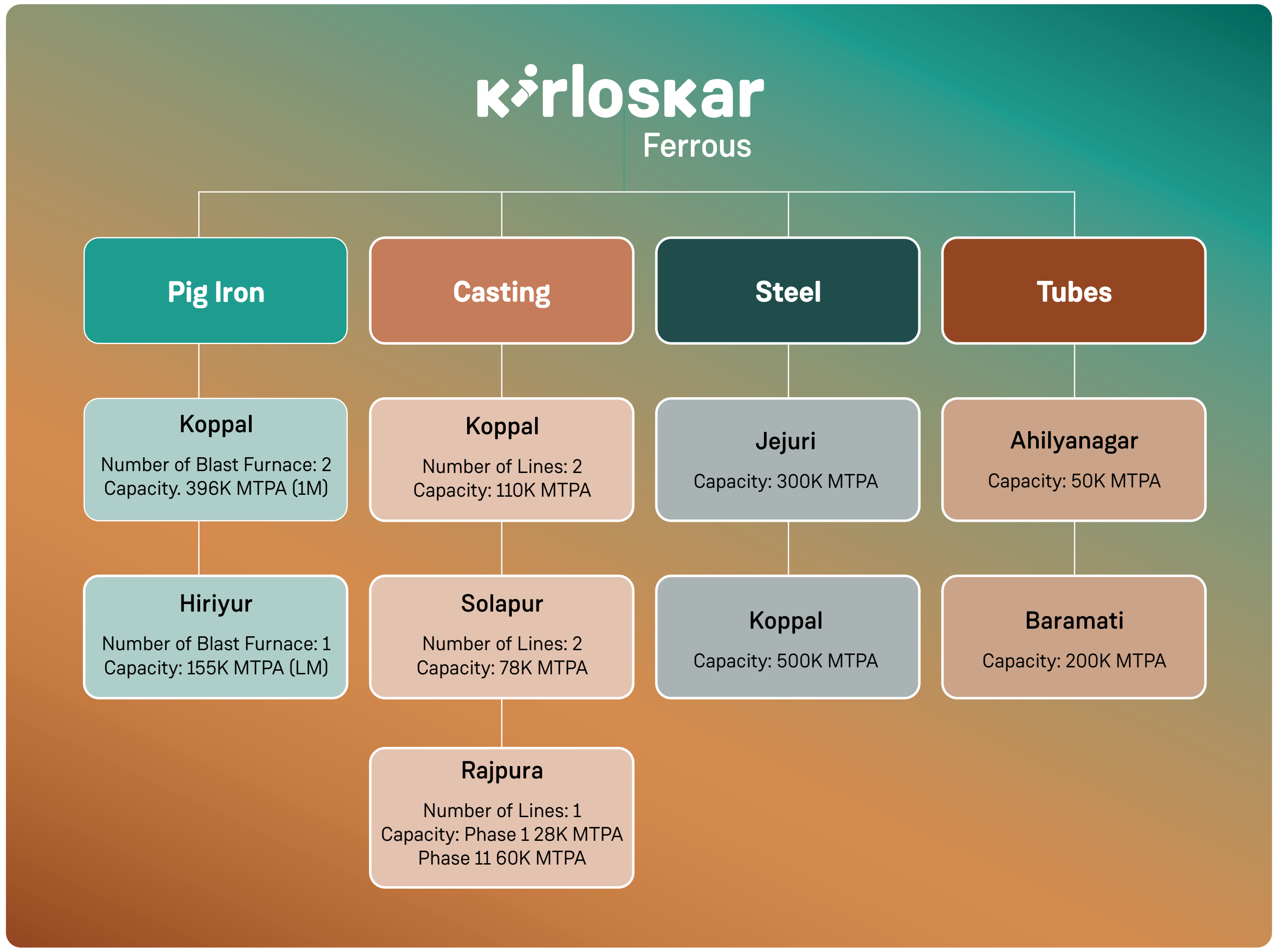
With manufacturing operations strategically located across Koppal, Hiriyur, Solapur, Jejuri, Baramati and the recently integrated Oliver Engineering foundry at Rajpura, KFIL has established a geographically diversified and operationally integrated manufacturing network that positions it close to key customer clusters while supporting future growth.

KFIL's Presence



Map not to scale

Our manufacturing facilities



Total capacity per annum

~2,00,000 MT
Iron Castings

~3,00,000 MT
Steel*

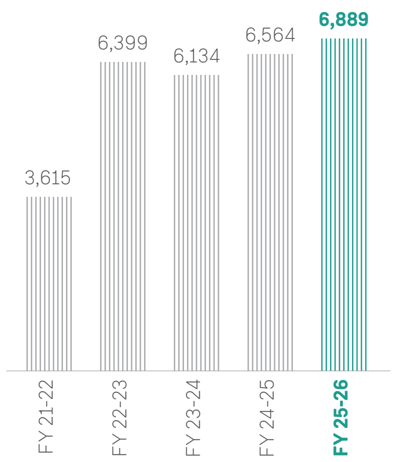
~7,00,000 MT
Pig Iron

~3,70,000 MT
Seamless Tubes**

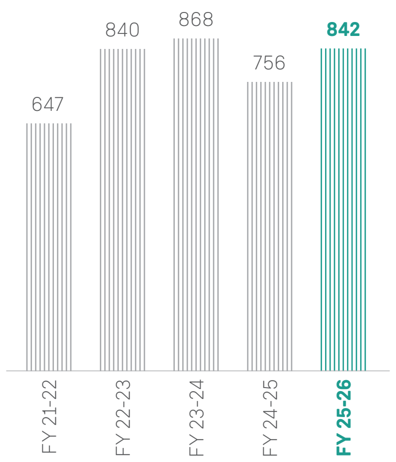
*Liquid Metal
**Hot Mill Rolling

Financial metrics

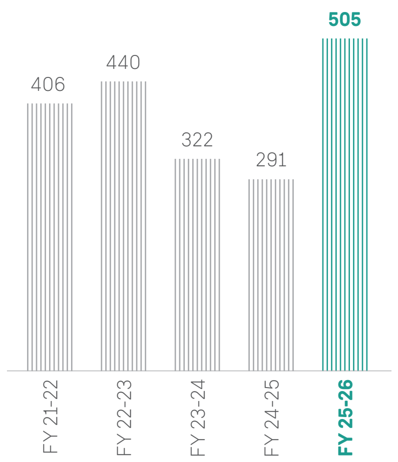
Revenue
(₹ in crores)



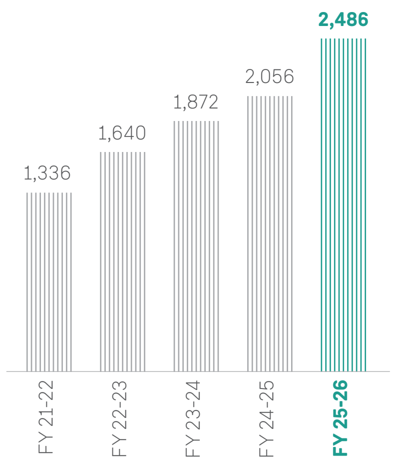
EBITDA
(₹ in crores)



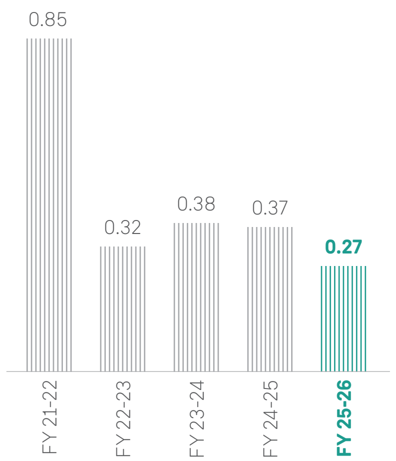
Profit After Tax (PAT)
(₹ in crores)



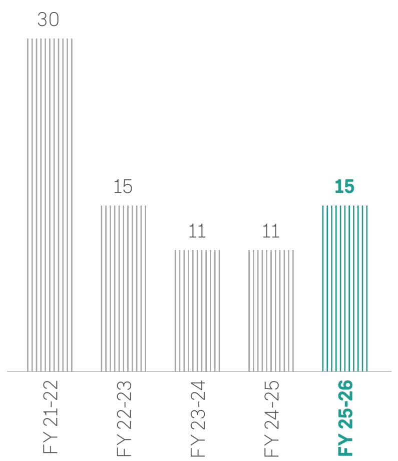
Net worth
(₹ in crores)



Debt-Equity ratio
(times)



RoCE
(%)



Human and Social Capital

Together towards tomorrow

People and relationships are central to our ability to deliver long-term value and execute our strategic priorities. By investing in talent, fostering an inclusive workplace and strengthening community partnerships, we create a resilient foundation for sustainable growth.

Continuous learning, capability development and holistic well-being remain integral to our people strategy, enabling employees to grow both personally and professionally. Complemented by a strong focus on talent acquisition, retention, diversity and inclusion, this approach equips our workforce with the skills, agility and mindset needed to thrive in an evolving business landscape while creating shared value for the communities we serve.

Talent management

Our talent management philosophy is centred on attracting, developing and retaining high-performing talent while aligning individual growth with business priorities. During FY 25-26, we further strengthened our people practices through structured performance management, goal alignment and continuous feedback mechanisms.

Competency-based assessments, succession planning and targeted development initiatives enable us to identify and nurture future leaders. Employees are encouraged to take ownership of their careers through cross-functional exposure, meaningful assignments and opportunities to contribute to strategic initiatives. At the same time, we continued to strengthen our talent pipeline by attracting skilled professionals across critical functions to support long-term growth.

Transparent performance evaluation processes reinforce a culture of meritocracy, recognising excellence while encouraging continuous learning and improvement.

Learning and leadership development

Developing future-ready capabilities remains central to our people strategy. Throughout the year, employees participated in a broad range of functional, behavioural and leadership development programmes designed to enhance individual capabilities and organisational effectiveness.

Learning initiatives included structured onboarding programmes, professional and digital learning modules, knowledge-sharing forums and leadership interactions. During the year, we launched LinkedIn Learning – 'Unlocking Your Learning Potential', integrating digital learning into employees' everyday development journeys and enabling continuous, self-directed capability building.

We further strengthened learning outcomes through programmes delivered by internal subject matter experts and leading external specialists, ensuring employees remain equipped to meet evolving business requirements.

Nurturing future leaders

In collaboration with the executive development wing of Kirloskar Institute of Management (KIM), we continue to invest in leadership capability across the organisation. Targeted learning interventions and partnerships with reputed academic institutions equip employees with the technical, managerial and leadership competencies required to support future growth.

Leadership engagement remains an important pillar of our development philosophy. Regular Town Hall meetings, leadership interactions and business update sessions promote transparency, strengthen cross-functional collaboration and provide employees with greater visibility into the Company's strategic direction and priorities.

Employee engagement and well-being

Employee well-being extends beyond the workplace and remains integral to our people philosophy. We are committed to fostering an inclusive, engaging and supportive environment where employees feel valued, connected and empowered to perform at their best.

Throughout FY 25-26, we organised a range of engagement initiatives, including monthly birthday celebrations, sports tournaments, festive celebrations, employee recognition programmes and office-wide gatherings that strengthened collaboration, teamwork and organisational culture.

Our wellness initiatives included International Yoga Day celebrations, health awareness programmes and a blood donation camp, promoting physical, emotional and social well-being. Regular Town Hall meetings further encouraged open dialogue between leadership and employees, reinforcing transparency, trust and alignment across the organisation.

Diversity and inclusion

We are committed to creating an equitable workplace where diversity, inclusion and mutual respect are embedded across the employee lifecycle. Our people practices promote equal opportunity in recruitment, learning, performance management and career advancement, ensuring every individual has the opportunity to succeed.

By fostering an inclusive culture that values diverse perspectives, experiences and backgrounds, we strengthen innovation, collaboration and organisational effectiveness while enabling employees to contribute meaningfully and realise their full potential.

Human rights and ethical conduct

Integrity, respect and accountability form the foundation of our organisational culture. We remain committed to upholding internationally recognised human rights principles while providing a workplace that is safe, respectful and free from discrimination.

Our policies promote dignity, fairness and equal opportunity, with zero tolerance towards harassment, discrimination, child labour, forced labour or any form of unethical conduct. Supported by our Code of Conduct, governance framework and awareness programmes, employees are encouraged to uphold the highest ethical standards and raise concerns through established reporting mechanisms, reinforcing a culture of openness, accountability and trust.

Community engagement

As a responsible corporate citizen, we remain committed to creating lasting value for the communities in which we operate. Our community engagement initiatives focus on promoting health, environmental awareness and social well-being while encouraging active employee participation.

During FY 25-26, employees contributed to initiatives, including blood donation camps, World Environment Day activities and awareness programmes promoting sustainable and environmentally responsible practices. Through these efforts, we continue to strengthen community relationships, encourage responsible citizenship and contribute towards sustainable and inclusive development.

Natural Capital

Advancing environmental responsibility

Across our portfolio, we embed environmental considerations into governance, investment decisions and operations. We support our businesses in adopting cleaner technologies, improving energy and water efficiency, advancing resource circularity and protecting biodiversity. These efforts help reduce our environmental footprint while contributing to a more sustainable, low-carbon future.

Our interventions

Avante Spaces Limited (Avante Spaces)

Sustainable development

- Develop projects that integrate sustainability considerations from planning and design through construction and operations
- Pursue recognised green building standards to enhance environmental performance and occupant well-being

Resource-efficient design

- Incorporate energy-efficient building systems, water-efficient fixtures and environmentally responsible materials to reduce resource consumption
- Promote sustainable construction practices that minimise waste and improve resource utilisation throughout the project lifecycle

Climate resilience

- Integrate resilient design principles that enhance operational efficiency, occupant comfort and long-term climate adaptability
- Encourage the adoption of technologies and infrastructure that reduce environmental impact over the asset lifecycle

Environmental governance

- Embed environmental considerations into project planning, execution and performance monitoring
- Work with consultants, contractors and partners to encourage compliance with environmental standards and responsible construction practices

Sustainable communities

- Develop spaces that promote healthier, greener and more liveable urban environments
- Enhance long-term value through environmentally responsible infrastructure that supports sustainable communities

Kirloskar Ferrous Industries Limited (KFIL)

Climate action and energy transition

- Operate ISO 14001:2015-certified Environmental Management Systems across manufacturing locations to strengthen environmental governance
- Exceeded PAT Cycle III energy efficiency targets at Koppal, earning 12,576 Energy Saving Certificates (ESCerts)
- Expanded cleaner energy adoption through 51.5 MW of captive power generation using waste heat recovery, a 12 MW solar plant at Solapur and a 70 MW captive solar project at Jalna
- Advanced decarbonisation through cleaner fuels, waste heat recovery, process optimisation and quarterly Scope 1 and Scope 2 greenhouse gas emissions monitoring

Environmental monitoring and emissions management

- Deploy advanced digital monitoring systems, including Continuous Emission Monitoring Systems (CEMS/OCEMS), smart metering and IoT-enabled energy monitoring
- Strengthen operational oversight through a centralised Energy Command Centre for real-time energy performance management
- Improve air quality through cleaner technologies, emission control systems and continuous monitoring of key pollutants

Water stewardship and circular resource management

- Improve water-use efficiency through process optimisation, wastewater reuse, rainwater harvesting and Zero Liquid Discharge (ZLD) initiatives

- Reuse treated wastewater across manufacturing operations while reducing dependence on freshwater resources
- Promote circular manufacturing through recycling of manufacturing by-products, recovery of process materials and responsible waste management

Biodiversity conservation

- Conduct biodiversity assessments to strengthen ecosystem protection around operational locations
- Expand greenbelt development and native afforestation initiatives through an in-house nursery with 13,000+ native saplings
- Completed 5,000+ plantations during the year, with 6,000 additional plantations planned to further enhance ecological resilience

Value we create

- Strengthen environmental governance across our portfolio
- Promote efficient use of energy, water and other natural resources
- Support the adoption of renewable energy and sustainable infrastructure
- Enhance resilience to climate-related risks and evolving environmental regulations
- Create long-term value through responsible environmental stewardship and sustainable investment practices

Notice

Notice is hereby given that the 32nd Annual General Meeting ('AGM') of the Members of **Kirloskar Industries Limited** ('the Company') will be held on Tuesday, 18 August 2026, at 11.30 a.m. (IST) through Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM') facility, in compliance with the provisions of the Companies Act, 2013 ('the Act') and Rules made thereunder, 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 subsequent circulars issued in this regard, the latest being General Circular No. 03/2025 dated 22 September 2025, issued by the Ministry of Corporate Affairs (hereinafter referred to as 'MCA Circulars') and the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30 January 2026, issued by SEBI, read with other applicable Circulars and Notifications issued (including any statutory modification(s) or re-enactment thereof for the time being in force and as amended from time to time) (hereinafter referred to as 'SEBI Circulars') to transact the following businesses:

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 2026 and the Reports of the Board of Directors and Auditors thereon.

ITEM NO. 2:

To declare a dividend of ₹ 13 per equity share (i.e., 130 %) for the Financial Year ended on 31 March 2026.

ITEM NO. 3:

To appoint a Director in place of Mr. Vinesh Kumar Jairath (holding DIN: 00391684), who retires by rotation and being eligible, offers himself for re-appointment.

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 the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, (including any statutory amendment, modification(s) or re-enactment thereof for the time being in force), based on the recommendation of the Audit Committee and approval of the Board of Directors of the Company, the consent of the members be and is hereby accorded for the re-appointment of Kirtane & Pandit LLP, Chartered Accountants, (Firm Registration No. 105215W/W100057), as the Statutory Auditors of the Company, to hold the office for a second term of five consecutive years from the conclusion of the 32nd Annual General Meeting till the conclusion of the 37th Annual General Meeting of the Company, to be held in the year 2031.

RESOLVED FURTHER THAT pursuant to the provisions of Section 142(1) of the Companies Act, 2013, and the rules made thereunder and Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment, modification(s) or re-enactment thereof for the time being in force), based on the recommendation of the Audit Committee and approval of the Board of Directors of the Company, the consent of the members be and is hereby accorded for payment of statutory audit fees of ₹ 15 lakhs (Rupees Fifteen Lakh only) plus reimbursement of out-of-pocket expenses and applicable taxes to Kirtane & Pandit LLP, Chartered Accountants, for the Financial Year 2026-2027 and the Board of Directors of the Company, be and are hereby authorised to increase and pay such statutory audit fees as may be mutually agreed with the Statutory Auditors for the remaining tenure of their appointment."

SPECIAL BUSINESS:

ITEM NO. 5:

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

"RESOLVED THAT in accordance with the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Mr. Anil Alawani (holding DIN: 00036153), Non-Executive Director of the Company, who retires by rotation at this Annual General Meeting and being eligible, has offered himself for re-appointment for a period of one year, be and is hereby re-appointed as a Non-Executive Director of the Company, liable to retire by rotation, for a period of one year up to the conclusion of the Annual General Meeting to be held in 2027."

Registered Office:
One Avante, Level 14, Karve Road,
Kothrud, Pune 411038
CIN: L70100PN1978PLC088972
Email: investorrelations@kirloskar.com
Website: www.kirloskarindustries.com

By Order of the Board of Directors

Sd/-
Ashwini Mali
Company Secretary

Place: Pune
Date: 19 June 2026

Notes:

1. The Ministry of Corporate Affairs (MCA) allowed conducting Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) and dispensed with the personal presence of the Members at the meeting.

   In this regard, the MCA has already issued 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 subsequent circulars issued in this regard, the latest being General Circular No. 03/2025 dated 22 September 2025, issued by the MCA (hereinafter referred to as 'MCA Circulars') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30 January 2026, issued by SEBI (hereinafter referred to as 'SEBI Circulars'), has prescribed the procedure and manner of conducting the AGM through VC / OAVM. In terms of the said MCA Circulars, the 32nd AGM of the Members of the Company will be held through VC / OAVM.

   For detailed procedure for participating in the AGM through VC / OAVM please refer to point no. 27.

2. Pursuant to the provisions of the Companies Act, 2013 (the Act), 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 this AGM is being held through the VC / OAVM facility pursuant to the provisions of the MCA Circulars and the SEBI Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM, and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice of AGM.

3. Corporate / Institutional Member(s) intending to appoint their authorised representative(s) to attend the AGM through VC / OAVM are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the AGM, pursuant to the provisions of Section 113 of the Act and the Rules made thereunder including amendments thereof, to the Scrutiniser by email at csmsp.office@gmail.com with a copy marked to evoting@nsdl.com from the registered email address.

4. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 Members on first-come-first-served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, the Nomination and Remuneration Committee and the Stakeholder's Relationship Committee, the Auditors, etc., who are allowed to attend the AGM without the restriction on account of first-come-first-served basis.

5. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act and the Rules made thereunder, including amendments thereof.

6. The Statement setting out the material facts pursuant to the provisions of Section 102 (1) of the Act and the Rules made thereunder, including amendments thereof, relating to the Ordinary Business Nos. 3 and 4 and Special Business No. 5 in the Notice is annexed and forms part of this Notice.

7. Details pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations), in respect of Directors seeking appointment /re-appointment at this AGM form part of this Notice.

8. Pursuant to the provisions of Section 91 of the Act, the Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 12 August 2026 to Tuesday, 18 August 2026 (both days inclusive), for the purpose of the AGM and for determining the names of Members eligible for dividend on equity shares, if declared at this AGM.

9. The dividend, if declared at the AGM, will be paid to those Members:

   a. whose name appears as a Beneficial Owner as at the end of the business hours on Tuesday, 11 August 2026, in the list of Beneficial Owners to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of equity shares held in electronic form; and

   b. whose name appears as a Member in the Register of Members of the Company after giving effect to valid share transfers / transmissions in physical form lodged with the Company / its Registrar and Share Transfer Agent '(the R & T Agent)' on or before Tuesday, 11 August 2026.

   Pursuant to the provisions of SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, Members are hereby informed that with effect from April 1, 2024, dividend shall be paid only through electronic mode to those Members who have updated their KYC details, including bank account details, against their respective folios.

   Members holding shares in physical form are requested to note that in the absence of valid KYC details, the Company shall withhold the dividend, if declared. The dividend so withheld shall be released through electronic mode upon successful updation of the requisite KYC details by the concerned Members in accordance with the applicable SEBI Circulars.

   Further, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025 notified on November 19, 2025, payment of dividend through any mode other than electronic mode has been discontinued.

Members are requested to ensure that their KYC details, including complete bank account details and email address, are updated at all times. Members holding shares in physical form may update their KYC details by submitting duly filled and signed Forms ISR-1 and ISR-2. Members holding shares in dematerialised form are requested to update their KYC details with their respective Depository Participants.

The KYC forms are available on the website of the Company's R & T Agent at: https://web.in.mpms.mufg.com/KYC-downloads.html.

10. Pursuant to the provisions of Sections 124 and 125 of the Act and the Rules made thereunder, 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, is required to be transferred by the Company to the Investor Education and Protection Fund (IEPF).

Members are requested to send their claims to the Company and the Company's R & T Agent, i.e., MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited), if any, before the amount becomes due for transfer to the above Fund. Members are requested to encash the dividend warrant(s) immediately on the receipt by them.

Members who have not yet encashed their dividend warrant(s) are requested to make their claims without any delay to the R & T Agent. Due dates for transfer of unclaimed dividend to the IEPF are as follows:

Financial Year	Date of declaration	Date of payment	Dividend percentage (%)	Date on which the dividend will become part of the IEPF
2018-2019	08.08.2019	14.08.2019	210	10.09.2026
2019-2020	17.03.2020	30.03.2020	100	23.04.2027
2020-2021	15.05.2021	18.08.2021	100	15.09.2028
2021-2022	26.05.2022	12.08.2022	100	11.09.2029
2022-2023	23.05.2023	17.08.2023	110	13.09.2030
2023-2024	27.05.2024	27.09.2024	130	31.10.2031
2024-2025	20.05.2025	19.08.2025	130	17.09.2032

Pursuant to the provisions of Rule 5 of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the details of the unclaimed dividend amount as on the date of the AGM (i.e., 13 August 2025) have been filed in e-Form No. IEPF-2 with the Ministry of Corporate Affairs and have been uploaded at the website of the Company, viz., www.kirloskarindustries.com.

Further, all the Members who have not claimed or encashed their dividend in the last seven consecutive years from the year 2018-2019, are requested to claim the same by 9 September 2026.

Members who have neither received nor encashed their dividend warrant(s) for the financial years 2018-2019 to 2024-2025, are requested to write to the R & T Agent or the Company, mentioning the relevant Folio number or DP ID and Client ID along with KYC details including bank account details and original cancelled cheque for getting the credit of unpaid dividend amount, before the amount becomes due for transfer to the IEPF.

In case a valid claim is not received by that date, the Company will proceed to transfer the respective shares to the IEPF Account in terms of the IEPF Rules. In this regard, the Company has individually informed the concerned Members and has also published a notice in the newspapers in accordance with the IEPF Rules. The details of such Members and shares due for transfer are uploaded on the website of the Company, viz., www.kirloskarindustries.com.

Transfer of equity shares to the Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 and its amendments thereof, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more are required to be transferred to the IEPF.

Accordingly, during the Financial Year 2025-2026, the Company has transferred 3,407 equity shares of ₹ 10 each to the IEPF by way of corporate action.

Member(s) can claim the unclaimed dividend and the shares transferred to the IEPF, including all benefits accruing on such shares, if any, from the IEPF Authority after following the procedure prescribed by the Rules.

11. Register National Electronic Clearing Service (NECS) Mandate

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025, notified on 19 November 2025 payment of dividend through any mode other than electronic mode has been discontinued.

Further, pursuant to the provisions of Regulation 12 and Schedule I of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company shall use the electronic mode of payment for remittance of dividend to Members.

Members holding shares in physical form are requested to update their KYC details, including bank account details, with the Company's R & T Agent by submitting the prescribed forms along with the requisite documents. Members may provide details such as bank name, branch address, account number, 9-digit MICR code, IFSC code and type of account (Savings/ Current/Cash Credit).

Members holding shares in dematerialised form are requested to update their bank account details with their respective Depository Participants ('DPs') and not with the Company or its R & T Agent.

Members are further informed that unpaid/unclaimed dividend shall be processed and released through electronic mode only, subject to completion of valid KYC requirements.

The KYC forms are available on the website of the R & T Agent at: https://web.in.mpms.mufg.com/KYC-downloads.html.

12. Permanent Account Number (PAN)

SEBI has mandated the submission of PAN by every participant in the securities market. Members are requested to submit their PAN to their DPs (in case of shares held in dematerialised form) or to the Company / the R & T Agent (in case of shares held in physical form).

13. Members are requested to immediately notify the R & T Agent (DP in case of shares held in dematerialised form) of any change in their correspondence address or e-mail address.

14. In case Members wish to ask for any information about accounts and operations of the Company, they are requested to send their queries by providing full name, DP ID and Client ID / Folio Number and Contact Number at email address of the Company, viz., investorrelations@kirloskar.com at least 7 days in advance of the date of the meeting so that the information can be made available at the time of the meeting.

15. Members, who would like to ask questions during the 32nd AGM with regard to the Financial Statements or any other matter to be placed at the 32nd AGM, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number / Folio Number and mobile number, to reach the Company's email address, viz., investorrelations@kirloskar.com at least 4 days in advance. Those Members who have registered themselves as a speaker shall be allowed to ask questions during the 32nd AGM, depending on the availability of time.

The Members are requested to send their questions in advance at the time of registration as a speaker at the 32nd AGM. The Company reserves the right to restrict the number of questions and the number of speakers, as appropriate, to ensure the smooth conduct of the AGM.

16. Dematerialisation of Shares

Equity shares of the Company are under compulsory demat trading by all investors. Considering the advantage of scripless trading, Members are encouraged to consider dematerialisation of their shareholding so as to avoid inconvenience in the future.

17. TDS on Dividend

In accordance with the provisions of the Income Tax Act, 2025 ('the Income Tax Act') as amended from time to time, dividend declared and paid by a Company are taxable in the hands of Members and the Company is required to deduct tax at source (TDS) from dividend paid to the Members at the applicable rates. We shall therefore be required to deduct tax at source at the time of making the payment of the said dividend.

Tax rate applicable to a Member depends upon residential status and classification as per the provisions of the Income Tax Act. All Members are thereby requested to update any change in residential status and / or category with depository participants (in case of shares held in electronic form), or with the R & T Agent, i.e. MUFG Intime India Private Limited (in case of shares held in physical form), as may be applicable, before the record date, i.e., Tuesday, 11 August 2026.

This communication summarises applicable TDS provisions for Resident Members and Non-Resident Members as per the Income Tax Act:

For Resident Members:

Tax will be deducted at source under Section 393(1) [Table Sr. No 7] read with Section 393(4) [Table Sr. No 10] of the Income Tax Act at the rate of 10% on the sum of dividend payable unless exempt under any of the provisions of the Income Tax Act. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them by the Company during the Financial Year 2026-2027 does not exceed ₹ 10,000/-.

TDS will not be deducted in cases where a Member provides Form 121 (applicable to resident individual), along with a copy of self-attested Permanent Account Number (PAN), provided that eligibility conditions are being met. Form 121 can be uploaded at the below link provided by the R & T Agent

https://web.in.mpms.mufg.com/formsreg/submission-of-Form-121-41.html

TDS will not be deducted, if the Member is exempted from TDS provisions through any circular(s) or notification(s) and provides an attested copy of the PAN along with documentary evidence in relation to the same.

Needless to mention, PAN will be mandatorily required. If your PAN details are available in your demat account for shares held in demat form or with the R & T Agent for shares held in physical form, then there is no need to send PAN details again to the Company. If PAN is not available, or invalid PAN or inoperative PAN or PAN is classified as Specified Person, TDS would be deducted at the higher rate of 20% as per Section 397 of the Income Tax Act.

In order to provide an exemption from withholding of tax, the following organisations must provide a self-declaration as listed below:

a. Insurance companies:

A declaration that it has a full beneficial interest in the shares along with a self-attested copy of PAN and Registration Certificate.

b. Mutual Funds:

A declaration that it is a mutual fund governed by the provisions of Section 11 - Schedule VII (Table: Sr. No. 20 or 21) of the Income Tax Act and is covered under Section 393(5) of the Income Tax Act, along with a self-attested copy of PAN and valid SEBI Registration Certificate or Notification.

c. Alternative Investment Fund (AIF) established in India:

A declaration that its dividend income is exempt under Section 11 - Schedule V (Table: Sr. No. 1) of the Income Tax Act and it has been granted a certificate of registration as Category I or Category II AIF under the SEBI Regulations, along with a self-attested copy of PAN and valid SEBI Registration Certificate or Notification.

d. New Pension System Trust:

A declaration that they are governed by the provisions of Section 11 - Schedule VII (Table: Sr. No. 41) of the Income Tax Act along with a self-attested copy of registration documents.

e. Corporation established by or under a Central Act:

A declaration that it is a corporation established by or under a Central Act whereby income tax is exempt on the income and accordingly, covered under Section 393(5) of the Income Tax Act, along with a self-attested copy of PAN and valid SEBI Registration and Certificate or Notification.

f. Recognised Provident Fund / Approved Gratuity / Superannuation Fund:

a. Self-declaration stating that the shareholder is:

- unconditionally exempt and covered under Schedule VII to Section 11 of the Income Tax Act, and statutorily not required to file its Return of Income as per Sections 263 or 349 of the Income Tax Act;
- has full beneficial interest with respect to the shares owned by it.

b. Self-attested copy of registration certificate; and

c. Self-attested copy of PAN Card.

In case of other resident Members having an Order under Section 395(1) of the Income Tax Act, TDS will be deducted at the rate mentioned in the Order, provided the Member submits a copy of the Order obtained from the Income Tax Authorities.

For Non-Resident Members:

Tax is required to be withheld in accordance with the provisions of Section 393(2) [Table Sr. 17 and 15] of the Income Tax Act at applicable rates in force. As per the relevant provisions of the Income Tax Act, the tax shall be withheld at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable.

Further, in case of Foreign Institutional Investors and Foreign Portfolio Investors, tax shall be deducted at source at the rate of 20% (plus applicable surcharge and cess under Section 393(e) (Table Sr. No. 15) of the Income Tax Act.

However, as per Section 159 of the Income Tax Act, a non-resident Member has the option to be governed by the provisions of the Double Tax Avoidance Agreement ('DTAA') between India and the country of tax residence of the Member, if they are more beneficial to the Member. For this purpose, i.e., to avail the tax treaty benefits, the Non-Resident Member (including FII and FPI) will have to provide the following:

i. Self-attested copy of PAN card, if any, allotted by the Indian Income Tax Authorities.

ii. Self-attested copy of Tax Residency Certificate (TRC) issued by the tax authorities of the country of which the Member is resident, evidencing and certifying Member's tax residency status during the Financial Year 2026-2027.

iii. Copy of the online Form 41 electronically verified and filed on the Income Tax web portal for the Tax Year 2026-2027.

iv. SEBI registration certificate in case of Foreign Institutional Investors and Foreign Portfolio Investors.

v. Self-declaration in the prescribed format certifying that:

a. The Member is eligible to claim the beneficial tax treaty rate for the purposes of tax withholding on dividend declared by the Company;

b. The transaction / arrangement / investments from which the dividend is derived by the Member is not arranged in a manner which results in obtaining a tax benefit, whether directly or indirectly, as one of its principal purposes. The tax benefit, if any, derived from such transaction / arrangement / investments would be in accordance with the object and purpose of the provisions of the relevant tax Treaty ('the Principle Purpose Test', if applicable to the respective Tax Treaty);

c. No Permanent Establishment / fixed base in India during the Financial Year 2026-2027 in accordance with the applicable tax treaty;

d. The Member is the ultimate beneficial owner of its shareholding in the Company and dividend receivables from the Company.

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by a Non-Resident Member.

In case of Non-Resident Members having an Order under Section 395(1) of the Income Tax Act, TDS will be deducted at the rate mentioned in the Order; provided the Member submits a copy of the order obtained from the Income Tax Authorities.

Where any entity is entitled to exempt from TDS, TDS will not be deducted provided such Member / entity provides valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. issued by the Indian tax authorities).

For All Shareholders:

As per section 262 of the Income Tax Act, every person who has been allotted a PAN and who is eligible to obtain Aadhar shall be required to link the PAN with Aadhar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid / inoperative and tax shall be deducted at higher rates as prescribed under the Income Tax Act.

The Company will reply on the reports downloaded from the reporting portal of the Income Tax department for checking of PAN(s) / inoperative PAN(s).

Notes:

1. All the above-referred tax rates will be enhanced by surcharge and cess, as applicable.
2. For all self-attested documents, Members must mention on the document 'certified true copy of the original'. For all documents being uploaded by the Member, the Member undertakes to send the original document(s) on request by the Company.
3. In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, the concerned Member may still have the option of claiming a refund at the time of filing the income tax return (provided a valid PAN is registered with your R & T Agent or DP). No claim shall lie against the Company for such taxes deducted.
4. In the event of any Income Tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Member(s), such Member(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any proceedings.
5. Members holding shares under multiple accounts under different status / category and single PAN, may note that, the higher of the tax as applicable to the status in which shares are held under a PAN will be considered on their entire holding in different accounts.
6. Documents furnished by the Members (such as Form 121, TRC, Form 41, self-attested declaration etc.) shall be subject to review and examination by the Company before granting any beneficial rate or Nil Rate. The Company reserves the right to reject documents in case of any discrepancies or if the documents are found to be incomplete. Decision of the Company with respect to the validity of any document will be final.
7. In case of any discrepancy in documents submitted by the Member, the Company will deduct tax at a higher rate as applicable, without any further communication in this regard.
8. The Company will withhold taxes as per the stipulated tax laws prevalent at the time of deduction of taxes, i.e., as on the aforesaid record date. A declaration must be filed with the Company where the whole or any part of the dividend income is assessable, under the provisions of the Income Tax Act, in the hands of a person other than the Member in accordance with Rule 203 of the Income Tax Rules, 2026. The declaration must consist of the Name, address, PAN of the person to whom credit is to be given and payment or credit in relation to which credit has to be given and reasons for giving credit to such person. In case the company does not receive such a declaration on or before

Tuesday, 11 August 2026, the Company reserves the right to reject such a declaration.

9. To enable us to determine the appropriate TDS / withholding tax rate applicable, you should upload the necessary documents at https://web.in.mpms.mufg.com/client-downloads.html on or before Tuesday, 11 August 2026.

   The Resident Non-Individual Members i.e., Insurance Companies, Mutual Funds, and Alternative Investment Fund (AIF) established in India, and Non-Resident Non-Individual Members i.e., Foreign Institutional Investors and Foreign Portfolio Investors, may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on the NSDL platform, on or before the aforesaid timelines.

   No communication on tax determination / deduction shall be considered after 11 August 2026.

18. Share Transfer permitted only in Demat

SEBI has amended relevant provisions of the Regulations to disallow listed companies from accepting request for transfer of securities which are held in physical form, with effect from 1 April 2019. The Members who continue to hold shares of listed companies in physical form even after this date will not be able to lodge the share transfer request with the Company / the R & T Agent of the Company. They will need to convert the shares to demat form compulsorily if they wish to effect any transfer.

Special Window for Re-lodgement of Transfer Requests and Dematerialisation of Physical Securities

Pursuant to the SEBI Circular No. HO/38/13/(3)2026-MIRSD-POD/I/3763/2026 dated 30 January 2026, Members are hereby informed that direct credit of securities into the demat account of investors shall be undertaken in respect of all investor requests, wherever applicable.

Further, pursuant to SEBI Circular No. HO/38/13/11(2)2026-MIRSD-POD/I/3750/2026 dated 30 January 2026, SEBI has introduced a special window for:

(i) transfer and dematerialisation of physical securities that were sold or purchased prior to 1 April 2019; and

(ii) re-lodgement of transfer requests that were previously rejected, returned, or not processed due to deficiency in documents, procedural issues or any other reason.

The said special window shall remain open for a period of one year from 5 February 2026 to 4 February 2026.

Eligible Members who wish to avail the benefit of this special facility are requested to submit the requisite documents to the Company's R & T Agent, **MUFG Intime India Private Limited**, having its office at 'Akshay' Complex, Block No. 202, 2nd Floor, Off Dhole Patil Road, Near Ganesh Temple, Pune – 411 001 (Ph. No. 020-26161629).

Members are informed that securities re-lodged for transfer pursuant to the aforesaid SEBI Circulars shall be issued only in dematerialised form and the securities transferred under this window shall be credited only to the demat account of the concerned investor.

Such securities shall be subject to a mandatory lock-in period of one year from the date of registration of transfer. During the lock-in period, such securities shall not be eligible for transfer, pledge or creation of lien.

19. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP, and holdings should be verified.

20. Members having multiple folios are requested to intimate to the Company / the R & T Agent of such folios, to consolidate all shareholdings into one folio.

21. In compliance with the aforesaid MCA Circulars read with SEBI Circulars, the Notice of the AGM along with the Annual Report 2025-2026, is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / DPs.

A letter providing the web link for accessing the Annual Report, including the exact path, will be sent to those members who have not registered their email address with the Company.

Members may note that the Notice and Annual Report 2025-2026 will also be available on the Company's website www.kirloskarindustries.com, on the websites of Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and on the website of NSDL https://www.evoting.nsdl.com.

22. Nomination

Pursuant to the provisions of Section 72 of the Act, read with the Companies (Share Capital and Debentures) Rules, 2014, Members are entitled to make a nomination in respect of shares held by them in physical form. Members desirous of making a nomination are requested to send their requests in Form SH-13 in duplicate (which will be made available on request) to the R & T Agent of the Company.

23. Register e-mail address

Members are requested to register their email addresses with the Company / the R & T Agent in case of holding of shares in physical form and with the concerned DPs in case of shares held in dematerialised form.

In order to receive the correspondence / dividend, if any, from the Company in a timely manner, Members are requested to register their email addresses / Bank Account details, the details of which are as under:

For shares held in Physical Form	Visit the link https://web.in.mpms.mufg.com/EmailReg/Email_Register.html > select the Company Name - Kirloskar Industries Limited and follow the registration process as guided therein. Members are requested to provide details such as Name, Folio Number, Share Certificate Number, PAN, Mobile Number and Email ID and also upload the image of Share Certificate / Aadhaar / valid Passport in PDF or JPEG format (up to 1MB) along with supporting documents. In case of any query, Member can contact the R & T Agent at telephone numbers +91 (020) 26160084 / 26161629 or send email to pune@in.mpms.mufg.com. On submission of details, One Time Password (OTP) will be received by the Member, which needs to be entered in the link for verification.
For shares held in Dematerialised Form	Kindly contact your Depository Participant (DP) for registration for updation of email address(es).

The Members (in case of holding shares in physical form) who have not updated their bank account details for receiving the dividend, if any, directly in their bank accounts through electronic mode, may update their bank account details through the aforesaid link by uploading the necessary documents. The Members (in case of holding shares in dematerialised form) are requested to contact DPs for updating bank account details.

24. Inspection documents

Electronic copy of the relevant documents referred to in the Notice and Explanatory Statement will be made available through email for inspection by the Members. A Member may send an email to investorrelations@kirloskar.com for the same.

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

25. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

26. NSDL will be providing facility for voting through remote e-voting, for participation in the 32nd AGM through VC / OAVM facility and e-voting during the 32nd AGM.

27. Instructions for Members for e-voting and procedure for joining the AGM through VC / OAVM facility

A. Voting through electronic means (Remote e-voting / Venue e-voting)

I. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and as amended from time to time read with aforesaid MCA Circulars, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including amendments thereof read with aforesaid SEBI Circulars and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, including amendments thereunder and all other relevant circulars issued from time to time, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 32nd AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

II. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM through VC / OAVM but shall not be entitled to cast their vote again.

III. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:**

The remote e-voting period begins on **Saturday, 15 August 2026, at 9:00 a.m. (IST)** and ends on **Monday, 17 August 2026 at 5:00 p.m. (IST)**. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (record date), i.e., 11 August 2026, may cast their vote electronically. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the record date, being 11 August 2026.

How do I vote electronically using the NSDL e-Voting system?

The way to vote electronically on the NSDL e-voting system consists of 'Two Steps' which are mentioned below:

Step I: Access to the NSDL e-voting system:

A) Login method for e-voting and joining virtual meeting for Individual Members holding securities in demat mode.

In terms of SEBI circular No. SEBI/HO/CFO/CMO/CIR/P/2020/242 dated 9 December 2020, on e-voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode 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, PAN No., 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 & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal 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 & voting during the meeting. 3. If you are 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 Personal 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 hold with NSDL), Password/OTP and a Verification Code as shown on the screen. 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 & 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 securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their 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 & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting 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 & 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, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, 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 securities in demat mode) login through their depository participants	You can also login using the login credentials of your 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 & 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 abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode 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 Members other than Individual Members holding securities in demat mode and Members holding securities 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 shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account 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******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for Members other than Individual Members 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 Members 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.com mentioning your demat account number/folio number, your 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 General Meeting on NSDL e-voting system.

How to cast your vote electronically and join General Meeting 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 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 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 on the resolution.

General Guidelines for Members

1. Institutional Members, (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 the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to csmsp.office@gmail.com with a copy marked to evoting@nsdl.com Institutional Members (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on 'Upload Board Resolution / Authority Letter' displayed under 'e-voting' tab in their login.

2. It is strongly recommended not to share your password with any other person and to 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.

3. In case of any query, you may refer to the Frequently Asked Questions (FAQs) for Member e-voting user manual for member available on the website www.evoting.nsdl.com or call on: 022-48867000 and 022-24997000 or send a request to Mr. Amit Vishal / Mr. Abhijeet Gunjal at evoting@nsdl.com.

Process for those Members whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of Member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar Card) by email to investorrelations@kirloskar.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), name of Member, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar Card) to investorrelations@kirloskar.com. If you are an Individual Member holding securities in demat mode, 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 Members holding securities in demat mode.

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

4. In terms of the SEBI circular dated 9 December 2020 on e-voting facility provided by listed companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

IV. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER: -

1. The procedure for e-voting on the day of the EGM /AGM is the same as the instructions mentioned above for remote e-voting.

2. Only those Members who will be present in the EGM / AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system in the EGM/AGM.

3. Members who have voted through Remote e-voting will be eligible to attend the EGM / AGM. However, they will not be eligible to vote at the EGM / AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC / OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM / AGM through VC / OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for **Access to NSDL e-voting system**. After successful login, you can see link of "VC / OAVM" placed under '**Join meeting**' menu against company name. You are requested to click on VC / OAVM link placed under Join Meeting menu. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that 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 aforesaid glitches.

5. Members who would like to express their views / have questions may send their questions in advance mentioning their name demat account number / folio number, email id, mobile number at investorrelations@kirloskar.com. The same will be replied by the Company suitably.

6. Members, who would like to ask questions during the 32nd AGM with regard to the Financial Statements or any other matter to be placed at the 32nd AGM, need to register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID number / Folio number and mobile number, to reach the Company's email address, viz., investorrelations@kirloskar.com at least 4 days in advance before the start of the 32nd AGM, i.e., by Friday, 14 August 2026 by 11:30 a.m. IST. Those Members who have registered themselves as a speaker shall be allowed to ask questions during the 32nd AGM, depending on the availability of time.

   The Members are requested to send their questions in advance at the time of registration as a speaker at the 32nd AGM. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate to ensure the smooth conduct of the AGM.

28. You can also update your mobile number and email ID in the user profile details of the Folio, which may be used for sending future communication(s).

29. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on **Tuesday, 11 August 2026.**

30. Any person, who acquires shares of the Company and becomes Member of the Company after the Notice is sent through e-mail and holding shares as of the **record date**, i.e., **Tuesday, 11 August 2026**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or issuer or the R & T Agent.

    However, if you are already registered with NSDL for remote 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' option available on www.evoting.nsdl.com or call on toll free no. 1800-222-990 or 1800 - 224 - 430.

    Individual Members holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e., **Tuesday, 11 August 2026**, may follow steps mentioned in the Notice of the AGM under 'Access to NSDL e-voting system'.

31. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the DPs as on the **record date**, i.e., **Tuesday, 11 August 2026**, only shall be entitled to avail the facility of remote e-voting as well as e-voting at the AGM.

32. A person who is not a Member as on the cut-off date should treat this notice for information purposes only.

33. Mrs. Manasi Paradkar, Practising Company Secretary, Pune, (Membership No. FCS 5447 CP No. 4385) has been appointed as the Scrutiniser to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.

34. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutiniser, by use of 'e-voting facility availed from NSDL' for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

35. The Scrutiniser shall after the conclusion of e-voting at the AGM, will unblock the votes cast through remote e-voting / e-voting at the time of AGM, not later than 48 hours of the conclusion of the AGM. After completion of scrutiny of the electronic votes, the Scrutiniser will submit her report to the Chairman / Managing Director / Executive Director of the Company, who shall countersign the same and declare the result of the voting forthwith.

36. The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company www.kirloskarindustries.com and on the website of NSDL www.evoting.nsdl.com, immediately after the declaration of results by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchanges, viz., BSE Limited and National Stock Exchange of India Limited.

Registered Office:
One Avante, Level 14, Karve Road,
Kothrud, Pune 411038
CIN: L70100PN1978PLC088972
Email: investorrelations@kirloskar.com
Website: www.kirloskarindustries.com

By Order of the Board of Directors

Sd/-
Ashwini Mali
Company Secretary

Place: Pune
Date: 19 June 2026

Annexure to the Notice

STATEMENT OF MATERIAL FACTS ANNEXED TO THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATION 36 (3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

ITEM NO. 3 OF THE NOTICE

Mr. Vinesh Kumar Jairath (holding DIN 00391684) retires by rotation and being eligible, offers himself for re-appointment.

Mr. Vinesh Kumar Jairath (Age 67 years) served in the Indian Administrative Service from 1982 till his voluntary retirement in March 2008. Amongst various posts during service, he also served as Secretary to Governor, MD SICOM and Principal Secretary Industries in Government of Maharashtra.

He has over 45 years of experience in Public Administration, Industry, Finance, Infrastructure Planning, Development and Financing, Urban Development and Environmental Management. Post voluntary retirement, he has been working as a consultant and is also an Independent Director on the Boards of various companies. He also served as the Managing Director of Avante Spaces Limited, a Wholly-Owned Subsidiary of the Company, for a period of 4 years.

He is a member of the Audit Committee and Risk Management Committee. Mr. Vinesh Kumar Jairath is also a Director in the following other companies:

Name of the Company	Board Position held	Committee Membership
Kirloskar Oil Engines Limited	Director	Audit Committee - Member
Wockhardt Limited	Independent Director	Audit Committee - Member Stakeholders' Relationship Committee - Chairman Nomination and Remuneration Committee - Chairman Capital Raising Committee - Member
Manipal Health Enterprises Limited	Independent Director	Audit Committee - Chairman Nomination and Remuneration Committee - Member Corporate Social Responsibility Committee - Member
Sahyadri Hospitals Private Limited	Independent Director	-
Manipal Hospitals Private Limited	Independent Director	-

Mr. Vinesh Kumar Jairath is holding 49,595 (0.47%) equity shares of the Company.

He attended all five meetings of the Board of Directors held during the Financial Year 2025-2026.

He is not related to any Director / Key Managerial Personnel of the Company.

In terms of BSE Circular No. LIST / COMP / 14 / 2018-2019 dated 20 June 2018 and NSE Circular No. NSE / CML / 2018 / 2024 dated 20 June 2018, Mr. Vinesh Kumar Jairath is not debarred from holding the office of a Director by virtue of any order by SEBI or any other authority.

Save and except Mr. Vinesh Kumar Jairath and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company, or their relatives are, in any way, concerned or interested, in the said 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

Pursuant to the provisions of Section 139 of the Companies Act, 2013 (the Act) read with the Companies (Audit and Auditors) Rules, 2014, a company can appoint an audit firm as Statutory Auditor for a maximum of two terms of five consecutive years each.

Further, pursuant to Section 142(1) of the Act and Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the remuneration of the Statutory Auditors shall be determined by the Members in a general meeting or in such manner as may be determined by them.

The members of the Company appointed Kirtane & Pandit LLP, Chartered Accountants, Pune, (Firm Registration No. 105215W/W100057), as the Statutory Auditors of the Company in their Annual General Meeting (AGM) held on 10 August 2021, to hold the office for a first term of five consecutive years from the conclusion of the AGM held on 10 August 2021, till the conclusion of the AGM to be held in the year 2026, at a remuneration to be decided by the Board of Directors of the Company, from time to time.

Accordingly, the first term of Kirtane & Pandit LLP, Chartered Accountants, as the Statutory Auditors of the Company, shall expire at the conclusion of the ensuing 32nd Annual General Meeting of the Company.

In view of the aforementioned provisions, on the recommendation of the Audit Committee (the Committee), the Board of Directors, at its meeting held on 19 May 2026, recommended the re-appointment of Kirtane & Pandit LLP, Chartered Accountants, Pune (Firm Registration No. 105215W/W100057), as the Statutory Auditors of the Company for a second term of five consecutive years, commencing from the conclusion of the 32nd Annual General Meeting until the conclusion of the 37th Annual General Meeting of the Company to be held in the year 2031, subject to the approval of the Members of the Company.

Kirtane & Pandit LLP was, established in the year 1956. It is one of the leading Accounting and Audit Firms in India, with a well-established network of financial experts across India. The Firm provides a wide range of professional services in the areas of Assurance viz. Statutory Audit/Internal Audits, Direct/Indirect Tax advisory, Accounting, Forensic Audits, Systems Risk Management, IFC & Ind AS/IFRS Implementation services to large, medium and small-scale organisations in varied sectors. The said firm has client base of over 700 organisations in Public / Private Corporate, Banking, Insurance and Government Sectors.

The requisite certificate under Section 139 of the Act, confirming their eligibility for the appointment, along with the certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India, has been received from Kirtane & Pandit LLP, Chartered Accountants, Pune, (Firm Registration No. 105215W/W100057).

The proposed remuneration payable to Kirtane & Pandit LLP, Chartered Accountants, for statutory audit services for the Financial Year ending 31 March 2027, is ₹ 15,00,000 (Rupees Fifteen Lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses, if any. The Board of Directors of the Company, on the recommendation of the Audit Committee, shall be authorised to revise and determine the statutory audit fees payable to the Statutory Auditors for the remaining tenure of their appointment.

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

In accordance with the provisions of Section 152 of the Companies Act, 2013 (the Act) and the Rules made thereunder, Mr. Anil Alawani (holding DIN: 00036153), Non-Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and, being eligible, has offered himself for re-appointment.

Mr. Anil Alawani has expressed his willingness to continue as a Director for a further period of one year, i.e., up to the conclusion of the next Annual General Meeting of the Company to be held in the year 2027.

Mr. Anil Alawani (Age 80 years) is a Chartered Accountant by profession and has been associated with the Kirloskar Group of Companies since 1977. Prior to his appointment as a Director in the Company, he was Director (Finance) of Kirloskar Oil Engines Limited. Besides his core area of finance and taxation, he has experience in import-export and labour matters. His abilities in corporate tax planning and finance have helped the Company immensely, in financial restructuring and tax benefits.

He was appointed as a Director of the Company on 21 January 2009. He is a Member of the Audit Committee and the Nomination and Remuneration Committee. He is also the Chairman of the Stakeholders' Relationship Committee and the Corporate Social Responsibility Committee.

Mr. Anil Alawani is also a Director in the following other Company:

Name of the Company	Board Position held	Committee Membership
S.L. Kirloskar CSR Foundation	Director	-

Mr. Anil Alawani is holding 2,285 (0.02%) equity shares of the Company.

He attended four out of five meetings of the Board of Directors held during the Financial Year 2025-2026.

He is not related to any Director / Key Managerial Personnel of the Company.

In terms of BSE Circular No. LIST / COMP / 14 / 2018-2019 dated 20 June 2018 and NSE Circular No. NSE / CML / 2018 / 2024 dated 20 June 2018, Mr. Anil Alawani is not debarred from holding the office of a Director by virtue of any order by SEBI or any other authority.

Save and except Mr. Anil Alawani and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company, or their relatives are, in any way, concerned or interested, in the said Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

Registered Office:
One Avante, Level 14, Karve Road,
Kothrud, Pune 411038
CIN: L70100PN1978PLC088972
Email: investorrelations@kirloskar.com
Website: www.kirloskarindustries.com

By Order of the Board of Directors

Sd/-
Ashwini Mali
Company Secretary

Place: Pune
Date: 19 June 2026

Board's Report for Financial Year 2025-2026

To The Members,

The Directors have pleasure in presenting this 32nd Annual Report with the Audited Annual Accounts of the Company for the year ended 31 March 2026.

I. FINANCIAL PERFORMANCE (STANDALONE):

(₹ in Crores)

Particulars	2025-2026	2024-2025
Total Income	127.00	120.57
Total Expenditure	31.51	25.99
Profit before exceptional items and taxation (continuing operations)	95.49	94.58
Profit before exceptional items and taxation (discontinued operations)	1.07	0.89
Exceptional items - (Expenses) / Income	2.62	6.10
Profit before taxation (including discontinued operations)	99.18	101.57
Provision for tax (including Deferred Tax)	22.17	23.25
Net Profit	77.01	78.32
Balance of Profit / (Loss) from previous year	1,050.08	1,016.68
Less: Re-measurement of defined benefit plans (net of Taxes)	(0.10)	(0.17)
Profit available for appropriation	1,126.99	1,063.02
Dividend paid on equity shares:		
Final Dividend	13.54	12.94
Balance carried to Surplus in Statement of Profit and Loss	1,113.45	1,050.08

II. DIVIDEND:

Your Directors recommend 130% dividend, i.e., ₹ 13 per equity share of ₹ 10 each (Previous year dividend 130%, i.e., ₹ 13 per equity share of ₹ 10 each) for the Financial Year ended 31 March 2026.

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, including amendments thereunder, the Company has adopted the Dividend Distribution Policy. A copy of the same is available at the website of the Company, viz. https://www.kirloskarindustries.com/documents/779558/f226fda0-971c-110f-7fe7-086920ce9c7e.

III. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A. GLOBAL ECONOMY

OVERVIEW

During 2025, the global economy remained resilient, with GDP growth sustained at around 3.4%, supported by accommodative financial conditions, policy support, and strong technology-led investment. Improved liquidity, a relatively weaker US Dollar, and easing inflation through much of the year helped stabilise demand, particularly across emerging markets.

However, evolving trade policies, especially US tariff measures and sector-specific restrictions introduced uncertainty in global trade flows, impacting cross-border supply chains and moderating export momentum in several regions. While partial rollbacks and temporary truces provided some stability, policy uncertainty remained elevated.

Entering 2026, the West Asia conflict introduced additional pressures by disrupting energy supply routes, resulting in higher fuel and logistics costs. Given the region's critical role in global oil and gas transit, this led to increased input costs for energy-importing economies across Asia and Africa. As a result, the earlier easing in price pressures reversed, with global inflation rising from 4.1% in 2025 to around 4.4% in 2026.

OUTLOOK

The global economy enters 2026 amid renewed uncertainty following the West Asia conflict. Over the past year, headwinds from trade barriers and policy uncertainty were partly offset by strong tailwinds, including technology-led investment, accommodative financial conditions supported by a weaker US Dollar, and continued policy support. The conflict is now exerting additional pressure through its impact on commodity prices, inflation expectations, and financial conditions.

Under a baseline assumption of a contained conflict with easing disruptions by mid-2026, global GDP growth is projected at 3.1% in 2026 remaining below the long-term average of 3.7% (2000-19). The impact is uneven, with advanced economies relatively stable, while commodity-importing emerging markets face greater downside risks. Growth is projected to improve to 3.2% in 2027, with inflation easing to 3.7%, indicating gradual normalisation.

However, risks remain tilted to the downside. Prolonged conflict or sustained energy price increases could further weaken growth and raise inflation, particularly affecting emerging economies. Broader risks from geopolitical tensions, trade fragmentation, supply chain disruptions, and fiscal pressures persist, although gains from artificial intelligence and easing trade tensions could provide some upside. Policy focus on price stability, fiscal discipline, and structural reforms will be critical to sustaining growth in an increasingly uncertain environment.

B. INDIAN ECONOMY

Despite heightened global trade tensions and policy uncertainty, India remained the fastest-growing major economy in Financial Year 2025-2026, with GDP growth accelerating to 7.7% from 7.1% in Financial Year 2024-2025. This was driven by robust domestic demand, supported by low inflation, income tax and Goods and Services Tax (GST) reductions, and accommodative monetary policy. While net exports weighed on growth due to faster import expansion, strong performance in manufacturing and services sustained overall momentum.

Inflation moderated significantly, with headline inflation averaging 1.9% between April 2025 and February 2026, compared to 4.7% in the previous year, largely driven by falling food prices. Wholesale price inflation also eased to 0.4%. This enabled the Reserve Bank of India to reduce policy rates by a cumulative 125 basis points to 5.25% between February and December 2025.

On the supply side, manufacturing strengthened, driven by automobiles and fast-moving (perishable) consumer goods. Services sector activity benefitted from strong urban demand, reflected in retail trade, hospitality, transportation, and real estate services and buoyant exports of financial and professional services.

OUTLOOK

India's GDP growth is projected to moderate to 6.6% in Financial Year 2026-2027, primarily due to headwinds from the ongoing West Asia conflict, including elevated energy prices, supply chain disruptions, and increased uncertainty. Assuming normalisation in global energy markets, GDP growth is expected to recover to 7.2% in Financial Year 2027-2028..

Higher global oil and gas prices are expected to increase inflationary pressures, which may dampen private consumption despite earlier tax and GST reductions. Government consumption is likely to moderate due to higher subsidy outlays, particularly for fuel and fertilisers. Investment growth may also slow amid elevated uncertainty, while net exports are expected to weaken further due to disruptions in shipping and softer external demand.

Risks to the outlook remain tilted to the downside, largely due to uncertainty around the duration and intensity of the West Asia conflict. Prolonged disruptions to global energy supplies could sustain high oil and gas prices, increase input costs, and put pressure on inflation, the external balance, and fiscal position. Additional risks include potential weakening of remittance inflows from Gulf economies and continued volatility in financial markets and the currency.

India's strong macroeconomic buffers provide resilience; however, the evolving global environment underscores the importance of accelerating energy diversification, maintaining prudent fiscal management, and advancing trade diversification. Strengthening renewable energy adoption, sustaining fiscal discipline, and expanding trade partnerships through free trade agreements will be critical to enhancing long-term resilience and sustaining growth.

C. INDUSTRY OVERVIEW

I. REAL ESTATE INDUSTRY

India's residential real estate sector sustained strong momentum in 2025, reaching a historic ₹7.3 lakhs crores in housing sales across Tier-1 cities, marking a 2.15x increase since 2021. The sector's economic significance continues to rise, contributing around 6% to GDP, with long-term potential to expand to ~13% by 2047 as India advances towards a developed economy.

Growth has been driven by strong end-user demand, rapid urbanisation, rising incomes, moderating inflation, expectations of repo rate easing, improving affordability and buyer sentiment. Structurally, the sector is evolving into a value-driven and premium-led market, with higher ticket sizes and sustained demand for mid-to-premium and luxury housing, even as volumes stabilise in some segments.

Demand remains concentrated in key urban centres, with National Capital Region (NCR) and

Mumbai Metropolitan Region (MMR) accounting for nearly half of total housing value, followed by Bengaluru and Hyderabad. NCR continues to lead growth, supported by strong demand in Gurugram and Noida and ongoing price appreciation.

The sector is expected to play a pivotal role in India's 'Viksit Bharat 2047' vision, supported by infrastructure development, formalisation, digitalisation, and increasing participation of organised players. The market reflects a structurally strong, value-led growth cycle, underpinned by premiumisation, urban demand concentration, and supportive macroeconomic conditions.

II. FERROUS INDUSTRY

India's ferrous sector maintained strong momentum in Financial Year 2025-2026, supported by robust domestic steel demand, infrastructure activity, and continued capacity expansion. The industry remains structurally growth-driven, underpinned by long-term consumption growth and policy support for manufacturing and construction.

Steel production has recorded healthy expansion during April 2025–February 2026, with crude steel output at 153.6 million tonnes (MT), up 11.2% YoY, and finished steel production at 146.8 MT, up 10.4% YoY. Consumption of finished steel reached 147.7 MT, up 7.2% YoY, reflecting sustained end-use demand. India also continues to strengthen its global position, with crude steel output rising to 15.14 MT in January 2026, up 10.5% YoY.

Trade flows remain dynamic, with India largely a net importer since April 2024, though April-February Financial Year 2025-2026 reflects a net export position of 0.40 MT, supported by stronger export performance in select categories. HR coils/strips led exports with a 127.7% YoY increase, while imports declined sharply across key products such as HR coils (-48.2%) and plates (-40.5%), indicating improving domestic substitution.

On the cost front, iron ore lump prices increased to ~₹4,700/tonne in February 2026, while TMT, HRC, and CRC prices rose 2.8–4.4% MoM, reflecting firm domestic demand and input cost pressures. Global coking coal prices also remained elevated at around USD 246/tonne, sustaining raw material cost sensitivity for steelmakers.

The sector is expected to remain in a steady expansion phase, driven by strong domestic demand, infrastructure-led growth, and ongoing capacity additions. However, performance will remain cost-sensitive, influenced by raw material volatility, global steel cycles, and evolving trade dynamics.

D. OPERATIONS OF THE COMPANY:

The Company is an unregistered Core Investment Company and continues to hold investments in group companies.

REAL ESTATE ACTIVITIES:

The Company owns lands and buildings thereon and apartments and offices in Pune, New Delhi and Jaipur. The Company has given most of these lands, buildings and offices on a leave and license basis to group companies and other occupants. The Company continues to optimise revenue from these licensed properties.

During the year under review, the Company generated revenue amounting to ₹ 16.00 crores from its leased properties (₹ 20.89 crores as on 31 March 2025).

Avante Spaces Limited (Avante), a Wholly-Owned Subsidiary of the Company, successfully delivered its maiden commercial project, 'One Avante', (the Project), situated in Kothrud, Pune, in the previous year. The Project has been awarded a Platinum Certification from the Indian Green Building Council (IBGC) for being a leader in sustainable practices across the 'One Avante' building. This achievement reflects Avante's commitment towards sustainable development and building a legacy that protects the environment.

During the year under review, the Company has further advanced ₹ 92.50 crores (net) as an unsecured loan to Avante for its real estate business.

WINDMILLS:

As reported in earlier years, the Company had divested its windmill business on a going-concern basis to ISMT Limited as part of its strategic objective of focusing on its core real estate business and that of its Wholly-Owned Subsidiary, while optimising returns on its investment portfolio.

Pursuant to the Scheme of Arrangement and Merger under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, approved by the Hon'ble National Company Law Tribunal, Mumbai Bench, vide its order dated 24 July 2024, ISMT Limited was amalgamated with Kirloskar Ferrous Industries Limited. Upon the Scheme becoming effective on 8 August 2024, the business undertakings and operations of ISMT Limited, including the windmill business acquired from the Company, stood transferred to and vested in Kirloskar Ferrous Industries Limited.

Subject to receipt of the requisite statutory approvals and permissions, the windmill business shall henceforth be operated and managed by Kirloskar Ferrous Industries Limited.

Pending completion of the necessary formalities, the windmill business has been classified as a discontinuing operation in accordance with applicable Accounting Standards.

During the year under review, the Wind Energy Generators (WEGs) have generated net wind energy of around 0.94 crores units of electricity in the period under review as against 0.96 crores units of electricity in the previous year.

During the year under review, the Company has also sold 15,894 RECs, which has resulted in revenue of ₹ 0.56 crores (previous year ₹ 0.08 crores). The Company is holding 13,685 unsold RECs as on 31 March 2026.

OTHERS:

The Company continues to invest its surplus funds in fixed deposits and mutual funds. These investments stood at ₹ 195.63 crores as on 31 March 2026 (Previous year ₹ 218.16 crores). During the year under review, the Company has deployed part of the funds towards the real estate business.

E. COMPANY PERFORMANCE:

During the year under review, your Company earned a total income of ₹ 127.00 crores (previous year ₹ 120.57 crores).

During the year under review, the Company received a total dividend of ₹ 66.71 crores (previous year ₹ 62.80 crores) declared by the investee companies.

The Profit Before Tax (PBT) is at ₹ 99.18 crores (previous year ₹ 101.57 crores).

F. HUMAN RESOURCES:

During the year under review, Mr. George Verghese was appointed as the Managing Director of the Company with effect from 20 May 2025.

As on 31 March 2026, the Company had 47 employees on its rolls, as compared to 35 employees in the previous year. This includes employees of Avante Spaces Limited, a Wholly-Owned Subsidiary of the Company. The employee count also includes the Managing Director and the Executive Director of the Company.

G. KIRLOSKAR INDUSTRIES LIMITED – EMPLOYEES STOCK APPRECIATION RIGHTS PLAN 2019:

The 'Kirloskar Industries Limited – Employees Stock Appreciation Rights Plan 2019' (KIL ESARP 2019) was introduced in accordance with the SEBI guidelines for the employees of the Company and its subsidiaries. The Company obtained in-principle approval for the KIL ESARP 2019 from BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) on 3 December 2020 and 19 January 2021, respectively.

During the Financial Year 2023 - 2024, the members of the Company approved the amendment to the KIL ESARP 2019, by creating 3,00,000 additional Employees Stock Appreciation Rights (ESARs), increasing the existing ESAR pool from 4,85,000 ESARs to 7,85,000 ESARs, through special resolution passed by Postal Ballot on 30 April 2023. The Company also obtained in-principle approval for the amendment to the KIL ESARP 2019 from BSE and NSE on 3 July 2023.

KIL ESARP 2019 is administered by the Nomination and Remuneration Committee of the Board of Directors of the Company.

KIL ESARP 2019 is in compliance with the applicable provisions of the Companies Act, 2013, and its Rules, SEBI (Share Based Employees Benefits) Regulations 2014, read with SEBI (Share Based Employees Benefits and Sweat Equity) Regulations, 2021, (hereinafter referred to as Employee Benefits Regulations) and other applicable Regulations. A certificate from M. J. Risbud & Co., Practising Company Secretaries, Proprietorship firm of Mr. M. J. Risbud (Membership No. F810, Certificate of Practice No. 185), Pune, Secretarial Auditors of the Company, confirming that the KIL ESARP 2019, has been implemented in accordance with Employees Benefits Regulations and the Special Resolution(s) passed by the members of the Company through Postal Ballot on 29 December 2019, and amendment thereto passed by the Board on 3 February 2022 to bring it in consonance with the Employees Benefits Regulations. KIL ESARP 2019 was further amended by special resolutions passed by the members through a postal ballot held on 30 April 2023. A copy of the same will also be available for inspection at the Company's Registered Office.

Pursuant to the KIL ESARP 2019, the Company has, till date, granted a total of 7,25,498 ESARs comprising 4,84,498 ESARs at an exercise price of ₹ 500 per ESAR and 2,41,000 ESARs at an exercise price of ₹ 1,800 per ESAR. These ESARs were granted to eligible employees of the Company and employees of Avante Spaces Limited, a Wholly-Owned Subsidiary of the Company.

In accordance with the terms of the KIL ESARP 2019, the ESARs shall vest after a minimum period of one year and within a maximum period of four years from the date of grant.

During the previous Financial Year 2024-2025, 640 unvested ESARs (issued at an exercise price of ₹ 500 per ESAR) and 1,96,000 unvested ESARs (issued at an exercise price of ₹ 1,800 per ESAR) were forfeited due to the resignation or early retirement of identified employees. These forfeited ESARs were returned to the ESAR pool. In view of the above, total granted ESARs had been reduced by 1,96,640 unvested ESARs, which were forfeited, bringing the total number of granted ESARs to 5,28,858 from 7,25,498 under KIL ESARP 2019 as on 31 March 2025.

During the year under review, 3,470 vested ESARs (issued at an exercise price of ₹ 500 per ESAR) were lapsed. Further, 3,240 unvested ESARs (issued at an exercise price of ₹ 500 per ESAR) and 25,000 unvested ESARs (issued at an exercise price of ₹ 1,800 per ESAR) were forfeited due to the resignation of the respective employees. These lapsed / forfeited ESARs have been returned to the ESAR pool.

In view of the above, the total granted ESARs have been reduced by 31,710, which are lapsed / forfeited, bringing the total number of granted ESARs to 4,97,148 from 5,28,858 ESARs under KIL ESARP 2019 as on 31 March 2026.

Details of KIL ESARP 2019, as required under Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014, read with Regulation 14 of the Employees Benefits Regulations, as on 31 March 2026, are set out in **'Annexure I'** to this Report and are available on the Company's website at https://www.kirloskarindustries.com/investors/disclosure-under-reg-14.

H. CAPITAL STRUCTURE

During the year under review, the Company allotted a total of 96,327 equity shares of ₹ 10 each upon exercise of Employees Stock Appreciation Rights (ESARs) vested to the eligible employees, and employees of Avante Spaces Limited, a Wholly-Owned Subsidiary of the Company, pursuant to the 'Kirloskar Industries Limited – Employees Stock Appreciation Rights Plan 2019' (KIL ESARP 2019).

Consequent to these allotments, the Issued and Subscribed Share Capital of the Company increased from 1,04,13,076 equity shares of ₹ 10 each to 1,05,09,403 equity shares of ₹ 10 each, and the Paid-up Share Capital increased from 1,04,13,045 equity shares of ₹ 10 each to 1,05,09,372 equity shares of ₹ 10 each.

As at 31 March 2026, the Paid-up Share Capital of the Company stood at ₹ 10,50,93,720, comprising 1,05,09,372 equity shares of ₹ 10 each.

I. CONCERNS AND THREATS:

The Board of Directors has constituted a Risk Management Committee (the Committee) to identify the risks, mitigate the same and monitor the development and deployment of risk mitigation action plans for the businesses of the Company.

The Company has deployed a risk management process that includes risk identification, assessment and its treatment, mitigation, monitoring, and reviewing actions. The Company prioritises and manages the risks identified through its Risk Registers.

The Committee regularly presents the risk assessment and mitigation procedures adopted to assess the reliability of the risk management structure and efficiency of the process before the Audit Committee and the Board of Directors of the Company at their respective meetings.

The Committee meets every quarter, discusses all the mapped risks, evaluates future risks and reviews the mitigation plan for the identified risks for all business segments.

J. PROSPECTS:

The Company continues to evaluate opportunities to invest in the Group companies and deploy capital to support their investment plans and / or improve the Company's stakes in those companies.

The real estate sector, our core focus area going forward, has performed remarkably in the last Financial Year. The sector is expected to be benefitted by a benign inflation environment and interest regime. While commodity price inflation and availability of labour continue to be a risk, we believe the overall economic scenario bodes well for our real estate business.

The sector is likely to continue to strengthen in the quarters ahead and we will be focused on opportunities for the development of own land parcels and new project acquisitions. A consolidation in the real estate sector is expected to continue, leading to an increase in the market share of corporate and/or organised players such as your Company.

Your Company will be guided by superior long-term shareholder value growth in all its endeavours by maximising returns through timely execution, optimal financing and fiscal discipline.

K. INTERNAL CONTROLS SYSTEM AND THEIR ADEQUACY:

The Company has in place an adequate internal controls system to ensure operational efficiency, accuracy, and promptness in financial reporting and compliance with various laws and regulations.

The internal controls system is supported by the internal audit process. An Internal Auditor has been appointed for this purpose. The Audit Committee of the Board reviews the Internal Audit Report and the adequacy and effectiveness of internal controls periodically.

L. CAUTIONARY STATEMENT:

Statements in this Report, particularly those which relate to 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.

M. SEBI REGULATIONS AND LISTING FEES:

The annual listing fees for the year under review have been paid to the BSE Limited and the National Stock Exchange of India Limited, where your Company's shares are listed.

N. DETAILS OF MATERIAL SUBSIDIARY:

In accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations), Kirloskar Ferrous Industries Limited (KFIL) is a material subsidiary of the Company.

As on 31 March 2026, the Company holds 45.93% of the total shareholding in KFIL.

During the year under review, KFIL has not sold / disposed off and leased assets more than 20% of its assets.

O. SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS:

The Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT'), vide its Order dated 2 June 2026, has sanctioned the Scheme of Arrangement and Merger by absorption of Oliver Engineering Private Limited ('Oliver') and Adicca Energy Solutions Private Limited ('Adicca') (collectively, the 'Transferor Companies') with Kirloskar Ferrous Industries Limited ('KFIL' or the 'Transferee Company') and their respective shareholders, pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the 'Scheme').

The Scheme became effective on 11 June 2026 upon filing a certified copy of the aforesaid Order together with a copy of the Scheme with the Registrar of Companies, Pune, on 11 June 2026.

The Company has the following subsidiaries as on 31 March 2026:

1. Avante Spaces Limited, a Wholly-Owned Subsidiary Company;
2. Kirloskar Ferrous Industries Limited (KFIL), Subsidiary Company;

Subsidiaries of KFIL, Step-down subsidiaries of the Company:

1. Structo Hydraulics AB, Sweden (under liquidation);
2. Tridem Port and Power Company Private Limited;
3. Nagapattinam Energy Private Limited;
4. Best Exim Private Limited;
5. Success Power and Infraprojects Private Limited; and
6. Marshall Microware Infrastructure Development Company Private Limited.

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with IND AS 110, issued by the Ministry of Corporate Affairs, form part of this Annual Report. A statement containing the salient features of the Financial Statement of the subsidiary companies is attached to the Financial Statements of the Company in Form AOC-1.

Pursuant to the provisions of Section 136 of the Companies Act, 2013 and its Rules thereof, including amendments thereunder, the Financial Statements along with relevant documents of the Company and its subsidiaries, are available on the Company's website, viz., https://www.kirloskarindustries.com/investors.

The Financial Statements of the subsidiaries and related detailed information will be kept for inspection by any member at the Company's Registered Office and will also be made available to the members on demand, at any point of time.

BRIEF HIGHLIGHTS OF BUSINESSES OF SUBSIDIARY COMPANIES:

AVANTE SPACES LIMITED

Project Update – One Avante

Avante Spaces Limited (Avante) has successfully delivered its maiden commercial project, 'One Avante' (the Project), located in Kothrud, Pune, in the previous year, marking a significant milestone in its growth journey. The Project has been awarded the prestigious Platinum Certification by the Indian Green Building Council (IGBC), underscoring its leadership in sustainable design, construction and operations.

Asset and facility operations for the building is outsourced to the asset and facility management agency under the supervision of Avante Management. The focus for the team is to operate the asset safely, efficiently and sustainably. Efforts are being made to increase occupant satisfaction, optimise operating costs and prolong asset lifecycle. The team is deeply committed to sustainability, integrating eco-friendly practices across all operations.

During the year under review, Avante was recognised by various industry bodies for excellence in innovation, facility management and sustainability in the corporate real estate sector, reflecting its continued commitment to best-in-class development and operational practices.

1) iNFHRA **Diamond award** for excellence in Water management
2) iNFHRA **Recognition award** for excellence in Energy Management
3) iNFHRA **Silver award** in excellence in Safety and Security Management
4) **FM Globalnet** award for excellence in Facility Management
5) **Procon Media** award for excellence and leadership in Admin and Facility Management

Further strengthening its commitment to global standards, Avante has successfully obtained ISO 9001, ISO 14001 and ISO 45001 certifications for 'One Avante', reaffirming its focus on quality management, environmental stewardship and occupational health and safety.

Ongoing Development – Mixed-Use Project, Kothrud

Avante is currently developing Avante Business Park – Phase II at Kothrud, Pune, which represents a key milestone in its growth trajectory. The project, with a leasable area of approximately 1.6 million sq. ft., is being developed as a Grade A+ commercial office space in one of Pune's prominent micro-markets, catering to the evolving requirements of multinational corporations, global capability centres, Banking, Financial Services, and Insurance (BFSI) and technology-driven enterprises.

During the year under review, Avante completed a branding exercise to establish a formal nomenclature for its ongoing developments. The building currently under construction has been named "Infinia." Furthermore, the entire campus comprising "Infinia" and "One Avante" towers, along with all amenities and landscape areas, has been officially designated as Avante Business Park.

The ongoing development of 'Infinia' in the adjoining plot (Plot C+A+D) will be referred to as Avante Business Park Phase-II. Specific updates pertaining to individual towers will continue to be referenced by their distinct building names.

The development is progressing in line with planned timelines, with all requisite statutory approvals in place, and is targeted for completion by Financial Year 2027-2028. The project is being designed with a strong emphasis on creating a differentiated workplace environment, integrating curated social infrastructure, wellness-oriented spaces and a campus-like ecosystem aimed at enhancing user experience, collaboration and productivity.

The project has received platinum pre-certification from USGBC and IGBC. On completion, this project is envisioned to redefine the Kothrud area of Pune by transitioning it from a prime residential locality into a dynamic Business District for commercial spaces.

Avante is providing certain amenities and facilities in One Avante building and has generated revenue, which is recognised in the Audited Financials. The profit (loss) before tax for the year under review stood at ₹ (18.04) crores.

KIRLOSKAR FERROUS INDUSTRIES LIMITED

Kirloskar Ferrous Industries Limited (KFIL) is in the business of manufacture of pig iron, castings, steel and tubes and has its manufacturing facilities located at Bevinahalli village and Hiriyur in Karnataka, Jejuri, Baramati, Ahilyanagar, and Solapur in Maharashtra and Rajpura in Punjab.

During the year under review:

KFIL achieved Net Sales of ₹ 6,888.57 crores as compared to ₹ 6,564.22 crores in the previous year. Profit before Tax (after Exceptional Items) for the year stood at ₹ 494.18 crores as compared to ₹ 405.86 crores for the previous year.

KFIL continued to maintain the market leadership position in the domestic casting business. KFIL sold 1,52,568 MT of castings aggregating to ₹ 1,876 crores during the Financial Year 2025-2026 as compared to 1,32,242 MT castings aggregating to ₹ 1,654 crores for the previous Financial Year.

KFIL made sales of 5,10,080 MT of pig iron valued at ₹ 1,937 crores as compared to 5,11,787 MT of pig iron valued at ₹ 2,076 crores in the previous financial year. The reduction in the sale value is basically on account of drop in sales realisation of pig iron by 6% from around ₹ 40,600 per MT in the previous year to around ₹ 38,000 per MT this year due to margin pressure in the pig iron business.

KFIL sold 1,88,704 MT of Tubes valued at ₹ 2,130 crores in the Financial Year 2025-2026 as compared to 1,68,804 MT of Tubes valued at ₹ 2,103 crores in the previous Financial Year.

KFIL sold 85,644 MT of steel valued at ₹ 605 crores in the Financial Year 2025-2026 as compared to 73,002 MT of Steel valued at ₹ 541 crores in the previous Financial Year.

Operational performance of KFIL:

Pig Iron

During the year under review, iron ore prices remained relatively firm, with lump ore prices fluctuating between ₹ 6,000 per MT to ₹ 6,500 per MT, while iron ore fines prices ranged between ₹ 6,000 per MT to ₹ 6,450 per MT. Coal prices remained stable during the first half of the financial year; however, the second half witnessed an upward trend due to an increase in international coking coal prices, bunker charges, and logistics costs. The blended average coal price during the year was in the range of USD 170 to USD 210 per MT.

Castings

During the year under review, the production of castings increased by 17% as compared to the previous year. KFIL continuously worked on developing new products, reduction in operational costs, and increasing the machining and proto business.

During the year under review, the casting division witnessed strong demand across tractor, commercial vehicle, passenger vehicle and engine segments. The Company increased its supplies to key OEM customers through consistent quality and operational reliability.

Steel and Tubes

During the year under review, KFIL recorded strong growth in both its Tube and Steel businesses. Increase in Tube sales was driven by robust demand from Automotive, Bearing and Power sectors, improved customer retention and enhanced delivery performance. However, the OCTG segment witnessed a decline due to subdued demand from oil exploration companies and high inventory levels at customer locations.

Growth in steel business was supported by deeper engagement with existing customers, addition of new customers and expansion in the Automotive and Bearing Steel segments. While market pricing remained under pressure due to competition from blast furnace - basic oxygen furnace route steel mills and lower raw material costs, KFIL continued to focus on securing new customer approvals to support future growth.

Finance costs

During the year, term loans have been borrowed at competitive rates for financing capex requirements. KFIL has overall reduced term loans and working capital loans compared to the previous year, thereby reducing the borrowings and finance cost. The year witnessed high volatility in exchange fluctuation with Indian Rupee depreciating by 11% against the US Dollar. By regular monitoring of 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, KFIL strengthened its customer engagement, expanded export presence and secured strategic long-term business partnerships across its operating segments.

Financial Year 2025-2026 marked a strong performance in pig iron sales driven by continuous customer engagement, strategic focus on freight advantaged markets and successful new customer development efforts that added new customers to the portfolio. In parallel, finalised long-term slag sales contracts with cement companies, strengthening strategic market position and providing a stable foundation for future business growth.

In castings business, KFIL benefitted from strong demand across tractor, commercial vehicle, passenger vehicle and engine segments during the Financial Year 2025-2026. KFIL achieved growth ahead of the tractor market and maintained strong performance in other key segments despite supply chain disruptions and input cost pressures towards the end of the financial year. Strategic customer development initiatives, including production expansion plans, transition to in-house engine manufacturing, single source supplier nominations for new engine platforms and ramp up of key production programmes are expected to support future growth and strengthen KFIL's market position.

In steel and tubes business, KFIL made its maiden export of 300 MT steel bars to a North American customer at Costa Rica for a very critical application. Securing new customer approvals for further growth has been the main driver during the year and KFIL continues the efforts in on-boarding new customers to the business.

These developments reflect the KFIL's continued focus on customer diversification, export growth and strengthening long-term strategic relationships.

Jambunatha mines in the state of Karnataka

KFIL has been declared as a preferred Bidder for the Jambunatha Iron Ore Mine and is in the process of obtaining necessary regulatory clearances from the environmental and the forest authorities.

Update on Projects

The following major projects were completed during the Financial Year under review:

1. Installation of pig casting machine at Koppal plant for improvement of liquid metal yield from 95.6% to 96.6% through reduction in skull generation.
2. Implementation of coke drying system at Koppal plant for reduction of coke consumption by 12 kg/THM by lowering coke moisture content from 5% to 3%.
3. Installation of iron ore fines screening system at Koppal plant for enhancement of nut ore recovery by 10% and reduce sinter return fines by 5%.
4. Cooling line fume extraction system – Regulatory compliance, environmental protection and improvement in shop floor working conditions through efficient extraction of furnace fumes.
5. Runner and riser cleaning system – Improved metal recovery and resource utilisation, reduction in melting losses and slag generation and lower energy consumption in melting operations.
6. Fume Extraction System at Jejuri – regulatory compliance, environmental protection, improved working conditions.
7. Fuel conversion in furnaces – Reduce fuel cost, improve environmental performance.
8. Hot finishing section shed extension with finishing equipment – Finishing capacity enhancement, debottlenecking and increase storage capacity.

The Board of Directors of KFIL declared an interim dividend of ₹ 3 (60%) per equity share on 10 February 2026 and paid on 6 March 2026.

The Board of Directors of KFIL, in its meeting held on 12 June 2026, has also recommended a final dividend of ₹ 3 (60%) per equity share for the Financial Year ended 31 March 2026.

Accordingly, the total dividend (inclusive of the interim dividend declared and paid) for Financial Year 2025-2026 is 120%.

P. DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS:

Details of significant changes, i.e., change of 25% or more, as compared to the immediately previous Financial Year in key financial ratios, along with a detailed explanation thereof:

Sr. No.	Particulars	Ratio as on 31 March 2026	Ratio as on 31 March 2025	% of Change	Explanations, if any
i.	Debtors' Turnover	-	-	-	Not applicable
ii.	Inventory Turnover	1.91	3.26	(41.43)%	Reduction in REC held as inventory
iii	Interest Coverage Ratio	-	-	-	Refer Note No. 1
iv	Current Ratio	8.32	12.62	(34.03)%	Refer Note No. 2
v	Debt Equity Ratio	-	-	-	Refer Note No. 1
vi	Operating Profit Margin (%)	62.94%	58.75%	7.14%	
vii	Net Profit Margin (%)	59.09%	63.43%	(6.84)%	

Notes:

1. The Company does not have any borrowings.
2. Reduction in ratio due to increase in current liabilities.

There are no sector-specific equivalent ratios for disclosure by the Company.

Q. RETURN ON NET WORTH:

Details of change in return on net worth as compared to the immediately previous Financial Year as follows:

Sr. No.	Particulars	Ratio as on 31 March 2026	Ratio as on 31 March 2025	% of Change	Explanations
1	Return on Net worth	4.87%	5.15%	(5.41)%	-

IV. PARTICULARS OF INFORMATION FORMING PART OF THE BOARD'S REPORT PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013, RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

1. EXTRACT OF ANNUAL RETURN:

In terms of the provisions of Section 92(3) read with the provision of Section 134 (3) (a) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, including amendments thereunder, the Annual Return filed with the Ministry of Corporate Affairs (MCA), for the Financial Year 2024-2025, is available on the website of the Company, viz., https://www.kirloskarindustries.com/investors/annual-returns and the Annual Return for the Financial Year 2025-2026, will be made available on the website of the Company once it is filed with the MCA.

2. NUMBER OF MEETINGS OF THE BOARD:

During the year under review, five (5) Board Meetings were convened and held, the details of which form part of the Report on Corporate Governance. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

3. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 134 (5) of the Companies Act, 2013, in respect of Directors' Responsibility Statement, your Directors state that:

a) in the preparation of the Annual Financial Statements for the year ended 31 March 2026, the applicable accounting standards had been followed and there were no material departures;

b) accounting policies as mentioned in Note No. 2 of the Notes forming part of the Financial Statements have been selected and applied consistently. Further, judgments and estimates have been made that 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 2026 and of the Profit of the Company for the year ended on that date;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Annual Financial Statements have been prepared on a going concern basis;

e) proper internal financial controls were in place and that the internal financial controls were adequate and were operating effectively; and

f) proper systems to ensure compliance with the provisions of all applicable laws were in place, and were adequate and operating effectively.

4. A STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS:

Your Company has received necessary declarations from all its Independent Directors stating that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013, and Rules thereunder including amendments thereto and Regulation 16 (1) (b) and 25 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including amendments thereto and also confirmed that they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

Further, pursuant to Sub-rule (1) and (2) of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and amendments thereto, all Independent Directors confirmed that they have enrolled their names in the data bank with the Indian Institute of Corporate Affairs, New Delhi, India, within the prescribed time period.

In the opinion of the Board, each of the Independent Directors appointed / re-appointed during the year under review possess the requisite integrity, expertise, and experience for acting as an Independent Director of the Company.

The Company has laid down a Code for the Board of Directors and Senior Management of the Company (Code of Conduct). The Code of Conduct is available on the Company's website, viz., https://www.kirloskarindustries.com/investors/code-of-conduct.

All the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct.

5. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Board has, on the recommendation of the Nomination and Remuneration Committee, adopted a policy for the selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration.

The Nomination and Remuneration Policy is available on the website of the Company, viz., https://www.kirloskarindustries.com/investors/policies.

6. AUDITORS:

a. Statutory Auditors:

Kirtane and Pandit LLP, Chartered Accountants, (Firm Registration Number 105215W/W100057), Pune, were appointed as the Statutory Auditors of the Company under Section 139 of the Companies Act, 2013, (the Act), for a first term of 5 (five) years from the conclusion of the Annual General Meeting (AGM) held on 10 August 2021, till the conclusion of the AGM of the Company, to be held in the year 2026.

They continue to hold office as Statutory Auditors of the Company until the conclusion of the ensuing AGM.

Pursuant to provisions of Section 139 of the Companies Act 2013, read with the Rules thereof, and based on the recommendation of the Audit Committee, the Board of Directors has, subject to the approval of the Members at the ensuing Annual General Meeting (AGM), recommended the re-appointment of Kirtane and Pandit LLP, Chartered Accountants, (Firm Registration Number 105215W/W100057), Pune, as the Statutory Auditor of the Company for a second term of five consecutive years, from the conclusion of the ensuing AGM until the conclusion of the 37th AGM, to be held in year 2031.

The proposed Statutory Auditors have provided their written consent to act as Statutory Auditors of the Company and have confirmed that their appointment, if made, shall be in compliance with the provisions of Sections 139 and 141 of the Act and the Rules framed thereunder. The Company has also received a certificate confirming their eligibility under Section 141 of the Act.

The requisite resolution seeking approval of the Members for the re-appointment of and remuneration payable to Kirtane and Pandit LLP, Chartered Accountants, forms part of the Notice convening the ensuing AGM of the Company.

b. Cost Auditors:

Pursuant to the Companies (Cost Records and Audit) Rules, 2014, dated 31 December 2014, the Company was not required to have its cost records audited for the Financial Year 2025-2026.

c. Secretarial Auditors:

Pursuant to the amended provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Regulations'), Section 204 of the Companies Act, 2013 ('the Act'), and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Members of the Company approved the appointment of M. J. Risbud & Co., Practising Company Secretaries, a Peer Reviewed Proprietorship firm of Mr. M. J. Risbud (Membership No. F810, Certificate of Practice No. 185, UIN: S1981MH000400, Peer Review Certificate No. 1089/2021 dated 9 February 2021 valid for five years), Pune, as Secretarial Auditors of the Company for a term of five consecutive years, commencing from the conclusion of the 31st Annual General Meeting ('AGM') until the conclusion of the 36th AGM of the Company. Accordingly, M. J Risbud & Co., Practising Company Secretaries, shall undertake the Secretarial Audit of the Company for the financial years ending from 31 March 2026 to 31 March 2030 (both inclusive).

The Firm holds a valid Peer Review Certificate No. 7628/2026, dated 30 January 2026, which is valid for a period of five years from the date of issuance.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M. J. Risbud & Co., Practising Company Secretaries, Pune, have carried out the Secretarial Audit of the Company for the Financial Year 2025-2026.

The Report of the Secretarial Audit is annexed as **'Annexure II'** to this Report.

M. J. Risbud & Co., Practising Company Secretaries, Pune, has submitted the Secretarial Compliance Report for the Financial Year 2025-2026 in accordance with SEBI Circular CIR/CFD/CMD1/27/2019 dated 8 February 2019 and has confirmed that the Company has complied with the applicable provisions of SEBI Regulations and the circulars / guidelines issued thereunder.

7. MAINTENANCE OF COST RECORDS:

Pursuant to the Companies (Cost Records and Audit) Rules, 2014, dated 31 December 2014, the Company was not required to maintain cost records relating to the Electricity Industry (Windmill) in Form CRA – 1 for the Financial Year 2025-2026.

8. EXPLANATION OR COMMENTS OF STATUTORY AUDITORS AND SECRETARIAL AUDITORS:

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditor in their Audit Report or by the Practicing Company Secretary in the Secretarial Audit Report for the year ended 31 March 2026.

The notes to the Accounts referred to in the Auditors' Reports are self-explanatory and therefore no further clarifications are required.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

During the year under review, your Company has given a loan of ₹ 92.50 Crores (Total ₹ 353.15 Crores outstanding as on 31 March 2026) to Avante Spaces Limited (Avante), a Wholly-Owned Subsidiary of the Company. Your Company has not granted any guarantee.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013:

Pursuant to the provisions of Section 134 of the Companies Act, 2013, read with Rule 8 (2) of the Companies (Accounts) Rules, 2014, the particulars of all contracts or arrangements entered into by the Company with related parties have been done at arm's length and are in the ordinary course of business. Hence, no particulars are being provided in Form AOC - 2. Related party disclosures as per the Indian Accounting Standard 24 (IND AS 24) have been provided in Note No. 41 to the Financial Statements.

None of the related party transactions entered into by the Company were materially significant, warranting members' approval under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including amendments thereunder. The Policy on related party transactions is available on the website of the Company, viz. https://www.kirloskarindustries.com/investors/policies.

The Company also discloses related party transactions on a half-yearly basis, in the prescribed format with the Stock Exchange(s).

11. STATE OF COMPANY'S AFFAIRS:

Discussion on the state of the Company's affairs has been covered in the Management Discussion and Analysis Report.

12. AMOUNTS PROPOSED TO BE CARRIED TO RESERVES:

The particulars of the amounts proposed to be carried to reserves have been covered as part of the financial performance of the Company.

13. MATERIAL CHANGES AND COMMITMENTS, BETWEEN THE DATE OF THE BALANCE SHEET AND THE DATE OF THE REPORT:

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS, AND OUTGO:

A. Conservation of Energy and Technology Absorption:

The Company has no particulars to report regarding the conservation of energy and technology absorption as required under Section 134 (3) (m) of the Companies Act, 2013, read with Rules thereof, including amendments thereunder.

B. Foreign exchange earnings and outgo:

(₹ in Crores)

Particulars	Amount
Foreign exchange earnings	Nil
Foreign exchange Outgo	Nil

15. RISK MANAGEMENT POLICY:

The Company has in place a mechanism to identify, assess, monitor, and mitigate various risks to key business objectives. Major risks identified are systematically addressed through risk-mitigating actions on a continuing basis. These are discussed at the meetings of the Risk Management Committee, the Audit Committee, and the Board of Directors of the Company from time to time.

The risk management process works at various levels across the organisation. It is an ongoing process and forms an integral part of the management focus.

16. CORPORATE SOCIAL RESPONSIBILITY:

The Company has been carrying out Corporate Social Responsibility (CSR) activities. These activities are carried out in terms of Section 135 read with Schedule VII of the Companies Act, 2013, and the Companies (CSR Policy) Rules, 2014.

The Annual Report on CSR activities includes details about the CSR Policy developed and implemented by the Company. CSR initiatives taken during the year are annexed as **'Annexure III'** to this Report.

17. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, and Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out a performance evaluation of its own performance and that of its committees and individual Directors. Performance evaluation has been carried out as per the criteria prescribed by the Nomination and Remuneration Committee of the Board of Directors of the Company.

18. PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES (EXCLUDING STEP-DOWN SUBSIDIARIES), ASSOCIATES, AND JOINT VENTURE COMPANIES:

Name and Registered Office of the Subsidiary Company	%Holding	Particulars	2025-2026 (₹ in Crores)
Avante Spaces Limited, One Avante, Level 14, Karve Road, Kothrud, Pune 411 038	100	Total income	8.77
		Profit / (Loss) before tax	(18.04)
		Tax expenses (including deferred tax)	1.16
		Profit / (Loss) for the year	(19.20)
		Other comprehensive income for the year	0.05
		Total comprehensive income for the period	(19.15)
		Profit / (Loss) brought forward from the previous year	65.59
		Final Dividend paid on equity shares	0
		Tax on above Dividend	0
		Profit / (Loss) available for appropriation	46.44
		Transfer to General Reserves	0
		Balance carried to surplus / (deficit) in the Statement of Profit and Loss	46.44

Name and Registered Office of the Subsidiary Company	% Holding	Particulars	2025-2026 (₹ in Crores) (Standalone)
Kirloskar Ferrous Industries Limited, One Avante, Level 5, Karve Road, Kothrud, Pune 411038	45.93	Total income	6,950.93
		Profit before tax	494.17
		Tax expenses	(10.57)
		Profit for the year	504.74
		Other comprehensive income for the year	5.76
		Total comprehensive income for the period	51.50
		Profit brought forward from the previous year	1,667.13
		Final Dividend paid on equity shares	(41.16)
		Interim dividend paid on equity shares	(49.47)
		Transfer to General Reserves	(5.00)
		Balance carried to surplus in the Statement of Profit and Loss	2,082.22

Name and Registered Office of the Associate Company	% Holding	Particulars	2025-2026 (₹ in Crores)
#Kirloskar Brothers Limited, Yamuna, S. No. 98/3, to 7, Plot No. 3, Baner, Pune 411 045	23.91	Total income	2,828.1
		Other income	47.4
		Total income	2,875.5
		Profit before taxation and exceptional items	364.6
		Exceptional items	41.4
		Tax expenses	84.2
		Profit for the period	239.0
		Other comprehensive income	2.6
		Surplus in Profit and Loss Account brought forward from previous year	Not available
		Dividend paid on equity shares	Not available
		Available surplus	Not available

Note:

#The Company does not have significant influence on Kirloskar Brothers Limited (KBL) as it does not participate in the management and / or financial decisions of KBL. As such, KBL is not an Associate Company of the Company under the IND AS 24 and as such, its financials are not included in the Consolidated Financial Statements of the Company. The aforesaid information is obtained from the website of KBL for the quarter and year ended 31 March 2026.

19. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

In Financial Year 2025-2026, there was no change in the nature of the business of the Company.

20. DETAILS OF APPOINTMENT AND RESIGNATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Directors appointed / re-appointed during the year:

During the year under review, the following Directors were appointed / re-appointed:

Name of Director	Designation	Terms of Appointment
Mr. Atul Kirloskar	Director	Re-appointed with effect from 13 August 2025, subject to retirement by rotation.
Mr. George Verghese	Managing Director	Appointed as the Managing Director of the Company for a term of five (5) years with effect from 20 May 2025 till 19 May 2030.
Ms. Pallavi Gokhale	Non-Executive Independent Director	Appointed as a Non-Executive Independent Director of the Company, with effect from 1 July 2025, to hold office for a first consecutive term of five years till 30 June 2030.
Mr. Sumit Mitra	Non-Executive Independent Director	Appointed as a Non-Executive Independent Director of the Company, with effect from 14 November 2025, to hold office for a first consecutive term of five years till 13 November 2030.
Mr. Sathyamoorthy Venkataramani	Non-Executive Independent Director	Appointed as a Non-Executive Independent Director of the Company, with effect from 14 November 2025, to hold office for a first consecutive term of five years till 13 November 2030.
Mr. Rahul Kirloskar	Non-Executive Non-Independent Director	Appointed as a Non-Executive Non-Independent Director of the Company, with effect from 14 November 2025

Key Managerial Personnel appointed during the year:

During the year under review, the following Key Managerial Personnel were appointed:

1. Mr. George Verghese, Managing Director of the Company, was designated as Key Managerial Personnel of the Company with effect from 20 May 2025.
2. The Board of Directors of the Company, in its Meeting held on 14 November 2025, based on the recommendation of the Nomination and Remuneration Committee and the Audit Committee of the Company, appointed Mr. Bharathan Gopalakrishnan as the Chief Financial Officer of the Company, with effect from 14 November 2025.

Directors and Key Managerial Personnel resigned during the year 2025-2026:

During the year under review, the following Directors and Key Managerial Personnel resigned / ceased:

1. The Members of the Company, at their meeting held on 20 August 2020, had approved the re-appointment of Mr. Tejas Deshpande (DIN: 01942507) as an Independent Director for a second term of five consecutive years from 28 August 2020 to 27 August 2025. Accordingly, Mr. Tejas Deshpande ceased to be a Director of the Company upon completion of his tenure with effect from 28 August 2025.
2. Mr. Anandh Baheti tendered his resignation vide letter dated 29 August 2025 from the position of Chief Financial Officer of the Company as well as from its Wholly-Owned Subsidiary, Avante Spaces Limited (Avante). He was relieved from the services of the Company with effect from 4 November 2025. Consequently, he ceased to be the Key Managerial Personnel of the Company and Avante.
3. The Members, at their meeting held on 9 August 2022, had approved the re-appointment of Mr. D. Sivanandhan (DIN: 03607203) as an Independent Director for a second term up to his attaining the age of 75 years, i.e., up to 2 February 2026. Accordingly, Mr. D. Sivanandhan ceased to be a Director upon completion of his tenure with effect from 3 February 2026.
4. Mr. Ashit Parekh (DIN: 00821577) tendered his resignation as Independent Director of the Company vide letter dated 13 February 2026, with effect from the close of business hours on 13 February 2026, due to pre-occupations.

The Board places on record its sincere appreciation for the valuable contributions, guidance, and support provided by the above Directors and Key Managerial Personnel during their respective tenures.

21. DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED AT THE ENSUING ANNUAL GENERAL MEETING:

Pursuant to the provisions of Section 152 of the Companies Act, 2013, read with the Rules made thereunder and the Articles of Association of the Company, Mr. Anil Alawani (DIN: 00036153) and Mr. Vinesh Kumar Jairath (DIN: 00391684) retire by rotation at the ensuing Annual General Meeting (AGM) and, being eligible, offer themselves for re-appointment.

Mr. Anil Narayan Alawani has expressed his willingness to be re-appointed as a Director for a further period of one year, i.e., up to the conclusion of the next AGM to be held in the year 2027.

The Company has received the requisite disclosures and declarations from Mr. Anil Alawani and Mr. Vinesh Kumar Jairath, as applicable.

The brief resume and other details of Mr. Anil Alawani and Mr. Vinesh Kumar Jairath who are proposed to be re-appointed, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, form part of the Statement setting out material facts annexed to the Notice of the ensuing AGM.

The relevant resolutions seeking approval of the Members for the re-appointment of Mr. Anil Alawani and Mr. Vinesh Kumar Jairath as Non-Executive Directors have been included in the Notice of the ensuing AGM.

22. NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:

The Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT'), vide its Order dated 2 June 2026, has sanctioned the Scheme of Arrangement and Merger by absorption of Oliver Engineering Private Limited ('Oliver') and Adicca Energy Solutions Private Limited ('Adicca') (collectively, the 'Transferor Companies') with Kirloskar Ferrous Industries Limited ('KFIL' or the 'Transferee Company') and their respective shareholders, pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the 'Scheme').

Upon the Scheme becoming effective on 11 June 2026, Oliver and Adicca ceased to be the step-down subsidiaries of the Company.

ISMT Enterprises SA, a Luxembourg based subsidiary of KFIL, has been officially dissolved and deregistered from the Luxembourg Trade Registry with effect from 1 September 2025, and consequently ceased to be step-down subsidiary of the Company.

ISMT Europe AB, Sweden, a Sweden based subsidiary of KFIL, initiated for liquidation on 9 January 2025 and consequently, on 8 December 2025, the entity got dissolved and ceased to be step-down subsidiary of the Company.

23. DETAILS RELATING TO DEPOSITS, COVERED UNDER CHAPTER V OF THE COMPANIES ACT, 2013:

During the year under review, the Company has not accepted any deposits within the meaning of Chapter V of the Companies Act, 2013 and Rules thereof.

24. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN THE FUTURE:

To the best of our knowledge, the Company has not received any such order from the Regulators, Courts or Tribunals during the year, which may impact the going concern status or the Company's operations in the future.

25. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has developed a strong two-tier internal control framework comprising entity level controls and process level controls. The entity level controls of the Company include elements such as defined Code of Conduct, Whistle Blower Policy / Vigil Mechanism, rigorous management review and Management Information System (MIS) and strong internal audit mechanism. The process level controls have been ensured by implementing appropriate checks and balances to ensure adherence to Company policies and procedures, efficiency in operations and also reduce the risk of frauds.

Regular management oversight and rigorous periodic testing of internal controls make the internal controls environment strong at the Company. The Audit Committee along with the Management oversees the results of the internal audit and reviews the implementation on a regular basis.

26. COMPOSITION OF THE AUDIT COMMITTEE AND OTHER COMMITTEES OF THE BOARD:

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

27. No case of any fraud by any officer or employee of the Company has been reported by any auditor of the Company either to the Audit Committee or the Board pursuant to provisions of Section 143(12) of the Companies Act, 2013.

28. Neither any application has been made nor any proceeding has been pending against the Company under the Insolvency and Bankruptcy Code, 2016.

29. The Company has not accepted any public deposit pursuant to the provisions of the Companies Act, 2013 and Rules thereof.

V. INFORMATION FORMING PART OF THE BOARD'S REPORT PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

The relevant information pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **'Annexure IV'** to this Report.

In terms of Section 136 (1) of the Companies Act, 2013, the Board's Report is being sent to the members without the particulars of the top 10 employees pursuant to the aforesaid Rules . The members interested in obtaining a copy of these particulars may write to the Company Secretary at the Company's Registered Office.

VI. VIGIL MECHANISM:

The Company has a Whistle Blower Policy / Vigil Mechanism (the Policy) to deal with instances of fraud, unethical behaviour, etc. The Policy provides a mechanism for Directors and employees of the Company and other persons dealing with the Company to report genuine concerns including but not limited to unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct for Board of Directors and Senior Management 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, 2015, or any other instance to the Chairman of the Audit Committee of the Board of Directors of the Company. The Policy is placed on the Company's website, viz., https://www.kirloskarindustries.com/investors/policies. No case was filed during the year.

VII. 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 the workplace. This would, *inter alia*, provide a mechanism for the resolution, settlements, or prosecution of acts or instances of sexual harassment at the workplace and to ensure that all employees are treated with respect and dignity.

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

The Committee comprises four members, including one external member.

During the year under review, four meetings of the Committee were held on 10 April 2025, 14 July 2025, 16 October 2025 and 09 January 2026.

During the year under review, there was no complaint / case filed / pending with the Company.

VIII. DISCLOSURE UNDER MATERNITY BENEFIT ACT, 1961

The Company has complied with the provisions of the Maternity Benefit Act, 1961, as amended from time to time. The Company has ensured the provision of maternity benefits to eligible women employees in accordance with the requirements of the Maternity Benefit Act, 1961, and there has been no instance of non-compliance during the Financial Year 2025-2026.

IX. CASH FLOW:

A Cash Flow Statement for the year ended 31 March 2026 is attached to the Balance Sheet as a part of the Financial Statements.

X. COMPLIANCES WITH RESPECT TO APPLICABLE SECRETARIAL STANDARDS:

During the year under review, the Company has complied with all the applicable Secretarial Standards.

XI. CORPORATE GOVERNANCE:

In terms of Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance along with a Compliance Certificate issued by the Statutory Auditors of the Company, is attached and forms part of the Annual Report.

A certificate from the Statutory Auditors of the Company regarding compliance with conditions of corporate governance as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including amendments thereunder, also forms part of this Annual Report.

XII. REMUNERATION RECEIVED BY THE MANAGING DIRECTOR / EXECUTIVE DIRECTOR FROM SUBSIDIARY COMPANIES:

Sr. No.	Name of Director	Designation	Remuneration received /receivable from Kirloskar Ferrous Industries Limited, Subsidiary Company (₹ in Crores)	Remuneration received /receivable from Avante Spaces Limited, Wholly-Owned Subsidiary Company (₹ in Crores)
1	Mr. George Verghese	Managing Director (from 20 May 2025)	Nil	Nil
2	Ms. Aditi Chirmule	Executive Director	Nil	Nil

XIII. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR):

Pursuant to the provisions of Regulation 34(2)(f) of the Regulations, the Business Responsibility and Sustainability Report for the Financial Year 2025 - 2026 forms part of this Annual Report. The Company has voluntarily carried out the Reasonable Assurance through BDO India Services Private Limited (formerly known as BDO India LLP) for BRSR for Financial Year 2025-2026, which also forms part of this Annual Report.

ACKNOWLEDGEMENTS:

Your Directors would like to place on record their appreciation of the contribution made and support provided to the Company by the members, employees and bankers, during the year under Report.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
ATUL KIRLOSKAR
CHAIRMAN
DIN 00007387

Place: Pune
Date: 19 June 2026

Annexure-I to the Board's Report

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

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

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

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

Diluted EPS of the Company is ₹ 72.66 per share

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

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

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

ii. Methods to account for KIL ESARP 2019:

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

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

Not applicable.

iv. Options movement during the year

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

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

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

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

a) Senior Managerial Personnel:

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

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

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

Non – Executive Director:

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

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

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

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

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

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

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

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

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

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

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

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

M. J. RISBUD & CO.
Company Secretaries
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Office - (020) 2565 3979
Cell - 98220 10522
E-mail - mjrpcs@dataone.in / mjrpcs@gmail.com

Annexure–II to the Board's Report

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Regulation 24A of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015]

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2026

To,
The Members, of
Kirloskar Industries Limited
One Avante, Level 14, Karve Road,
Kothrud, Pune 411038

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KIRLOSKAR INDUSTRIES LIMITED, (CIN L70100PN1978PLC088972)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorised Representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March 2026, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We 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 2026, according to the provisions of:

(i) The Companies Act, 2013, (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956, ('SCRA') and the Rules made thereunder;

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

(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;

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

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 & 2025, regarding the compliance of the 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] and

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

(vi) No other law is applicable specifically to the Company.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India; and

(ii) The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited, as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

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

We further report that,

The Board of Directors of the Company is duly constituted with the 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 and SEBI LODR.

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 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.

All the decisions in the Board Meetings were taken unanimously during the audit period.

We 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.

We further report that, during the audit period:

a. The Board of Directors of the Kirloskar Ferrous Industries Limited (KFIL) a subsidiary of the Company, at its meeting held on 4 August 2025 has approved the 'Scheme of Arrangement and Merger by Absorption of Oliver Engineering Private Limited and Adicca Energy Solutions Private Limited (wholly owned subsidiaries of the KFIL) with the KFIL and their respective shareholders pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 subject to the receipt of necessary approvals. The Company Petition [No.C.P.(CAA)/46(MB)2026] in respect of the Scheme was filed earlier before the Hon'ble National Company Law Tribunal, Mumbai ('NCLT') and has been admitted for hearing and final disposal on 15 May 2026.

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

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

For M. J. Risbud & Co

Sd/-
Mahesh J. Risbud,
Proprietor
FCS No.: 810, C P No.: 185
PR – 7628/2026 UCN: S1981MH000400
Date: 19 May 2026
Place: Pune
UDIN: F000810H000404015

M. J. RISBUD & CO.
Company Secretaries
2, Annapoorna Apartments, Model Colony,
1034 Shivajinagar, Canal Road, Pune - 411016.
Office - (020) 2565 3979
Cell - 98220 10522
E-mail - mjrpcs@dataone.in / mjrpcs@gmail.com

To,
The Members
Kirloskar Industries Limited
Pune

Our 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. Our responsibility is to express my opinion on these records based on my audit.

2. Compliance with the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards, is the responsibility of the Management. Our examination was limited to the verification of procedures on a test basis.

3. We 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 those correct facts are reflected in records. We believe that the processes and practices we followed provide a reasonable basis for my opinion.

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

5. Wherever required, we 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.

Signature:
For M. J. Risbud & Co
Sd/-
Mahesh J. Risbud,
Proprietor
FCS No.: 810, C P No.: 185, PR – 7628/2026
UCN: S1981MH000400
Date: 19 May 2026
Place: Pune

Annexure-III to the Board's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES TO BE INCLUDED IN THE DIRECTORS' REPORT

(Pursuant to Section 135 of the Companies Act, 2013 and Rule 8 (1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, read with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022)

1. A brief outline of the Company's Corporate Social Responsibility (CSR) Policy, of the Company:

Corporate Social Responsibility (CSR) activities are based on the CSR Policy. The Company's main focus is on education, environment and health.

CSR policy is available on the website of the Company, viz., www.kirloskarindustries.com.

2. Composition of CSR Committee:

Sr. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of the CSR Committee held during the period from 1 April 2025 to 31 March 2026	Number of meetings of the CSR Committee attended during the period 1 April 2025 to 31 March 2026
1.	Mr. Anil Alawani	Chairman of the Committee, Non-Executive Non-Independent Director	3	2
2.	Ms. Aditi Chirmule	Executive Director	3	3
3.	Mr. Vijay Varma	Independent Director	3	3

3. Provide the web link where the composition of the CSR Committee, CSR Policy, and CSR Projects approved by the Board are displayed on the website of the Company:

a. Composition of CSR Committee:

https://www.kirloskarindustries.com/documents/779558/1538510/Composition+of+Committees+%282%29.pdf/6e2bdff9-ab1a-1642-3976-ed86d18b456a?t=1771228210661

b. CSR Policy:

https://www.kirloskarindustries.com/documents/779558/d3935dbc-7ddf-9a35-bb7e-059f595e1057

c. CSR Projects approved by the Board:

https://www.kirloskarindustries.com/investors/annual-csr-projects

4. Provide the executive summary along with web-link(s) of impact assessment of CSR projects carried out in pursuance of Sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

Not applicable as the average CSR obligation is less than ₹ 10 crores during the three immediately preceding Financial Years.

5. a. Average net profit of the Company as per Section 135(5): ₹ 27.02 Crores.

b. Two percent of the average net profit of the company as per Section 135(5) as on 31 March 2025: ₹ 0.5405 Crores.

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 2024-2025: Nil

e. Total CSR obligation for the Financial Year 2025-2026 (b+c+d): ₹ 0.5405 Crores.

6. a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 0.5410 Crores.

b. Amount spent in Administrative Overheads: Nil

c. Amount spent on Impact Assessment, if applicable: Not applicable

d. Total amount spent for the Financial Year 2025-2026 (a+b+c): ₹ 0.5410 Crores.

e. CSR amount spent or unspent for the Financial Year:

Total amount spent for the Financial Year (₹ in Crores)	Amount unspent (₹ in Crores)				
	Total amount transferred to unspent CSR amount as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per the second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
0.5410	NA	NA	NA	NA	NA

f. Excess amount for set off, if any: ₹ 0.0005 Crores

Sr. No.	Particular	Amount (₹ in Crores)
(i)	Two percent of the average net profit of the company as per Section 135(5) as on 31 March 2025	0.5405
(ii)	Total amount spent for the Financial Year 2025-2026	0.5410
(iii)	Excess amount spent for the Financial Year 2025-2026 [(ii)-(i)]	0.0005
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Year 2024-2025, if any	Nil
(v)	Amount available for set off in succeeding Financial Year i.e., 2026-2027[(iii)-(iv)]	0.0005

7. Details of unspent CSR amount for the preceding three Financial Years:

(₹ in Crores)

Sr. No.	Preceding Financial Year	Amount transferred to unspent CSR Account under Section 135(6)	Balance Amount in unspent CSR Account under Sub - section (6) of Section 135	Amount spent in the reporting Financial Year	Amount transferred to a fund as specified under Schedule VII as per the second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
					Amount	Date of transfer		
NA	NA	NA	NA	NA	NA	NA	NA	NA

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: NA

Furnish the details relating to such asset(s) so created or acquired through CSR amount spent in the Financial Year:

Sr. 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 on entity / Authority / beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
NA	NA	NA	NA	NA	NA	NA	NA

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office / Municipal Corporation / Gram Panchayat are to be specified and also the area of the immovable property as well as boundaries)

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

Sd/-
Aditi Chirmule
Executive Director
DIN 01138984

Sd/-
Anil Alawani
Chairman
CSR Committee
DIN 00036153

Sd/-
Bharathan Gopalakrishnan
Chief Financial Officer

Date: 19 May 2026

Annexure-IV to the Board's Report

INFORMATION FORMING PART OF THE BOARD'S REPORT PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

Sr. No.	Particulars		
i.	The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year	**Name of Director**	**Ratio**
		Mr. Atul Kirloskar, Chairman	3.87
		Mr. George Verghese, Managing Director (appointed as the Managing Director with effect from 20 May 2025)	63.54
		Ms. Aditi Chirmule, Executive Director*	24.30
		Mr. Anil Alawani	1.47
		Mr. Tejas Deshpande (ceased to be a Director with effect from 28 August 2025)	0.68
		Mr. D. Sivanandhan (ceased to be a Director with effect from 3 February 2026)	0.93
		Mr. Vinesh Kumar Jairath	1.41
		Mr. Ashit Parekh (ceased to be a Director with effect from 13 February 2026)	0.78
		Mr. Satish Jamdar	1.63
		Mr. Vijay Varma	1.24
		Ms. Purvi Sheth	0.85
		Ms. Pallavi Gokhale (appointed as a Director of the Company with effect from 1 July 2025)	0.93
		Mr. Rahul Kirloskar (appointed as a Director of the Company with effect from 14 November 2025)	1.19
		Mr. Sumit Mitra (appointed as a Director of the Company with effect from 14 November 2025)	0.44
		Mr. S. Venkataramani (appointed as a Director of the Company with effect from 14 November 2025)	0.49
ii.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	**Name of Director / Chief Financial Officer / Company Secretary**	**Percentage Increase / (Decrease) in the Remuneration**
		Mr. Atul Kirloskar, Chairman	(3)
		Mr. George Verghese, Managing Director (appointed as the Managing Director with effect from 20 May 2025)	NA
		Ms. Aditi Chirmule, Executive Director*	19.8
		Mr. Anil Alawani	(15.9)
		Mr. Tejas Deshpande (ceased to be a Director with effect from 28 August 2025)	NA
		Mr. D. Sivanandhan (ceased to be a Director with effect from 3 February 2026)	NA
		Mr. Vinesh Kumar Jairath	Nil
		Mr. Ashit Parekh (ceased to be a Director with effect from 13 February 2026)	NA
		Mr. Satish Jamdar	(9.5)
		Mr. Vijay Varma	(9.0)
		Ms. Purvi Sheth	12.9
		Ms. Pallavi Gokhale (appointed as a Non-Executive and Independent Director of the Company with effect from 1 July 2025)	NA
		Mr. Rahul Kirloskar (appointed as a Non-Executive and Non-Independent Director of the Company with effect from 14 November 2025)	NA
		Mr. Sumit Mitra (appointed as a Non-Executive and Independent Director of the Company with effect from 14 November 2025)	NA
		Mr. S. Venkataramani (appointed as a Non-Executive and Independent Director of the Company with effect from 14 November 2025)	NA
		Mr. Bharathan Gopalakrishnan (appointed with effect from 14 November 2025)	NA
		Mrs. Ashwini Mali	15%
iii.	The percentage increase in the median remuneration of employees in the financial year	14%	
iv.	The number of permanent employees on the rolls of the Company	22, including Managing Director and Executive Director	
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increases in the managerial remuneration and justification thereof, and point out if there are any exceptional circumstances for an increase in the managerial remuneration	16 % 18% The salary increase is a function of various factors like individual performance vis-à-vis individual KRAs set and achieved, industry trends, economic situation, further growth prospects, besides Company performance. There are no exceptional circumstances for an increase in the managerial remuneration.	
vi.	Affirmation that the remuneration is as per the Remuneration Policy of the Company	The Board affirms that the remuneration is as per the Nomination and Remuneration Policy of the Company.	
vii.	Statement showing the name of 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. It shall also indicate: (i) Designation of the employee; (ii) remuneration received; (iii) nature of employment, whether contractual or otherwise; (iv) qualifications and experience of the employee; (v) date of commencement of employment; (vi) the age of such employee; (vii) the last employment held by such employee before joining the company; (viii) the percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014; whether any such employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager.	Refer Clause VI of Board's Report	

*Pursuant to KIL ESARP 2019, ESARs were exercised during the Financial Year, have not been considered for calculating the increase in the remuneration.

Report on Corporate Governance

[Pursuant to Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including amendments thereunder (hereinafter referred to as the Regulations)]

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company's philosophy of Corporate Governance aims at establishing and practicing a system of good corporate governance which will assist the Management in managing the Company's business in an efficient and transparent manner towards fulfiling the corporate objectives and to meet the obligations and best subserve the interest of its stakeholders. This philosophy has been strengthened by the adoption of a Code of Conduct for the Board of Directors and Senior Management, Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and Immediate Relatives of Designated Persons of the Company and also re-enforcing our commitment towards Corporate Sustainability.

The Company also has a Kirloskar's Ethics Helpline to encourage employees to act with integrity and honesty and report any cases of unethical behaviour.

2. BOARD OF DIRECTORS:

a. Composition of the Board:

The Board composition is in conformity with Regulation 17 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosures Requirements) Regulations, 2015, including amendments thereunder (hereinafter referred as the Regulations).

The Board of Directors comprises 12 (Twelve) Directors as on 31 March 2026.

The composition of the Board is as under:

Category of Directors	No. of Directors
Managing and Executive	2
Non-Executive and Non-Independent	4
Non-Executive and Independent	6
Total*	**12**

*Out of 12 Directors, 3 are Women Directors.

b. Number of Board Meetings:

During the Financial Year under review, 5 (Five) meetings of the Board of Directors were held on 20 May 2025, 12 August 2025, 14 November 2025, 13 February 2026 and 11 March 2026. The gap between any two Board meetings during the year under review did not exceed 120 (One Hundred and Twenty) days. The requisite quorum was present for all the meetings.

The attendance of the Directors was as follows:

Sr. No.	Name of Director	Date of Board Meetings				
		20 May 2025	12 August 2025	14 November 2025	13 February 2026	11 March 2026
1.	Mr. Atul Kirloskar, Chairman (DIN 00007387)	Y	Y	Y	Y	Y
2.	Mr. George Verghese,# Managing Director (DIN 11068946) (From 20 May 2025)	Y	Y	Y	Y	Y
3.	Ms. Aditi Chirmule, Executive Director (DIN 01138984)	Y	Y	Y	Y	Y
4.	Mr. Anil Alawani (DIN 00036153)	Absent	Y	Y	Y	Y
5.	Mr. Vinesh Kumar Jairath (DIN 00391684)	Y	Y	Y	Y	Y
6.	Mr. Rahul Kirloskar## (DIN 00007319) (From 14 November 2025)	NA	NA	Y	Y	Y
7.	Mr. Tejas Deshpande### (DIN 01942507) (Upto 27 August 2025)	Y	Y	NA	NA	NA
8.	Mr. Ashit Parekh#### (DIN 00821577) (Upto 13 February 2026)	Y	Y	Y	Y	NA
9.	Mr. Satish Jamdar (DIN 00036653)	Absent	Y	Y	Y	Y
10.	Mr. D. Sivanandhan##### (DIN 03607203) (upto 2 February 2026)	Y	Y	Y	NA	NA
11.	Mr. Vijaydipak Varma (DIN 00011352)	Y	Y	Y	Absent	Y
12.	Ms. Purvi Sheth (DIN 06449636)	Y	Y	Y	Y	Y
13.	Ms. Pallavi Gokhale###### (DIN 00036369) (From 1 July 2025)	NA	Y	Y	Y	Y
14.	Mr. Sumit Mitra####### (DIN 07189815) (From 14 November 2025)	NA	NA	Y	Y	Y
15	Mr. Sathyamoorthy Venkataramani####### (DIN 00229998) (From 14 November 2025)	NA	NA	Absent	Y	Y

#Appointed as the Managing Director of the Company with effect from 20 May 2025 for a term of five (5) years.

##Appointed as a Non-Executive Non-Independent Director of the Company with effect from 14 November 2025.

###Ceased to be a Non-Executive Independent Director of the Company with effect from 28 August 2025, on completion of his tenure as an Independent Director.

####Resigned as a Non-Executive Independent Director of the Company with effect from the closure of business hours on 13 February 2026, due to his preoccupations.

#####Ceased to be a Non-Executive Independent Director of the Company with effect from 3 February 2026, on completion of his tenure as an Independent Director.

######Appointed as a Non-Executive Independent Director of the Company to hold office for a first term of 5 (five) consecutive years with effect from 1 July 2025.

#######Appointed as a Non-Executive Independent Director of the Company to hold office for a first term of 5 (five) consecutive years with effect from 14 November 2025.

c. Directors' attendance record and Directorship held:

I. The information on composition of the Board, category of Directors, attendance of each Director at the Annual General Meeting (AGM) held on 13 August 2025, Directorships and Committee positions in other public companies of which the Director is a Member / Chairman / Chairperson, the shareholding of Non-Executive Directors (Refer Table A) and the names of the listed entities in which the Directors hold directorship and category thereof (Refer Table B), as at 31 March 2026, is as follows:

Table A:

Sr. No.	Category of Director and name of Director	Number of shares held by Non-Executive Directors	Number of Directorships held in other public limited companies*	Number of Committee Positions held in other public limited companies**		Attendance at the last AGM
				Chairman / Chairperson	Member	
	Managing Director / Executive Director					
1.	Mr. George Verghese, @Managing Director (DIN 11068946) (From 20 May 2025)	NA	Nil	Nil	Nil	Yes
2.	Ms. Aditi Chirmule, Executive Director (DIN 01138984)	NA	Nil	Nil	Nil	Yes

Sr. No.	Category of Director and name of Director	Number of shares held by Non-Executive Directors	Number of Directorships held in other public limited companies*	Number of Committee Positions held in other public limited companies**		Attendance at the last AGM
				Chairman / Chairperson	Member	
	Non-Executive and Non-Independent Directors					
3.	Mr. Atul Kirloskar*** (DIN 00007387)	15,11,352	3	Nil	Nil	Yes
4.	Mr. Anil Alawani (DIN 00036153)	2,285	Nil	Nil	Nil	Yes
5.	Mr. Vinesh Kumar Jairath (DIN 00391684)	49,595	3	2	4	Yes
6.	Mr. Rahul Kirloskar@@*** (DIN 00007319) (From 14 November 2025)	18,49,478	5	1	3	NA
	Non-Executive and Independent Directors					
7.	Mr. Tejas Deshpande# (DIN 01942507) (Upto 27 August 2025)	NA	NA	NA	NA	Yes
8.	Mr. D. Sivanandhan## (DIN 03607203) (upto 2 February 2026)	NA	NA	NA	NA	Yes
9.	Mr. Ashit Parekh### (DIN 00821577) (Upto 13 February 2026)	NA	NA	NA	NA	Yes
10.	Mr. Satish Jamdar (DIN 00036653)	Nil	2	1	2	Yes
11.	Mr. Vijaydipak Varma (DIN 00011352)	400	1	0	2	Yes
12.	Ms. Purvi Sheth (DIN 06449636)	Nil	8	0	1	Yes
13.	Ms. Pallavi Gokhale@@@ (DIN 00036369) (From 1 July 2025)	Nil	2	0	2	Yes
14.	Mr. Sumit Mitra@@@@ (DIN 07189815) (From 14 November 2025)	Nil	1	0	0	NA
15.	Mr. Sathyamoorthy Venkataramani@@@@ (DIN 00229998) (From 14 November 2025)	Nil	1	1	1	NA

*Excludes directorships in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

**For the purpose of reckoning the limit on committee positions, chairmanship / membership of the Audit Committee and the Stakeholders' Relationship Committee are considered as per Regulation 26 (1) (b) of the Regulations.

***Deemed as Promoters / member of Promoter Group within the meaning of the Securities and Exchange Board of India (SEBI) (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

@Appointed as the Managing Director of the Company with effect from 20 May 2025 for a term of 5 (five) years.

@@Appointed as a Non-Executive Non-Independent Director of the Company with effect from 14 November 2025.

@@@Appointed as a Non-Executive Independent Director of the Company to hold office for a first term of 5 (five) consecutive years with effect from 1 July 2025.

@@@@Appointed as a Non-Executive Independent Director of the Company to hold office for a first term of 5 (five) consecutive years with effect from 14 November 2025.

#Ceased to be a Non-Executive Independent Director of the Company with effect from 28 August 2025, on completion of his tenure as an Independent Director.

##Ceased to be a Non-Executive Non-Independent Director of the Company with effect from 3 February 2026, on completion of his tenure as an Independent Director.

###Resigned as an Independent Director of the Company with effect from the closure of business hours on 13 February 2026, due to his pre-occupations.

Notes:

1. None of the Directors on the Board of the Company is a member of more than 10 (ten) Committees and Chairman/Chairperson of more than 5 (five) Committees in all public limited companies, whether listed or not, in which he/she is a Director. All the Directors have made the requisite disclosures regarding committee positions held by them in other public limited companies.
2. None of the Directors on the Board of the Company is a Director of more than seven listed entities, nor an Independent Director of more than seven listed entities as at 31 March 2026.
3. Mr. Atul Kirloskar and Mr. Rahul Kirloskar, being brothers, are related to each other. None of the other Directors are related to any other Director of the Company as defined under the Companies Act, 2013 and Rules thereof, including amendments thereunder.

Table B:

Sr. No.	Name of Director, Designation and Age as on 31 March 2026	Name of the other listed entities in which the Director holds Directorship	Category of Directorship
	Managing Director / Executive Director		
1	Mr. George Verghese, Managing Director Age: 44 years (from 20 May 2025)	-	-
2	Ms. Aditi Chirmule, Executive Director Age: 59 years	-	-
	Non-Executive and Non-Independent Directors		
3	Mr. Atul Kirloskar Age: 70 years	1. Kirloskar Oil Engines Limited*	Chairman, Non-Independent Non-Executive Director
		2. Kirloskar Pneumatic Company Limited	Non-Independent Non-Executive Director
4	Mr. Anil Alawani Age: 80 years	-	-
5	Mr. Vinesh Kumar Jairath Age: 67 years	1. Wockhardt Limited	Independent Non-Executive Director
		2. Kirloskar Oil Engines Limited	Non-Independent Non-Executive Director
6	Mr. Rahul Kirloskar Age: 62 years	1. Kirloskar Oil Engines Limited	Non-Independent Non-Executive Director
		2. Kirloskar Ferrous Industries Limited	Non-Independent Non-Executive Director
		3. Kirloskar Pneumatic Company Limited	Chairman, Executive Director
	Non-Executive and Independent Directors		
7	Mr. Tejas Deshpande Age: 44 years#	NA	NA
8	Mr. D. Sivanandhan Age: 75 years##	NA	NA
9	Mr. Ashit Parekh Age: 66 years###	NA	NA
10	Mr. Satish Jamdar Age: 73 years	1. Kirloskar Oil Engines Limited	Independent Non-Executive Director
11	Mr. Vijaydipak Varma Age: 74 years	1. Kirloskar Ferrous Industries Limited	Independent Non-Executive Director
12	Ms. Purvi Sheth Age: 53 years	1. Kirloskar Oil Engines Limited	Independent Non-Executive Director
		2. Ambuja Cements Limited	Independent Non-Executive Director
		3. Metropolis Healthcare Limited	Independent Non-Executive Director
		4. Shoppers Stop Limited	Independent Non-Executive Director
13	Ms. Pallavi Gokhale Age: 54 years	1. Clean Science and Technology Limited	Independent Non-Executive Director
		2. S H Kelkar and Company Limited	Non-Independent Non-Executive Director
14	Mr. Sumit Mitra Age: 53 years	-	-

Sr. No.	Name of Director, Designation and Age as on 31 March 2026	Name of the other listed entities in which the Director holds Directorship	Category of Directorship
15	Mr. Sathyamoorthy Venkataramani Age: 64 years	1. Kirloskar Ferrous Industries Limited	Independent Non-Executive Director

*Mr. Atul Kirloskar resigned from the position of Chairmanship and Non-Independent Non-Executive Director of Kirloskar Oil Engines Limited with effect from the close of business hours of 31 March 2026.

#Ceased to be a Non-Executive Independent Director of the Company with effect from 28 August 2025, on completion of his tenure as an Independent Director.

##Ceased to be a Non-Executive Non-Independent Director of the Company with effect from 3 February 2026, on completion of his tenure as an Independent Director.

###Resigned as an Independent Director of the Company with effect from the closure of business hours on 13 February 2026, due to his pre-occupations

d. Separate meetings of Independent Directors:

Pursuant to Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations) and Schedule IV to the Companies Act, 2013, the Independent Directors are required to hold at least one separate meeting in a Financial Year without the presence of Non-Independent Directors and members of the Management.

Further, pursuant to Paragraph F of Part E of Schedule II of the Regulations, the Independent Directors of the top 2,000 listed entities by market capitalisation are required to endeavour to hold at least two such meetings in a financial year.

Accordingly, separate meetings of the Independent Directors were held on Tuesday, 18 November 2025 and Wednesday, 11 March 2026, to discuss, *inter alia*:

(a) the performance of Non-Independent Directors and the Board as a whole;

(b) the performance of the Chairman of the Company, taking into account the views of the Managing Director, the Executive Director and Non-Executive Directors;

(c) the quality, quantity and timeliness of the flow of information between the Management of the Company and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The outcome of the meetings was presented to the Board, along with the actions taken on the observations / suggestions received from the Independent Directors.

e. Familiarisation programme 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 their engagement. Further copies of 'Code of Conduct for the Board of Directors and Senior Management of the Company', 'Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and Immediate Relatives of Designated Persons of the Company', 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of the Company' (Code of Conducts) and Policies adopted by the Board as per regulatory provisions are made available to Independent Directors at the time of joining.

All Board members are made aware of all the latest applicable legal, regulatory and business developments / updates, by way of presentations where Directors have an opportunity to interact with Key Managerial Personnel (KMP). Presentations, *inter alia*, include quarterly and annual results, budgets, review of internal audit reports, information on business performance, operations, financial parameters, senior management change, major litigations, compliances, risk management and regulatory scenarios and such other areas as may arise from time to time. The details about information on business performance, operations and financials of subsidiary companies are also forming part of the presentation.

The details of such familiarisation programmes have been put on the website of the Company at https://www.kirloskarindustries.com/investors/corporate-governance/familiarization-programme-for-independent-directors.

f. Code of Conduct

The Company has laid down a Code of Conduct for all the Board members and Senior Management Personnel. The Code of Conduct is available on the Company's website, viz., https://www.kirloskarindustries.com/investors/code-of-conduct.

All the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Financial Year ended 31 March 2026. A declaration to this effect signed by the Managing Director forms part of this Report.

g. Information supplied to the Board:

Tentative dates for Board Meetings for the ensuing financial year are decided in advance and communicated to the Members of the Board to ensure their optimum participation.

The information, as required under Regulation 17(7) read with Schedule II Part A of the Regulations, is made available to the Board.

The agenda is circulated well in advance to the Board members. The items in the agenda are backed by comprehensive background information to facilitate meaningful discussions and enable the Board to take appropriate decisions. As part of the process of good governance, the agenda also includes the progress on the decisions taken by the Board in its previous meeting(s). A board portal is made available to the Directors that allows the Board of Directors to securely access Board documents and collaborate with other Board members electronically.

The Board also, *inter alia*, reviews quarterly / half yearly / annual results, the strategy of business, annual operating plan, reports for all laws applicable to the Company, review of major legal cases, minutes of Meetings of Committees of the Board, review of internal control framework and risk management, etc. The required information, as enumerated in Part A of Schedule II of the Regulations, is made available to the Board of Directors for discussions and consideration at Board Meetings. The Board is also kept informed of major events / items, and approvals are taken, wherever necessary. As a part of good corporate governance, the Board Charter has been drawn up setting out roles / terms of reference and processes of functioning of the Board, including the Committees of the Board.

The draft minutes of the meetings of the Board of Directors and its Committees are also circulated in time to the Board and Committee members.

h. The table below summarises core skills / expertise / competencies identified by the Board of Directors as required and available with the Board in the context of the business of the Company for its effective functioning:

Sr. No.	Core Skills / Expertise / Competencies	Particulars
1	Strategy	a. Business
		b. Economic – Micro and Macro
		c. Human Resources / Talent
		d. Operations
2	Risks	a. Business
		b. Environment and sustainability
		c. Health and Safety
		d. Finance
		e. Compliances
		f. Regulatory
3	Finance	a. Raising funds
		b. Cost of funds
		c. Timing
		d. Options
		e. Repayment
		f. Monitoring and Review
		g. Capital Markets
		h. Mergers and Amalgamations
		i. Restructuring
4	Legal	a. Regulatory Compliances
		b. Statutory Compliances

Sr. No.	Core Skills / Expertise / Competencies	Particulars
5	Security systems	a. Cyber
		b. Data
		c. Property
6	Corporate restructuring	
7	Infrastructure planning and development	

Following is the table containing areas of core skills / expertise / competencies of individual Board members. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding skill / expertise / competencies:

Sr. No.	*Name of Director	Core Skills / Expertise / Competencies						
		Strategy	Risks	Finance	Legal	Security Systems	Corporate Restructuring	Infrastructure Planning and Development
1	Mr. Atul Kirloskar	√	√	√	√	-	√	-
2	Mr. George Verghese, Managing Director	√	√	√	√	-	√	-
3	Ms. Aditi Chirmule, Executive Director	√	√	√	√	-	√	-
4	Mr. Anil Alawani	√	√	√	√	-	√	-
5	Mr. Vinesh Kumar Jairath	√	√	√	√	-	√	√
6	Mr. Rahul Kirloskar	√	√	√	√	√	√	√
7	Mr. Satish Jamdar	√	√	√	-	-	√	-
8	Mr. Vijaydipak Varma	√	√	√	√	-	√	-
9	Ms. Purvi Sheth	√	√	-	-	-	√	-
10	Ms. Pallavi Gokhale	-	√	√	-	-	-	-
11	Mr. Sumit Mitra	√	√	-	-	-	√	-
12	Mr. Sathyamoorthy Venkataramani	√	√	√	√	-	√	√

***Directors as on 31 March 2026**

i. Insurance coverage:

The Company has obtained Directors' and Officers' liability insurance coverage in respect of any legal action that might be initiated against Directors / Officers of the Company and its subsidiary companies.

j. Confirmation on declarations given by Independent Directors:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the Regulations.

The Board of Directors, after due assessment of the veracity of the declarations received from the Independent Directors to the extent possible, confirms that the Independent Directors fulfil the conditions specified in Regulation 25 (8) of the Regulations and they are independent of the Management.

Further, the Independent Directors have, in terms of Section 150 of the Act, read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors Databank maintained with the Indian Institute of Corporate Affairs.

k. Reasons for the resignation of Independent Directors during the Financial Year 2025-2026, if any:

During the Financial Year 2025 - 2026, Mr. Ashit Parekh (DIN: 00821577), Independent Director of the Company, whose term of appointment was upto 3 July 2027, resigned from the Board of the Company with effect from the close of business hours on 13 February 2026 due to his pre-occupation.

He also informed that there was no other material reason for his resignation other than those mentioned in his resignation letter dated 13 February 2026.

3. BOARD COMMITTEES

A. AUDIT COMMITTEE:

a. Composition:

The Audit Committee (the Committee) comprises of 6 (six) Non-Executive Directors, out of which 4 (four) are Independent Directors. The composition is in conformity with Regulation 18 of the Regulations.

During the Financial Year under review, 5 (five) meetings of the Committee were held on 20 May 2025, 12 August 2025, 14 November 2025, 13 February 2026 and 11 March 2026.

The Composition of the Committee and attendance at its meetings is given below:

Sr. No.	Name of the Member Director	Category of Directorship	Number of Meetings Attended
1.	Mr. Satish Jamdar (Chairman)	Non-Executive Independent Director	4
2.	Mr. Tejas Deshpande#	Non-Executive Independent Director	2
3.	Mr. D. Sivanandhan##	Non-Executive Independent Director	3
4.	Ms. Pallavi Gokhale*	Non-Executive Independent Director	3
5.	Mr. Sathyamoorthy Venkataramani**	Non-Executive Independent Director	2
6.	Mr. Vijaydipak Varma	Non-Executive Independent Director	4
7.	Mr. Vinesh Kumar Jairath	Non-Executive Non-Independent Director	5
8.	Mr. Anil Alawani	Non-Executive Non-Independent Director	4

#Ceased to be an Independent Director of the Company with effect from 28 August 2025, on completion of his tenure as an Independent Director. Consequently, he ceased to be a member of the Committee.

##Ceased to be an Independent Director of the Company with effect from 3 February 2026, on completion of his tenure as an Independent Director. Consequently, he ceased to be a member of the Committee.

*Appointed as a member of the Committee with effect from 12 August 2025.

**Appointed as a member of the Committee with effect from 14 November 2025.

The Company Secretary acts as the Secretary of the Committee. The Managing Director, the Executive Director and the Chief Financial Officer attend the Audit Committee meetings. The representatives of the Statutory Auditors and the Internal Auditors are invited to the meetings.

Mr. Satish Jamdar, Chairman of the Committee, was present at the Annual General Meeting of the Company held on Wednesday, 13 August 2025.

Mr. Parag Pansare, Partner of Kirtane and Pandit LLP, Chartered Accountants, Statutory Auditors of the Company and Mr. Mahesh J. Risbud, Practicing Company Secretary and Secretarial Auditor of the Company, were present at the 31st Annual General Meeting of the Company held on Wednesday, 13 August 2025.

b. Terms of reference:

The terms of reference of the Committee include the matters specified under Regulation 18 (3) read with Part C of Schedule II of the Regulations as well as those specified in Section 177 of the Companies Act, 2013 and *inter alia* include the following:

1. Oversight of the Company's financial reporting process and the disclosures of its financial information to ensure that the Financial Statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the Management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board, for approval, with particular reference to:
   a) matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (c) of Sub-section 3 of Section 134 of the 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 the Management;
   d) significant adjustments made in the Financial Statements arising out of audit findings;

e) compliance with listing and other legal requirements relating to the Financial Statements;

f) disclosure of any related party transactions;

g) modified opinion(s) in the draft Audit Report.

5. Reviewing, with the Management, the Quarterly Financial Statements before submission to the Board for approval.

6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or and making appropriate recommendations to the Board to take up steps in this matter.

7. Reviewing and monitoring the Auditor's independence and performance, and the effectiveness of the audit process.

8. Approval or any subsequent modification of transactions of the Company with related parties.

9. Scrutiny of inter-corporate loans and investments.

10. Valuation of undertakings or assets of the Company, wherever it is necessary.

11. Evaluation of internal financial controls and risk Management systems.

12. Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.

13. 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.

14. Discussion with Internal Auditors of any significant findings and follow up thereon.

15. 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.

16. 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.

17. Looking 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.

18. Reviewing the functioning of the Whistle Blower Mechanism.

19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.

20. Mandatorily reviewing the following information:

    A. Management Discussion and Analysis of financial condition and results of operations;

    B. statement of significant related party transactions (as defined by the Committee), submitted by the Management;

    C. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;

    D. Internal Audit Reports relating to internal control weaknesses;

    E. the appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Committee; and

    F. statement of deviations:

        A. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32 (1) of the Regulations;

        B. annual statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32 (7) of the Regulations.

21. Carrying out any other function as mentioned in the terms of reference of the Committee

22. Reviewing the utilisation of loans and / or advances from / investments by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments.

23. Reviewing the compliance with the provisions of Insider Trading Regulations, 2015 and amendments thereof, from time to time, at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

24. Consider and comment on the rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation, etc., on the Company and its shareholders.

c. Powers of the Audit Committee:

- To investigate into any matter in relation to the items specified in Section 177(4) or referred to it by the Board.
- For the above purpose, the Audit Committee shall have full access to information contained in the records of the Company.
- To seek external professional advice, if necessary.
- To investigate any activity within the terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure the attendance of outsiders with relevant expertise, if it considers necessary.

B. NOMINATION AND REMUNERATION COMMITTEE:

a. Composition:

The Nomination and Remuneration Committee (the Committee) comprises 4 (four) Non-Executive Directors, out of which 3 (three) Directors are Independent Directors. The composition is in conformity with Regulation 19 of the Regulations.

During the Financial Year under review, two meetings of the Committee were held on 20 May 2025 and 14 November 2025.

The composition of the Committee and attendance at its meeting is given below:

Sr. No.	Name of the Member Director	Category of Directorship	Number of Meetings Attended
1.	Mr. Satish Jamdar (Chairman)*	Non-Executive Non-Independent Director	2
2.	Mr. Anil Alawani	Non-Executive Non-Independent Director	1
3.	Ms. Purvi Sheth**	Non-Executive Independent Director	NA
4.	Mr. Sumit Mitra**	Non-Executive Independent Director	NA
5.	Mr. D. Sivanandhan***	Non-Executive Independent Director	2

*Appointed as the Chairman of the Committee with effect from 14 November 2025.

**Appointed as a Member of the Committee with effect from 14 November 2025.

***Ceased to be an Independent Director of the Company with effect from 3 February 2026, on completion of his tenure as an Independent Director. Consequently, he ceased to be a member of the Committee.

b. Terms of reference:

The terms of reference of the Committee include, the matters specified under Regulation 19 (4) read with Part D of Schedule II of the Regulations, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, (SEBI SBEB Regulations) as well as those specified in Section 178 of the Companies Act, 2013 and *inter alia*, include the following:

i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key Key Managerial Personnel and other employees:

    1A. For every appointment of an independent Director, the Nomination and Remuneration Committee shall 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. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

a. use the services of external agencies, if required;

b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

c. consider the time commitments of the candidates.

ii. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.

iii. Devising a policy on diversity of Board of Directors.

iv. Identifying persons who are qualified to become Directors and who may be appointed in senior Management in accordance with the criteria laid down and recommending to the Board of Directors their appointment and removal.

v. Whether to extend or continue the term of appointment of an Independent Director, on the basis of the report of the performance evaluation of the Independent Directors.

vi. Formulation of detailed terms and conditions of the schemes under the SEBI SBEB Regulations, as may be amended from time to time.

vii. Recommend to the Board all remuneration, in whatever form, payable to Senior Management.

viii. Review the succession planning mechanism and recommend changes / modifications thereto, if required, to the Board for its consideration.

ix. Seek professional guidance in the succession planning mechanism, if required, and to set terms and conditions, including as to remuneration, in this regard, in consultation with the Chairman of the Board.

x. Constitute a panel comprising of such members of the Committee and external experts if any, as it deems fit, for identifying candidates to fill vacancies at the level of the whole-time Directors and senior Management level and to recommend the appointment of Whole Time Directors and Senior Management Personnel, as and when required and set the terms and conditions, including the remuneration of panellists, in consultation with the Chairman of the Board.

c. Criteria for performance evaluation:

The Committee lays down the criteria for the performance evaluation of Directors. A separate exercise was carried out by the Board to evaluate its own performance and that of its committees and individual Directors, including the Chairman of the Board, who were evaluated on the following parameters:

i. attendance for the meetings, participation and independence during the meetings;

ii. interaction with Management;

iii. role and accountability of the Board; and

iv. knowledge and proficiency.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

a. Composition:

The Stakeholders Relationship Committee (the Committee) comprises three Directors, out of which one Director is an Independent Director. The composition is in conformity with Regulation 20 of the Regulations.

During the Financial Year under review, four meetings of the Committee were held on 23 July 2025, 30 September 2025, 14 November 2025 and 24 December 2025.

The composition of the Committee and attendance at its meeting is given below:

Sr. No.	Name of the Member Director	Category of Directorship	Number of Meetings Attended
1.	Mr. Anil Alawani (Chairman)	Non-Executive Non-Independent Director	4
2.	Ms. Aditi Chirmule	Executive Non-Independent Director	3
3.	Mr. Vijaydipak Varma	Non-Executive Independent Director	4

b. Terms of reference:

1. Resolving the grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual reports, non-receipt of declared dividends, issue of new/duplicate share certificates, general meetings, etc.

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent of the Company.

4. Review of various measures and initiatives taken by the Company for reducing quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by shareholders of the Company.

5. Allot equity shares upon exercise of Employees Stock Appreciation Rights (ESARs) by eligible employees of the Company and employees of Avante Spaces Limited, a Wholly Owned Subsidiary of the Company and Non – Executive Directors of the Company in terms of Kirloskar Industries Limited – Employees Stock Appreciation Rights Plan 2019 (KIL ESARP 2019) between the two meetings of the Board of Directors.

6. Allot Warrants convertible into equity shares to Mr. Atul Kirloskar and Mr. Rahul Kirloskar through preferential allotment.

The total number of complaints received and redressed during the year ended 31 March 2026, was 6 (six), and there was no complaint pending as on 31 March 2026.

The Company had no share transfer requests pending as on 31 March 2026.

Mrs. Ashwini Mali, Company Secretary, is the Compliance Officer.

The Compliance Officer can be contacted at:

Kirloskar Industries Limited
One Avante, Level 14, Karve Road,
Kothrud, Pune 411 038
Tel.: 020-69065007
E-mail: ashwini.mali@kirloskar.com

The Company has designated an exclusive email id for the investors as investorrelations@kirloskar.com to register their grievances, if any. The Company has displayed the said email id on its website for the use of investors.

D. RISK MANAGEMENT COMMITTEE:

a. Composition:

As on 31 March 2026, the Risk Management Committee of the Company comprises of the Managing Director, the Executive Director and 3 (three) Non-Executive Directors, out of which 2 (two) are Independent Directors . The composition is in conformity with Regulation 21 of the Regulations.

During the Financial Year under review, 4 (four) meetings of the Committee were held on 20 May 2025, 12 August 2025, 14 November 2025 and 13 February 2026.

The composition of the Committee and attendance at its meeting is given below:

Sr. No.	Name of the Member Director	Category of Directorship	Number of Meetings Attended
1.	Mr. Satish Jamdar (Chairman)	Non-Executive Independent Director	3
2.	Mr. Tejas Deshpande*	Non-Executive Independent Director	2
3.	Mr. Ashit Parekh#	Non-Executive Independent Director	4
4.	Mr. George Verghese**	Managing Director	3
5.	Mr. Vinesh Kumar Jairath	Non-Executive Non-Independent Director	4
6.	Ms. Aditi Chirmule	Executive Director	4
7.	Ms. Pallavi Gokhale***	Non-Executive Independent Director	1

*Ceased to be an Independent Director of the Company with effect from 28 August 2025, on completion of his tenure as an Independent Director. Consequently, he ceased to be a member of the Committee.

#Resigned as an Independent Director of the Company with effect from the closure of business hours on 13 February 2026, due to his pre-occupations. Consequently, he ceased to be a member of the Committee.

**Appointed as a member of the Risk Management Committee with effect from 12 August 2025.

***Appointed as a Member of the Risk Management Committee with effect from 14 November 2025.

b. Terms of reference:

1. 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.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
3. To monitor and oversee the implementation of the risk management policy, including evaluating the adequacy of risk management systems.
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Committee.

E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

a. Composition:

The Corporate Social Responsibility Committee (Committee) of the Company comprises 3 (three) members, out of which one is an Independent Director. The composition is in conformity with the provisions of the Companies Act, 2013.

During the Financial Year under review, 3 (three) meetings of the Committee were held on 20 May 2025, 12 August 2025 and 14 November 2025.

The composition of the Committee and attendance at its meeting is given below:

Sr. No.	Name of the Member Director	Category of Directorship	Number of Meetings Attended
1.	Mr. Anil Alawani (Chairman)	Non-Executive Non-Independent Director	2
2.	Ms. Aditi Chirmule	Executive Non-Independent Director	3
3.	Mr. Vijaydipak Varma	Non-Executive Independent Director	3

4. SENIOR MANAGEMENT:

In terms of Clause 5B of Schedule V of the Regulations, the particulars of Senior Management and changes therein since the close of the previous Financial Year is given below:

Sr. No.	Name	Designation	Changes if any, since the previous financial year (Yes / No)	Nature of change and effective date
1.	Mr. Akshay Sahni	Chief Operating Officer	No	-
2.	Mr. Anandh Baheti	Chief Financial Officer	Yes	Resigned as Chief Financial Officer of the Company with effect from the close of business hours on 4 November 2025
3.	Mr. Bharathan Gopalakrishnan	Chief Financial Officer	Yes	Appointed as Chief Financial Officer of the Company with effect from 14 November 2025
4.	Mrs. Ashwini Mali	Company Secretary	No	-
5.	Mr. Jagdish Purandare	Head - Human Resources	Yes	Resigned as Head - Human Resources of the Company with effect from the close of business hours of 31 December 2025
6.	Mr. Rohan Sapkal	Head - Human Resources	Yes	Appointed as Head - Human Resources of the Company with effect from 1 January 2026

5. REMUNERATION TO DIRECTORS:

I. The Board has on the recommendation of the Nomination and Remuneration Committee (the Committee), adopted the 'Nomination and Remuneration Policy' (the Policy) for the selection and appointment of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel and their remuneration. The Policy is available on the website of the Company, viz., www.kirloskarindustries.com

a. Whole-time Director:

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to the Managing Director and the Executive Director. The commission to the Managing Director and the Executive Director is recommended by the Committee on the determination of the profits for the Financial Year and based on the performance evaluation of the Managing Director and the Executive Director, also approved by the Board of Directors. The members at the Annual General Meeting of the Company held on 8 August 2019, accorded their approval to the Board of Directors to decide and to pay in respect of any financial year, managerial remuneration which may exceed 5% of the net profits of the Company to any one Managing Director or whole-time Director or manager and / or which may exceed 10% of the net profits of the Company, if there is more than one such Director, to all such Directors and manager taken together and / or the total managerial remuneration payable to all the Directors including Managing Director or whole-time Director or manager, which may exceed 11% of the net profits of the respective financial year computed in the manner laid down in Section 198 of the Companies Act, 2013. The remuneration to the Managing Director and the Executive Director is in accordance with the provisions of the Companies Act, 2013 and Rules thereunder.

b. Non-Executive Directors

The members at the Annual General Meeting of the Company held on 8 August 2019, accorded their approval to the Board of Directors to decide and to pay the remuneration by way of commission (over and above the payment of sitting fee(s)) to the Directors of the Company (other than Managing Director / Executive Director or a Director who is in the whole time employment of the Company), which may exceed 1% per annum of the Net Profit of the Company computed in the manner laid down in Section 198 and other applicable provisions, if any, of the Companies Act, 2013, for each Financial Year.

Upon the recommendation of the Committee and based on the performance evaluation of each of the Non-Executive Directors, the Board of Directors decides the remuneration payable to them by way of commission.

Details of the remuneration paid / payable to Directors during Financial Year 2025-2026:

(Amount in ₹)

Sr. No	Name of Director	Basic Salary	Allowances	Perquisites and Other Benefits	Sitting Fees	Commission@	Total
	Managing Director / Executive Director						
1.	Mr. George Verghese, Managing Director (from 20.05.2025)	26,59,097	10,90,645	75,40,819	-	5,39,00,000	6,51,90,561
2.	Ms. Aditi Chirmule, Executive Director	69,77,903	-	*2,27,44,062	-	1,04,00,000	4,01,21,965
	Non-Executive Director						
3.	Mr. Atul Kirloskar	-	-	-	3,75,000	36,00,000	39,75,000
4.	Mr. Rahul Kirloskar	-	-	-	2,25,000	10,00,000	12,25,000
5.	Mr. Anil Alawani	-	-	-	6,10,000	9,00,000	15,10,000
6.	Mr. Tejas Deshpande	-	-	-	3,00,000	4,00,000	7,00,000
7.	Mr. D. Sivanandhan	-	-	-	4,75,000	4,75,000	9,50,000
8.	Mr. Vinesh Kumar Jairath	-	-	-	7,25,000	7,25,000	14,50,000
9.	Mr. Ashit Parekh	-	-	-	4,00,000	4,00,000	8,00,000
10.	Mr. Satish Jamdar	-	-	-	6,75,000	10,00,000	16,75,000
11.	Mr. Vijaydipak Varma	-	-	-	5,70,000	7,00,000	12,70,000
12.	Ms. Purvi Sheth	-	-	-	3,75,000	5,00,000	8,75,000
13.	Ms. Pallavi Gokhale	-	-	-	4,75,000	4,75,000	9,50,000
14.	Mr. Sumit Mitra	-	-	-	2,25,000	2,25,000	4,50,000
15.	Mr. Sathyamoorthy Venkataramani	-	-	-	2,50,000	2,50,000	5,00,000
	TOTAL	**96,37,000**	**10,90,645**	**3,02,84,881**	**56,80,000**	**7,49,50,000**	**12,16,42,526**

@Represents Commission for the year ended 31 March 2026, which will be paid after the adoption of the accounts by the members at the Annual General Meeting, subject to deduction of applicable tax.

*Including benefit of ₹ 1.52 Crores under the 'Kirloskar Industries Limited – Employee Stock Appreciation Rights Plan 2019'

Notes:

- The Company enters into service contracts with the Managing Director and the Executive Director for a period of 5 years.
- Perquisites include leave travel assistance, reimbursement of medical expenses, term insurance premium and contributions to provident fund, Employees Stock Appreciation Rights granted under the 'Kirloskar Industries Limited – Employees Stock Appreciation Rights Plan 2019', provision for gratuity and leave encashment and perquisite value as per Income-Tax Rules for motorcar.

II Employees Stock Appreciation Rights (ESARs) granted / vested to Executive Directors and Non-Executive Directors under the Kirloskar Industries Limited – Employees Stock Appreciation Rights Plan (KIL ESARP 2019)

Pursuant to the KIL ESARP 2019, the Company has, till date, granted a total of 7,25,498 ESARs comprising 4,84,498 ESARs at an exercise price of ₹ 500 per ESAR and 2,41,000 ESARs at an exercise price of ₹ 1,800 per ESAR. These ESARs were granted to eligible employees of the Company and employees of Avante Spaces Limited, a Wholly-Owned Subsidiary of the Company.

In accordance with the terms of the KIL ESARP 2019, the ESARs shall vest after a minimum period of one year and within a maximum period of four years from the date of grant.

Accordingly, the Company has vested ESARs to the eligible employees of the Company and Avante Spaces Limited, a Wholly-Owned Subsidiary of the Company.

During the previous year 2024-2025, 640 unvested ESARs (issued at an exercise price of ₹ 500 per ESAR) and 1,96,000 unvested ESARs (issued at an exercise price of ₹ 1,800 per ESAR) were forfeited due to the resignation or early retirement of identified employees. These forfeited ESARs were returned to the ESAR pool.

In view of the above, total granted ESARs had been reduced by 1,96,640 unvested ESARs, which were forfeited, bringing the total number of granted ESARs to 5,28,858 from 7,25,498 under KIL ESARP 2019 as on 31 March 2025.

During the year under review, 3,470 vested ESARs (issued at an exercise price of ₹ 500 per ESAR) were lapsed. Further, 3,240 unvested ESARs (issued at an exercise price of ₹ 500 per ESAR) and 25,000 unvested ESARs (issued at an exercise price of ₹ 1,800 per ESAR) were forfeited due to the resignation of the respective employees. These lapsed / forfeited ESARs have been returned to the ESAR pool.

In view of the above, the total granted ESARs have been reduced by 31,710 vested / unvested ESARs, which are lapsed / forfeited, bringing the total number of granted ESARs to 4,97,148 from 5,28,858 ESARs under KIL ESARP 2019 as on 31 March 2026.

The following is the summary of ESARs granted to / vested in the Managing Director, the Executive Director and a Non-Executive Director of the Company as on 31 March 2026:

Sr. No.	Particulars	No. of ESARs	
		Mr. George Verghese, Managing Director	Ms. Aditi Chirmule, Executive Director
1	ESARs granted	Nil	48,540
2	ESARs vested	Nil	48,540
3	ESARs Forfeited	Nil	Nil
4	ESARs lapsed	Nil	3,470
5	ESARs exercised	Nil	20,800

6. DETAILS OF GENERAL BODY MEETINGS:

I. The details of the General Meetings of the members, held during the previous 3 years, are as under:

Financial Year	Date	Time	Type of Meeting	Venue	Special Resolutions passed
2024-2025	13 August 2025	11.30 a.m.	Annual General Meeting	Through Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM')	1. Approval for the remuneration payable to Ms. Aditi Chirmule (DIN 01138984), Executive Director of the Company, for a period from 25 January 2025 to 24 January 2027. 2. Appointment of Mr. George Verghese (holding DIN 11068946), as the Managing Director of the Company, liable to retire by rotation, for a period of 5 (five) years, commencing from 20 May 2025. 3. Appointment of Ms. Pallavi Gokhale (holding DIN 00036369), as an Independent Director of the Company, to hold office for a term of 5 (five) consecutive years with effect from 1 July 2025.
2023-2024	25 September 2024	11.30 a.m.	Annual General Meeting	Through Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM')	1. Payment of remuneration, in the nature of commission or perquisite(s) arising as a result of exercise of vested Employees' Stock Appreciation Rights (ESARs) granted under the 'Kirloskar Industries Limited - Employees Stock Appreciation Rights Plan 2019' (KIL ESARP 2019), to Mr. Vinesh Kumar Jairath (holding DIN 00391684), Non-Executive Director of the Company, in excess of fifty percent of the total remuneration payable to all Non-Executive Directors of the Company for the Financial Year 2024-2025. 2. Amendment to Articles of Association of the Company by inserting the new Article 153(c) i.e., 'Appointment of Chairman Emeritus of the Company', after the Article 153(b) of the Articles of Association of the Company.

Financial Year	Date	Time	Type of Meeting	Venue	Special Resolutions passed
2022-2023	12 August 2023	2.30 p.m.	Annual General Meeting	Through Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM')	1. Re-appointment of Mr. Satish Jamdar (holding DIN 00036653), as an Independent Director of the Company, to hold office for a second term up to his attaining the age of 75 years, i.e., up to 8 May 2027, with effect from 17 May 2023. 2. Payment of remuneration, in the nature of commission or perquisite(s) arising as a result of exercise of vested Employee Stock Appreciation Rights (ESARs) granted under the 'Kirloskar Industries Limited – Employees Stock Appreciation Rights Plan 2019' (KIL ESARP 2019), to Mr. Vinesh Kumar Jairath (holding DIN 00391684), Non-Executive Director of the Company, in excess of fifty percent of the total remuneration payable to all Non-Executive Directors of the Company for the Financial Year 2023-2024.

II. RESOLUTIONS PASSED BY POSTAL BALLOT

During the Financial Year 2025-2026, the members of the Company passed the Special Resolutions by way of Postal Ballot on 28 December 2025.

Snapshots of the voting results of the said postal ballots are as under:

A. The members of the Company have passed the following Special Resolution(s) by way of Postal ballot on 28 December 2025.

Date of postal ballot notice	14 November 2025
Voting period	Saturday, 29 November 2025 (9.00 a.m.) to Sunday, 28 December 2025 (5.00 p.m.) (IST)
Name of the Scrutiniser for conducting the postal ballot voting process in a fair and transparent manner and in accordance with the Companies (Management and Administration) Rules, 2014	Mrs. Manasi Paradkar Practising Company Secretary
Date of declaration of result	Monday, 29 December 2025

Sr. No.	Resolution	Type of resolution	Total number of votes polled	Total votes cast in favour		Total votes cast against		Result
				No. of shares	% of votes cast	No. of shares	% of votes cast	
(i)	To appoint Mr. Sumit Mitra (DIN 07189815) as an Independent Director of the Company, for a first term of five years with effect from 14 November 2025 to 13 November 2030	Special	53,12,406	53,06,640	99.90	5,766	0.11	Passed with the requisite majority
(ii)	To appoint Mr. Sathyamoorthy Venkataramani (DIN 00229998) as an Independent Director of the Company, for a first term of five years with effect from 14 November 2025 to 13 November 2030	Special	53,13,553	53,12,686	99.98	867	0.02	Passed with the requisite majority

7. MEANS OF COMMUNICATION:

i. Quarterly results:

The quarterly and half-yearly results are published in national and local dailies, viz., Financial Express (English) and Loksatta (Marathi), having wide circulation. Since the results of the Company are published in the newspapers, half-yearly reports are not sent individually to the members.

The financial results and official news releases of the Company are also displayed on the website of the Company, viz., www.kirloskarindustries.com.

The Annual Report of the Company, the quarterly / half yearly and the annual results of the Company, statement of unclaimed dividend, shareholding pattern, Corporate Governance Report, Memorandum of Association and Articles of Association, Brief profile of Board of Directors, including directorship and full-time positions in body corporates etc. are also placed on the Company's website, viz., www.kirloskarindustries.com.

ii. The NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance and Listing Centre (the 'Listing Centre' of BSE):

The NEAPS and the Listing Centre of BSE are web-based applications designed by NSE and BSE, respectively, for corporates. All periodical compliance filings like shareholding pattern, Corporate Governance Report, quarterly results, etc., are filed electronically on NEAPS and the Listing Centre of BSE.

iii. The Management Discussion and Analysis Report forms part of the Annual Report.

8. GENERAL INFORMATION FOR SHAREHOLDERS:

a. Annual General Meeting:

Corporate Identification Number (CIN)	L70100PN1978PLC088972
Annual General Meeting (AGM) Date and Day Time Venue	 : 18 August 2026, Tuesday : 11.30 a.m. : Through Video Conferencing or other Audio Visual Means (VC/ OAVM) The Company is conducting the meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM)
Financial Year ended	31 March 2026
Book Closure	Wednesday, 12 August 2026 to Tuesday, 18 August 2026, (both days inclusive)
Dividend Payment Date	On or before 17 September 2026
Last date of receipt of proxy forms	The requirement of accepting Proxy Forms has been dispensed with as per MCA Circulars, as it is directed to conduct AGM through VC / OAVM.
Financial Year 2025-2026	During the year, the financial results were announced as under: First quarter : 12 August 2025 Second quarter : 14 November 2025 Third quarter : 13 February 2026 Annual : 19 May 2026
International Security Identification Number (ISIN)	INE250A01039
Name and address of the Stock Exchange where securities are listed	1. The BSE Limited (BSE) – 500243 Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. 2. The National Stock Exchange of India Limited (NSE) – KIRLOSIND Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.
Payment of annual listing fees	The annual listing fees for the Financial Year 2025-2026 have been paid to BSE and NSE.
Designated email address for investor services	investorrelations@kirloskar.com

b. Shareholding Pattern as on 31 March 2026:

Sr. No.	Category	No. of shares	% of Shareholding
1.	Promoter and Promoter Group	75,53,065	71.87
2.	Mutual Funds	133	0.00
3.	Banks / Financial Institutions and Insurance Companies	1,96,721	1.87
4.	Other Bodies Corporate	3,32,387	3.16
5.	Foreign Institutional Investors	125	0.00
6.	Foreign Portfolio Investors	52,643	0.50
7.	Clearing Members	37,138	0.35
8.	NRI	47,334	0.45
9.	Trusts	853	0.01
10.	Foreign Nationals	88	0.00
11.	Hindu Undivided Family	77,784	0.74
12.	General Public	21,25,930	20.24
13.	IEPF	60,982	0.58
14.	NBFCs registered with the RBI	750	0.01
15.	Body Corporates - Limited Liability Partnership	23,364	0.22
16.	Foreign Bank	75	0.00
	TOTAL	**1,05,09,372**	**100.00**

c. Distribution of Shareholding as on 31 March 2026:

Shareholding of shares		Members		Shares	
From	to	Number	% to Total	Number	% to Total
(1)		(2)	(3)	(4)	(5)
1	500	21,943	97.57	6,90,219	6.57
501	1,000	249	1.11	1,78,513	1.70
1,001	2,000	131	0.58	1,96,148	1.87
2,001	3,000	47	0.21	1,18,137	1.12
3,001	4,000	28	0.12	99,570	0.95
4,001	5,000	16	0.07	72,197	0.69
5,001	10,000	34	0.15	2,44,186	2.32
	10,001 and above	42	0.19	89,10,402	84.78
TOTAL		**22,490**	**100.00**	**1,05,09,372**	**100.00**

Dematerialisation of shares and liquidity (as on 31 March 2026)	1,04,48,908 (99.42%)
Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity	The Company has not issued GDRs / ADRs / Warrants or any convertible instruments.

Commodity price risk or foreign exchange risk and hedging activities:

Not applicable, since the Company does not procure any commodities or have any forex inflows or outflows.

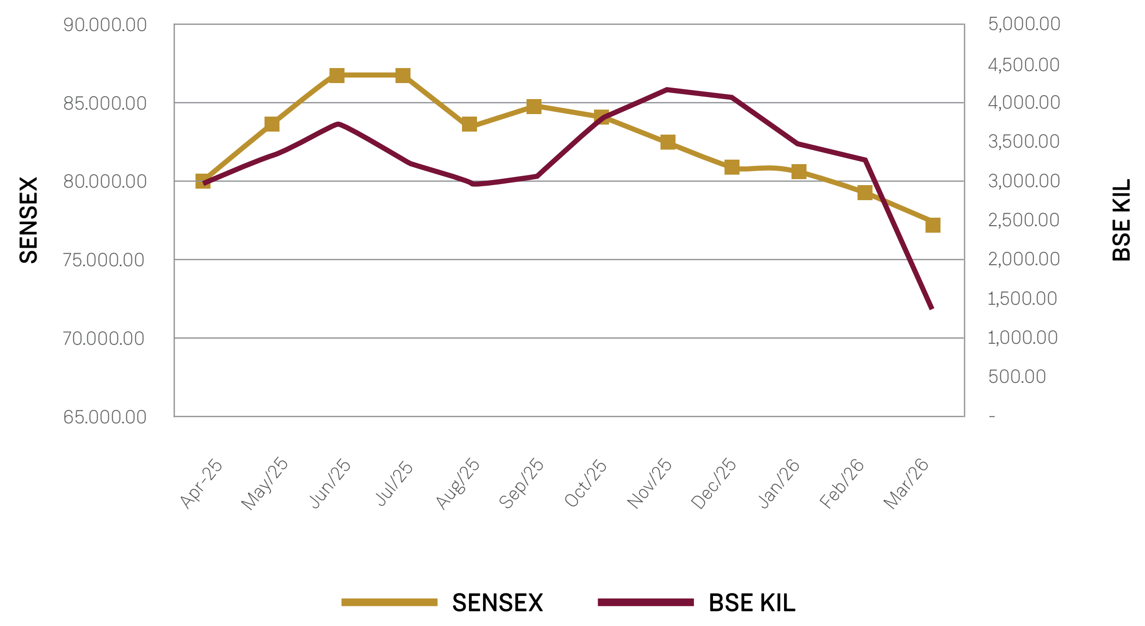
d. Market Price Data:

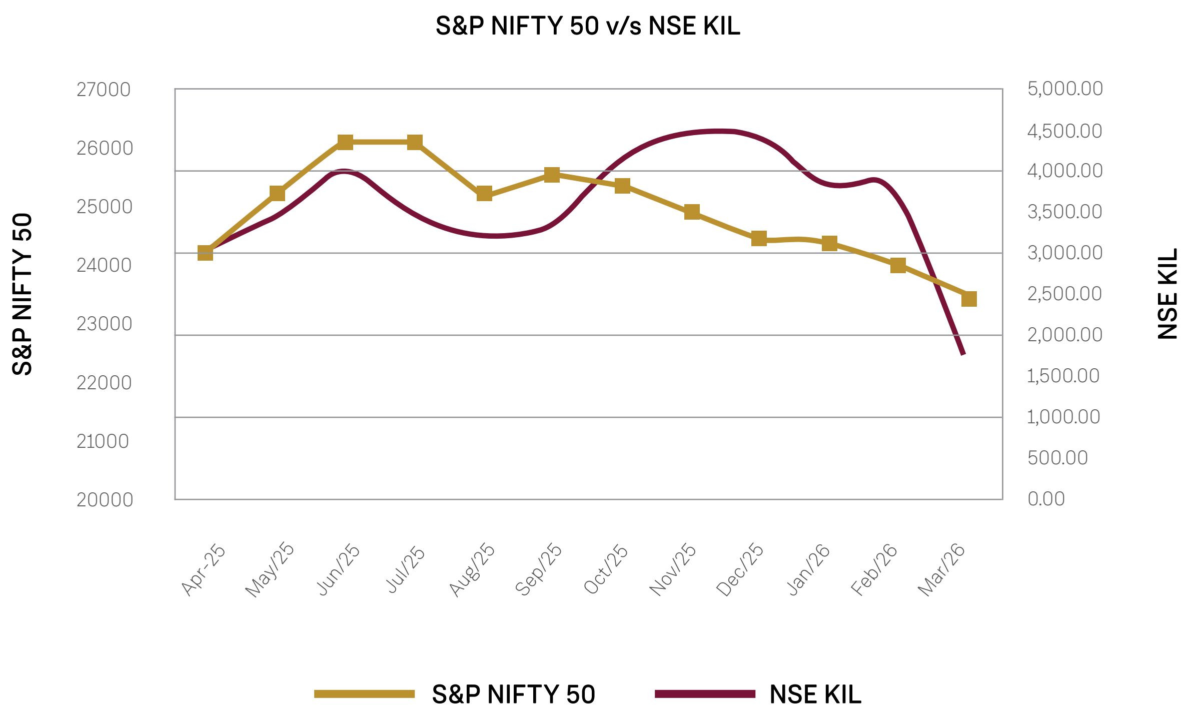
Monthly high / low during the Financial Year 2025-2026, on the BSE and NSE are as under:

Stock Exchange	BSE		NSE	
Month	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2025	3,605.00	2,756.00	3,550.00	3,000.00
May 2025	3,869.95	2692.05	3,797.00	2,810.80
June 2025	4,380.00	3,388.05	4,387.10	3,488.00
July 2025	4,650.00	4,000.05	4,726.00	4,050.00
August 2025	4,389.95	3,671.00	4,375.90	3,655.10
September 2025	4,344.85	3,510.05	4,345.00	3,675.00
October 2025	4,190.00	3,752.05	4,199.90	3,782.00
November 2025	3,898.90	3,478.35	3,889.10	3,472.30
December 2025	3,518.40	3,088.50	3,523.40	3,120.00
January 2026	3,273.45	2,798.00	3,269.00	2,786.90
February 2026	3,307.70	2,801.25	3,310.50	2,800.00
March 2026	2,976.00	2,456.05	2,983.80	2,463.00

e. Performance of monthly close price of the Company's Scrip on the BSE and NSE as compared to the monthly close S&P Sensex and S&P CNX Nifty for the year 2025-2026:

SENSEX v/s BSE KIL





f. Registrar and Share Transfer Agent (the R&T Agent):

The contact details of the Registrar and Share Transfer Agent (the R&T Agent) is as follows:

MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)	Akshay' Complex, Block No. 202, 2nd Floor, Off. Dhole Patil Road, Pune 411 001 Tel.: (020) 2616 1629 / 2616 0084 Email: pune@in.mpms.mufg.com

g. Share Transfer System:

a. Pursuant to Regulation 40(1) of the Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialised form.

Pursuant to the SEBI Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated 6 February, 2026, it is mandatory for the Company to issue shares only in demat form while processing investor service requests viz., issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates / folios, transmission and transposition.

Further, SEBI has substituted the earlier requirement of issuance of a physical 'Letter of Confirmation' ('LOC') in lieu of duplicate share certificates, and the Company / the R & T Agent are now required to directly credit the shares to the demat account in lieu of the share certificate while processing any of the aforesaid investor service requests. Under the earlier process, the LOC issued was required to be dematerialised by the shareholder within 120 days.

The Form ISR-4 is available on the website of the Company and can be downloaded from the website of the Company

https://www.kirloskarindustries.com/documents/779558/c4cd2dea-193a-4e45-8091-4de70a7c53d6.

If a shareholder fails to submit the dematerialisation request within the prescribed timelines, then the Company shall credit those shares in the Suspense Escrow Demat Account held by the Company. Shareholders can claim these shares transferred to the Suspense Escrow Demat Account on submission of the necessary documents.

- Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated 2 July 2025, a special window was made available from 7 July 2025 to 6 January 2026 for re-lodgement of transfer requests pertaining to physical shares, where transfer deeds had been lodged prior to 1 April 2019 and such requests had been rejected, returned, or remained unprocessed due to deficiencies in documentation or other procedural requirements.

  Further, the facility has been extended vide SEBI Circular No. HO/38/13/11(2)2026-MIRSD-POD/I/3750/2026 dated 30 January 2026, whereby a special window has been made available from 5 February 2026 to 4 February 2027 for the transfer and dematerialisation of physical securities relating to transactions executed prior to 1 April 2019.

  Members holding physical share certificates and intending to avail themselves of the aforesaid facility are advised to contact the Company's Registrar and Share Transfer Agent (R & T Agent) for details regarding the prescribed procedure, documentation requirements, and timelines. Members are encouraged to submit their requests well before the expiry of the applicable window to facilitate timely processing.

  Members may also refer to the relevant SEBI circulars and the Company's website for further details in this regard.

- The Ministry of Corporate Affairs launched a 100-day campaign titled "Saksham Niveshak" from 28 July 2025 to 6 November 2025 to facilitate shareholders in claiming their unpaid/unclaimed dividends and updating their KYC particulars. In this regard, the Company published the requisite advertisement and made available the relevant procedure on its website. Shareholders were also encouraged to update their PAN, email address, mobile number, bank account details, nomination particulars and other KYC information.

  Subsequently, the IEPF Authority also launched the second phase of the "Saksham Niveshak" campaign for a period of 100 days from 1 April 2026 to 9 July 2026 for shareholders whose dividends remain unpaid or unclaimed. Eligible shareholders are encouraged to avail themselves of the facility and complete the requisite formalities within the prescribed timelines.

b. Generating awareness on the Dispute Resolution Mechanism:

Pursuant to SEBI Letter No. SEBI/HO/OIAE/2023/03391 dated 27 January 2023, the R & T Agent sent communications to the members on 10 February 2023, via both Email and SMS, in accordance with SEBI's directions regarding "Generating Awareness on Availability of Dispute Resolution Mechanism."

The said mechanism has also been made available on the Company's website.

As per SEBI Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated 31 July 2023, a common Online Dispute Resolution Portal (ODR Portal) has been established for investors to facilitate online conciliation and arbitration of disputes related to securities. Investors can now opt for arbitration with the Stock Exchanges, in case of any dispute against the Company or its R & T Agent regarding delays or defaults in processing investor service requests.

This is in addition to the existing SCORES system, where investors initially lodge their complaints or grievances against the Company. If an investor is not satisfied with the resolution provided by the Company, R & T Agent, or SCORES, they may initiate the Online Dispute Resolution process through the ODR Portal at https://smartodr.in/login.

c. KYC compliance:

Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16 March 2023, all listed companies are mandated to record the PAN, nomination, and KYC details of all members, as well as the bank account details of the first holder.

We request you to submit the requisite Investor Service Request Form(s) along with the required supporting documents at the earliest. The relevant formats for Nomination and Updation of KYC details viz; Forms ISR -1, ISR-2, ISR-3, SH-13, SH-14 and SEBI circular are available on the R & T Agent website https://web.in.mpms.mufg.com/KYC-downloads.html for KYC and on the website of the Company at https://www.kirloskarindustries.com/forms/format-for-kyc.

d. Online processing of investor service requests and complaints

Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2023/72 dated 8 June 2023, issued by the Securities and Exchange Board of India (SEBI) titled 'Online processing of investor service requests and complaints' by Registrar and Transfer Agents, MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) (R & T Agent) has launched 'SWAYAM', investors self-service portal created for investors.

The R & T Agent developed "SWAYAM," a user-friendly, secure web application that makes a variety of services easily accessible to members. The application can be accessed at https://swayam.in.mpms.mufg.com/. The said link is also given on the website of the Company viz. https://www.kirloskarindustries.com/investors/other-details.

The FAQ Section on their website has very detailed answers to almost all probable investor queries. Please visit https://web.in.mpms.mufg.com/faq.html to find answers to your queries related to securities.

You can submit your tax exemption forms through online services on their website. Please visit https://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.html

e. SEBI vide its Circular No. SEBI / HO / MIRSD / MIRSD_RTAMB / P / CIR / 2021 / 655 dated 3 November 2021 (subsequently amended by Circular Nos. SEBI / HO / MIRSD MIRSD_RTAMB / CIR / 2021 / 687 dated 14 December 2021, SEBI / HO / MIRSD / MIRSD – PoD-1 / P / CIR / 2023 / 27 dated 16 March 2023 and SEBI / HO / MIRSD / PoD -1 / P / CIR / 2023 / 181 dated 17 November 2023) has mandated that with effect from 1 April 2024, dividend to security holders (holding securities in physical form), shall be paid only through the electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination and contact details, including mobile number, bank account details and specimen signature.

Further, pursuant to Regulation 12 of the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025, listed entities are required to make payment of dividends to shareholders only through electronic modes of payment. Accordingly, members are requested to ensure that their bank account details are duly updated with the Company/the R & T Agent or the respective Depository Participant, as applicable.

h. List of all credit ratings obtained by the Company during the financial year:

Not applicable.

i. Member References:

- **Permanent Account Number (PAN):**

As per SEBI's guidelines and as informed from time to time by the Company, members who continue to hold shares in the physical form shall furnish a copy of their PAN Card in the following cases:

a) Transferees' and Transferors' PAN Cards for transfer of shares;

b) Surviving joint holders' PAN Cards for deletion of the name of deceased members;

c) Legal heirs' PAN Cards for transmission of shares; and

d) Joint holders' PAN Cards for transposition of shares.

- **Email Address:**

In order to enable us to further extend our support towards paperless compliance as a part of Green Initiative in Corporate Governance, which was introduced by the Ministry of Corporate Affairs (MCA) in the year 2011, the members who have not registered their Email addresses, so far, are requested to register their Email addresses.

Members who continue to hold shares in physical form are requested to register their Email addresses with the Company / the R & T Agent and with the Depository Participants in case of shares held in dematerialised form.

- **Dematerialisation of shares:**

As communicated by the Company from time to time, members who hold shares in physical form are requested to dematerialise their shares through any of the nearest Depository Participants, to be able to transfer the shares.

Further, dematerialisation of shares avoids hassles involved with physical shares, such as the possibility of loss / mutilation of share certificate(s) and ensures safe and speedy transaction in securities.

- **Register Your National Electronic Clearing Services (NECS) Mandate:**

The Reserve Bank of India (RBI) has initiated NECS for the credit of dividend directly to the Bank Account of members. Members holding shares in electronic mode are requested to register their latest Bank Account details with their Depository Participants and in physical form with the Company's the R & T Agent.

- **Nomination facility for shareholding:**

As per the provisions of Section 72 of the Companies Act, 2013 (the Act), a facility for making nominations is available for the members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Company's R & T Agent or download the same from the Company's Website.

Members holding shares in dematerialised form should contact their Depository Participants (DP) in this regard.

Members whose dividends remain unpaid or unclaimed are requested to take necessary steps to claim the same at the earliest and to ensure that their KYC details, including PAN, email address, mobile number, bank account particulars and nomination details, are duly updated with the Company/the R & T Agent.

9. OTHER DISCLOSURES:

The Company has complied with the other disclosure requirements of Regulation 34 (3) read with Schedule V of the Regulations.

i. Related Party Transactions:

During the Financial Year under review, there was no materially significant related party transaction made by the Company as defined in Regulation 23 of the Regulations that may have potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in Note No. 41 to the Standalone Financial Statements in the Annual Report.

Transactions of the Company with the promoter / promoter group(s) who hold(s) 10% or more shareholding in the Company are as follows:

₹ in Crores

Sr. No.	Name of the Promoter / Promoter Group(s)	Nature of Relationship	Nature of Transaction	2025-2026		2024-2025	
				Transaction Value	Outstanding Amount Carried in Balance Sheet	Transaction Value	Outstanding Amount Carried in Balance Sheet
1	Mr. Atul Kirloskar	Promoter	Dividend	1.96	--	1.67	---
			Remuneration	0.40	--	0.41	--
2	Mr. Rahul Kirloskar	Promoter	Dividend	2.40	--	2.11	---
			Remuneration	0.12			
3	Mrs. Jyotsna Kulkarni	Promoter	Dividend	1.53	--	1.53	---

ii. Details of capital market non-compliance, if any:

There have been no instances of non-compliances by the Company on any matters related to capital markets, during the last three years. Neither penalties have been imposed nor any strictures imposed on the Company by the Stock Exchanges, the Securities and Exchange Board of India or any other statutory authority on any matter related to capital markets.

iii. Whistle Blower Policy / Vigil Mechanism:

The Company has a Whistle Blower Policy / Vigil Mechanism Policy (the Policy). The Policy has provided a mechanism for Directors and employees of the Company and other persons dealing with the Company to report genuine concerns including but not limited to unethical behaviour, actual or suspected fraud or violation of the Company's 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, 2015, any other instance, to the Chairman of the Audit Committee.

The Policy is available at the website of the Company viz. https://www.kirloskarindustries.com/documents/779558/6d0b6d5d-273f-c17b-82dd-0da343279f24. In line with the amended policy, the Company has launched a 'Kirloskar Ethics helpline' for employees to report any suspected violation / any other ethical concerns.

iv. Policy for determining 'material' subsidiaries:

As required under Regulation 16 (1) (c) of the Regulations, the Company has a policy for determining 'material' subsidiaries, which is available on https://www.kirloskarindustries.com/documents/779558/47e43b46-5d2a-2dc5-9b1e-5cfb2ee10b80

During the Financial Year 2025-2026, as per the Audited Consolidated Financial Statements of the Company for the Financial Year 2025-2026, Kirloskar Ferrous Industries Limited was a material subsidiary of the Company as per Regulation 16 (1) (c) of the Regulations.

v. Dividend Distribution Policy:

Pursuant to Regulation 43A of the Regulations, the Board of Directors has formulated a Dividend Distribution Policy, which is available on https://www.kirloskarindustries.com/documents/779558/f226fda0-971c-110f-7fe7-086920ce9c7e.

vi. Policy for Preservation of Documents

Pursuant to Regulation 9 of the Regulations, the Board of Directors has approved the Policy for Preservation of Documents, which is available on https://www.kirloskarindustries.com/documents/779558/edc27973-a4c0-6f89-ca24-0ef9ddb186fc.

vii. Related Party Transactions Policy:

As required under Regulation 23 (1) of the Regulations, the Company has a Policy on Materiality Related

Party Transactions and dealing with Related Party Transactions which is available on https://www.kirloskarindustries.com/documents/779558/92938335-921d-7735-c000-80d9f8d1fe4b.

viii. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and Clauses (b) to (i) and (t) of Sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Regulations.

ix. Details of utilisation of funds raised through preferential allotment or Qualified Institutions Placement as specified under Regulation 32 (7A) of the Regulations:

Not Applicable.

x. A certificate from M. J. Risbud & Co., Practising Company Secretaries, Proprietorship Firm of Mr. M. J. Risbud (Membership No. F810, Certificate of Practice No. 185) 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 Board / Ministry of Corporate Affairs or any such statutory authority, has been obtained.

xi. Recommendations given by the Committees of the Board:

During the Financial Year 2025-2026, the Board has accepted all the recommendations given by the Committees of the Board, which are mandatorily required.

xii. Statement of fees paid by the Company along with its Subsidiary Companies to Statutory Auditors:

During the Financial Year 2025-2026, the Company has paid the statutory fees, certification fees and other services to the Statutory Auditors. The details of fees paid are disclosed in Note No. 38, forming part of the Consolidated Financial Statement.

xiii. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013:

Number of Complaints pending at the beginning of the year	Nil
Number of Complaints filed during the financial year	Nil
Number of Complaints disposed off during the financial year	Nil
Number of Complaints pending at the end of financial year	Nil

xiv. Information disclosed under clause 5A of Paragraph A of Part A of Schedule III

The Company filed Writ Petition (OS) No. 560 of 2025 – *Kirloskar Industries Limited & Anr. v. Securities and Exchange Board of India* ("Writ Petition") before the Hon'ble Bombay High Court inter alia challenging the constitutional validity of Regulation 30A read with Clause 5A of Part A of Para A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"). One of the primary contentions taken by the Company in the said Writ Petition was that a mere disclosure of an agreement by a listed entity, to which such listed entity is not a party, shall not automatically bind the listed entity in absence of adoption or ratification of such agreement by the listed entity. During the course of the hearing in the Writ Petition, SEBI agreed with the Company's stand and provided a clarification in the Affidavit in Reply filed by SEBI before the Hon'ble Bombay High Court as well as the hearing conducted, that the mere disclosure of any agreement by a listed entity, shall not, by itself mean that the listed entity admits that such agreement is binding on itself or as having an impact on its management or control, or imposing any restriction or creating any liability upon itself. SEBI further clarified that the listed entities may include such a disclaimer as a part of their disclosure.

Pursuant to and relying upon the aforesaid clarifications issued by SEBI to the Regulations, as more particularly contained in the Order dated September 23, 2025 passed by the Hon'ble Bombay High Court in the Writ Petition, the Company disclosed the Deed of Family Settlement dated September 11, 2009, entered amongst some of the individual members of the Kirloskar family in their individual capacities ("DFS") under the Regulations (as read with SEBI's clarifications) subject to the following disclaimers/clarifications:

(i) The Company states that mere disclosure of the DFS by the Company, shall not mean that the Company admits to the contents of the DFS or otherwise that such DFS is binding on the Company or as having an impact on its management or control, or imposing any restriction or creating any liability upon itself.

(ii) The Company expressly states that the Company is neither a party to the DFS nor has it ever taken the DFS on record nor has it otherwise ratified or approved the DFS and neither has it agreed to be bound by the DFS.

(iii) The Company does not admit that the DFS is binding on the Company or that the DFS otherwise in any manner has any impact on its management or control, and the Company expressly states that the DFS does not impose any restriction or create any liability upon the Company in any manner whatsoever.

xv. During the Financial Year 2025-2026, the Company has not given any loans and advances to firms / companies in which Directors are interested.

xvi. Details of material subsidiaries of the Company, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

Kirloskar Ferrous Industries Limited (KFIL) is a material subsidiary company of the Company. It was incorporated on 10 September 1991 at Bombay. The members of KFIL in their meeting held on 27 July 2021, re-appointed Kirtane and Pandit, LLP, Chartered Accountants, as the Statutory Auditor of KFIL to hold office for another term of five years from the conclusion of the 30th Annual General Meeting till the conclusion of the 35th Annual General Meeting of KFIL. The members of KFIL in their meeting held on 24 September 2024, have appointed P. G. Bhagwat LLP, Chartered Accountants, as the Statutory Auditor of KFIL to hold office for term of five years from the conclusion of 33rd Annual General Meeting till the conclusion of the 38th Annual General Meeting of KFIL and conduct the audit of Books of Accounts of the Company for the Financial Years ending 31 March 2025 and 31 March 2026 jointly with Kirtane and Pandit LLP, Chartered Accountants, present Statutory Auditor of KFIL.

10. DISCRETIONARY REQUIREMENTS:

The Company has complied with the mandatory requirements of Regulation 34 (3) read with Schedule V of the Regulations. The extent of adoption of discretionary requirements as per Regulation 27 (1) read with Part E of Schedule II of the Regulations, are as follows:

1. Shareholder Rights:

Since the Company publishes its quarterly results in newspapers (English and Marathi) having wide circulation and the results are also displayed on the website of the Company and the Stock Exchanges, the Company does not send any communication of half-yearly performance to the members.

2. Modified opinion in Audit Report:

The Company is already in the regime of un-qualified Financial Statements. There are no modified audit opinions on the Financial Statements of the Company for the year ended 31 March 2026, made by the Statutory Auditors in their Audit Report.

3. The position of Chairman and Managing Director is separate.

11. OTHER REQUIREMENTS:

1. Disclosure under Schedule VI of the Regulations in respect of unclaimed shares:

Pursuant to SEBI Circular No. CIR/CFD/DIL/10/2010 dated 16 December 2010 and Regulation 39 (4) read with Schedule VI of the Regulations, the Company has sent two reminder letters to those members, 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 members if these members submit the necessary documents to the Company.

As on 31 March 2026, the total unclaimed equity shares are 1,339.

2. Cost Audit Report:

Pursuant to the Companies (Cost Records and Audit) Rules, 2014, dated 31 December 2014, the Company was neither required to audit cost records nor required to maintain cost records in Form CRA -1 for the Financial Year 2025-2026.

12. PARTICULARS OF APPOINTMENT / RE-APPOINTMENT OF DIRECTORS:

The brief resume and other details relating to the Director who is proposed to be appointed / re-appointed, as required to be disclosed under Regulation 36 (3) of the Regulations, forms part of the Statement setting out material facts annexed to the Notice of the Annual General Meeting.

13. PLANT LOCATIONS:

As reported in earlier years, the Company had divested its windmill business on a going-concern basis to ISMT Limited as part of its strategic objective of focusing on its core real estate business and that of its Wholly-Owned Subsidiary, while optimising returns on its investment portfolio.

Pursuant to the Scheme of Arrangement and Merger under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, approved by the Hon'ble National Company Law Tribunal, Mumbai Bench, vide its order dated 24 July 2024, ISMT Limited was amalgamated with Kirloskar Ferrous Industries Limited. Upon the Scheme becoming effective on 8 August 2024, the business undertakings and operations of ISMT Limited, including the windmill business acquired from the Company, stood transferred to and vested in Kirloskar Ferrous Industries Limited.

Accordingly, pending completion of all necessary formalities, the windmill business has been classified as a discontinued operations in accordance with the relevant accounting standards and regulatory requirements.

The aforesaid 7 Windmills are located at Tirade Village, Tal. Akole, Dist. Ahmednagar.

14. ADDRESS FOR CORRESPONDENCE:

a. Registered Office of the Company:

One Avante, Level 14, Karve Road, Kothrud,
Pune - 411038
Website : www.kirloskarindustries.com
Email : investorrelations@kirloskar.com
Tel : 020-69065007

b. Office Address of Registrar and Share Transfer Agent (R & T Agent):

MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited)
'Akshay' Complex, Block No. 202, 2nd Floor, Near Ganesh Temple, Off Dhole Patil Road, Pune - 411 001.
Website : https://in.mpms.mufg.com/home.html
Email : pune@in.mpms.mufg.com
Tel : 020 - 26161629 / 26160084
Fax : 020 - 26163503

15. CEO / CFO CERTIFICATION:

The CEO / CFO Certificate signed by Mr. Bharathan Gopalakrishnan, Chief Financial Officer of the Company, was placed before the meeting of the Board of Directors held on 19 May 2026.

DECLARATION UNDER SCHEDULE V (D) OF THE REGULATIONS BY THE EXECUTIVE DIRECTOR OF AFFIRMATION BY THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT OF COMPLIANCE WITH THE CODE OF CONDUCT

The Members,

I, George Verghese, Managing Director of the Company hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management of Kirloskar Industries Limited, applicable to them as laid down by the Board of Directors in terms of provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including amendment thereunder.

For Kirloskar Industries Limited

Sd/-
George Verghese
Managing Director
DIN 11068946

Place: Pune
Date: 19 June 2026

Independent Auditors' Certificate on Corporate Governance

To
The Members,
Kirloskar Industries Limited,
'One Avante', Level 14, Karve Road,
Kothrud, Pune, 411038.

Independent Auditors' Certificate on Compliance with conditions of Corporate Governance

1. We, Kirtane & Pandit LLP, Chartered Accountants, the Statutory Auditors of Kirloskar Industries Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended 31 March 2026 as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and Para C, D and E of schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (the "Listing Regulations").

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation, and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulation 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and Para C, D and E of schedule V to the Listing Regulations during the year ended March 31, 2026.

8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restrictions on Use

9. The Certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and may not be suitable for any other purpose.

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No. 117309
UDIN: 26117309EYQBAS3055

Pune, June 19, 2026

Business Responsibility and Sustainability Report (BRSR)

At Kirloskar Industries Limited (KIL), sustainability means building a shared future for greater success and a more equitable society. KIL is committed to making a positive impact on the environment, society, and the economy with conviction and care. The Business Responsibility and Sustainability Report (BRSR) exemplifies this commitment, transparently communicating KIL's performance to stakeholders.

As a responsible corporate citizen, KIL believes in inclusive growth. The Company strives to accelerate India's transition to a developed economy and create value for the nation by elevating the quality of life across the entire socio-economic spectrum. In keeping with the Company's commitment to responsibility and accountability towards all its stakeholders, the Company is pleased to present its Business Responsibility and Sustainability Report (BRSR) for the year ended 31 March 2026. This report conforms to the BRSR requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR) and the National Guidelines on Responsible Business Conduct (NGRBC) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs (MCA), India.

Section A	General Disclosures
Section B	Management and Process Disclosures
Section C	Principle-wise Performance Disclosures
Principle 1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe.
Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chains.
Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders.
Principle 5	Businesses should respect and promote human rights.
Principle 6	Businesses should respect and make efforts to protect and restore the environment.
Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
Principle 8	Businesses should promote inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner.

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	**Corporate Identity Number (CIN) of the Company**	L70100PN1978PLC088972
2.	**Name of the Company**	Kirloskar Industries Limited (KIL)
3.	**Year of Incorporation**	1978
4.	**Registered office address**	One Avante, Level 14, Karve Road, Kothrud, Pune - 411038
5.	**Corporate office address**	One Avante, Level 14, Karve Road, Kothrud, Pune - 411038
6.	**E-mail**	investorrelations@kirloskar.com
7.	**Telephone**	020-69065007
8.	**Website**	www.kirloskarindustries.com
9.	**Financial year for which reporting is being done**	2025-2026
10.	**Name of the Stock Exchange(s) where shares are listed**	BSE Limited (BSE) National Stock Exchange of India Limited (NSE)
11.	**Paid-up Capital**	₹ 10.51Crores
12.	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR Reporting**	Name: Mrs. Ashwini Mali, Company Secretary and Compliance Officer Telephone: 020-69065007 Email: ashwini.mali@kirloskar.com
13.	**Reporting boundary**	The disclosures under this Report are made on a standalone basis. The BRSR Report of Kirloskar Ferrous Industries Limited (KFIL), a material subsidiary of the Company, is available at www.kirloskarferrous.com Notes in this Report contain additional information about Avante Spaces Limited (Avante), a Wholly-Owned subsidiary of the Company. Value Chain reporting covering partners contributing 2% of the purchases or sales value, cumulative covering upto 75% of total value has been done and annexed as Annexure A to the BRSR.
14.	**Name of assessment or assurance provider**	BDO India Services Private Limited
15.	**Type of assessment or assurance obtained**	Reasonable Assurance of BRSR Core Indicators for the Financial Year 2025-2026.

II. Products/Services

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

Sr. No.	Description of Main Activity	Description of Business Activity	%of the Turnover of the entity
1	Investments (Properties and Securities)	Investing in group companies, securities, and leasing of properties	97%
2	Wind Power Generation	The Company sells its generated wind power units to third-party consumers.	3%

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

Sr. No.	Product/Services	NIC Code	%of total turnover contributed
1	Investments (Properties and Securities)	681001	97%
2	Wind Power Generation	351203	3%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated as on 31 March 2026:

Sr. No.	Location	Number of plants	Number of offices	Total
1.	**National** **Office:** 1. **Registered Office:** One Avante, Level 14, Karve Road, Kothrud, Pune 411038 2. **Mumbai Office** **Plant:** **Bopodi Plant:** Laxmanrao Kirloskar Road, Khadki, Pune 411003 ***Windmill Plant:** Tirade Village, Tal. Akole, Dist. Ahmednagar	2	2	4
2.	**International**	0	0	0

*As reported in earlier years, the Company had divested its windmill business on a going-concern basis to ISMT Limited as part of its strategic objective of focusing on its core real estate business and that of its Wholly-Owned Subsidiary, while optimising returns on its investment portfolio.

Pursuant to the Scheme of Arrangement and Merger under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, approved by the Hon'ble National Company Law Tribunal, Mumbai Bench, vide its order dated 24 July 2024, ISMT Limited was amalgamated with Kirloskar Ferrous Industries Limited. Upon the Scheme becoming effective on 8 August 2024, the business undertakings and operations of ISMT Limited, including the windmill business acquired from the Company, stood transferred to and vested in Kirloskar Ferrous Industries Limited.

Subject to receipt of the requisite statutory approvals and permissions, the windmill business shall henceforth be operated and managed by Kirloskar Ferrous Industries Limited.

Pending completion of the necessary formalities, the windmill business has been classified as a discontinuing operation in accordance with applicable Accounting Standards.

19. Markets served by the entity

a. Number of locations served:

Sr. No.	Number of Locations served	Number
1.	National (Number of states)	1
2.	International (Number of countries)	0

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

Nil

c. A brief on types of customers:

The Company hold stakes in various businesses within the Kirloskar Group, including two subsidiaries viz., Avante Spaces Limited, a Wholly-Owned Subsidiary focused on real estate, and Kirloskar Ferrous Industries Limited, a material subsidiary of the Company engaged in the manufacturing of pig iron, castings, steel and seamless tubes. This diversified portfolio, along with a strategic focus on leveraging investments and pursuing diversification, positions us to support the enhanced performance and sustainable growth of these companies.

The Company also owns lands and buildings thereon and offices in Pune, Jaipur and Delhi. The Company has given most of these lands and buildings and offices on a leave and license basis to group companies and others.

IV. Employees and Workers (including differently abled)

20. Details as at the end of the Financial Year:

a. Employees and workers:

Sr. No.	Particulars	Total (A)	Male No. (B)	Male % (B/A)	Female No. (C)	Female % (C/A)
	Employees					
1.	Permanent (D)	21	13	62	8	38
2.	Other than permanent (E)	1	NA	0	1	100
3.	**Total employees (D+E)**	**22**	**13**	**59**	**9**	**41**
	Workers: The Company does not have any Workers under employment					
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	**Total workers (F+G)**	**0**	**0**	**0**	**0**	**0**

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male No. (B)	Male % (B/A) (C)	Female	Female % (C/A)
	Differently abled Employees					
1.	Permanent (D)	0	0	0	0	0
2.	Other than permanent (E)	0	0	0	0	0
3.	**Total Differently abled employees (D+E)**	**0**	**0**	**0**	**0**	**0**
	Differently abled Workers:					
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	**Total Differently abled workers (F+G)**	**0**	**0**	**0**	**0**	**0**

21. Participation / Inclusion / Representation of women:

Particulars	*Total No. (A)	No. and percentage of Females No. (B)	% (B/A)
Board of Directors	12	3	25
Key Management Personnel (KMPs)	**4	2	50

*As on 31 March 2026, the Board comprised a total of 12 members.

**As on 31 March 2026, 2 out of the 4 Key Managerial Personnel (KMP) were members of the Board.

22. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

Category	FY 2026 (Turnover rate in current FY)			FY 2025 (Turnover rate in previous FY)			FY 2024 (Turnover rate in the year prior to the previous FY)		
	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)	Total (%)
Permanent employees	50	29	42	0	46	18	0	6	6
Permanent workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

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

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by the listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Kirloskar Ferrous Industries Limited	Subsidiary	45.93	No
2	Avante Spaces Limited	Subsidiary	100.00	NA
3	Kirloskar Brothers Limited	Associate	23.91	No

VI. CSR details

i. Whether CSR is applicable as per section 135 of the Companies Act, 2013: Yes

ii. If yes, Turnover – ₹ 127 Crores

iii. Net worth – ₹ 1,581.23 Crores

VII. Transparency and Disclosure Compliance

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

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 2026			FY 2025		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0		0	0	
*Investors (other than shareholders)	Yes	0	0	Refer Notes	0	0	Refer Notes
*Shareholders	Yes	6	0		5	0	
**Employees and workers	Yes	0	0	Refer Notes	0	0	Refer Notes
Customers	Yes	0	0		0	0	
Value Chain Partners	Yes	0	0		0	0	

*No other securities except equity shares are issued by the Company

**Mechanism like PoSH Committee, Ethics Helpline and New Joiners' Induction which takes care of Induction to process, Policies and leadership teams, Alternate Year Employee Engagement Survey, Quarterly MD communication etc., provides employees the platform to raise grievances, if any.

All the above-mentioned stakeholders can lodge a complaint through the Company's Whistle-Blower Policy – Vigil Mechanism.

(weblink - https://www.kirloskarindustries.com/documents/779558/6d0b6d5d-273f-c17b-82dd-0da343279f24)

or through the Grievance Redressal Policy

(weblink - https://www.kirloskarindustries.com/documents/779558/6fbd7f67-ba84-b985-4a3d-84449d838e94).

25. Overview of the entity's material responsible business conduct issues:

Material issues were identified through a materiality reassessment conducted by an independent third-party agency involving key stake holders, including dealers and customers, suppliers, employees, Senior Management, Board members and investors.

The materiality reassessment identified the following key material issues for the Company's business:

Sr. No.	Material issue identified	Is it 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	Corporate Governance	Risk and Opportunity	The Company recognises strong corporate governance as a strategic enabler that supports effective oversight, disciplined capital stewardship and long-term value creation. A transparent, well-structured governance framework strengthens accountability, enhances the quality of decision-making and reinforces stakeholder confidence. Conversely, gaps or weaknesses in governance can expose the Company to significant risks, including regulatory non-compliance, reputational damage, weakened investor confidence and suboptimal strategic outcomes. Hence, robust governance is particularly critical in maintaining credibility with investors, regulators and other stakeholders, ensuring that leadership actions remain consistently aligned with the Company's long-term strategy, values and responsibilities.	The Company seeks to continuously strengthen governance practices through a structured and well-defined framework aligned with the Companies Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations and evolving best practices. The Board, comprising an appropriate mix of executive, non-executive and Independent Directors, provides strategic direction and oversight, supported by key committees and policies and guide ethical conduct, transparency and accountability. Periodic Board and committee evaluations, strong internal and secretarial audit mechanisms and robust internal financial controls further reinforce governance effectiveness.	**Positive:** Strong governance supports sustainable growth, improves access to capital, enhances market credibility and strengthens long-term shareholder value. **Negative:** Weak governance could result in regulatory penalties, litigation costs, reputational damage.
2	Business Ethics	Risk and Opportunity	Business ethics is a foundational pillar for trust, transparency and long-term value creation at the Company. Ethical conduct supports responsible decision-making, reinforces stakeholder confidence and underpins the credibility of leadership actions. A consistent ethics framework enables the Company to operate with integrity, meet regulatory expectations and align organisational behaviour with Kirloskar values, thereby strengthening its reputation and governance culture. At the same time, failures or lapses in ethical conduct can pose substantial risks, including regulatory penalties, legal exposure, reputational damage and erosion of stakeholder trust. Maintaining strong business ethics is therefore critical not only to mitigate these risks but also to create opportunities for enhanced credibility, resilient stakeholder relationships and sustainable growth.	The Company promotes ethical conduct through a clearly articulated Code of Conduct applicable to Directors, Senior Management and employees, supported by policies such as the Whistleblower Policy, Insider Trading Code and mechanisms for reporting unethical behaviour without fear of retaliation. Regular awareness initiatives, disclosures, internal controls and oversight by the Board and relevant committees reinforce ethical compliance. The Audit Committee and Board periodically review related-party transactions and compliance frameworks to ensure alignment with statutory requirements and evolving governance standards.	**Positive:** Strong business ethics enhances market credibility, improves investor confidence, supports sustainable growth and strengthens long-term shareholder value by reducing compliance uncertainty and reinforcing responsible capital stewardship. **Negative:** Weak ethical practices could result in regulatory penalties, litigation costs, reputational damage and loss of stakeholder trust, adversely impacting financial performance and valuation.

Sr. No.	Material issue identified	Is it risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Human Capital Development	Opportunity	Human capital is a key driver of organisational effectiveness, leadership continuity and long-term value creation. Investing in employee capability, leadership development, succession planning, diversity and inclusion strengthens institutional knowledge, enhances decision-making quality and supports business resilience. A strong focus on human capital enables the Company to build a future-ready workforce aligned with its strategic priorities, values and governance standards, while fostering a culture of accountability, integrity and continuous improvement.	The Company advances human capital development through structured talent management practices encompassing workforce planning, learning and development, leadership development and succession planning. Policies governing fair employment practices, diversity and inclusion, employee well-being and ethical conduct support an inclusive and performance-oriented culture. Continuous skill-building initiatives, leadership programmes and regular performance evaluations aim to strengthen capability at all levels. Oversight by Senior Management and relevant Board committees ensures alignment between people strategy, long-term objectives and governance expectations.	**Positive:** Effective human capital development enhances productivity, supports leadership continuity, improves operational effectiveness and strengthens long-term business performance. **Negative:** Weak human capital practices could lead to higher attrition, skill gaps, leadership disruptions and reduced employee engagement.
4	Human Rights	Risk	As a holding company, the Company's exposure to human rights risks extends beyond its own workforce to include its subsidiaries. Inadequate safeguards related to fair labour practices, safe and dignified working conditions, non-discrimination and prevention of harassment across the broader business ecosystem could result in regulatory scrutiny, reputational damage and erosion of stakeholder trust. Increasing stakeholder and regulatory expectations around responsible business conduct further heightens the materiality of human rights as a risk area.	The Company has put in place policy frameworks and governance mechanisms that promote ethical conduct and respect for individuals across its operations, subsidiaries and strategic investments. Instruments such as the Code of Conduct, Human Rights Policy, Prevention of Sexual Harassment (POSH) Policy and Whistleblower Policy establish baseline expectations on behaviour and compliance within its operations. Oversight by Senior Management and the Board, periodic reviews, internal controls and awareness initiatives support consistent implementation, while engagement with subsidiaries encourages alignment with applicable laws and recognised human rights standards.	**Positive:** Effective management of human rights risks strengthens stakeholder confidence, enhances workforce stability and protects long-term reputation across the value chain. **Negative:** Weak oversight of human rights practices could lead to regulatory penalties, litigation costs, reputational damage and operational disruptions within subsidiaries, adversely impacting financial performance and stakeholder confidence.
5	Circular Economy	Risk and Opportunity	Circular economy practices are increasingly relevant across the Company's ecosystem of Subsidiary companies, given rising regulatory expectations, resource constraints and stakeholder focus on sustainability. Inefficient use of materials, inadequate waste management or limited adoption of circular practices may expose the Company to environmental compliance risks, cost inefficiencies and reputational concerns. At the same time, integrating circular economy principles presents an opportunity to enhance resource efficiency, support resilient business models and improve environmental performance across the investment portfolio.	The Company addresses the circular economy through efforts focusing on encouraging efficient resource utilisation, waste reduction, reuse and recycling practices, and life cycle thinking where applicable. Sustainability considerations are integrated into ESG related discussions at the Management and Board level, with periodic reviews to ensure alignment with regulatory developments, industry practices and long-term value creation objectives. The Company has in place an Environment, Social and Governance Policy that is committed to promoting a circular economy by the reutilisation of resources and thereby reducing waste generation at source.	**Positive:** Effective adoption of circular economy practices can reduce resource related costs, improve operational efficiency, enhance environmental performance and strengthen stakeholder confidence. **Negative:** Weak integration of circular economy principles may lead to higher material and waste management costs, increased regulatory exposure, operational inefficiencies and adverse stakeholder perception.
6	Responsible Investment	Risk and Opportunity	As a holding company, investment decisions and capital allocation practices directly influence the long-term financial performance, risk profile and sustainability outcomes of subsidiaries. Inadequate consideration of environmental, social and governance factors in investment decisions may expose the Company to financial, regulatory and reputational risks through underperforming or non-compliant investments. Conversely, integrating responsible investment principles strengthens capital stewardship, aligns investments with long-term value creation objectives and enhances stakeholder confidence.	The Company seeks to embed responsible investment principles into its governance and decision-making processes by encouraging the consideration of ESG factors alongside financial performance when evaluating and overseeing investments in subsidiaries. Board-level oversight, risk management frameworks and periodic performance reviews support informed capital allocation and monitoring of subsidiary performance. Engagement with subsidiaries promotes alignment with ethical standards, governance expectations and long-term strategic priorities, while oversight mechanisms help identify and address emerging risks.	**Positive:** Responsible investment practices support sustainable growth, improve risk-adjusted returns, enhance stakeholder and investor confidence and strengthen long-term shareholder value through disciplined capital allocation. **Negative:** Weak integration of responsible investment considerations could lead to capital misallocation, increased exposure to regulatory, ESG or reputational risks.

Sr. No.	Material issue identified	Is it risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Data Privacy and Cybersecurity	Risk	As digital systems, information flows, and data dependencies increase across the Company's own operations as well as those of its subsidiaries, data privacy and cybersecurity risks have become increasingly material. Unauthorised access, data breaches, cyberattacks or failure to comply with applicable data protection regulations could lead to legal liability, operational disruptions and reputational harm. Given heightened regulatory scrutiny and stakeholder expectations around data protection, inadequate cybersecurity controls pose a significant governance and business risk.	The Company has implemented appropriate governance oversight, internal controls and policy frameworks that promote secure handling of information and responsible use of data. Oversight by Senior Management and the Board supports monitoring of cyber and data related risks, while internal controls, access management practices and periodic reviews aim to strengthen resilience. Engagement with subsidiaries encourages adoption of sound cybersecurity practices and compliance with applicable data protection laws, supporting a consistent risk management approach across the broader business ecosystem.	**Positive:** Strong management of data privacy and cybersecurity risks enhances stakeholder trust, protects sensitive information, supports business continuity and safeguards long-term reputation. **Negative:** Weak cybersecurity or data protection practices could result in regulatory penalties, litigation costs, financial losses, operational disruptions and reputational damage.
8	Transparent Disclosures	Risk	Inadequate, inconsistent or delayed disclosures across the Company or subsidiaries could expose the Company to regulatory scrutiny, reducing stakeholder confidence and could lead to reputational risk. As disclosure requirements continue to evolve, particularly in relation to governance, ESG and financial reporting, lack of transparency may impair stakeholder trust and limit the ability of investors and other stakeholders to make informed decisions. This makes transparent disclosures a material risk area for the Company.	The Company seeks to manage disclosure related risks through structured governance oversight, robust internal controls and adherence to applicable statutory and regulatory reporting requirements. Policies governing disclosure of material information, fair disclosure practices and oversight by the Board and relevant committees support accuracy, consistency and timeliness. Regular reviews of disclosure practices, internal and secretarial audits and engagement with subsidiaries aim to ensure alignment with regulatory expectations and promote transparency across the broader business ecosystem.	**Positive:** Strong disclosure practices enhance stakeholder trust, improve market confidence, support informed decision making and contribute to long-term value creation through strengthened credibility and governance standards. **Negative:** Weak or inconsistent disclosures could result in regulatory penalties, litigation exposure, reputational damage and loss of stakeholder confidence.
9	Stakeholder Engagement	Risk and Opportunity	Effective engagement with key stakeholders, including employees, shareholders, regulators, subsidiaries and communities, is critical to maintaining trust, transparency and long-term business resilience. Inadequate or inconsistent stakeholder engagement may result in misaligned expectations, reputational risk and regulatory challenges. Conversely, structured and meaningful engagement provides an opportunity to build trust, anticipate emerging risks, strengthen relationships and support informed decision making across the Company's broader business ecosystem.	The Company sees stakeholder engagement as a strategic priority and manages it through defined engagement frameworks, transparent communication channels and regular interactions with identified stakeholder groups. Governance oversight by Senior Management and the Board supports alignment of stakeholder concerns with strategic and ESG priorities. Ongoing dialogue, disclosures and feedback mechanisms help identify emerging issues early, while engagement with subsidiaries encourages consistent practices and responsiveness across the wider business ecosystem.	**Positive:** Effective stakeholder engagement strengthens trust, enhances market credibility, supports risk identification, improves decision making and contributes to sustainable growth and long-term shareholder value. **Negative:** Weak or ineffective stakeholder engagement could lead to reputational damage, loss of investor confidence, regulatory challenges and increased conflict or misalignment with stakeholders, potentially impacting financial performance and long-term value.

Sr. No.	Material issue identified	Is it 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)
10	Climate Change	Risk and Opportunity	Climate change poses material, physical and transition risks across the Company's ecosystem of subsidiary companies. These risks include exposure to evolving climate regulations, carbon related policies, energy and resource cost volatility, physical impacts of extreme weather events and increasing stakeholder expectations on climate accountability. Inadequate assessment or management of climate related risks could affect business continuity, asset value and long-term resilience, making climate change a significant risk area for the Company. Proactively addressing climate change also presents significant opportunities to enhance operational efficiency, strengthen climate resilience, reduce long-term costs and align the Company with emerging regulatory and market expectations. Effective climate risk management, supported by responsible transitions and strategic investments, can reinforce stakeholder trust, support sustainable growth and improve the Company's ability to create long-term value.	The Company seeks to mitigate climate related risks through governance oversight, integration of climate considerations into risk management and ESG discussions. Emphasis is placed on monitoring regulatory developments, encouraging energy efficiency and emissions management measures where applicable, and strengthening climate awareness within decision making processes. Oversight by Senior Management and the Board supports identification, monitoring and management of climate related risks in the context of long-term value protection.	**Positive:** Effective management of climate related risks enhances business resilience, supports business continuity, protects asset value and strengthens stakeholder confidence. **Negative:** Inadequate management of climate risks could result in higher operating costs, regulatory penalties, asset impairment, supply chain disruptions and reputational damage across own operations and subsidiaries.
11	Community Relations		Opportunity	Strong community relations provide an opportunity to build trust, enhance social license to operate and strengthen the Company's long-term reputation. Meaningful engagement with local communities supports inclusive growth, helps address social expectations and fosters positive relationships that contribute to business resilience and stakeholder confidence. Proactive community engagement also aligns with business practices and broader sustainability objectives.	The Company seeks to strengthen community relations through policy guidance and governance oversight to encourage responsible and inclusive community focused initiatives. Community development efforts are guided by CSR frameworks and aligned with identified social priorities, with oversight by Senior Management and the Board. Periodic reviews and stakeholder engagement mechanisms help ensure that community initiatives are implemented responsibly, create shared value and remain aligned with regulatory and societal expectations.	**Positive:** Strong community relations enhance corporate reputation, build stakeholder trust, support long-term sustainability and strengthen the Company's social license to operate. **Negative:** Weak or ineffective community engagement could lead to community opposition, reputational damage, increased regulatory or social scrutiny and disruptions.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies, and processes put in place towards adopting the NGRBC principles and core elements. These are briefly as under:

P1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Policy and Management processes

Sr. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policy and Management Processes									
1.	**(a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	Y	Y	Y	Y	Y	Y	Y	Y	Y
	(b) Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	(c) Web Link of the Policies, if available	Policies are uploaded on the Company's website at https://www.kirloskarindustries.com/investors/policies and on the Company's intranet.								
		ESG Policy: https://www.kirloskarindustries.com/documents/779558/5a9c4dfa-fbbf-f546-0a7d-7552b8b1da63.								
		Stakeholder Engagement Policy: https://www.kirloskarindustries.com/documents/779558/3c48654b-8913-dd55-38c6-d54ed18aa5e3.								
		Grievance Redressal Policy https://www.kirloskarindustries.com/documents/779558/6fbd7f67-ba84-b985-4a3d-84449d838e94.								
		Human Right Policy https://www.kirloskarindustries.com/documents/779558/d51e87b6-54dc-bd5e-2fbb-0d7451e72107.								
		Policy for Familiarization Programme of Director https://www.kirloskarindustries.com/documents/779558/b1292916-b21e-1223-ad11-2b65eb2601ba.								
		Whistleblower / Vigil Mechanism https://www.kirloskarindustries.com/documents/779558/6d0b6d5d-273f-c17b-82dd-0da343279f24								
		Policies for Determination of Material Event https://www.kirloskarindustries.com/documents/779558/c1346f8c-9f56-5011-58c9-7a6f68f7dd02.								
		Business Continuity Policy https://www.kirloskarindustries.com/documents/779558/a2815d8f-f78c-42aa-8c11-39b8152a5758.								
		Policy for Preservation of Documents https://www.kirloskarindustries.com/documents/779558/edc27973-a4c0-6f89-ca24-0ef9ddb186fc.								
		Nomination and Remuneration Policy https://www.kirloskarindustries.com/documents/779558/d5e8720f-4c95-0b6c-0404-26f8d5696ed4								
		Risk Management Policy https://www.kirloskarindustries.com/documents/779558/ad36a236-8238-99ab-0455-e976710e429c.								
		Dividend Distribution Policy https://www.kirloskarindustries.com/documents/779558/f226fda0-971c-110f-7fe7-086920ce9c7e.								
		Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions https://www.kirloskarindustries.com/documents/779558/92938335-921d-7735-c000-80d9f8d1fe4b								
		Policy of Material Subsidiaries https://www.kirloskarindustries.com/documents/779558/47e43b46-5d2a-2dc5-9b1e-5cfb2ee10b80								
		Corporate Social Responsibility Policy https://www.kirloskarindustries.com/documents/779558/d3935dbc-7ddf-9a35-bb7e-059f595e1057								
		Business Responsibility Policy https://www.kirloskarindustries.com/documents/779558/97821225-0c4a-42a6-d96c-74c98c9f943a								
		Archival Policy https://www.kirloskarindustries.com/documents/779558/74f2cb79-1d5b-9bbf-aae5-d81638610c0a								
2.	**Whether the entity has translated the policy into procedures. (Yes / No)**	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	**Do the enlisted policies extend to your value chain partners? (Yes/No)**	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company strives to influence its value chain to participate in responsible and sustainable business conduct. During the year, the Company organised a training programme for its value chain partners to familiarise them with BRSR Core requirements and reinforce the adoption of responsible business practices aligned with the Company's sustainability commitments throughout the value chain.								
4.	**Name of the national and international codes / certifications / labels / standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.**	Policies have been developed considering relevant Acts like The Companies Act, 2013, SEBI (Listing Obligations and Requirements) Regulations, 2015 and other applicable Acts, Rules and Regulations. Avante Spaces Limited (Avante), our Wholly-Owned Subsidiary, has been awarded the prestigious Platinum Certification by the Indian Green Building Council (IGBC), for its maiden commercial project, 'One Avante' at Avante Business Park Phase-I, underscoring its leadership in sustainable design, construction and operations. The term "Platinum IGBC Green Building Rating" refers to the highest level of certification awarded by the IGBC for green buildings in India. The IGBC offers a rating system for evaluating the sustainability and environmental performance of buildings, which includes various criteria such as site selection, water efficiency, energy efficiency, materials used, indoor environmental quality, and innovation. Additionally, Avante was also recognised with a Diamond Award for excellence in water management by iNFHRA. Further, during the year Financial Year 2025-2026, One Avante has received three ISO certifications, which is a formal recognition of our commitment to international standards and operational excellence. This includes ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health & Safety). Avante is currently developing its second project, 'Infinia' at Avante Business Park Phase -II, where sustainability remains a core focus area with the project being designed to meet the highest standards of green building and environmental performance. The project has received Platinum pre-certification from USGBC and IGBC. These achievements reflect Avante's commitment towards sustainable development and building a legacy that protects the environment.								

Sr. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5.	**Specific commitments, goals and targets set by the entity with defined timelines, if any.**	Kirloskar Industries Limited (KIL/the Company), as an unregistered Core Investment Company (CIC), does not have significant operating activities of its own. However, through its role as a promoter and strategic investor within the Kirloskar Group, KIL supports and encourages the integration of sustainability principles across its portfolio companies. The Company's key commitment is to promote responsible and sustainable growth by supporting investments in initiatives related to energy efficiency, renewable energy adoption, emissions reduction, water stewardship, waste management, and resource conservation. KIL also encourages its portfolio companies to align their sustainability strategies with national and global climate objectives, including India's commitment to achieve net-zero emissions by 2070. Specific ESG targets and timelines are established and monitored at the operating company level, based on the nature of their businesses and material sustainability priorities. Details of these commitments, goals, and targets are disclosed in the respective annual reports and sustainability disclosures of the Company's subsidiaries and associate companies.								
6.	**Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.**	Not Applicable								
	Governance, leadership, and oversight									
7.	**Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)**	Please refer to the message from the Leadership Desk (Chairman and Managing Director)								
8.	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**	Mr. George Verghese, Managing Director DIN 11068946 020-69065007 Mr. George Verghese, Managing Director, oversees the implementation of Business Responsibility policies and reports to the Board on the progress made by the Company in its ESG journey.								
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. The Company has formulated ESG Governance Structure within the Company, which is overseen by the Independent Directors Committee at the Kirloskar Group level. The Company Management is also a part of the ESG Core Committee of the Company. The details are mentioned on page no. 31								
10.	**Details of Review of NGRBCs by the Company:**									

	Subject for Review	a. Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Performance against the above policies and follow-up action	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y

	Subject for Review	b. Frequency (Annually/ Half yearly/ Quarterly / Any other – please specify)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Performance against the above policies and follow-up action	Y	Y	Y	Y	Y	Y	Y	Y	Y
		As a practice, all the policies of the Company are reviewed periodically or on a need basis and placed before the Board of Directors, as and when required. During the evaluation, the effectiveness of these Policies is examined, and any necessary adjustments to the policies and procedures are put into place. Additionally, the policies are regularly updated and amended to align with changes in the provisions and regulations under the Companies Act, 2013, SEBI (LODR), or any other applicable laws or regulations.								
2	Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company follows the extant regulations as applicable.								

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
11.	Has the entity carried out an independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	The Company has evaluated its policies internally. They are reviewed on a periodic basis as mentioned above.								

Y-Yes, N-No, NA-Not Applicable

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Not applicable (all Principles are covered through various policies.)

	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	**The entity does not consider the principles material to its business (Yes/No)**	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	**The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)**	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	**The entity does not have the financial or/human and technical resources available for the task (Yes/No)**	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	**It is planned to be done in the next financial year (Yes/No)**	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	**Any other reason (please specify)**	NA	NA	NA	NA	NA	NA	NA	NA	NA

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities that aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Principle 1: Business should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Sr. No.	Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
1	Board of Directors	5	All Board Members are made aware of all the latest applicable legal, regulatory and business developments / updates, by way of presentations where Directors have an opportunity to interact with Key Management Personnel. Presentations cover, *inter alia*, quarterly and annual results, budgets, review of internal audit report, information on business performance, operations, financial parameters, senior management change, major litigations, compliances, risk assessment and minimisation procedures and regulatory scenarios and such other areas as may arise from time to time. The details about information on business performance, operations and financials of subsidiary companies are also forming part of the presentation. Further, awareness was created on ESG initiative progress, ESG vision and roadmap and BRSR statutory updates. Training and Familiarisation Programme for Directors: https://www.kirloskarindustries.com/documents/779558/3a8df029-c551-d45d-ee1c-f7ba9dc02b4e	100
2	Key Managerial Personnel*	5		100
3	Employees other than BOD and KMPs	48	Training and awareness programmes covered knowledge, skill and behavioural areas pertaining to safety, health and environment, Employee Code of Conduct, LinkedIn Platform(e-Learning Management System), POSH (Prevention of Sexual Harassment) and Regulatory Compliances.	100
4	Workers	NA	NA	NA

*2 Out of 4 KMPs are also Board Members as on 31 March 2026.

2. **Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by its Directors / KMPs) with regulators / law enforcement agencies / judicial institutions in the financial year**

   (Note: The entity shall make disclosures on the basis of materiality on the basis of Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's Website):

   Not Applicable as there were no such instances during the Financial Year 2025-2026.

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 (refer to Principle 1 Essential Indicator No. 2 above).

4. **Does the entity have an anti-corruption policy or antibribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

   The Company and its subsidiaries have zero tolerance for unethical business practices, and through necessary policies and codes, they forbid bribery and corruption in all of their commercial operations.

   The Company has Whistle-Blower Policy – Vigil Mechanism (Policy) to govern its operations. The Policy expects employees and any person dealing with the Company to be ethical, accountable and transparent in their conduct with discharging their respective duties. It also addresses issues such as Unpublished Price Sensitive Information (UPSI). The whistle-blower has access to the Ethics Committee / Ombudsman / Counsellor of the Company.

   Web-link of Whistle-Blower Policy –

   https://www.kirloskarindustries.com/documents/779558/6d0b6d5d-273f-c17b-82dd-0da343279f24

5. **Number of Directors / KMPs / Employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption**

Sr. No.	Segment	FY 2026	FY 2025
1	Directors	0	0
2	Key Managerial Personnel	0	0
3	Employees	0	0
4	Workers	0	0

6. **Details of complaints with regard to conflict of interest**

	Segment	FY 2026		FY 2025	
		Number	Remarks	Number	Remarks
1	Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
2	Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.**

   Not applicable (refer to Principle 1 Essential Indicators No. 5 and 6).

8. **Number of days of accounts payables (Accounts payable*365) / Cost of goods / service procured) in the following format:**

	FY 2026	FY 2025
Number of days of accounts payables	04	07

9. **Openness of business**

   Provide details of the concentration of purchases and sales with trading houses, dealers, and related parties, along-with loans and advances and investments, with related parties:

Parameter	Metrics	FY 2026	FY 2025
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	NA	NA
	b. Number of dealers / distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties / total purchases)	16.14	8.07
	b. Sales (Sales to related parties / total sales)	81.57	87.67
	c. Loans and Advances (Loans and Advances given to related parties / total loans and advances)	100.00	100.00
	d. Investments (Investments in related parties / total investments made)	98.05	97.64

LEADERSHIP INDICATORS

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	The Company has conducted a BRSR Core Value Chain Workshop for its key suppliers to enhance awareness of SEBI's BRSR Core framework, reporting requirements, and ESG expectations. The workshop aimed to strengthen supplier readiness for ESG reporting and promote responsible environmental, social, and governance practices across the value chain. The Company is progressively strengthening supplier engagement and ESG data collection processes to enhance the scope, quality, and consistency of future environmental assessments across its value chain. For further details, please refer to Annexure A.	86%

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 and its subsidiaries ensure adherence to pertinent standards, particularly those relating to conflict of interest, and have zero tolerance for unethical business practices.

   The Company has a Code of Conduct for Directors and Senior Management as well as a Whistle Blower Policy -Vigil Mechanism.

   The Managing Director gives a declaration confirming all the Directors and Senior Management Personnel adhere to the Code of Conduct in the Corporate Governance Report of the Annual Report.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Sr. No.	Segment	FY 2026	FY 2025	Details of improvements in environmental and social impacts
1	R&D	NA	NA	NA
2	Capex	NA	NA	NA

Note: The Company is an unregistered Core Investment Company and has the principle business of investing in the group companies, including its Wholly-Owned Subsidiary Company viz., Avante Spaces Limited (Avante). Avante and other investee companies actively use and invest in new technologies in their business and the R&D expenses of those companies are reflected in their respective Annual Accounts, wherever applicable.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Not applicable.

Since the Company's primary operations include investments (properties and securities), sourcing is not a major portion of daily business operations. However, the Company nurtures a culture of conservation of resources and encourages innovation that aids in reducing dependence on natural resources.

Avante Spaces Limited (Avante), our Wholly-Owned Subsidiary, has been awarded the prestigious Platinum Certification by the Indian Green Building Council (IGBC), for its maiden commercial project, 'One Avante' at Avante Business Park Phase-I, underscoring its leadership in sustainable design, construction and operations. The term "Platinum IGBC Green Building Rating" refers to the highest level of certification awarded by the IGBC for green buildings in India. The IGBC offers a rating system for evaluating the sustainability and environmental performance of buildings, which includes various criteria such as site selection, water efficiency, energy efficiency, materials used, indoor environmental quality, and innovation. Additionally, Avante was also recognised with a Diamond Award for excellence in water management by iNFHRA.

Avante is currently developing its second project, 'Infinia' at Avante Business Park Phase -II, where sustainability remains a core focus area with the project being designed to meet the highest standards of green building and environmental performance. The project has received Platinum pre-certification from USGBC and IGBC.

These achievements reflect Avante's commitment towards sustainable development and building a legacy that protects the environment.

b. **If yes, what percentage of inputs were sourced sustainably?**

Not applicable

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste**

Considering the nature of the business of the Company, the above is 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 the Pollution Control Boards? If not, provide steps taken to address the same.**

Considering the nature of the business of the Company, the above is not applicable.

LEADERSHIP INDICATORS

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details in the following format.**

NIC Code	Name of Product/ Service	% Of total Turnover contributed	Boundary for which the Life Cycle Perspective /Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain(Yes/No) If yes, providethe web-link.
NA	NA	NA	NA	NA	NA

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product/Service	Description of the risk / concern	Action Taken
NA	NA	NA

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2026	FY 2025
NA	NA	NA

4. **Out of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2026			FY 2025		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	0.348	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other Waste	NA	NA	NA	NA	NA	NA

5. **Reclaimed products and their packaging materials (as a percentage of products sold) for each product category**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in the respective category
NA	NA

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1 a. **Details of measures for the well-being of employees:**

Category	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	13	13	100%	13	100%	-	-	13	100%	-	-
Female	8	8	100%	8	100%	8	100%	-	-	-	-
Total	21	21	100%	21	100%	8	38.10%	13	61.90%	-	-
Other than Permanent Employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	1	1	100%	1	100%	-	-	-	-	-	-
Total	**1**	**1**	**100%**	**1**	**100%**	**-**	**-**	**-**	**-**	**-**	**-**

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	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Other than permanent workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

c. **Spending on measures towards the well-being of employees and workers (including permanent and other than permanent) in the following format:**

Parameter*	FY 2026	FY 2025
The cost incurred on well-being measures (insurances, etc. refer 1a and 1b above) and other welfare measures (preventive health care, canteen and transport subsidy, attire etc.) as a % of total revenue of the Company	0.20%	0.34%

*Note: Reported as per BRSR Core Reporting Standard published by SEBI

2. **Details of retirement benefits for the Current FY and Previous FY:**

	Benefits	FY 2026			FY 2025		
		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	NA	Y	100	NA	Y
2	Gratuity	100	NA	Y	100	NA	Y
3	ESI	NA	NA	NA	NA	NA	NA
4	Superannuation	NA	NA	NA	6	NA	Y

3. **Accessibility of workplaces - Are the premises / offices of the entity accessible to differently-abled employees, 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, the Company is providing the required support to make its offices accessible to differently-abled employees. The office is equipped with ramps for access, lifts with backup power, staircase railings, adequate space for wheelchair movement, separate washrooms, 24X7 ambulances / health centre facilities, first - aid and trained security personnel etc.

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, through its policies, is committed to provide equal opportunity without discrimination on any grounds.

5. **Return to work and Retention rates of permanent employees that took parental leave**

Gender	*Permanent Employees		Permanent Workers	
	Return to work Rate (%)	Retention Rate (%)	Return to work Rate (%)	Retention Rate (%)
Male	100%	100%	NA	NA
Female	100%	100%	NA	NA
Total	**100%**	**100%**	**NA**	**NA**

*Note – One of the permanent employees availed of parental leave in the Financial Year 2025-2026 and has returned to work subsequently.

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees? If yes, give details of the mechanism in brief.**

Yes

The Company remains steadfast in upholding the highest standards of ethical conduct and prioritising the well-being of its employees. This commitment is demonstrated through robust policies such as the Whistle-Blower - Vigil Mechanism Policy and the Policy for Prevention of Sexual Harassment of Women at the Workplace. These policies establish a strong foundation for fostering a respectful and inclusive workplace, empowering employees to voice their concerns in a confidential manner without fear of retaliation.

Further strengthening this framework, the Kirloskar Ethics Helpline, launched in the Financial Year 2023 and operated by an independent external agency, continues to function effectively across all locations. It offers employees a variety of secure and accessible channels to report grievances, including a toll-free number, voicemail, a dedicated website, email, and postal mail. Importantly, the system allows individuals to choose whether to reveal their identity or remain anonymous, ensuring a safe, transparent, and reliable platform for addressing ethical concerns and promoting a culture of accountability and trust.

		Yes / No (If yes, then give details of the mechanism in brief)
1	Permanent workers	NA
2	Other than Permanent Workers	NA
3	Permanent Employees	The Company is committed to fostering a fair, open, and transparent work culture where employees are encouraged to freely express their views and concerns. It ensures transparent communication of policies and practices, including performance evaluation metrics, variable pay parameters, compliance requirements, and other organisational processes. The Company provides a workplace free from prejudice, discrimination, harassment, and bias, with zero tolerance for any violation of these principles. To strengthen employee trust and promote ethical conduct, multiple grievance redressal and engagement mechanisms are in place, including the Prevention of Sexual Harassment (PoSH) Internal Committee, New Joiner Interactions with HR, biennial Employee Engagement Surveys, and the Kirloskar Ethics Helpline.
4	Other than Permanent Employees	

7. Membership of employees in association(s) or Unions recognised by the listed entity

Category	FY 2026			FY 2025		
	Total employees / workers in respective category (A)	No. of employees /workers in respective category, who are part of association (s) or Union (B)	% (B / A)	Total employees/ Workers in respective category(C)	No. of employees /workers in respective category, who are part of association (s) or Union (D)	% (D / C)
Total Permanent Employees						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Total Permanent Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA

8. Details of training given to employees and workers:

Category	FY 2026					FY 2025				
	Total(A)	On Health and safety measures		On Skill upgradation		Total(D)	On Health and safety measures		On Skill upgradation	
		No (B)	% (B/A)	No (C)	% (C/A)		No (E)	% (E/D)	No (F)	% (F/D)
Employees										
Male	13	-	-	13	100%	11	-	-	11	100%
Female	8	-	-	8	100%	6	-	-	6	100%
Total	**21**	**-**	**-**	**21**	**100%**	**17**	**-**	**-**	**17**	**100%**
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

9. Details of performance and career development reviews of employees and workers

Category	FY 2026			FY 2025		
	Total (A)	No (B)	% (B/A)	Total (C)	No (D)	% (D/C)
Employees						
Male	13	10	77%	11	8	73%
Female	8	6	75%	6	5	83%
Total	**21**	**16**	**76%**	**17**	**13**	**76%**
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

10. Health and Safety Management System

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes / No). If yes, the coverage of such system?

Yes, the Company is committed to maintaining a safe and healthy working environment by proactively identifying and mitigating potential risks related to accidents, injuries, and health hazards. The Company complies with all applicable occupational health and safety laws and regulations.

Offices are equipped with key safety infrastructure, including adequate ventilation, sanitation facilities, emergency exits, and first-aid boxes. Additionally, fire alarm systems are installed and are periodically inspected and maintained to ensure operational effectiveness. These measures reflect the Company's continued focus on creating a secure workplace that prioritises employee well-being.

b. What are the processes used to identify work related hazards and assess risks on a routine and non-routine basis by the entity?

Considering the nature of business, this is not directly applicable.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

No. Considering the nature of the business, this is not directly applicable.

d. Do the employees / worker of the entity have access to non-occupational medical and healthcare services? (Yes / No)

Yes, the Company has insured its employees under medical hospitalisation, accident, and term insurance. Periodic e-wellness communications address the health awareness needs across the Company. Annual Employee Wellness (Preventive) Health Checkups followed by counselling and Health and Lifestyle Risk Assessment to promote well-being at the individual level.

11. Details of Safety related incidents

Safety Incident/Number		Category	FY 2026	FY 2025
1	Number of permanent disabilities	*Employees	0	0
		Workers	NA	NA
2	Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	*Employees	0	0
		Workers	NA	NA
3	Total recordable work-related injuries	*Employees	0	0
		Workers	NA	NA
4	No. of fatalities	*Employees	0	0
		Workers	NA	NA
5	High consequence work-related injury or ill-health (excluding fatalities)	*Employees	0	0
		Workers	NA	NA

*Including the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company is committed to providing a safe, healthy, and supportive workplace for its employees. Key initiatives undertaken during the year include:

- Annual health check-ups to promote preventive healthcare and early risk detection.
- Trained Emergency Response Teams (ERTs) and regular as well as surprise mock drills to strengthen emergency preparedness.
- Health and wellness awareness sessions covering preventive care, lifestyle management, and well-being.
- Nutrition awareness programmes and promotion of healthy eating habits.
- Availability of nutritious food options in the cafeteria, including initiatives to encourage the consumption of millets and other healthy foods.
- Flexible working arrangements to support employees' evolving personal and professional needs.
- Adherence to workplace safety protocols and periodic safety awareness initiatives. These measures reflect KIL's commitment to fostering employee well-being, safety, and a healthy work culture.

13. Number of Complaints on the following made by employees

	FY 2026			FY 2025		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year

Safety Incident / Number	% of your plants and offices that were assessed (*by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

*The Company strives to keep the workplace environment safe, hygienic, and humane, upholding the dignity of the employees.

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 and safety practices and working conditions.

The Company takes proactive measures to prevent any mishaps. As a result, there have been no complaints regarding working conditions, health, or safety.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?

(A) Employees: Yes. All employees are covered under term insurance in the event of death.

(B) Workers: NA

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partner.

The Company mandates that statutory dues are deducted and deposited regularly by the value chain partners. Statutory compliances are reviewed every quarter by obtaining a compliance report.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

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 2026	FY 2025	FY 2026	FY 2025
Employees	0	0	0	0
Workers	NA	NA	NA	NA

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Not applicable.

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	Considering the nature of the business of the Company, this is not directly applicable
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable as no significant risks / concerns were identified.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company takes a comprehensive and inclusive approach to stakeholder engagement, recognising that its long-term success is closely tied to the interests and expectations of a diverse set of stakeholders. Stakeholders are defined as individuals or groups who are directly or indirectly impacted by the Company's operations, have a vested interest in its performance, or possess the ability to influence its activities-either currently or in the future. In alignment with this perspective, the Company has identified its core stakeholder groups as shareholders, investors, customers, Government and regulatory bodies, employees, and the broader society.

Understanding the dynamic and interdependent nature of these relationships, the Company is deeply committed to fostering open, transparent, and constructive engagement with each of its stakeholder groups. It actively seeks to listen, learn, and respond to their evolving needs, expectations, and concerns through regular dialogue and collaboration. This ongoing engagement plays a critical role in shaping the Company's strategic direction and operational priorities, ensuring that business decisions are not only economically sound but also socially responsible and aligned with stakeholder interests. By embedding stakeholder feedback into its governance and planning processes, the Company aims to build trust, enhance long-term value, and contribute positively to the communities and ecosystems in which it operates.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement(Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	- Emails, Notices, Displays, Meetings, intranet, website	- Continuous / frequently	- Employee morale and productivity
		- Review Meetings,	- Weekly / Monthly / Quarterly / Annually	- Employee health, safety and well-being.
		- Get-togethers	- Annually	- Learning, development and growth
		- Employees Engagement Activities	- Quarterly	- Policies, processes and performance
		- LinkedIn Platform(e-Learning Management System), Training, Theme Based Virtual Round Tables	As per annual training / events calendar	- Employee satisfaction, engagement and benchmarking
		- Performance Appraisal Dialogues	- Annually	
		- Employee Engagement Survey	- Annually	
Customers	No	- Multiple channels - physical and digital	- Frequent and need-based	- Servicing throughout the tenure of the customer and address queries / grievances that customer may have.

Stakeholder group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement(Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	No	- Annual General Meetings	- Annually	- Corporate Governance.
		- Quarterly Results, Annual Reports, Press Releases, Media Interactions	- Quarterly	- Transparency in disclosures and Enhancing enterprises Value.
		- Investors Presentations	- Need based at the time of investor interactions	- Performance and Financial Results
		- Stock Exchange Filings, Notices to shareholders, Postal Ballots, Advertisements, Emails, Website	- Continuous / Frequently	- Report on CSR, information about performance, major developments, and other relevant updates regarding the Company.
Vendors	No	- Multiple channels - physical and digital	- Frequent and need-based	- To establish strategic alliances, communicate requirements and expectations, and generate appreciate and spread technology. - Also, interact throughout the service tenure of the vendor and address queries / grievances that vendors may have.
Contractors	No	- Multiple channels - physical and digital	- Frequent and need - based	- Interact throughout the service tenure of the contractors and address queries / grievances that contractors may have. Also, to further strengthen relations by regular interaction.
Regulatory authorities	No	- Multiple channels - physical and digital	- On-going and needs-based	- To discuss various rules, modifications, checks, and approvals.
Technical partners	No	- Email	- Need-based	- Interact throughout the association tenure and strengthen relations by regular interaction. - To strengthen relationships by creating win-win situations, by utilising mutual strength.

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.**

The Company has established structured processes to facilitate meaningful consultation between stakeholders and the Board on economic, environmental, and social (ESG) topics. This is done through a combination of internal mechanisms and external expertise, ensuring that stakeholder insights are effectively integrated into strategic decision-making.

An internal ESG team is responsible for overseeing and coordinating ESG-related activities across the organisation. For entities where the Company is a significant shareholder, such as Kirloskar Ferrous Industries Limited (KFIL), specialised external consultants are engaged to support specific ESG initiatives. These consultants bring subject matter expertise and assist in executing, monitoring, and evaluating key projects and compliance requirements across the ESG spectrum.

The core ESG committee, which includes senior leadership and relevant functional heads, works in close collaboration with both the internal team and appointed consultants. This committee regularly compiles and reviews stakeholder feedback, project outcomes, regulatory developments, and industry best practices. These insights and updates are formally presented to the Board at periodic intervals to ensure oversight and alignment with the company's strategic objectives.

To maintain transparency and accountability, the Company communicates key ESG developments and performance metrics through multiple public platforms such as annual reports, sustainability disclosures, and the social media pages of its group companies. These channels help ensure that all stakeholders—including investors, employees, customers, and society at large—remain informed and engaged with the Company's ESG journey.

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

At Kirloskar Industries Limited (KIL), engagement with stakeholders is a key mechanism through which the Company identifies, evaluates and prioritises environmental, social and governance (ESG) matters that are relevant to its long-term value creation mandate. As a Company with oversight responsibilities across subsidiaries and investee companies, KIL places significant emphasis on understanding diverse stakeholder perspectives to inform its governance approach, sustainability priorities and risk oversight.

In recognition of shifting stakeholder expectations, evolving regulatory requirements and changes in the broader business environment, KIL conducted a comprehensive materiality reassessment in the Financial Year 2026.

This exercise built upon the materiality assessment undertaken in the Financial Year 2023 and was designed to confirm the continued relevance of previously identified ESG topics, while also assessing whether emerging issues warranted enhanced focus. The reassessment was executed using a structured, consistent and repeatable methodology, ensuring continuity with earlier assessments and comparability of outcomes over time.

Stakeholder engagement formed the foundation of the reassessment process. KIL identified a diverse set of internal and external stakeholders, including members of the Board, senior leadership, employees, investors, suppliers and other relevant stakeholder groups along with its subsidiaries. Engagement was undertaken primarily through structured surveys, enabling stakeholders to provide input on the relative importance of identified ESG topics in the context of KIL's governance responsibilities, capital stewardship role and long-term strategic outlook.

Feedback received through these engagements was evaluated using a defined scoring and prioritisation framework. The results of this analysis were used to update the materiality matrix, enabling KIL to reassess and confirm priority ESG topics that influence the Company's governance focus, enterprise risk management considerations and disclosure practices. The reassessment outcomes reflect a balance between internal strategic considerations and external stakeholder expectations, supporting an objective and evidence-driven approach to ESG prioritisation.

Insights generated through the stakeholder engagement process have been systematically integrated into KIL's governance and sustainability frameworks. Stakeholder feedback has informed the incorporation of ESG considerations into risk assessment processes, strategic oversight and engagement with subsidiaries and investee companies. The outcomes of the reassessment are being used to strengthen the Company's ESG approach, including the identification of priority themes, refinement of focus areas and alignment of long-term objectives. Collectively, these efforts support KIL's evolving sustainability roadmap and reinforce its commitment to responsible governance and long-term value preservation.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

The Company through its CSR Policies has taken up various initiatives and activities for the benefit of different segments of society, with a focus on the marginalised, poor, needy, deprived, and underprivileged persons. The Youth Skilling Initiative is designed towards imparting future-ready skills (like Diploma in Mechatronics) and ensuring sustainable employability, gives opportunities to the most vulnerable and deprived sections of society (e.g. 43% of 151 students supported currently are girls, out of whom 10 are orphans and another 9 have only single Parent, 73% of total students are from Affirmative Action).

Principle 5: Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	FY 2026			FY 2025		
	Total(A)	No. of employees / workers covered (B)	%(B/A)	Total(C)	No. of employees / workers covered (D)	%(D/C)
Employees						
Permanent	21	21	100	17	17	100
Other than permanent	1	1	100	1	1	100
Total employees	**22**	**22**	**100**	**18**	**18**	**100**
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total workers	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

2. Details of minimum wages paid to employees and workers:

Category	FY 2026					FY 2025				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No (B)	% (B/A)	No (C)	% (C/A)		No (E)	% (E/D)	No (F)	% (F/D)
Employees										
Permanent										
Male	13	-	-	13	100%	11	-	-	11	100%
Female	8	-	-	8	100%	6	-	-	6	100%
Other than permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	1	-	-	1	100%	1	-	-	1	100%
Workers										
Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in Crore)	Number	Median remuneration/ salary/ wages of respective category (in Crore)
Board of Directors (BoD) (excludes 2 Directors who are included in KMPs)	8	0.14	2	0.09
Key Managerial Personnel (includes 2 Directors)	2	3.61	2	1.49
Employees other than BoD and KMP	11	0.09	6	0.10
Workers	0	NA	0	NA

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2026	FY 2025*
Gross wages paid to females as % of total wages*	**55%**	**27%**

*Note: Gross wages for FY 2025 restated as per the definition of 'wages' in BRSR Core Reporting Standard published by SEBI

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, there is Human Rights Policy in place. The Ethics Committee, Ethics Ombudsman and Ethics Counsellors are responsible for addressing issues by following the Whistle-Blower Policy and Vigil Mechanism thereon. Whistle-Blower Policy web link is given below:

https://www.kirloskarindustries.com/documents/779558/6d0b6d5d-273f-c17b-82dd-0da343279f24

5. Describe the internal mechanisms in place to redress grievances related to human rights issue:

In addition to existing mechanisms such as the Whistle-Blower Policy, the Company has introduced the Kirloskar Ethics Helpline, managed by an independent external agency, to receive and address employee grievances.

6. Number of Complaints on the following made by employees and workers:

	FY 2026			FY 2025		
	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:

Parameter*	FY 2026	FY 2025
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

*Note: Reported as per BRSR Core Reporting Standard published by SEBI

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:

The Company evolved a comprehensive policy for the Prevention of Sexual Harassment of Employees in line with the law passed by the Government of India in this regard.

In addition to this, the Kirloskar Ethics Helpline has a mechanism for anonymous reporting and assurance of 'no retaliation' for the complainants in harassment and discrimination cases.

9. Do human rights requirements form part of your business agreements and contracts? (Yes / No):

Yes

The Company strives to follow all the norms / standards of human rights in all its business deals and agreements.

10. Assessments for the year

Section	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	100%
Discrimination at workplace	100%
Child Labour	100%
Forced Labour/ Involuntary Labour	100%
Wages	100%
Others – NA	100%

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above

Not applicable. As there were no human rights related risks / concerns identified by the Company during the Financial Year 2025-2026, no corrective actions were required to be taken.

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints.

Not applicable as no grievances / complaints were received regarding the violation of Human Rights Policy during the Financial Year 2025-2026.

2. Details of the scope and coverage of any Human rights due diligence conducted.

The Company has implemented a Code of Conduct, Human Rights Policy, POSH Policy, and grievance mechanisms such as the Whistle-Blower Policy and Kirloskar Ethics Helpline, which are communicated across the organisation. These policies apply to both internal and external stakeholders and ensure the protection and non-violation of human rights.

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.

The Company is committed to fostering an inclusive work culture that addresses the needs of differently-abled individuals, including employees and visitors. The office is equipped with lifts, backup facilities, handrails for staircases, and adequate space to accommodate wheelchair movement. Additionally, the Company plans to prioritise accessibility in its new premises, ensuring compliance with the Rights of Persons with Disabilities Act, 2016 and providing special attention to the needs of differently-abled employees.

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	The Company seeks to encourage its value chain partners to uphold the same values, principles, and business ethics as it does in all its operations. It also expects them to do so. We have not conducted a specific evaluation of any value chain partners, however, while appointing the partners, we emphasise on they being compliant with all the parameters.
Discrimination at workplace	
Child Labour	
Forced Labour / Involuntary Labour	
Wages	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable as no grievances / complaints were identified regarding violation of Human Rights Policy during the Financial Year 2025-2026.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules and multiples) and energy intensity:

Parameter*	FY 2026	FY 2025
From Renewable Sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumption from renewable sources (A+B+C)	**0**	**0**
From Non-Renewable Sources		
Total electricity consumption (D)	69.42	112.54
Total fuel consumption (E)	104.57	140.56
Energy consumption through other sources (F)	0	0
Total energy consumption from non-renewable sources (D+E+F)	**174**	**253.10**
Total Energy Consumed (A+B+C+D+E+F)	**174**	**253.10**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.00000016364	0.00000026423
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.00000332845	0.00000539873
Energy intensity in terms of physical output	0.00000108746	0.00000121181
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

*Note: Reported as per BRSR Core Reporting Standard published by SEBI

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency

Yes. BDO India Services Private Limited has been appointed for independent assessment / evaluation / assurance.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, considering the scope of the business of the Company, the same is not applicable.

3. Provide details of the following disclosures related to water, in the following format

Parameter*	FY 2026	FY 2025
Water withdrawal by source (in kiloliters)		
(i) Surface water	The Company being an investment Company, has limited water usage and uses water supplied by the municipal corporation.	
(ii) Groundwater	The Company being an investment Company, has limited water usage and uses water supplied by the municipal corporation.	
(iii) Third party water	-	
(iv) Seawater / desalinated water	The Company being an investment Company, has limited water usage and uses water supplied by the municipal corporation.	
(v) Others	163	
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	Water consumption is commonly used between a group company and the Company and the volume of total withdrawal is very negligent.	
Total volume of water consumption (in kiloliters)	163	11.08
Water intensity per rupee of turnover (Total water consumed / Revenue from operations)	0.0000001533075	0.0000000115671
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.0000031182755	0.0000002363397
Water intensity in terms of physical output	0.0000010187964	0.0000000530493
Water intensity (optional) – the relevant metric maybe selected by the entity	-	-

*Note: Reported as per BRSR Core Reporting Standard published by SEBI

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency –

Yes. BDO India Services Private Limited has been appointed for independent assessment / evaluation / assurance.

4. Provide the following details related to water discharged:

Parameter*	FY 2026	FY 2025
Water discharge by destination and level of treatment (in kilolitres)	The Company being an investment Company, has limited water usage and uses water supplied by the municipal corporation.	The Company being an investment Company, has limited water usage and uses water supplied by the municipal corporation.
(i) To surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

*Note: Reported as per BRSR core Reporting Standard published by SEBI.

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency –

Yes. BDO India Services Private Limited has been appointed for independent assessment / evaluation / assurance.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No. The Company being an investment Company, has no liquid discharge, except the regular office environment liquid discharge.

6. Provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Please specify unit	FY 2026	FY 2025
NOx	NA	0	0
SOx	NA	0	0
Particulate matter (PM)	NA	0	0
Persistent organic pollutants (POP)	NA	0	0
Volatile organic compounds (VOC)	NA	0	0
Hazardous air pollutants (HAP)	NA	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency –

Yes. BDO India Services Private Limited has been appointed for independent assessment/ evaluation/assurance.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:

Parameter*	Please specify units	FY 2026	FY 2025
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric terms of CO_2 equivalent	7.35	10.27
Total Scope 2 emissions (Break-up of the GHG (CO_2e)into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric terms of CO_2 equivalent	13.69	22.73
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	NA	0.0000000197849	0.0000000344509
Total Scope 1 and Scope 2 emissions per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	NA	0.0000004024258	0.0000007038999
Total Scope 1 and Scope 2 emission intensity in terms of physical output	NA	0.0000001314797	0.0000001579989
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	NA	NA	NA

*Note: Reported as per BRSR Core Reporting Standard published by SEBI.

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency –

Yes. BDO India Service Private Limited has been appointed for an independent assessment / evaluation / assurance.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details

No, considering the nature of business, it is not applicable to the Company.

9. Provide details related to waste management by the entity:

Parameter*	FY 2026	FY 2025
	Total Waste generated (in MT)	
Plastic waste (A)	NA	NA
E-waste (B)	NA	0.348
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any.(Break-up by composition i.e. by materials relevant to the sector)	0.86	NA
Total (A+B + C + D + E + F + G + H)	**0.86**	**0.348**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0000000008105	0.0000000003633
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.0000000164859	0.0000000074229
Waste intensity in terms of physical output Waste intensity (*optional*) – the relevant metric may be selected by the entity	0.0000000053862	0.0000000016662
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0.862	0.348
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	**0.862**	**0.348**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Nil	Nil
(ii) Landfilling	Nil	Nil
(iii) Other disposal operations	Nil	Nil
Total		

*Note: Reported as per BRSR Core Reporting Standard published by SEBI.

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. BDO India Services Private Limited has been appointed for independent assessment / evaluation / assurance.

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.

Given the nature of the business, there is no usage of hazardous and toxic chemicals by the Company. The Company has systems in place to manage e-waste and engages with certified e-waste / office waste handlers for the disposal of e-waste / office waste.

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

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N)If no, the reasons thereof and corrective action taken, if any.
-	-	-	-

The Company does not have any offices 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:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain(Yes / No)	Relevant Web link
NA	NA	NA	NA	NA	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:

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
-	-	-	-	-

The Company is compliant with the applicable environmental laws / regulations / guidelines of the country.

LEADERSHIP INDICATORS

1. Water withdrawal, consumption, and discharge in areas of water stress (in kiloliters):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: Not applicable

(ii) Nature of operations: Not applicable

Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2026	FY 2025
Water withdrawal by source (in kiloliters)		
(i) To Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kiloliters)	NA	NA
Total volume of water consumption (in kiloliters)	NA	NA
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) To Groundwater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) To Seawater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third parties		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kiloliters)	NA	NA

2. Please provide details of total Scope 3 emissions and its intensity, in the following format:

Parameter	Unit	FY 2026	FY 2025
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO2 equivalent	Not Applicable	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

3. With respect to the ecologically sensitive areas reported in Question 10 of Essential Indicators above, provide details of the significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities:

Not applicable.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
	NA	NA	NA

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link:

The Company recognises the importance of ensuring a sustainable business and has developed the Business Continuity Policy to manage and mitigate the risks and uncertainties that may disrupt our business as usual. This Policy ensures that the Business Continuity Management systems are developed and in place to safeguard the interests of our stakeholders and reduce economic and other losses to the business.

The Company has uploaded the policy on its website - https://www.kirloskarindustries.com/documents/779558/a2815d8f-f78c-42aa-8c11-39b8152a5758.

The Company's Risk Management Policy emphasises business continuity.

The Company has deployed a risk management process that includes risk identification, assessment and its treatment, mitigation, monitoring, and reviewing actions. The Company prioritises and manages the risks identified through its Risk Registers.

6. **Disclose any significant adverse impact on 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 primarily operates as an unregistered CIC, focusing on investing in the shares of Kirloskar group companies. Although this business activity itself does not directly affect the environment, the subsidiary companies regularly evaluate the environmental impact of their operations and disclose all pertinent data. Links to the subsidiary companies' reports are available on the Company's website.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts**

   The Company has undertaken an assessment of environmental performance for its key value chain partners who have contributed to 2% or more individually of the annual procurement spend, cumulatively covering up to 75% of the total value. However, given the nature of the business of the company, the suppliers are mostly service providers. During the reporting year, complete and verifiable BRSR Core-aligned data could not be obtained from suppliers within the defined assessment boundary, as many suppliers are still developing their ESG data management and reporting capabilities.

   The Company is progressively strengthening supplier engagement and ESG data collection processes to enhance the scope, quality, and consistency of future environmental assessments across its value chain. To address this, KIL conducted a capacity-building workshop for its value chain partners on BRSR Core principles, disclosure requirements, and data collection methodologies. These initiatives aim to enhance supplier readiness and progressively improve the quality and availability of ESG data across the value chain.

   For Further details, please refer **Annexure A.**

8. **How many Green Credits have been generated or procured:**

   a. By the listed entity : NA

   b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners : NA

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a. **Number of affiliations with trade and industry chambers / associations:**

   2

2 b. **List the top 10 trade and industry chambers / associations (determined based on the total members of such a body) the entity is a member of / affiliated to.**

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry	National
2	Confederation of Real Estate Developers' Associations of India (CREDAI)	National

2. **Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

   There were no issues related to anti-competitive conduct by the Company or adverse orders from regulatory authorities during the Financial Year 2025-2026.

LEADERSHIP INDICATORS

1. **Details of public policy positions advocated by the entity:**

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
	NA	NA	NA	NA	NA

Principle 8: Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current Financial Year 2026**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link
NA	NA	NA	NA	NA	NA

   As per applicable laws, SIA is not applicable for any of the projects undertaken by the Company.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity in the following format**

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
	NA	NA	NA	NA	NA	NA

   Not applicable as the Company does not have any projects for which on-going Rehabilitation and Resettlement (R&R) is required to be undertaken.

3. **Describe the mechanisms to receive and redress grievances of the community**

   The Company has various mechanisms to receive and redress the grievances of various stakeholders. Grievance Redressal Policy addresses and provides relevant links for community members to lodge a grievance or a concern.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers**

Category of waste	FY 2026	FY 2025
Directly sourced from MSMEs/ small producers	14.10%	10.19%
Sourced directly from within India	100%	100%

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 2026	FY 2025
Rural	0	0
Semi-Urban	0	0
Urban	0	0
Metropolitan	100%	100%

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):**

Details of the negative social impact identified	Corrective action taken
NA	NA

   Not applicable (refer to Principle 8 Essential Indicator No.1)

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

Sr. No.	State	Aspirational District	Amount spent (in INR)
NA	NA	NA	NA

   Not applicable

3. a. **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised / vulnerable groups? (Yes/No)**

No

b. **From which marginalised / vulnerable groups do you procure?**

Not applicable

c. **What percentage of total procurement (by value) does it constitute?**

Not applicable

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:**

Sr. No.	Intellectual Property based on traditional knowledge	Owned / Acquired (Yes / No)	Benefit shared (Yes / No)	Basis of calculating benefit share
-	-	-	-	-

The Company has not derived any benefits from intellectual properties owned or acquired based on traditional knowledge.

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the case	Corrective action taken
NA	NA	NA

6. **Details of beneficiaries of CSR Projects:**

SR. No.	*CSR Project	No. of persons benefitted from CSR Projects	% Of beneficiaries from vulnerable and marginalised groups
1	Sponsoring students to promoter employability – oriented education / skilling (NTTF Diploma; Mechatronics) through S.L. Kirloskar CSR Foundation	151	100%

*Refer to the details of CSR initiatives of the Company in the Board's Report and Annexure III (Annual Report on CSR Activities) of the Board's Report for the Financial Year 2025-2026.

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

ESSENTIAL INDICATORS

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback**

The Company has in place a Grievance Redressal Policy and is also rolling out an ethics line to address consumer complaints.

2. **Turnover of products and / services as a percentage of turnover from all products / services that carry information about**

State	As a percentage to total turnover
Environmental and social parameters relevant to the product	Considering the scope of our business the same is not applicable.
Safe and responsible usage	
Recycling and/or safe disposal	

3. **Number of consumer complaints in respect of the following:**

	FY 2026			FY 2025		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive trade practices	0	0	NA	0	0	NA
Unfair trade practices	0	0	NA	0	0	NA
Others	0	0	NA	0	0	NA

4. **Details of instances of product recalls on accounts of safety issues**

	Number	Reason for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

5. **Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy**

Group Policy on cyber security is adopted by the Company.

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**

No penalties / regulatory action has been levied or taken on the above- mentioned parameters.

7. **Instances involving loss / breach of data of customers as a percentage of total data braches or cyber security events:**

a. Number of instances of data breaches - 0

b. Percentage of data breaches involving personally identifiable information of customers – 0

c. Impact, if any, on the data breaches – Not applicable

LEADERSHIP INDICATORS

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Information relating to the business of the Company is available on the Company's website viz., www.kirloskarindustries.com

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

This is not applicable, considering the scope of the business of the Company.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

This is not applicable, considering the scope of the business of the Company.

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

Note: All the percentages mentioned in the report are rounded off.

Annexure A

BRSR Value Chain Disclosure

Executive Summary

In today's dynamic industrial environment shaped by climate change, technological evolution, and geopolitical shifts, robust supply chain resilience and sustainability have become strategic priorities. For engineered solutions providers like Kirloskar Industries Limited (**"KIL"/ "Company"**), these drivers pose both challenges and opportunities: innovation cycles are accelerating, ESG regulations are tightening, and disruptions, from supply shocks to regulatory changes, are emerging more frequently. As a result, KIL is moving beyond conventional cost-driven approaches to embrace value-led, ecosystem-based sourcing strategies that enhance transparency, trust, and long-term competitiveness.

Resilience and sustainability underpin KIL's supply chain ethos. Operating across critical sectors such as manufacturing, oil & gas, power, and refrigeration, KIL recognises its responsibility to reduce emissions, manage resources responsibly, and ensure ethical supplier practices. Our ESG Policy that is aligned with global frameworks extends to value chain ensuring our partners adopt best-in-class environmental, social, and governance standards.

This Value Chain Report (**"Report"**) has been structured to disclose the performance of our value chain against the BRSR Core framework, a streamlined version of the broader sustainability reporting standard by Securities and Exchange Board of India (SEBI). Pursuant to SEBI Circular No. SEBI/HO/CFD/CFD PoD 1/P/CIR/2025/42 dated March 28, 2025, the requirement for disclosing and assuring value chain data that has been deferred by one year, with the reporting boundary now covering partners contributing 2% to the purchases or sales value, cumulatively covering up to 75% of total value.

KIL is utilising this extended timeline to further reinforce ESG due diligence across its value chain and enhance the availability, quality, and consistency of supplier level ESG data. Through structured collaboration with its suppliers, KIL aims to identify and mitigate potential ESG risks, promote continuous improvement, and ensure preparedness for future regulatory requirements, while collectively driving long-term value creation and sustainable development.

ESG Commitment and Governance

KIL is committed to embedding Environmental, Social, and Governance (ESG) principles across its business activities in line with its formal ESG Policy, which guides responsible decision making and long-term value creation. The Company's environmental commitments focus on reducing its impact on climate and natural resources through the adoption of sustainable business practices, promotion of renewable energy, particularly through wind power generation, enhanced energy and water management, waste reduction, and measures that support circular economy principles and biodiversity conservation. From a social perspective, KIL emphasises equitable and inclusive employment practices, employee health, safety, and well being, continuous skill development, and workplace environments that uphold dignity, diversity, and human rights, while contributing to social welfare through initiatives aligned with its CSR framework. Governance at KIL is anchored in strong ethical values, transparency, compliance with applicable laws and regulations, and prudent management of financial and non financial risks, supported by structured disclosures and oversight mechanisms. Through this integrated ESG approach, KIL aims to strengthen operational resilience, promote responsible investment and stewardship, and contribute meaningfully to sustainable development for stakeholders and communities.

Approach to Supplier Engagement and Data Collection

KIL's approach follows a structured methodology to gather data against the BRSR Core framework.

1. **Supplier Prioritisation:** Identification of suppliers meeting SEBI-defined value thresholds (≥2% procurement value), covering up to 75% of total procurement spend.
2. **Structured Data Collection:** Deployment of standardised questionnaires based on BRSR Core environmental, social, and governance indicators.
3. **Capacity Building:** Conducted BRSR Core sensitisation workshops covering a detailed walkthrough of the nine Core indicators and their computation.

Reporting Scope

This Report has been prepared in accordance with the SEBI BRSR Core framework and covers upstream value chain partners that meet the revised materiality thresholds prescribed under the SEBI Circular dated 28 March 2025. The reporting boundary has been carefully defined to ensure accuracy, comparability, and consistency across all indicators evaluated.

For Financial Year 2024-2025, KIL's total procurement spend stood at ₹ 13.26 crore. In accordance with the regulatory requirement to include value chain partners contributing ≥2% of annual procurement spend; the assessment boundary includes suppliers meeting this threshold. This assessment identified 10 suppliers who accounted for 2% or more of the total procurement spend.

During the reporting year, complete and verifiable BRSR Core-aligned data could not be obtained from suppliers within the defined assessment boundary. The supplier base largely comprises small scale, privately held entities, many of which currently face limitations in structured ESG data management, internal reporting systems, and dedicated resources to collect and furnish data in line with BRSR Core requirements.

Recognising these challenges, KIL conducted a supplier workshop to build understanding of BRSR Core expectations, regulatory reporting requirements, and data collection methodologies. These engagements were aimed at enhancing supplier readiness and progressively strengthening data availability and quality across the value chain.

KIL remains committed to working closely with its suppliers to support capacity building through continued engagement, guidance, and collaborative initiatives, with the objective of enabling BRSR aligned reporting from value chain partners in future reporting cycles while progressively expanding the scope and depth of value chain ESG disclosures.

Independent Assurance Statement

To,
Kirloskar Industries Limited
One Avante, 14Th Floor, Karve Road,
Kothrud, Pune, 411038

Independent Assurance Statement to Kirloskar Industries Limited on select non-financial sustainability disclosures in the Business Responsibility and Sustainability Report for the financial year 2025-26.

Introduction and objective of engagement

Kirloskar Industries Limited (the 'Company') has developed its Business Responsibility and Sustainability Report (BRSR) 2025-26 (the 'Report') based on the BRSR reporting guidelines, including the BRSR Core indicators prescribed by SEBI for listed entities. The reporting criteria have been derived from the Principles of National Guidelines on Responsible Business Conduct (NGRBC), and Greenhouse Gas (GHG) Protocol - A Corporate Accounting and Reporting Standard.

BDO India Services Private Limited ("BDO India") was engaged by the Company to provide independent assurance on BRSR Core indicators of the Report that includes the Company's performance for the period 1st April 2025 through 31st March 2026.

The Company's responsibilities

The Report content and its presentation are the sole responsibilities of the Management of the Company. The Company Management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement, whether due to fraud or error.

BDO India's responsibilities

BDO India's responsibility, as agreed with the Management of the Company, is to provide assurance on the Report content as described in the 'Scope & boundary of assurance' section below. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance a third party may place on the Report is entirely at its own risk.

Assurance standard

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and ISAE 3410, "Assurance Engagements on Greenhouse Gas Statement" issued by the International Auditing and Assurance Standards Board (IAASB).

Scope, boundary & assurance criteria

The reporting scope and boundary cover the Company's standalone operations.

We applied the 'Reasonable' Assurance criteria for non-financial BRSR Core Indicators , pertaining to the Company's disclosure for the period 1st April 2025 through 31st March 2026.

Verification of non-financial sustainability performance data on a sample basis, based on our professional judgment, was conducted at the Company's Corporate Office in Pune.

Assurance methodology

Our assurance process entails conducting procedures to gather evidence regarding the reliability of the disclosures covered in the assurance scope. We conducted a review and verification of data collection, collation, and calculation methodologies, and a general review of the logic of inclusion/ omission of relevant information/ data in the Report. Our review process included:

- Evaluation and assessment of the appropriateness of the quantification methods used to arrive at the non-financial sustainability information of the BRSR Core indicators in the Report;
- Review of consistency of data/information within the Report as well as between the Report and the source;
- Engagement through discussions with personnel at the corporate level who are accountable for the data and information presented in the Report;
- Execution of an audit trail of claims and data streams, to determine the level of accuracy in collection, transcription, and aggregation;
- Review of data collection and Management procedures, and related internal controls;

Limitations and exclusions:

There are inherent limitations in an assurance engagement, including, for example, the use of judgement and selective testing of data. Accordingly, there are possibilities that material misstatements in the Report may remain undetected.

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2025 through 31st March 2026);
- Review of the 'economic and/or financial performance indicators' included in the Report or on which reporting is based; we have been informed by the Company that these are derived from the Company's audited financial records;
- The Company's statements and claims related to any topic other than those listed in the 'Scope & boundary of assurance';
- The Company's statements that describe qualitative/ quantitative assertions, expression of opinion, belief, inference, aspiration/targets, expectation, aim or future intention.

Our observations

We have reviewed the disclosures in the "Report" for the reporting period from 1st April 2025 through 31st March 2026. The disclosures of the Company, covered under the 'Scope, boundary & assurance criteria', are fairly reliable.

For BDO India Services Private Limited

sd/-
Indra Guha
Partner | Sustainability & ESG
Business Advisory Services

Gurugram, Haryana
19 June 2026

Our conclusion

Based on the scope of our review, we conclude that the disclosures fulfil the principles of relevance, completeness, reliability, neutrality, and understandability as per 'reasonable' assurance criteria of the applied Assurance Standard.

Our assurance team and independence

BDO India Services Private Limited is a professional services firm providing services in Advisory, Assurance, Tax, and Business Advisory Services, to both domestic and international organisations across industry sectors. Our non-financial assurance practitioners for this engagement are drawn from a dedicated Sustainability and ESG Team in the organisation. This team is comprised of multidisciplinary professionals, with expertise across the domains of sustainability, global sustainability reporting standards and principles, and related assurance standards. This team has extensive experience in conducting independent assurance of sustainability data, systems, and processes across sectors and geographies. As an assurance provider, BDO India is required to comply with the independence requirements set out in the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. Our independence policies and procedures ensure compliance with the Code.

Independent Auditors' Report

on Standalone Financial Statements

To
the Members of **Kirloskar Industries Limited**

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying Standalone Financial Statements of Kirloskar Industries Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2026, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year ended on that date, and notes to the Standalone Financial Statements, including a summary of the 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 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 state of affairs of the Company as at March 31, 2026, and the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section, i.e,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 (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfiled 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 is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. We have determined that there are no key audit matters to communicate in our report.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Management and Board of Directors are responsible for 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 and Standalone Financial Statements and our Auditor's Report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including total comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management and Board of Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those Board of Directors are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the accompanying 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 scepticism 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 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 Company has an 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.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with Those Charged With Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charged With Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Those Charged With Governance, we determine those matters that were of most significance in the audit of the accompanying Standalone Financial Statements of the current year 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.

    e) On the basis of the written representations received from the Directors for the year ended March 31, 2026 taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2026 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statement.

    g) 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 Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements - Refer Note No. 37 of Standalone Financial Statements.

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

        iv. With respect to clause (e) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended

            a. The Management has represented 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, 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 such audit procedures performed that have been considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

        v. Dividend declared and paid during the year by the Company is in compliance with Section 123 of the Companies Act, 2013.

        vi. Based on our examination which included test checks, the Company has used an accounting software namely TallyPrime for maintaining its books of account which has feature of recording audit trail (edit log) facility and the same has been 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. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

    In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors have been paid/provided in accordance with and within the limits laid down under Section 197 read with Schedule V of the Companies Act, 2013. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Kirtane & Pandit LLP
Chartered Accountants
ICAI Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No.: 117309
UDIN: 26117309YBDNHR7185

Pune, May 19, 2026

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 to the Members of Kirloskar Industries Limited of 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 Standalone Financial Statements of **Kirloskar Industries Limited** ("the Company") as of 31st March 2026 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 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 Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") 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. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENT

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting 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 STANDALONE FINANCIAL STATEMENT

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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
ICAI Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No.: 117309
UDIN: 26117309YBDNHR7185

Pune, May 19, 2026

Annexure 'B' to the Independent Auditor's Report

(Referred to in Paragraph 2 under the heading 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' Report to the members of Kirloskar Industries Limited on the Standalone Financial Statements for the year ended 31st March 2026)

TO THE MEMBERS OF KIRLOSKAR INDUSTRIES LIMITED

We report that:

i. (a) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

(b) The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, property, plant and equipment were physically verified by the Management in the current financial year. No material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the Standalone Financial Statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (PPE) (including Right of Use assets) & intangible assets during the year. Accordingly, Clause 3(i) (d) of the Order regarding Revaluation of PPE and intangible assets is not applicable.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) The Company is an unregistered Core Investment Company. Considering the nature of the Inventories of the Company i.e. Renewable Energy Certificates (RECs)] it does not hold any physical inventories. Accordingly, Clause 3(ii)(a) of the Order is not applicable.

(b) The Company has not been sanctioned any working capital limits from banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, Clause 3(ii)(b) of the Order is not applicable to the Company.

iii. (a) The Company has granted unsecured loan to Avante Spaces Limited (Wholly Owned Subsidiary) in respect of which the requisite information is as below:

(A) The aggregate amount of loan granted during the year is ₹ 127.50 Crores, and balance outstanding at the balance sheet date with respect to such loan is ₹ 353.15 Crores. The Company has not provided any advances and guarantees or security to subsidiaries, joint ventures and associates.

(B) The Company has not provided any loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates so reporting under this clause is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, Investments made and loans granted are prima-facie not prejudicial to the Company's interest.

(c) In the case of loans given, the repayment of principal and payment of interest has been stipulated. The loans granted are repayable within a period of 7 yrs w.e.f. 1st October 2022 and/or as may be mutually decided between the Company and Wholly Owned Subsidiary. The outstanding principal amounts of the loan are not yet due. The payment of interest is regular during the year. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) On the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.

(e) There is no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or 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 repayment, consequently, reporting under paragraph 3(iii)(f) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has not given loan, which are covered by the provisions of Section 185 of the Act during the year. The Company has complied with the provisions of the Section 186 of the Act, in respect of grant of loan and investment as applicable.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public under Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. As informed and represented to us no order has been passed by Company Law Board or Reserve Bank of India or any court or any other tribunals.

vi. The maintenance of cost records is not applicable to the Company pursuant to the provisions of Sub-section (1) of Section 148 of the companies Act, 2013. Accordingly, the provision of paragraph 3(vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Value Added Tax, Duty of Customs, Duty of Excise, Service Tax, Goods & Services Tax, Employees' State Insurance, Cess and any other statutory dues have been regularly deposited during the period by the Company with appropriate authorities.

According to the information and explanations given to us and on the basis of examination of the books of account and the records of the Company, we report that there were no undisputed statutory dues as at the last day of the financial year which were outstanding for a period of more than six months from the date, they became payable.

(b) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2026 on account of dispute are given below:

Sr. No	Name of the Statute	Nature of dues	Amount in ₹ (in Crores)	Period to which amount relates	Forum where dispute is pending
1	Finance Act, 1994 (Service Tax)	Denial of service tax credit taken and penalty thereon	0.03	FY 2007-08	CESTAT Mumbai
2	Income Tax Act, 1961	Disallowance of Certain expenses	0.94 (Net of 11.11 Crores paid under protest and refund adjustments)	AY 2011-12 to AY 2016-17	High Court
3	Income Tax Act, 1961	Disallowance of Certain expenses	23.96 (Net of 0.94 Crores paid under protest)	AY 2017-18, AY 2018-19 & AY 2020-21	Commissioner of Income Tax (Appeals)
4	Income Tax Act, 1961	Addition in income on account of erroneous entries in form 26AS	0.27	AY 2021-22	Commissioner of Income Tax (Appeals)

viii. According to information and explanation given to us and as represented to us by the Management, we have not come across any transactions, not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.

ix. (a) During the year, the Company did not have any loans or borrowings from any lender during the year. Accordingly, Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) The Company has not been declared a wilful defaulter by any bank or financial institution or Government or Government Authority.

(c) The Company has not obtained any term loans during the year. Accordingly, Clause 3(ix)(c) of the Order is not applicable.

(d) The Company has not obtained any funds during the year. Hence, Clause 3(ix)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on an overall examination of the Standalone 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 as defined under the Act.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

x. (a) During the year, the Company has not raised money by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting under paragraph 3(x) (a) of the Order is not applicable.

(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) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) No report under Sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting requirement of Clause (xi)(b) of paragraph 3 of the Order is not applicable to the Company.

(c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.

xii. According to the information and explanations given to us and on the basis of examination of books of account and records of the Company, the Company is not a Nidhi Company within the meaning of Section 406 of the Act. As such, reporting under Clause 3 (xii) (a) to (c) is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, we report that the transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details as required by the applicable Indian Accounting Standards have been disclosed in the Standalone Financial Statements.

xiv. (a) In our opinion internal audit system of the Company is commensurate with the size and nature of its business.

(b) The reports of the Internal Auditors for the period under audit were considered by us.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions within the meaning of Section 192 of the Act, with its Directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is 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, reporting under Clause 3(xvi)(a) of the Order is not applicable.

(b) The Company has not conducted any non-banking financial or housing finance activities during the year.

(c) The Company is an unregistered Core Investment Company (CIC) as at March 31, 2026, which is exempted from registration. The Company fulfils the criteria of unregistered CIC in the current year.

(d) In the group (in accordance with Core Investment Companies (Reserve Bank) Directions, 2016), there are 2 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 any cash losses during the current Financial Year ended on 31st March 2026 and in the immediately preceding Financial Year. Accordingly, reporting under paragraph 3(xvii) of the Order is not applicable.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under Clause 3 (xviii) 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 realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone 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 are no unspent amounts 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
ICAI Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No.: 117309
UDIN: 26117309YBDNHR7185

Pune, May 19, 2026

Balance Sheet as at 31 March 2026

(Amounts in Indian Rupees Crores, unless otherwise stated)

Particulars	Note No.	As at 31 March 2026	As at 31 March 2025
ASSETS			
Financial Assets			
Cash and cash equivalents	6	1.21	9.06
Bank balances other than cash and cash equivalents	7	101.73	89.76
Loans	8	353.15	265.42
Investments	9	4,397.67	4,726.16
Other financial assets	10	5.36	3.38
		4,859.12	**5,093.78**
Non-Financial Assets			
Investment in subsidiaries	11	491.54	491.92
Current tax assets (Net)	12	1.61	0.15
Investment property	13	4.64	4.20
Property, plant and equipment	14	6.76	30.61
Intangible assets	14	0.01	0.02
Other non-financial assets	15	15.94	16.16
		520.50	**543.06**
Assets associated with Assets held for sale - Discontinued Operation	16	2.66	2.48
Non-current Assets Held For Sale	17	23.40	-
TOTAL ASSETS		**5,405.68**	**5,639.32**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Deposits	18	7.35	6.54
Other financial liabilities	19	14.96	9.05
		22.31	**15.59**
Non-Financial Liabilities			
Provisions	20	3.85	2.91
Deferred tax liabilities (Net)	21, 34	462.77	505.65
Other non-financial liabilities	22	1.42	2.36
		468.04	**510.92**
Liabilities associated with assets classified as held for sale - Discontinued Operation	16	5.05	4.83
TOTAL LIABILITIES		**495.40**	**531.34**
EQUITY			
Equity share capital	23	10.51	10.41
Other equity	24	4,899.77	5,097.57
		4,910.28	**5,107.98**
TOTAL LIABILITIES AND EQUITY		**5,405.68**	**5,639.32**

Notes forming part of the Financial Statements: Note No. 1 to 51

As per our attached report of even date

For and on behalf of the Board of Directors

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

George Verghese
Managing Director
DIN 11068946

Aditi Chirmule
Executive Director
DIN 01138984

Parag Pansare
Partner
Membership Number: 117309
Date: 19 May 2026

Bharathan Gopalakrishnan
Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Date: 19 May 2026

Statement of Profit and Loss for the year ended 31 March 2026

(Amounts in Indian Rupees Crores, unless otherwise stated)

Particulars	Note No.	Year ended 31 March 2026	Year ended 31 March 2025
Revenue from Operations			
Interest income	25	32.07	24.28
Dividend income		66.71	62.80
Net gain on fair value changes	26	7.54	8.71
Total Revenue from Operations		**106.32**	**95.79**
Other Income	27	20.68	24.78
Total Income		**127.00**	**120.57**
Expenses			
Finance costs	28	0.92	1.17
Employee benefit expenses	29	14.71	10.00
Depreciation and amortisation expenses	30	2.48	2.31
Other expenses	31	13.40	12.51
Total expenses		**31.51**	**25.99**
Profit before tax and before exceptional item from continuing operations		**95.49**	**94.58**
Exceptional Items - (Expenses) / Income	32	**2.62**	**6.10**
Profit before tax from continuing operations		**98.11**	**100.68**
Tax expense for continuing operations			
- Current tax		21.65	20.00
- Short/ (Excess) provision of earlier years		-	(1.18)
- Deferred tax		0.23	4.19
Total tax expenses from continuing operations	34	**21.88**	**23.01**
Profit after tax from continuing operations		**76.23**	**77.67**
Profit before tax and before exceptional item from discontinuing operations	33	**1.07**	**0.89**
Tax expense for discontinuing operations	34		
- Current tax		0.35	0.30
- Short/ (Excess) provision of earlier years		-	-
- Deferred tax		(0.06)	(0.06)
Total tax expenses for discontinuing operations		**0.29**	**0.24**
Profit after tax from discontinuing operations		**0.78**	**0.65**
Net Profit for the period		**77.01**	**78.32**
Other Comprehensive Income/(Loss)			
Items that will not be reclassified to profit or loss			
a) Gain/(loss) on remeasurements of defined benefit plan		(0.13)	(0.22)
b) Gain/(loss) on fair valuation of investments in equity shares		(300.78)	1,362.86
c) Income tax (expenses) / reversal relating to items that will not be reclassified to profit or loss		43.04	(224.44)
Other Comprehensive Income / (Loss)		**(257.87)**	**1,138.20**
Total Comprehensive Income / (Loss) for the year		**(180.86)**	**1,216.52**
Earnings per equity share (for continuing operations)	35		
[Nominal value of share ₹ 10 (Previous Year ₹ 10)]			
Basic (₹)		72.86	76.28
Diluted (₹)		72.66	75.30
Earnings per equity share (for discontinuing operations)			
[Nominal value of share ₹ 10 (Previous Year ₹ 10)]			
Basic (₹)		0.75	0.64
Diluted (₹)		0.75	0.63
Earnings per equity share			
[Nominal value of share ₹ 10 (Previous Year ₹ 10)]			
Basic (₹)		73.61	76.92
Diluted (₹)		73.41	75.93

Notes forming part of the Financial Statements: Note No. 1 to 51

As per our attached report of even date

For and on behalf of the Board of Directors

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

George Verghese
Managing Director
DIN 11068946

Aditi Chirmule
Executive Director
DIN 01138984

Parag Pansare
Partner
Membership Number: 117309
Date: 19 May 2026

Bharathan Gopalakrishnan
Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Date: 19 May 2026

Statement of Cash Flow for the year ended 31 March 2026

(Amounts in Indian Rupees Crores, unless otherwise stated)

Particulars	Year ended 31 March 2026		Year ended 31 March 2025	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit / (Loss) before tax from continuing operations		98.11		100.68
Profit / (Loss) before tax from discontinuing operations		1.07		0.89
Adjustments for:				
Depreciation and amortisation expense	2.52		2.33	
Expenses on share based payments	0.23		2.34	
(Gain)/Loss on Fair valuation and sale of mutual funds	(7.54)		(8.71)	
(Gain)/Loss on sale of property plant and equipment and investment property (net)	(0.03)		(0.01)	
Finance Income - Preference Shares	(2.06)		(2.06)	
Provisions no longer required written back	(1.29)		(0.01)	
Interest income	(32.07)		(24.28)	
Dividend income	(66.71)		(62.80)	
Income from licensing of properties	(16.00)		(20.89)	
Finance cost on fair valuation of financial instruments	1.16	(121.79)	1.40	(112.69)
Operating profit / (loss) before working capital changes		(22.61)		(11.12)
Changes in working capital:				
(Increase) / Decrease in inventories	0.01		(0.01)	
(Increase) / Decrease in other financial assets	0.49		(0.29)	
(Increase) / Decrease in other non-financial assets	0.42		(0.99)	
Increase / (Decrease) in other financial liabilities	7.26		(0.77)	
Increase / (Decrease) in other non-financial liabilities	(0.54)		0.49	
Increase / (Decrease) in provisions	0.05	7.69	(1.94)	(3.51)
Cash generated from operations		(14.92)		(14.63)
Net income tax (paid) / refunds		(23.66)		(19.41)
CASH FLOW BEFORE EXCEPTIONAL ITEM		(38.58)		(34.04)
Exceptional items		(2.62)		(6.10)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES FROM CONTINUING OPERATIONS		**(42.60)**		**(41.37)**
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES FROM DISCONTINUING OPERATIONS		**1.40**		**1.23**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment (including capital work in progress)	(1.24)		0.01	
Development Expenditure of investment properties	(0.61)		-	
Proceeds from sale of property, plant and equipment	0.11		0.00	
Maturity proceeds of/(investment in) fixed deposits	(12.63)		(44.82)	
Investments in Subsidiaries	(0.00)		-	
Sale /(investment) in mutual funds (net)	35.25		(6.29)	
Interest received	7.06		4.25	
Interest received from Wholly Owned Subsidiary	30.42		13.40	
Dividend income	66.71		63.97	
Security deposits received/(refund)	0.34		(6.09)	
Income from licensing of properties	15.44		20.17	
Loan given to subsidiary (net)	(92.50)		(69.20)	
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES FROM CONTINUING OPERATIONS		**48.35**		**(24.60)**
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES FROM DISCONTINUING OPERATIONS		**-**		**-**

Statement of Cash Flow for the year ended 31 March 2026

(Amounts in Indian Rupees Crores, unless otherwise stated)

Particulars	Year ended 31 March 2026		Year ended 31 March 2025	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Payment of Lease liability	(1.56)		(0.87)	
Proceeds from issue of share warrants - Preferential allotment	-		75.00	
Proceeds from issue of equity shares under Employee Stock Appreciation Right's Scheme	0.10		0.03	
Dividend paid	(13.54)		(12.94)	
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES FROM CONTINUING OPERATIONS		**(15.00)**		**61.22**
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES FROM DISCONTINUING OPERATIONS		**-**		**-**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(7.85)**		**(3.52)**
Cash and cash equivalents at the beginning of the year		9.06		12.58
Cash and cash equivalents at the end of the year (Refer Note No: 6)		**1.21**		**9.06**

Notes:

1. The above Cash Flow Statement has been prepared under the indirect method set out in Indian Accounting Standard (IND AS) -7, 'Statement of Cash Flow' as specified in the Companies (Indian Accounting Standards) Rules, 2015.
2. Direct Tax paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.
3. All figures in brackets indicate outflow.

As per our attached report of even date

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Parag Pansare
Partner
Membership Number: 117309
Date: 19 May 2026

For and on behalf of the Board of Directors

George Verghese
Managing Director
DIN 11068946

Aditi Chirmule
Executive Director
DIN 01138984

Bharathan Gopalakrishnan
Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Date: 19 May 2026

Statement of Changes in Equity for the year ended 31 March 2026

(Amounts in Indian Rupees Crores, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 10 each issued, subscribed and fully paid	As at 31 March 2026		As at 31 March 2025	
	No.	₹ Crores	No.	₹ Crores
As at beginning of the year	1,04,13,076	10.41	99,27,584	9.93
Add/ (Less): Changes in Equity Share Capital due to prior period errors	-	-	-	-
Add/ (Less): Restated balance at the beginning of the current reporting period	-	-	-	-
Add: Issue of equity shares against share warrants	-	-	4,55,580	0.45
Add/ (Less): Issue of equity shares under ESAR scheme	96,327	0.10	29,912	0.03
As at end of the year	**1,05,09,403**	**10.51**	**1,04,13,076**	**10.41**

B. OTHER EQUITY

Particulars	Reserves and surplus						Total
	Securities premium	General reserve	Share options outstanding account	Surplus/ (Deficit) in the Statement of Profit and Loss	Equity instruments through other comprehensive income	Money received against share warrants	
As at 1 April 2024	**19.16**	**323.60**	**29.62**	**1,016.68**	**2,448.44**	**25.00**	**3,862.50**
Profit for the year	-	-	-	78.32	-	-	78.32
Measurement of investments at FVTOCI (net of taxes)	-	-	-	-	1,106.57	-	1,106.57
Transferred from statement of profit and loss on account of sale of shares of Swaraj Engines Limited	-	-	-	-	31.81	-	31.81
Remeasurement of defined benefit plans (net of taxes)	-	-	-	(0.17)	-	-	(0.17)
Total Comprehensive Income for the year	**-**	**-**	**-**	**78.15**	**1,138.38**	**-**	**1,216.53**
Stock options expense	-	-	2.34	-	-	-	2.34
Stock options expense pertaining to Wholly Owned Subsidiary	-	-	1.65	-	-	-	1.65
Transfer to securities premium	0.97	-	(0.97)	-	-	-	0.00
Adjustment on lapse of unvested share options transferred to retained earnings	-	-	(15.25)	-	-	-	(15.25)
Money received against share warrants	-	-	-	-	-	75.00	75.00
Transferred to other comprehensive income on account of sale of shares of Swaraj Engines Limited	-	-	-	(31.81)	-	-	(31.81)
Appropriations:							
Final Dividend for year 2023-24	-	-	-	(12.94)	-	-	(12.94)
Transfer from money received against share warrants	99.55	-	-	-	-	-	99.55
Share Issued during the year	-	-	-	-	-	(100.00)	(100.00)
As at 31 March 2025	**119.68**	**323.60**	**17.39**	**1,050.08**	**3,586.82**	**-**	**5,097.57**

Statement of Changes in Equity for the year ended 31 March 2026

(Amounts in Indian Rupees Crores, unless otherwise stated)

B. OTHER EQUITY (CONTD.)

Particulars	Reserves and surplus						Total
	Securities premium	General reserve	Share options outstanding account	Surplus/ (Deficit) in the Statement of Profit and Loss	Equity instruments through other comprehensive income	Money received against share warrants	
As at 1 April 2025	**119.68**	**323.60**	**17.39**	**1,050.08**	**3,586.82**	**-**	**5,097.57**
Profit for the year	-	-	-	77.01	-	-	77.01
Measurement of investments at FVTOCI (net of taxes)	-	-	-	-	(257.77)	-	(257.77)
Transferred to statement of profit and loss on account of sale of shares of Swaraj Engines Limited	-	-	-	-	-	-	-
Remeasurement of defined benefit plans (net of taxes)	-	-	-	(0.10)	-	-	(0.10)
Total Comprehensive Income for the year	**-**	**-**	**-**	**76.91**	**(257.77)**	**-**	**(180.86)**
Stock options expense	-	-	0.23	-	-	-	0.23
Stock options expense pertaining to Wholly Owned Subsidiary	-	-	0.56	-	-	-	0.56
Transfer to securities premium	6.73	-	(6.73)	-	-	-	(0.00)
Adjustment on lapse of unvested share options transferred to retained earnings	-	-	(4.19)	-	-	-	(4.19)
Money received against share warrants	-	-	-	-	-	-	-
Transfer to General Reserve	-	0.34	(0.34)	-	-	-	-
Appropriations:							
Final Dividend for year 2024-25	-	-	-	(13.54)	-	-	(13.54)
Transfer from money received against share warrants	-	-	-	-	-	-	-
Share Issued during the year	-	-	-	-	-	-	-
Other transactions for the year	**6.73**	**0.34**	**(10.47)**	**(13.54)**	**-**	**-**	**(16.94)**
As at 31 March 2026	**126.41**	**323.94**	**6.92**	**1,113.45**	**3,329.05**	**-**	**4,899.77**

Notes forming part of the Financial Statements: Note No. 1 to 51

As per our attached report of even date

For and on behalf of the Board of Directors

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

George Verghese
Managing Director
DIN 11068946

Aditi Chirmule
Executive Director
DIN 01138984

Parag Pansare
Partner
Membership Number: 117309
Date: 19 May 2026

Bharathan Gopalakrishnan
Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Date: 19 May 2026

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 1: CORPORATE INFORMATION

Kirloskar Industries Limited ("the Company") is a public company incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India, namely the BSE Limited and the National Stock Exchange of India Limited. The Company is established in 1978 and operates as an unregistered Core Investment Company (CIC) with a focus on investing primarily in the securities of our group Companies. The Company holds stakes in various businesses within the Kirloskar Group, including two subsidiaries—Avante Spaces Limited and Kirloskar Ferrous Industries Limited which are engaged in real estate and pig iron, castings, steel and seamless tubes respectively.

The Standalone Financial Statements of the Company for the year ended 31 March 2026 were authorised for issue by the Board of Directors on 19 May 2026.

NOTE 2: BASIS OF PREPARATION

The Standalone Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

During the year, the Company has consistently applied accounting policies while preparing these Standalone Financial Statements.

The Standalone Financial Statements have been prepared on a historical cost basis, except for the following, which are measured on following basis on each reporting date.

Items	Measurement basis
Investment in equity instruments (other than equity instruments of the subsidiaries recognised at cost)	Fair value
Investment in mutual funds	Fair value
Share-based payment	Fair value
Defined benefit liability / (assets):	Fair value of plan assets less present value of defined benefit obligation

Functional and presentation currency

The Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Standalone Financial Statements are presented in Indian rupee (₹) rounded off to nearest Crores (unless otherwise stated), which is the Company's functional and presentation currency.

NOTE 3: SIGNIFICANT ACCOUNT JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's Financial Statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

i. Judgements

In the process of applying the Company's accounting policies, Management has made the following judgements, which have the most significant effect on the amounts recognised in the Financial Statements:

Contingent liability

The Company has received 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 unfavourable 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.

ii. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimating 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 assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer Note 44.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model.

Site restoration and decommissioning obligation

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The Company estimates the liability for decommission and restoration obligation in respect of windmills using the best estimates available at each reporting date.

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. 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 for plans operated in India, the Management considers the interest rates of Government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about defined benefit plans obligations are given in Note 36.

Deferred tax

Deferred tax assets are recognised for all the deductible temporary differences including 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 losses can be utilised.

Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

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

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 4: SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following are the material accounting policies applied by the Company in preparing its Standalone Financial Statements:

a) Fair value measurement

The Company measures financial instruments such as investments in equity shares, mutual funds etc. at fair value at each reporting date.

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

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

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

All assets and liabilities for which fair value is measured or disclosed in the Standalone Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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 Standalone 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 on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosures of fair value measurement hierarchy (refer Note 44)
- Financial instruments (including those carried at amortised cost) (refer Note 44)

b) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and impairment losses, if any.

The cost comprises of the purchase price and directly attributable costs of bringing the asset to its working condition for the intended use. It also includes the initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located, where the Company has such contractual obligation. Any trade discounts and rebates are deducted in arriving at the purchase price. Each part of item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

i. Depreciation and amortisation

Depreciation is calculated over the depreciable amount (except land, being non depreciable asset), which is the cost of an asset, or other amount substituted for cost, less its 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 Act or technical evaluation, and is provided on a pro-rata basis for assets acquired or disposed off during the year.

Asset Class	Useful Life Adopted (Years)	Useful Life as per Schedule -II (Years)
Buildings-Factory	30	30
Buildings-Others	30/60	30/60
Windmill generator	20	22
Plant and equipment	15	15
Furniture and fixtures	10	10
Vehicles	5	8
Office equipment	5	5
Computers and software	3 to 6	3 to 6
Electrical installations	10	10

In case of windmills, useful life of 20 years (instead of 22 years as prescribed in Part C of Schedule II to the Act) has been estimated by the Management of the Company for the purpose of charging depreciation based on technical assessment by independent external expert.

However, on account of classification of windmill operations as discontinued operations, depreciation of windmill has been suspended from May 2023 onwards.

In case of vehicles useful life of 5 years (instead of 8 years as prescribed in Part C of Schedule II to the Act) has been estimated by the Management of the Company for the purpose of charging depreciation.

Leasehold improvements are amortised under straight line method over the lower of lease term and the useful life of such assets subject to maximum of 60 months.

All items of property, plant and equipment individually costing ₹ 5,000 or less are fully depreciated in the year of installation.

ii. Disposals / 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. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

iii. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed annually and adjusted prospectively, if appropriate.

c) Intangible assets

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

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost comprising of the consideration paid for acquisition less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives i.e., software are amortised on a straight-line basis over the period of expected future benefits i.e., over their estimated useful lives of five years. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate,

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

d) Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

(i) Dividend income on investments is recognised when the right to receive dividend is established.

(ii) Interest on fixed deposits with banks, debentures, bonds etc. is recognised on a time proportion basis taking into account the amount outstanding and rate applicable. In case of significant uncertainty of receiving interest, the same is not recognised though accrued and is recognised only when received.

(iii) Profit / Loss of the sale / redemption of investments is dealt with at the time of actual sale / redemption.

(iv) Income from power generation is recognised on supply of power to the grid in accordance with the terms and conditions of the contract with the Open Access Consumer.

The unutilised units by the Open Access Consumer are initially recognised at a rate which is estimated on the basis of latest available rates as per MSEDCL circulars/orders. The same are subsequently billed upon determination of the billable rate / units after verification by MSEDCL in accordance with the Rules and Regulations. The difference between the initial accrual and final billing is adjusted with the revenue of the year in which the billing is done.

(v) Income from the sale of Renewable Energy Certificates (RECs) is recognised on an accrual basis at the time when the contract to sale is entered.

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

e) Expenditure on Corporate Social Responsibility (CSR Activities)

The expenditure on CSR activities is recognised in the Statement of Profit and Loss upon utilisation by the trust/NGO to which the funding is made by the Company. The expenditure on CSR activities conducted by the Company is recognised in the Statement of Profit and Loss, on payment basis.

f) Income taxes

i. Current Income Tax

Current income tax assets and expenses / liabilities are measured respectively at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the tax bases 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 in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 relating to items recognised outside profit or loss is recognised outside profit or loss, (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 Company and the same taxation authority.

Minimum Alternate Tax (MAT) Credit:

MAT credit is recognised 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.

g) Investments

i. Investment in subsidiary

Investment in subsidiaries is recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments.

The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value / amount of the investment and provides for impairment, if any i.e., the deficit in the recoverable value over cost.

ii. Investment property

Investment in land and / or buildings that are not intended to be occupied substantially for use by or in the operations of the Company are classified as investment property.

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

Subsequent to the initial recognition, investment property is stated at cost less accumulated depreciation and accumulated impairment loss, if any. Depreciation on investment property has been provided in a manner that amortise the cost of the assets over their estimated useful lives on straight line method as per the useful life prescribed under Schedule II of the Act.

Investment property in the form of land is not depreciated.

Investment property is derecognised either when it is disposed off or permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement Profit and Loss in the period of derecognition.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed as required by IND AS 40 'Investment Properties'. Fair values are determined based on a periodic evaluation performed by an accredited external independent valuer applying valuation model recommended by recognised valuation standards committee.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

h) Leases

Company as a Lessee:

The Company's lease asset classes primarily consist of leases for land and buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or otherwise. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

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 end of the lease term. Such depreciation is recognised in the Statement of Profit and Loss except to the extent that it can be allocated to any Property, Plant and Equipment.

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 Company's incremental borrowing rate. After the commencement date, the lease liability is adjusted by increasing the carrying amount to reflect interest on the lease liability; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications. The lease liability is also remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The interest on the lease liability is recognised in the statement of Profit and Loss except to the extent that it can be allocated to any Property, Plant and Equipment.

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 (assets of less than ₹ 5,000 in value). The Company recognises the lease payments associated with these leases as an expense over the lease term.

Company as a Lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

i) Inventories

Renewable Energy Certificates (RECs) are recognised upon application for certification to the respective authorities till such units are sold and valued at lower of cost and net realisable value. Cost comprises of costs incurred for certification of RECs. Net realisable value of RECs is the estimated selling price in the ordinary course of business.

j) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When 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.

Impairment losses, including impairment on inventories, are recognised in the Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

k) Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of the provision to be reimbursed, for example, under an insurance contract, 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.

l) Contingent liabilities

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 recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the Standalone Financial Statements.

m) Capital Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

(i) estimated number of contracts remaining to be executed on capital account and not provided for; and

(ii) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of Management.

n) Retirement and other employee benefits

(i) Short-term Employee Benefits

The distinction between short-term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short-term benefits and are measured on an undiscounted basis according to the terms and conditions of employment. Such benefits include salaries, bonus, short-term compensated absences, awards, etc. and are recognised in the period in which the employee renders the related service, except to the extent that it can be allocated to any Property, Plant and Equipment.

(ii) Other-employment benefits

1. Defined contribution plan

The eligible employees of the Company are entitled to receive benefits under the Provident Fund and Superannuation Scheme, which are defined contribution plans. In case of Provident Fund, both the employee and the Company contribute monthly at a stipulated rate to the Government provident fund, while in case of superannuation, the Company contributes to Life Insurance Corporation of India at a stipulated rate. The Company has no liability for future Provident Fund or Superannuation benefits other than its annual contributions which are recognised as an expense on an accrual basis.

The Company recognises contribution payable as expenditure, when an employee renders the related

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

services. If the contribution payable to the scheme for services received before Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then the excess recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or cash refund.

2. Defined benefit plan

The Company operates a defined benefit plan for its employees, viz. gratuity. The present value of the obligation or asset under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance Sheet. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in finance cost in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly as other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity.

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.

3. Benefits for long-term compensated absences:

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the Projected Unit Credit Method at the year end.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly as other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity.

o) Share based payments

Eligible employees in terms of the Employees Stock Options Scheme of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments granted (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Share-Based Payment ("SBP") reserves in equity, over the period in which the performance and / or service conditions are fulfiled in employee benefits expense / vesting period. 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 expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

In respect of options issued to employees of wholly owned subsidiary, the Company has treated the charge as Deemed Equity Investments in subsidiary.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

The dilutive effect of outstanding options is reflected as share dilution in the computation of diluted earnings per share.

p) 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.

(i) Financial assets

Initial recognition and measurement of financial assets

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at Fair Value Through Profit Or Loss (FVTPL)
- Equity instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest income from these financial assets is included in finance income using the effective interest rate method.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company has made an irrevocable election to present subsequent changes in the fair value in the 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 recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, on sale of investment. However, the Company transfers the cumulative gain or loss within the equity from OCI to Retained Earnings.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss at each reporting date.

Dividends from such investments are recognised in profit or loss when the Company's right to receive payments is established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost
- Trade receivables or any contractual right to receive cash or another financial asset

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis. The Company does not have any Purchased or Originated Credit-Impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase / origination.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially at fair value net of, in the case of financial liabilities not classified as FVTPL, transaction costs that are attributable to the issue of the financial liability. Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated as such upon initial recognition at the initial date of recognition if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own credit risks are recognised in OCI. These gains / losses are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, these instruments are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of financial liability

A financial liability (or a part of a financial liability) is derecognised from the Balance Sheet when, and only when, it is extinguished i.e., when the obligation specified in the contract is discharged or cancelled or expired.

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.

Offsetting of financial instruments

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

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

q) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature and any deferral or accruals of past of future cash receipts or payments. The cash flows from regular operating, investing and financing activities of the Company are segregated.

r) Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with original maturity of three months or less, which are subject to an insignificant risk of changes in value. In the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, if any as they are considered as integral part of the Company's cash management.

s) Dividend

The Company recognises a liability to make cash distributions to the equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the provisions of the Act, a distribution is authorised when it is approved by the shareholders except in case of interim dividend which is approved by the Board of Directors. A corresponding amount is recognised directly in equity.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

t) Earnings per share (EPS)

Basic EPS is calculated by dividing the Company's earnings for the year attributable to ordinary equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. The earnings considered in ascertaining the Company's EPS comprise the net profit after tax attributable to equity shareholders. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares) other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares.

u) Segment reporting

i) Identification of segment

An operating segment is a component of a company whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make decisions about resource allocation and assess its performance and for which discrete financial information is available.

ii) Allocation of income and direct expenses and unallocated expenses

Income and direct expenses allocable to segments are classified based on items that are individually identifiable to that segment. Common allocable costs are allocated to each segment pro-rata on the basis of revenue of each segment to the total revenue of the Company. The remainder is considered as un-allocable expense.

iii) Segment policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole.

NOTE 5: 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.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its Financial Statements.

In August 2025, MCA notified the following amendments to:

Ind AS 1 – Presentation of Financial Statements

The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact on these amendments in its classification criteria of current and non-current liabilities.

Ind AS 7 – Statement of Cash Flows and Ind AS 107

Financial Instruments - Disclosures, applicable w.e.f April 1, 2025 – The amendment in Ind AS 7 requires to inform users of Financial Statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact on its Financial Statements.

Amendment issued but not effective (effective from April 01, 2026):

The Ministry of Corporate Affairs (MCA) through notification dated August 13, 2025, notified amendment to Ind AS 1, Presentation of Financial Statements. This amendment removes the carve-outs in Ind AS 1 from IAS 1 when there is a breach of a material covenant that transforms the liability from non-current to current. The Company will evaluate the requirements and apply these amendments from the effective date. However, presently the Company does not see any material impact on the Financial Statements.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 6 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2026	As at 31 March 2025
Cash on hand*	0.00	0.01
Balances with banks		
- On current accounts	0.21	0.09
- Fixed deposits having original maturity less than 3 months and interest accrued thereon	1.00	8.96
Total	**1.21**	**9.06**

* Indicates amount less than ₹ 50,000/-

NOTE 7 : BANK BALANCES OTHER THAN NOTE (6) ABOVE

Particulars	As at 31 March 2026	As at 31 March 2025
Earmarked balances		
Unclaimed dividend accounts	0.54	0.60
Other bank balances		
Deposits with banks and interest accrued thereon (more than 3 months)	101.19	89.16
Total	**101.73**	**89.76**

NOTE 8 : LOANS

Particulars	As at 31 March 2026	As at 31 March 2025
Loan		
Loan to wholly owned subsidiary*	353.15	265.42
Total	**353.15**	**265.42**

*The loan is unsecured, carrying interest rate @ 8.25% p.a repayable within period of seven years w.e.f. 1st October 2022 and /or as may be mutually decided by both the parties.

NOTE 9 : INVESTMENTS

	Particulars	Face Value	As at 31 March 2026		As at 31 March 2025	
		(₹)	Nos.	₹ in Crores	Nos.	₹ in Crores
(A)	**Measured at fair value through other comprehensive income**					
(i)	(Quoted equity instruments, fully paid)					
	Kirloskar Pneumatic Company Limited	2	64,22,990	667.99	64,22,990	759.61
	Kirloskar Brothers Limited	2	1,89,88,038	2,542.69	1,89,88,038	3,252.08
	Kirloskar Oil Engines Limited	2	82,10,439	1091.08	82,10,439	590.95
	Cummins India Limited	2	683	0.31	683	0.21
				4,302.07		**4,602.85**
(ii)	(Unquoted equity instruments, fully paid)					
	S. L. Kirloskar CSR Foundation $	10	9,800	0.00	9,800	0.00
	Kirloskar Management Services Private Limited	10	1,75,000	0.33	1,75,000	0.33
	The Mysore Kirloskar Limited (In liquidation)	10	1,13,460	0.27	1,13,460	0.27

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 9 : INVESTMENTS (CONTD.)

Particulars	Face Value (₹)	As at 31 March 2026 Nos.	As at 31 March 2026 ₹ in Crores	As at 31 March 2025 Nos.	As at 31 March 2025 ₹ in Crores
Less: Provision for impairment loss			(0.27)		(0.27)
			0.33		0.33
(iii) Preference shares					
Kirloskar Proprietary Limited*	100	1	0.00	1	0.00
Sub-total (A)			4,302.40		4,603.18
(B) Measured at amortised cost					
(Unquoted debentures and bonds)					
The Mysore Kirloskar Limited (In liquidation)					
12.5% Secured Non Convertible Part "B" debentures of ₹ 44/- each	100	30,000	0.13	30,000	0.13
Less: Provision for impairment loss			(0.13)		(0.13)
Sub-total (B)			-		-
(C) Measured at fair value through profit and loss					
Investments in mutual funds					
Aditya Birla Sun Life Money Manager Fund - Direct - Growth			17.77		21.58
Axis Money Market Fund - Direct - Growth			11.99		18.89
Bajaj Finserv Money Market Fund - Direct - Growth			15.52		21.14
Bandhan Money Manager Fund - Direct - Growth			11.03		14.32
DSP - Saving Fund - Direct - Growth			6.86		0.71
HDFC Money Market Fund - Direct - Growth			4.09		1.00
HSBC Money Market Fund - Direct - Growth			4.01		-
Mirae Asset Money Market Fund - Direct - Growth			15.31		15.67
Nippon India Money Market Fund - Direct - Growth			0.40		10.29
Tata Money Market Fund - Direct Plan - Growth			3.30		11.97
Kotak Money Market Fund - Direct - Growth			4.37		-
UTI Money Market Fund - Direct - Growth			0.61		7.40
Sub-total (C)			95.26		122.97
Total (A + B + C)			4,397.67		4,726.16
[$]Held at nominal value of ₹ 1/-					
*Indicates amount less than ₹ 50,000/-					
Aggregate amount of quoted investments- Cost			606.86		633.12
Aggregate amount of quoted investments- Market Value			4,397.34		4,725.82
Aggregate amount of unquoted investments			0.73		0.73
Aggregate provision in diminution in value of investments			0.40		0.40

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 10 : OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2026	As at 31 March 2025
Security deposits	0.64	0.54
Other receivables	0.42	0.07
Taxes Paid under protest[##]	0.06	-
Receivable from wholly owned subsidiary for:		
- Other receivables	0.12	0.71
- Dividend provision on cumulative compulsorily redeemable preference shares[#]	4.12	2.06
Other advances		
Unsecured, credit impaired	3.36	3.86
Less: Allowance for impairment loss	(3.36)	(3.86)
	-	-
Total	5.36	3.38

[#]8.25% Non Convertible Compulsorily redeemable Cumulative Preference Shares each of ₹ 1,000/- w.e.f 7th September 2023.

[##]The Company has paid property tax aggregating ₹ 1.11 Crore under protest to PMC for earlier years, and the matter is currently pending before the relevant authority. The Management believes it has a reasonable case for recovery; however, as the outcome is uncertain, in the earlier years, the amount has not been recognised as an asset in accordance with Ind AS 37. The same will be accounted as income for the year in which a favourable order is received and attains finality.

NOTE 11 : INVESTMENT IN SUBSIDIARIES

Particulars	As at 31 March 2026	As at 31 March 2025
Measured at cost		
(Quoted equity instruments, fully paid)		
Kirloskar Ferrous Industries Limited (KFIL)	374.12	374.12
- Extent of holding by the Company is 45.93 % (Previous Year: 46.01%)[#]		
- Number of shares held 7,57,43,754 (Previous Year: 7,57,43,754)		
(Unquoted equity instruments, fully paid)		
Avante Spaces Limited - Wholly Owned Subsidiary		
Investment in equity shares	84.13	84.13
- Extent of holding by the Company is 100% (Previous Year: 100%)		
- Number of shares held 1,02,34,868 (Previous Year: 1,02,34,868)		
Deemed investments (ESAR of the Company)	8.29	8.67
Investment in preference shares	25.00	25.00
- Number of shares held 2,50,000 (Previous Year: 2,50,000)		
Total	491.54	491.92

[#]During the year, KFIL has issued 3,04,305 equity shares under its ESOP scheme thereby reducing Company's holding from 46.01% to 45.93%.

Particulars	As at 31 March 2026	As at 31 March 2025
Aggregate amount of quoted investments in subsidiaries - Cost	374.12	374.12
Aggregate amount of quoted investments in subsidiaries- Market Value	2,642.32	3,561.09
Aggregate book value of unquoted investments in subsidiaries	117.42	117.80
Aggregate provision in diminution in value of investments in subsidiaries	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 12 : CURRENT TAX ASSETS (NET)

Particulars	As at 31 March 2026	As at 31 March 2025
Advance income tax (AY 2026-27)	1.61	0.15
[Net of provision for income tax]		
Total	**1.61**	**0.15**

NOTES 13 : INVESTMENT PROPERTY

Particulars	As at 31 March 2026	As at 31 March 2025
Land (at cost)**		
Balance as at the beginning of the year	0.11	0.11
Add: Additions during the year	-	-
Less: Sold/ Transferred during the year	-	-
Balance as at the end of the year (i)	**0.11**	**0.11**
Building (at cost less depreciation)		
(a) Gross block		
Balance as at the beginning of the year	13.87	27.07
Add: Additions during the year	0.69	-
Less: Transferred to Property Plant and Equipment*	-	(13.20)
Balance as at the end of the year	**14.56**	**13.87**
(b) Accumulated depreciation		
Balance as at the beginning of the year	9.78	10.92
Add: Depreciation for the year	0.25	0.50
Less: Acc. Depreciation on transfer to Property Plant and Equipment	-	(1.64)
Balance as at the end of the year	**10.03**	**9.78**
Net Block of building (ii) = (a) - (b)	**4.53**	**4.09**
Total investment property (i) + (ii)	**4.64**	**4.20**
Movement in fair value of Investment Properties		
Fair value of properties as at the beginning of the year	415.36	409.92
Fair valuation pertaining to property transferred during the year	-	(15.29)
Change in fair value of other properties	58.30	20.73
Fair value of assets as at the end of the year	**473.66**	**415.36**

*During the previous year ended 31 March 2025, the Company transferred a building from investment property to property, plant and equipment following a change in use, as it is now occupied for administrative purposes. The transfer was made at the carrying amount of ₹ 13.20 Cr and ₹ 1.64 Cr accumulated depreciation thereon. As both investment property and PPE are measured using the cost model under Ind AS 40 and Ind AS 16 respectively, no gain or loss was recognised on the transfer. The asset will continue to be depreciated over its remaining useful life in accordance with the Company's accounting policy for PPE.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTES 13 : INVESTMENT PROPERTY (CONTD.)

Investment Property Under Development

Particulars	As at 31 March 2026	As at 31 March 2025
Cost		
Opening Balance	-	-
Additions during the year	0.69	-
Transferred to investment property	(0.69)	-
Closing Balance	**-**	**-**

Fair valuation methodology

The fair values of investment properties have been determined on the basis of valuation carried out by an independent valuer on a case to case basis. Valuation is based on Government rates, market research, market trend and comparable values as considered appropriate.

Amount recognised in Statement of Profit and Loss relating to Investment Properties

Particulars	As at 31 March 2026	As at 31 March 2025
Rental income from investment property	16.00	20.89
Expenses arising from investment properties that generated rental income during the year	(1.88)	(2.29)
Profit from renting of investment properties	**14.12**	**18.60**

**Title deeds held in the name of the Company.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 14 : PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Particulars	Property, plant and equipment (A)										Intangible assets (B)	Total (B)	Total (A)+(B)
	Building			Furniture and fixtures	Vehicles	Office equipments	Computers and peripherals	Electrical installations	Leasehold improvement	Total (A)	Computer software		
	Owned *	Right of use of assets$	Other Plant and equipment										
Gross Block													
Balance as at 1 April 2024	13.20	2.51	2.29	1.42	1.84	1.26	0.35	0.47	0.63	23.97	0.13	0.13	24.10
- Additions	-	2.39	-	0.00	-	-	0.00	-	-	2.39	-	-	2.39
- (Disposals)	-	-	-	-	-	(0.18)	(0.03)	-	-	(0.21)	-	-	(0.21)
- Adjustments#	13.20	-	-	-	-	-	-	-	-	13.20	-	-	13.20
Balance as at 31 March 2025	**26.40**	**4.90**	**2.29**	**1.42**	**1.84**	**1.08**	**0.32**	**0.47**	**0.63**	**39.35**	**0.13**	**0.13**	**39.48**
- Additions	-	0.60	-	-	1.19	-	0.06	-	-	1.85	-	-	1.85
- (Disposals)	-	-	-	-	(0.20)	-	(0.01)	-	-	(0.21)	-	-	0.21
- (Adjustments)##	(26.40)	-	-	(0.38)	-	(0.75)	-	(0.47)	-	(28.00)	-	-	(28.00)
Balance as at 31 March 2026	**-**	**5.50**	**2.29**	**1.04**	**2.83**	**0.33**	**0.37**	**-**	**0.63**	**12.99**	**0.13**	**0.13**	**13.12**
Accumulated Depreciation													
Balance as at 1 April 2024	1.42	0.48	0.34	0.80	0.77	1.14	0.27	0.26	0.01	5.49	0.10	0.10	5.59
- Depreciation charge for the year	0.22	0.66	0.15	0.13	0.36	0.05	0.04	0.05	0.15	1.81	0.01	0.01	1.82
- Adjustments#	1.64	-	-	-	-	(0.18)	(0.02)	-	-	1.44	-	-	1.44
Balance as at 31 March 2025	**3.28**	**1.14**	**0.49**	**0.93**	**1.13**	**1.01**	**0.29**	**0.31**	**0.16**	**8.74**	**0.11**	**0.11**	**8.85**
- Depreciation charge for the year	0.04	1.28	0.15	0.09	0.49	0.02	0.03	0.00	0.15	2.25	0.01	0.01	2.26
- On (Disposals)	-	-	-	-	(0.13)	-	(0.01)	-	-	(0.14)	-	-	0.14
- (Adjustments)##	(3.31)	-	-	(0.25)	-	(0.75)	-	(0.31)	-	(4.62)	-	-	(4.62)
Balance as at 31 March 2026	**-**	**2.42**	**0.64**	**0.77**	**1.49**	**0.28**	**0.31**	**0.00**	**0.31**	**6.23**	**0.12**	**0.12**	**6.36**
Net Block													
Balance as at 31 March 2025	23.12	3.76	1.80	0.49	0.71	0.07	0.03	0.16	0.47	30.61	0.02	0.02	30.63
Balance as at 31 March 2026	**-**	**3.08**	**1.65**	**0.27**	**1.34**	**0.05**	**0.06**	**-**	**0.32**	**6.76**	**0.01**	**0.01**	**6.77**

$Refer Note No. 43 for Right of Use of assets.

*Title deeds held in the name of the Company.

#During the previous year ended 31 March 2025, the Company transferred a building from investment property to property, plant and equipment following a change in use, as it is now occupied for administrative purposes. The transfer was made at the carrying amount of ₹ 13.20 Cr and ₹ 1.64 Cr accumulated depreciation thereon. As both investment property and PPE are measured using the cost model under Ind AS 40 and Ind AS 16 respectively, no gain or loss was recognised on the transfer. The asset will continue to be depreciated over its remaining useful life in accordance with the Company's accounting policy for PPE.

##During the year ended 31 March 2026, the Company transferred Cello Platina building and related assets (office equipments, furniture and fixtures and electrical installments) from property, plant and equipment to non current assets held for sale as per Ind AS 105. The transfer was made at the carrying amount of ₹ 28 Cr and ₹ 4.62 Cr accumulated depreciation thereon.

The asset pertaining to windmill has been reclassified and disclosed as Assets held for sale - Discontinued Operation.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 15 : OTHER NON-FINANCIAL ASSETS

Particulars	As at 31 March 2026	As at 31 March 2025
(Unsecured, considered good, unless otherwise stated)		
Prepaid expenses	0.10	0.01
Balances with Government authorities	0.42	1.17
Advances with creditors	0.36	0.12
Advance income tax (Previous Years - Net of provision for Income Tax)	15.06	14.86
Total	**15.94**	**16.16**

NOTE 16 : ASSETS CLASSIFIED AS HELD FOR SALE DISCONTINUING OPERATIONS

Accounting Policy

Non-current assets or disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. As at each balance sheet date, the Management reviews the appropriateness of such classification depending upon various factors including any regulatory approval.

Non-current assets or disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipments and intangible assets once classified as held for sale are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Statement of Profit and Loss. Additional disclosures are provided hereunder. All other notes to the Standalone Financial Statements mainly include amounts for continuing operations, unless otherwise mentioned.

Particulars	As at 31 March 2026	As at 31 March 2025
Financial assets		
Other financial assets		
- Security deposit	0.03	0.03
- Contract assets	0.34	0.16
	0.37	**0.19**
Non financial assets		
Inventories$	0.02	0.03
Property, plant and equipment	2.01	2.01
Other non-financial assets		
- Advance to creditors*	0.00	0.00
- Prepaid expenses	0.10	0.09
- Deposits	0.16	0.16
	2.29	**2.29**
	2.66	**2.48**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 16 : ASSETS CLASSIFIED AS HELD FOR SALE DISCONTINUING OPERATIONS (CONTD.)

Liabilities directly associated with assets classified as held for sale

Financial liabilities	As at 31 March 2026	As at 31 March 2025
Other financial liabilities		
- Creditors	0.30	0.32
- Advance received against asset held for sale	1.62	1.62
	1.92	**1.94**
Non-financial liabilities		
Provisions for decommissioning and restoration (Refer Note No.39)	3.13	2.89
	3.13	**2.89**
	5.05	**4.83**

$Renewable Energy Certificates (RECs) and RECs under certification
[Total REC units 16,286 (Previous Year: 22,507); of which certified units are 13,685 (Previous Year: 20,123)]

*Indicates amount less than ₹ 50,000/-

NOTE 17 : NON-CURRENT ASSETS HELD FOR SALE

Particulars	As at 31 March 2026	As at 31 March 2025
Non financial assets		
Property, plant and equipment	23.37	-
Other financial assets		
-Security Deposits- Electricity	0.03	-
	23.40	**-**

NOTE 18 : DEPOSITS

Particulars	As at 31 March 2026	As at 31 March 2025
Measured at amortised cost		
Others		
-Security deposits	7.35	6.54
Total	**7.35**	**6.54**

NOTE 19 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
Measured at amortised cost		
Investors Education and Protection Fund will be credited by the following amounts, as and when due:		
- Unclaimed equity dividend$	0.54	0.60
Employee benefits	8.38	1.38
Expenses and other payable**	1.37	1.93
Commission payable to Directors	1.07	0.94
Lease liability	3.60	4.20
Total	**14.96**	**9.05**

$Unclaimed equity dividend includes ₹ 13,314 (Previous Year: ₹ 12,912) ; on 31 shares in abeyance on the directions of Special Court which will not be transferred to Investors Education and Protection Fund.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 19 : OTHER FINANCIAL LIABILITIES (CONTD.)

**Details of dues to micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)

Particulars	As at 31 March 2026	As at 31 March 2025
Dues remaining unpaid to any supplier		
-Principal	0.01	0.11
-Interest on the above	-	-
Amount of interest paid in terms of Section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006	-	-

NOTE 20 : PROVISIONS

Particulars	As at 31 March 2026	As at 31 March 2025
Gratuity	2.85	2.00
Compensated absences	1.00	0.91
Total	**3.85**	**2.91**

NOTE 21 : DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 March 2026	As at 31 March 2025
Deferred tax liabilities (Net)	462.77	505.65
Total	**462.77**	**505.65**

NOTE 22 : OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
Statutory dues payable	0.73	1.27
Property Licensing fees received in advance	0.69	1.09
Total	**1.42**	**2.36**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 23 : EQUITY SHARE CAPITAL

(a) Authorised, issued, subscribed and paid-up share capital and par value per share:

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number	₹ in Crores	Number	₹ in Crores
AUTHORISED				
Equity shares of ₹ 10/- each	5,00,00,000	50.00	5,00,00,000	50.00
ISSUED AND SUBSCRIBED				
Equity shares of ₹ 10/- each	1,05,09,403	10.51	1,04,13,076	10.41
CALLED UP AND PAID UP				
Equity shares of ₹ 10/- each fully paid up	1,05,09,372	10.51	1,04,13,045	10.41
SHARE CAPITAL SUSPENSE ACCOUNT*	31	-	31	-
Equity shares of ₹ 10/- each fully paid up				
Total	**1,05,09,403**	**10.51**	**1,04,13,076**	**10.41**

*31 (Previous Year: 31) Equity Shares of ₹ 10/- each aggregating to ₹ 310/- to be issued to shareholders of erstwhile Shivaji Works Limited on amalgamation as per scheme sanctioned by Board for Industrial and Financial Reconstruction, are kept in abeyance on the directions of Special Court.

(b) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number	₹ in Crores	Number	₹ in Crores
Shares outstanding at the beginning of the year	1,04,13,076	10.41	99,27,584	9.93
Add: Issue of equity shares under ESAR scheme	96,327	0.10	29,912	0.03
Add: Issue of equity shares against share warrants	-	-	4,55,580	0.45
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	**1,05,09,403**	**10.51**	**1,04,13,076**	**10.41**

(c) Equity shares in the Company held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31 March 2026		As at 31 March 2025	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Atul Chandrakant Kirloskar#	15,11,352	14.38%	15,11,352	14.51%
Rahul Chandrakant Kirloskar##	18,49,478	17.60%	18,49,478	17.76%
Jyotsna Gautam Kulkarni	11,78,592	11.21%	11,78,592	11.32%
Alpana Rahul Kirloskar	7,09,648	6.75%	7,09,648	6.81%
Nihal Gautam Kulkarni	5,89,296	5.61%	5,89,296	5.66%
Ambar Gautam Kulkarni	5,89,296	5.61%	5,89,296	5.66%
Gauri Atul Kirloskar	5,27,608	5.02%	5,27,608	5.07%

#Out of these 15,11,327 equity shares are held in the individual capacity and 25 equity shares held as a Trustee of C.S. Kirloskar Testamentary Trust.

##Out of these, 18,49,249 equity shares are held in the individual capacity and 229 equity shares held as a Trustee of C.S. Kirloskar Testamentary Trust.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 23 : EQUITY SHARE CAPITAL (CONTD.)

(d) Details of allotment of shares for consideration other than cash, allotments of bonus shares and shares bought back:

Particulars	2025-26	2024-25	2023-24	2022-23	2021-22
Equity Shares :					
Fully paid up by way of bonus shares	-	-	-	-	-
Allotted pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Shares bought back	-	-	-	-	-

(e) Each holder of equity share is entitled to one vote per share and to receive interim/ final dividend as and when declared by the Board of Directors/ at the Annual General Meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(f) Details of shareholding pattern of Promoters:

Promoter Name	As at 31 March 2026			As at 31 March 2025		
	No. of Shares held	% of Holding	% Change during the year	No. of Shares held	% of Holding	% Change during the year
Individuals / Hindu Undivided Family						
Atul Chandrakant Kirloskar	15,11,327	14.38	(0.13)	15,11,327	14.51	1.58
Atul Chandrakant Kirloskar as a Trustee of C S Kirloskar Testamentary Trust	25	-	-	25	-	-
Rahul Chandrakant Kirloskar	18,49,249	17.60	(0.16)	18,49,249	17.76	1.43
Rahul Chandrakant Kirloskar as a Trustee of C S Kirloskar Testamentary Trust	229	-	-	229	-	-
Sanjay Chandrakant Kirloskar as a Trustee of Kirloskar Brothers Limited Employees Welfare Trust Scheme	2,362	0.02	(0.01)	2,362	0.03	-
Sanjay Chandrakant Kirloskar	250	-	-	250	-	-
Sanjay Chandrakant Kirloskar as a Karta of Sanjay Kirloskar HUF*	-	-	(0.00)	14	-	-
Jyotsna Gautam Kulkarni	11,78,592	11.21	(0.11)	11,78,592	11.32	(0.55)
Geetanjali Vikram Kirloskar	-	-	(0.02)	2,125	0.02	-
Suman Chandrakant Kirloskar	5	-	-	5	-	-
Suman Chandrakant Kirloskar as a Karta of C. S. Kirloskar HUF	2,125	0.02	-	2,125	0.02	-
Roopa Jayant Gupta	5,123	0.05	-	5,123	0.05	-
Arti Atul Kirloskar	3,57,909	3.41	(0.03)	3,57,909	3.44	(0.17)
Alpana Rahul Kirloskar	7,09,648	6.75	(0.06)	7,09,648	6.81	(0.34)
Nihal Gautam Kulkarni	5,89,296	5.61	(0.05)	5,89,296	5.66	(0.28)
Ambar Gautam Kulkarni	5,89,296	5.61	(0.05)	5,89,296	5.66	(0.28)
Aditi Atul Kirloskar	1,75,869	1.67	(0.02)	1,75,869	1.69	(0.08)
Gauri Atul Kirloskar	5,27,608	5.02	(0.05)	5,27,608	5.07	(0.24)
Total	**74,98,913**	**71.35**		**75,01,052**	**72.04**	

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 23 : EQUITY SHARE CAPITAL (CONTD.)

Promoter Name	As at 31 March 2026			As at 31 March 2025		
	No. of Shares held	% of Holding	% Change during the year	No. of Shares held	% of Holding	% Change during the year
Corporate Bodies						
Kirloskar Pneumatic Company Limited	200	-	-	200	-	-
Navsai Investments Private Limited	3,854	0.04	-	3,854	0.04	-
Alpak Investments Private Limited	3,854	0.04	-	3,854	0.04	-
Achyut and Neeta Holdings and Finance Private Limited	100	-	-	100	-	-
Kirloskar Chillers Private Limited	46,144	0.44	-	46,144	0.44	(0.02)
Total	**54,152**	**0.52**		**54,152**	**0.52**	
Grand Total	**75,53,065**	**71.87**		**75,55,204**	**72.56**	

* Indicates percentage change in holding less than 0.01%.

NOTE 24 : OTHER EQUITY

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(a) Securities Premium		
Balance as at the beginning of the year	119.68	19.16
Add: Transfer from share options outstanding account	6.73	0.97
Add: Transfer from money received against share warrants	-	99.55
Balance as at the end of the year	**126.41**	**119.68**
(b) General reserve		
Balance as at the beginning of the year	323.60	323.60
Add: Transfer from surplus of profit and loss	-	-
Add: Transfer from share options outstanding account	0.34	-
Balance as at the end of the year	**323.94**	**323.60**
(c) Share options outstanding account (Refer Note No. 42)		
Balance as at the beginning of the year	17.39	29.62
Stock options expense	0.23	2.34
Stock options expense pertaining to wholly owned subsidiary	0.56	1.65
Less : Transferred to general reserve	(0.34)	-
Less: Transfer to securities premium	(6.73)	(0.97)
Less : Adjustment on lapse of unvested share options transferred to retained earnings	(4.19)	(15.25)
Balance as at the end of the year	**6.92**	**17.39**
(d) Equity instruments through other comprehensive income		
Balance as at the beginning of the year	3,586.82	2,448.44
Measurement of investments at FVTOCI (net of taxes)	(257.77)	1,106.57
Add: Transferred from statement of profit and loss on account of sale of shares of Swaraj Engines Limited#	-	31.81
Balance as at the end of the year	**3,329.05**	**3,586.82**
(e) Surplus/ (Deficit) in the Statement of Profit and Loss		
Balance as at the beginning of the year	1,050.08	1,016.68
Add: Net Profit transferred from the Statement of Profit and Loss	77.01	78.32
Add/(Less): Remeasurement of defined benefit plans (net of taxes)	(0.10)	(0.17)
Less : Transfer to Other Comprehensive Income on account of sale of shares of Swaraj Engines Limited#	-	(31.81)
Amount available for appropriation	**1,126.99**	**1,063.02**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 24 : OTHER EQUITY (CONTD.)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Less: Appropriations:		
Final Dividend for F.Y. 2024-25 (2023-24)	13.54	12.94
Net surplus in the Statement of Profit and Loss	**1,113.45**	**1,050.08**
(f) Money received against share warrants		
Balance as at the beginning of the year	-	25.00
Received During the year	-	75.00
Less : Share Issued during the year	-	(100.00)
Balance as at the end of the year	**-**	**-**
(g) Share application money pending allotment	-	-
Total	**4,899.77**	**5,097.57**

#During the previous year ended 31 March 2025, the Company identified that, in the financial year 2022-23, the entire cumulative gain on sale of long-term equity investments of Swaraj Engine Limited classified as fair value through other comprehensive income (FVTOCI) had been transferred from Other Comprehensive Income (OCI) to Retained Earnings upon disposal of those investments. However, in accordance with Ind AS 109 – Financial Instruments, only the gain net of tax should have been transferred. Accordingly, an amount of ₹ 31 Crore, representing the tax effect on such gain, has been reclassified/regrouped from Retained Earnings to Other Comprehensive Income during the previous year ended 31 March 2025 through the Statement of Changes in Equity.

Notes:

1) **Security Premium:**

   The amount in the security premium account represents the additional amount paid by the shareholders for the issued shares in excess of the face value of equity shares.

2) **General reserve:**

   General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc .

3) **Share options outstanding account:**

   The share option outstanding account is used to recognise the fair value of options to the employees of the Company and its Wholly Owned Subsidiary, under the employee stock option plans of the Company, which are unvested or unexercised as on the reporting date (Refer Note No 42).

4) **Equity instruments through Other Comprehensive Income:**

   This reserve represents the cumulative gains and losses arising on the fair valuation of equity instruments measured through other comprehensive income, net of amounts reclassified to retained earnings when these equity instruments are disposed off.

5) **Surplus/(Deficit) in the Statement of Profit and Loss:**

   This comprise of the undistributed profit after taxes.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 25 : INTEREST INCOME

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
- On financial assets measured at amortised cost		
Interest on loans	25.65	18.17
Interest on deposits with banks	6.42	5.69
Interest on non convertible debentures	-	0.42
Total	**32.07**	**24.28**

NOTE 26 : NET GAIN ON FAIR VALUE CHANGES

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
- On financial instruments measured at fair value through profit and loss		
Investments in mutual funds		
Unrealised	2.44	4.08
Realised	5.10	4.63
Total	**7.54**	**8.71**

NOTE 27 : OTHER INCOME

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Property licensing fees	16.00	20.89
Business facilitation services	1.29	1.82
Provisions no longer required written back	1.29	-
Gain on Sale of property, plant and equipment	0.03	0.01
Dividend provision on Preference shares	2.06	2.06
Miscellaneous income*	0.01	0.00
Total	**20.68**	**24.78**

* Indicates amount less than ₹ 50,000/-.

NOTE 28 : FINANCE COSTS

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
- On financial liabilities measured at amortised cost		
Unwinding of interest on security deposit (Net)	0.41	0.74
Lease liability	0.38	0.27
- On provisions		
Net interest on net defined benefit liability	0.13	0.16
Total	**0.92**	**1.17**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 29 : EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Salaries and incentives	14.00	6.80
Contributions to provident and other funds	0.28	0.50
Employees stock option expense (Refer Note No. 42)	0.22	2.34
Gratuity	0.08	0.05
Staff welfare expenses	0.13	0.31
Total	**14.71**	**10.00**

NOTE 30 : DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
On property, plant and equipment (Refer Note No. 14)	0.94	1.13
On investment property (Refer Note No. 13)	0.25	0.50
On right of use of asset (Refer Note No. 14)	1.28	0.67
On intangible assets (Refer Note No. 14)	0.01	0.01
Total	**2.48**	**2.31**

NOTE 31 : OTHER EXPENSES

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Security expenses	1.08	2.01
Repairs and maintenance :		
- Property	1.71	0.67
- Other assets	0.42	0.39
Garden and site maintenance	0.16	0.27
Rates and taxes	0.28	0.56
Legal and professional fees	5.48	5.53
Commission to Directors	1.04	0.92
Director sitting fees	0.62	0.58
Electricity charges	0.19	0.16
Travelling expenses	0.29	0.10
Insurance charges	0.24	0.20
Membership subscription	0.11	0.08
Corporate Social Responsibility expenses#	0.54	0.41
Loss on sale of fixed assets*	-	0.00
Miscellaneous expenses	0.63	0.36
Advertisement & Publicity	0.45	0.12

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 31 : OTHER EXPENSES (CONTD.)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Payment to auditors :		
(a) for audit	0.13	0.12
(b) for tax audit	0.02	0.02
(c) for other services	0.01	0.01
(d) for auditors reimbursement of expenses*	0.00	0.00
Total	**13.40**	**12.51**

*Indicates amount less than ₹ 50,000/-

#**Expenditure on Corporate Social Responsibility (CSR) activities**:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Balance unspent CSR amount at the beginning of the year	-	-
(a) Gross amount required to be spent by the Company during the year	0.54	0.41
(b) Amount approved by the Board to be spent during the year	0.54	0.41
(c) Amount spent by the Company during the year-		
(i) Construction/Acquisition of any asset	-	-
(ii) On purpose other than (i) above	0.54	0.41
Balance unspent /(Excess) CSR amount at the end of the year*	0.00	-
The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	-	-
The total of previous years' shortfall amounts	-	-
The reason for above shortfalls	NA	NA

* Indicates amount less than ₹ 50,000/-.

NOTE 32 : EXCEPTIONAL ITEMS - (EXPENSE) / INCOME

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Gain on reversal of ESAR Charges#	3.25	6.10
Statutory impact of New Labour Code##	(0.63)	-
Total	**2.62**	**6.10**

#During the year ended March 31, 2026 the reversal of ESAR charge for unvested options on account of seperation of employee has resulted in exceptional gain and accordingly Exceptional Item of ₹ 3.25 Cr is shown as income.

##On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has assessed and estimated the incremental impact of these changes on the basis of information available, consistent with the guidance provided by the Institute of Chartered Accountants of India Considering the materiality and non-recurring nature of this impact, the Company has presented such incremental impact as "Statutory impact of new Labour Codes" under "Exceptional Items" in the Statement of Profit and Loss for the year ended March 31, 2026. The incremental impact on employee benefits of ₹ 0.63 Crore primarily arises due to change in wage definition. The Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and impact of these if any, will be evaluated and accounted for in accordance with applicable accounting standards in the period in which they are notified.

Further, the Government of India has by a notification on 8th May 2026, notified the final rules under the New Labour Codes. Since the new labour codes and related rules are evolving and subject to further clarifications and implementation guidelines, the Company will continue to evaluate the implications thereof and the appropriate accounting impacts, if any, shall be accounted for as and when the same becomes reasonably measurable and ascertainable.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 33 : DISCONTINUED OPERATIONS

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Income		
Revenue from windmill operations**	3.32	2.87
Sundry balances no longer payable	-	0.04
Total Income	**3.32**	**2.91**
Expenses		
Finance costs	0.25	0.23
Employee benefit expenses	0.41	0.26
Depreciation and amortisation expenses	0.04	0.02
Operating and other expenses	1.55	1.51
Total expenses	**2.25**	**2.02**
Profit before tax from discontinuing operations	**1.07**	**0.89**
Tax expense for discontinuing operations		
- Current tax	0.35	0.30
- Deferred tax	(0.06)	(0.06)
Total tax expenses for discontinuing operations	**0.29**	**0.24**
Profit for the year from discontinuing operations	**0.78**	**0.65**

** 15,894 Renewable Energy Certificates (RECs) sold during the year (Previous year : 7,122).

NOTE 34: INCOME TAXES (INCLUDING DISCONTINUED OPERATIONS)

Particulars		Year ended 31 March 2026	Year ended 31 March 2025
(i)	**The major components of income tax expense are:**		
(a)	**Statement of Profit and Loss section**		
	Current income tax charge	22.00	20.30
	Short/ (Excess) provision of earlier years	-	(1.18)
	Deferred tax	0.17	4.13
	Income tax expense reported in the Statement of Profit and Loss	**22.17**	**23.25**
(b)	**Statement of other comprehensive income**		
	Deferred tax (expense)/ income on fair valuation of equity instruments	43.07	(224.38)
	Deferred tax (expense)/ income on remeasurements of defined benefit plan	(0.03)	(0.06)
	Income tax charged to other comprehensive income	**43.04**	**(224.44)**
(ii)	**Reconciliation of tax expense and the accounting profit**		
	Accounting profit for the Company before income tax	99.18	101.57
	Tax on above at current rate of Income Tax	24.96	25.56
	Tax Expense		
	Current	22.00	20.30
	Short/ (Excess) provision of earlier years	-	(1.18)

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 34: INCOME TAXES (INCLUDING DISCONTINUED OPERATIONS) (CONTD.)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Deferred	0.17	4.13
Total Tax Expense	**22.17**	**23.25**
Difference	2.79	2.31
Tax Reconciliation		
Amounts not deductible		
Donations & CSR expenses	0.14	0.11
Others	3.42	2.76
Amounts not taxable		
Others	(6.35)	(4.00)
Other adjustments		
Taxation in respect of earlier years	-	(1.18)
Total	**(2.79)**	**(2.31)**

	Particulars	As at 31 March 2026	As at 31 March 2025
(iii)	**Movement in current tax asset/current tax liabilities (net)**		
	Balance at the beginning of the year (current tax asset (net))	15.01	14.74
	Provision recognised during the year	(22.00)	(19.12)
	Current tax paid for the year	23.66	19.39
	Balance at the end of the year	**16.67**	**15.01**
	Income tax assets	163.94	140.28
	Income tax liabilities	147.27	125.27
	Total (Net)	**16.67**	**15.01**

	Particulars	Balance Sheet		Statement of Profit and Loss	
		As at 31 March 2026	As at 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025
(iv)	**Deferred tax relates to the following:**				
	Deferred tax assets				
	Provision for employee benefits	0.97	0.73	0.24	(0.42)
	Provision for dismantling obligation	0.79	0.73	0.06	0.06
	MAT credit entitlement	0.50	0.50	-	-
	Optionally convertible debentures	-	-	-	-
	Other temporary difference	(0.01)	0.19	(0.20)	0.04
	Gross deferred tax assets	**2.25**	**2.15**	**0.10**	**(0.32)**
	Deferred tax liabilities				
	Property, plant and equipment	4.37	4.30	0.07	3.00
	Fair valuation of financial instruments	0.66	1.03	(0.37)	0.57
	Fair valuation of equity financial instruments	458.95	501.96	(43.01)	256.30
	Other temporary difference	-	-	-	(0.02)
	Preference shares - Finance income	1.04	0.51	0.53	0.21
	Tax impact of sale of equity investment measured through OCI#	-	-	-	(31.81)
	Gross deferred tax liabilities	**465.02**	**507.80**	**(42.77)**	**228.25**
	Deferred tax (assets)/liabilities (Net)	**462.77**	**505.65**	**(42.88)**	**228.57**
	Amount recognised in Statement of Profit and Loss			0.17	4.13
	Amount recognised in Statement of Other Comprehensive Income			(43.04)	224.44

#The deferred tax liability of Rs. 31 Crore arose from the sale of investment in Swaraj Engine Limited during the FY 2022-23. This amount was deducted from Other Comprehensive Income (OCI) in the same year and subsequently credited to the profit and loss account under provision for tax. Simultaneously, as the OCI decreased due to the sale of investment, it led to automatic impact on deferred tax as a result, the deferred tax was reduced twice for a single transaction.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 34: INCOME TAXES (INCLUDING DISCONTINUED OPERATIONS) (CONTD.)

NOTE 35: EARNINGS PER SHARE

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.

Diluted EPS amounts are calculated by adjusting profit or loss attributable to ordinary equity holders of the entity, and the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars		Year ended 31 March 2026	Year ended 31 March 2025
Net profit after tax attributable to equity shareholders of the Company	(A)	76.23	77.67
Discontinuing operations	(B)	0.78	0.65
Total	**(C)**	**77.01**	**78.32**
Weighted average number of equity shares in calculating basic EPS*	(D)	1,04,61,014	1,01,83,094
Effect of dilution:			
Weighted average number of potential equity shares on account of employee stock options*		29,090	1,32,831
Preferential allotment		-	-
Total number of diluted equity shares at the end of the year*	(E)	1,04,90,104	1,03,15,925
Continuing operations			
Basic earnings per share of face value of 10 each (₹)	(A/D)	72.86	76.28
Diluted earnings per share of face value of 10 each (₹)	(A/E)	72.66	75.30
Discontinuing operations			
Basic earnings per share of face value of 10 each (₹)	(B/D)	0.75	0.64
Diluted earnings per share of face value of 10 each (₹)	(B/E)	0.75	0.63
Total			
Basic earnings per share of face value of 10 each (₹)	(C/D)	73.61	76.92
Diluted earnings per share of face value of 10 each (₹)	(C/E)	73.41	75.93

*The number of shares stated are in full figure.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 36: EMPLOYEE BENEFITS EXPENSE

(a) Defined contribution plans:

The Company has contributed ₹ 0.28 Crores (Previous Year: ₹ 0.50 Crores) towards defined contribution plans i.e., Provident Fund and Superannuation Scheme.

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
- Amount recognised in the Statement of Profit and Loss towards contribution to employees Provident Fund and Superannuation Fund	0.28	0.50
Total	**0.28**	**0.50**

(b) Defined benefit plans:

Gratuity: The Company has an unfunded defined benefit Gratuity plan. Every employee who has completed five years or more of service is eligible for a gratuity on separation at 15 days or 30 days basic salary (last drawn salary) as applicable for each completed year of service.

Disclosure pursuant to Indian Accounting Standard (Ind AS) 19 : Employee Benefits

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Amount recognised in Statement of Profit and Loss under employee benefit expenses		
Current service cost	0.13	0.05
Past service cost	0.63	-
Transfer In / (Out)	(0.05)	-
Interest expenditure on defined benefit liability	0.13	0.16
Amount recognised in Statement of Other Comprehensive Income		
Remeasurements of defined benefit plan (gain) / Loss	0.13	0.22

Reconciliation of liability

Particulars	Present value of Obligation	
	Year ended 31 March 2026	Year ended 31 March 2025
Balance at the beginning of the year	**2.00**	**2.80**
Transfer in / (out)	(0.17)	-
Current service cost	0.13	0.05
Past service cost	0.63	-
Net interest (income) / expense	0.13	0.16
Total amount recognised in Statement of Profit and Loss	**0.89**	**0.20**
Remeasurement during the period due to:		
Return on plan assets excluding amounts included in interest income	-	-
Change in financial assumptions	0.13	0.22
Change in experience adjustments	-	-
Total amount recognised in Other Comprehensive Income	**0.13**	**0.22**
Employers contributions	-	-
Benefit payments	(0.01)	(1.23)
Balance at the end of the year	**2.84**	**2.00**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 36: EMPLOYEE BENEFITS EXPENSE (CONTD.)

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	As at 31 March 2026	As at 31 March 2025
Present value of obligations	2.84	2.00
Fair value of plan assets	NA	NA
Deficit / surplus of plans	(2.84)	(2.00)
Deficit of gratuity plan	**(2.84)**	**(2.00)**

The principal assumptions used in determining gratuity obligations for the Company are shown below:

Particulars	As at 31 March 2026	As at 31 March 2025
a. Discount rate	7.20%	6.70%
b. Rate of increase in compensation cost	10.00%	10.00%
c. Expected average remaining working lives of employees (years) *	7.78	7.52
d. Withdrawal rate of attrition	10.00%	10.00%

*It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

A quantitative sensitivity analysis for significant assumption as at 31 March 2026 and 31 March 2025, is shown below:

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the present value of obligation.

Particulars	Sensitivity level	Increase/(decrease) in defined benefit obligation (impact)	
		31 March 2026	31 March 2025
Discount rate			
Decrease by	1%	0.05	0.02
Increase by	1%	(0.04)	(0.02)
Future salary increase			
Decrease by	1%	(0.04)	(0.01)
Increase by	1%	0.04	0.02
Withdrawal rate			
Decrease by	1%	0.01	0.00
Increase by	1%	(0.01)	(0.00)

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects the other variables. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 36: EMPLOYEE BENEFITS EXPENSE (CONTD.)

The followings are the expected future benefit payments for the defined benefit plan:

Particulars	As at 31 March 2026	As at 31 March 2025
Within the next 12 months (next annual reporting period)	2.24	1.76
Between 1 and 5 years	0.24	0.12
Beyond 5 years	0.53	0.10
Total expected payments	**3.01**	**1.98**

Weighted average duration of defined benefit plan obligation (based on discounted cash flows):

Particulars	31 March 2026	31 March 2025
Weighted average duration of defined benefit plan obligation (years)	6.55	6.19

Risk Exposure & Asset Liability Matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long-term obligations to make future benefit payments.

(1) Liability risks

(i) Asset-Liability mismatch risk-

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralise valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

(ii) Discount rate risk-

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

(iii) Future salary escalation and inflation risk-

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at Management's discretion may lead to uncertainities in estimating this increasing risk.

(iv) Unfunded plan risk-

This represents unmanaged risk and a growing liability. There is an inherent risk here that the Company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in Company's financials and also benefit risk through return on the funds made available for the plan.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 37: CONTINGENT LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
a. Disputed demands		
- Service tax	0.03	0.03
- Income tax*	25.17	26.62
b. Conveyance deed charges in respect of property	0.22	0.22

* Net of ₹ 10.65 Crore paid under protest in earlier years and an income tax refund adjustment of ₹ 1.40 Crore.

NOTE 38: COMMITMENTS

i) Capital Commitment

Particulars	As at 31 March 2026	As at 31 March 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-
Total	**-**	**-**

ii) Other Commitment

The Company has executed Cost Overrun Shortfall Undertaking in favour of Lenders of wholly owned subsidiary i.e. Avante Spaces Limited (ASL) whereby the Company has undertaken to provide additional funds as may be required to complete the commercial project at Karve Road, Kothrud, Pune in the event of any shortfall in the resources of ASL in completing the said project. As at March 31, 2026, there has been no increase in total project cost as assessed by the Lenders of ASL.

NOTE 39: PROVISIONS

The disclosure required by IND AS 37 - Provisions, Contingent Liabilities and Contingent Assets prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, is as follows:

Provision for decommissioning and restoration*	As at 31 March 2026	As at 31 March 2025
Opening balance of provision	2.89	2.66
Provisions for the year	0.24	0.23
Closing balance of provision	**3.13**	**2.89**

*Nature of obligation: Provision for possible obligation towards outflow related to decommissioning and restoration of windmills.

Provision for decommissioning and restoration relates to asset held for sale - discontinued operations.

Expected timing of resulting outflow: Substantial costs will be incurred at the end of useful life of windmills.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 40: REVENUE FROM CONTRACTS WITH CUSTOMERS

Disclosure pursuant to Indian Accounting Standard (Ind AS) 115 : Revenue from contracts with customers

A. Revenue streams

The Company generates revenue from wind power generation (Asset held for sale- discontinued operations).

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Revenue from contracts with customers	3.32	2.87
Total	**3.32**	**2.87**

B. Disaggregation of revenue from contracts with customers

The entire revenue from contracts with customers is recognised at point in time and pertain to one line of business i.e., wind power generation.

The information relating to trade receivables from revenue from operations is disclosed in Note no. 16.

C. Contract assets reconciliation

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Opening contract assets	0.16	0.29
Revenue recognised during the year	3.32	2.91
Written off during the year	-	-
Revenue realised during the year	3.14	3.04
Closing contract assets	**0.34**	**0.16**

NOTE 41: RELATED PARTY TRANSACTIONS

Related parties, as defined under Clause 3 of Ind AS 24 "Related Party Disclosures", have been identified on the basis of representation made by the Key Management Persons and taken on record by the Board of Directors. Disclosures of transactions with related parties are as under:

(A) List of related parties as per the requirements of Ind AS 24 - Related party disclosures

(i) Subsidiaries:

Kirloskar Ferrous Industries Limited (KFIL)

Avante Spaces Limited (ASL)

(ii) Subsidiaries of Subsidiary

Oliver Engineering Private Limited
ISMT Enterprises SA, Luxembourg (Voluntary liquidation initiated on May 26, 2025 and Company liquidated on September 01, 2025)
Structo Hydraulics AB, Sweden (Company under liquidation)
ISMT Eurpore AB, Sweden (liquidation initiated on January 09, 2025 and liquidated on December 08, 2025)
Tridem Port and Power Company Private Limited
Nagapattinam Energy Private Limited

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 41: RELATED PARTY TRANSACTIONS (CONTD.)

Best Exim Private Limited
Success Power and Infraprojects Private Limited
Marshall Microware Infrastructure Development Company Private Limited
Adicca Energy Solutions Private Limited

(iii) Key Management Personnel :

Name of Key Management Personnel	Designation	Transactions with relatives of Key Management Personnel and relationship
George Verghese (w.e.f May 20, 2025)	Managing Director	None
Aditi Chirmule	Executive Director	None
Anandh Baheti (Upto November 04, 2025)	Chief Financial Officer	None
Bharathan Gopalakrishnan (w.e.f November 14, 2025)	Chief Financial Officer	None
Ashwini Mali	Company Secretary	None

(B) Summary of transactions with related parties

Nature of transaction	Subsidiaries		Key Management Personnel	
	2025-26	2024-25	2025-26	2024-25
Compensation paid to Key Management Personnel	-	-	13.76	15.10
Loan to subsidiary (Net)	92.50	69.20	-	-
Reimbursement of expenses and shared salary received	1.29	1.84	-	-
Dividend received	41.66	41.66	-	-
Interest received	25.64	18.17	-	-
Dividend paid	-	-	0.02	0.18
Licensing fees received	-	0.16	-	-
Dividend provision on cumulative compulsorily redeemable preference shares	2.06	2.06	-	-
Security deposit refunded	-	0.13	-	-
Security Deposit Paid	0.01	0.26	-	-
Licensing fees paid	0.53	0.17	-	-
Amenities and facilities fees paid	0.89	0.30	-	-
Reimbursement of expenses paid	0.24	0.07	-	-
ESAR- Deemed Investment in ASL	0.71	10.24	-	-
ESAR reversal of deemed investment in ASL	(1.09)	17.74	-	-
Sale of Windpower	0.72	-		

Outstanding as at 31 March	Subsidiaries		Key Management Personnel	
	2025-26	2024-25	2025-26	2024-25
Other payable	-	0.01	6.43	0.99
Loan	353.15	265.42	-	-
Receivable	0.12	0.71	-	-
Deemed investment in equity -ESAR	8.29	8.67	-	-
Preference shares	25.00	25.00	-	-
Dividend provision on cumulative compulsorily redeemable preference shares	4.13	2.06	-	-
Investments	458.25	458.25	-	-
Security deposit Receivable	0.27	0.26		
Advance received for sale of Windmill	1.62	1.62		

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 41: RELATED PARTY TRANSACTIONS (CONTD.)

Compensation paid to Key Management Personnel

Particulars	2025-26	2024-25
Short-term employee benefits (compensation)	9.81	5.74
Post - employment gratuity benefits	0.67	1.40
Other long-term employment benefits	0.14	0.84
Share-based payment transactions	3.14	7.12
Total	**13.76**	**15.10**

NOTE 42: STOCK OPTION SCHEME

Equity Settled Stock Appreciation Rights Plan 2019 (KIL ESARP 2019)

The Company had passed Special Resolution through Postal Ballot and approved - 'Kirloskar Industries Limited - Employee Stock Appreciation Right Plan 2019' ('KIL ESARP 2019') on 29 December 2019 and authorised the Board to create, offer and grant from time to time, in one or more tranches, to employees of the Company and its subsidiary company 4,85,000 equity shares of ₹ 10 each fully paid up. The Company had granted an aggregate of 4,70,898 ESARs exercisable into not more than 4,85,000 equity shares of the Company face value of ₹ 10 each fully paid up.

In terms of the KIL ESARP 2019, the vested ESARs upon exercise shall be settled by way of allotment of equity shares. Options granted under KIL ESARP 2019 would vest after minimum period of 1 (one) year but not later than a maximum period of 4 (four) years from the date of grant of such options. 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 number of equity shares allotted would be the product of the number of ESARs exercised and the proportion of appreciation in each ESAR as compared to the market price on the date of exercise. The appreciation would be the excess of market price of the equity share over the ESAR Price in terms of the KIL ESARP 2019. No shares shall be allotted in case there is no appreciation in the price of the shares. Upon the exercise of the options, the amount equivalent to the face value of the shares allotted would be payable by the employees to the Company.

Under the KIL ESOP 2017 Plan, the cost of equity-settled transactions (options granted) is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised as "employee benefits expenses" together with a corresponding "increase in Stock Options Outstanding reserves in Equity", over the period in which the vesting conditions are fulfiled by the employees.

KIL ESOP 2017 Plan was modified and was introduced as KIL ESARP 2019.

1) For unvested options of KIL ESOP 2017, in compliance with 'IND AS 102: Share Based Payment':
   - The Company has recognised incremental fair value of ESAR which shall be amortised over the vesting period as per KIL ESARP 2019.
   - This is in addition to the fair value of original options which will be amortised over the remaining vesting period of original options under KIL ESOP 2017.
2) For options already vested, incremental fair value shall be recognised over the vesting period of KIL ESARP 2019.
3) Further, fair value of new ESARs granted shall be recognised over the vesting period of KIL ESARP 2019.

The details of Employee Stock Appreciations Rights granted under KIL ESARP 2019 are as under:

Particulars	Year ended 31 March 2026		Year ended 31 March 2025	
	Weighted average exercise price per share per option (₹) *	Number of options	Weighted average exercise price per share per option (₹) *	Number of options
Outstanding at the beginning of the year	500.00	1,49,415	500.00	1,80,055
Outstanding at the beginning of the year	1,800.00	45,000	1,800.00	2,41,000
Granted during the year				
Vested during the year	-	7,360	-	-
Exercised during the year	-	(1,12,020)	-	(30,000)
Forfeited during the year	-	(28,240)	-	(1,96,640)
Expired during the year	-	(3,470)	-	-
Outstanding at the end of the year	500.00	39,895	500.00	1,49,415
Outstanding at the end of the year	1,800.00	10,790	1,800.00	45,000
Exercisable at the end of the year	-	35,445	-	1,43,575
Weighted average share price of options exercised (₹)	3,815.57	-	5,628.76	-
Weighted average remaining contractual life of options outstanding at the end of the year	-	2.62	-	3.19

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 42: STOCK OPTION SCHEME (CONTD.)

*Represents the base price with reference to which the appreciation per share shall be computed to determined the number of shares eligible for exercise.

I Fair value of the options granted:

The Company has recorded employee stock-based compensation expense relating to the options granted to the employees on the basis of fair value of options.

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.

II Modification of KIL ESOP Plan 2017 and Implementation of KIL ESARP 2019

The incremental fair values and assumptions used for computation of such incremental fair values; and fair value of additional ESARs granted under KIL ESARP 2019

Grant: ESOP 2017 Exercise period – 3 years (Revised terms)	Original Grant date: 01 November 2017, 25 October 2018 & 30 January 2020		
	Modified Grant Date: 30 January 2020		
Vesting dates	01-Nov-18	01-Nov-19	01-Nov-20
Input variables			
Market price (₹)	666.00	666.00	666.00
Expected life (In Years)	3.50	4.50	5.50
Volatility (%)	37.17%	37.01%	39.21%
Riskfree rate (%)	5.98%	6.23%	6.42%
Exercise price (₹)	500.00	500.00	500.00
Dividend yield (%)	3.15%	3.15%	3.15%
Fair value of option (₹) (A)	**251.00**	**266.00**	**285.00**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 42: STOCK OPTION SCHEME (CONTD.)

Premodification fair value for ESOPs granted on 1 November 2017

Grant: ESOP 2017 Exercise period – 3 years (Revised terms)	Original Grant date: 01 November 2017		
	Modified Grant Date: 30 January 2020		
Vesting dates	01-Nov-18	01-Nov-19	01-Nov-20
Input variables			
Market price (₹)	645.30	645.30	645.30
Expected life (In Years)	0.88	1.38	2.26
Volatility (%)	30.08%	30.66%	30.00%
Riskfree rate (%)	5.29%	5.47%	5.82%
Exercise price (₹)	900.00	900.00	900.00
Dividend yield (%)	3.25%	3.25%	3.25%
Fair value of option (₹) (B)	**14.00**	**29.00**	**51.00**
Incremental fair value of ESOPs granted on 1 November 2017 after modification on 30 January 2020 (A) – (B)	**237.00**	**237.00**	**234.00**

Premodification fair value for ESOPs granted on 25 October 2018

Grant: ESOP 2017 Exercise period – 3 years (Revised terms)	Original Grant date: 25 October 2018		
	Modified Grant Date: 30 January 2020		
Vesting dates	01-Nov-18	01-Nov-19	01-Nov-20
Input variables			
Market price (₹)	645.30	645.30	645.30
Expected life (In Years)	1.37	1.37	1.37
Volatility (%)	28.97%	28.97%	28.97%
Riskfree rate (%)	5.47%	5.47%	5.47%
Exercise price (₹)	900.00	900.00	900.00
Dividend yield (%)	3.25%	3.25%	3.25%
Fair value of option (₹) (C)	**25.00**	**25.00**	**25.00**
Incremental fair value of ESOPs granted on 25 October 2018 after modification on 30 January 2020 (A) – (C)	**226.00**	**241.00**	**260.00**

III Allotment under KIL ESARP 2019

Grant: ESARP 2019 Exercise period – 5 years	Date of Grant: 14/Jul/2022			
Vesting dates	14-Jul-23	14-Jul-24	14-Jul-25	14-Jul-26
Input variables				
Market price (₹)	1295.65	1295.65	1295.65	1295.65
Expected life (In Years)	3.51	4.51	5.51	6.51
Volatility (%)	44.47%	41.99%	42.75%	41.81%
Riskfree rate (%)	6.89%	7.07%	7.18%	7.26%
Exercise price (₹)	500.00	500.00	500.00	500.00
Dividend yield (%)	0.77%	0.77%	0.77%	0.77%
Fair value of option (₹) (C)	**888.70**	**909.13**	**932.24**	**948.59**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 42: STOCK OPTION SCHEME (CONTD.)

Increase in KIL ESARP 2019 Pool Grant

The Company had passed Special Resolution through Postal Ballot and approved for the increase in the Employees Stock Appreciation Rights Pool Grant and amendment in the 'Kirloskar Industries Limited - Employee Stock Appreciation Right Plan 2019' ('KIL ESARP 2019') on 10 March 2023 , by adding 3,00,000 ESARs into existing ESARs pool from 4,85,000 ESARs to 7,85,000 ESARs and to give authority to Board to create, offer and grant it in one or more tranches for the benefit of such persons as mentioned in the scheme.

IV Additional Allotment under KIL ESARP 2019

Grant: ESARP 2019 Exercise period – 5 years	Date of Grant: 12/Aug/2023			
Vesting dates	12-Aug-24	12-Aug-25	12-Aug-26	12-Aug-27
Input variables				
Market price (₹)	3,592.40	3,592.40	3,592.40	3,592.40
Expected life (In Years)	3.51	4.51	5.51	6.51
Volatility (%)	45.95%	43.03%	41.17%	42.04%
Riskfree rate (%)	7.04%	7.06%	7.06%	7.07%
Exercise price (₹)	1,800.00	1,800.00	1,800.00	1,800.00
Dividend yield (%)	0.28%	0.28%	0.28%	0.28%
Fair value of option (₹) (C)	**2,281.19**	**2,366.73**	**2,444.73**	**2,537.84**

V Employee-benefit expenses recognised in the Standalone Financial Statements

The Company has recorded employee stock-based compensation of ₹ 1.64 Crores (Previous Year: ₹ 17.78 Crores) out of which ₹ 0.87 Crores (Previous Year: ₹ 7.54 Crores) has been recognised in the Statement of Profit and Loss and ₹ 0.77 Crores (Previous Year: ₹ 10.24 Crores) has been recognised as deemed investment in Wholly Owned Subsidiary relating to the options granted to the employees of the Company and its Wholly Owned Subsidiary for the year ended 31 March 2026. During the year ₹ 0.64 Crores compensation has been reversed on account of ESAR reversal of employees. These adjustments have resulted in net impact of ₹ 0.23 Crores as reflected in Profit and Loss.

NOTE 43: LEASES

(a) Right of Use of Assets

Particulars	As at 31 March 2026	As at 31 March 2025
(I) Gross block		
Balance at the beginning of the year	4.90	2.51
Add : Addition during the year	0.60	2.39
Less : Reduction due to termination of lease agreement during the year	-	-
Balance at the end of the year	**5.50**	4.90
(II) Amortisation		
Balance at the beginning of the year	1.14	0.48
Amortisation for the year :		
Charged to Statement of Profit and Loss	1.28	0.66
Less : Reduction due to termination of leases	-	-
Balance at the end of the year	**2.42**	**1.14**
Closing of Right of Use of assets (I-II)	**3.08**	**3.76**
(B) Movement of Leases liability during the year		
Balance as at beginning of the year	4.20	2.48
Additions/Adjustments during the year	0.58	2.32
Finance cost incurred during the year	0.38	0.27
Payment including accrued/or due of Lease liability	(1.56)	(0.87)
Deletions during the year*	-	0.00

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 43: LEASES (CONTD.)

Particulars	As at 31 March 2026	As at 31 March 2025
Balance as at end of the year	3.60	4.20
*Indicates amount less than ₹ 50,000/-		
(C) Maturity analysis of Leases		
Payment of Lease liability		
Not later than one year	1.64	1.25
Later than one year but not later than five years	2.44	3.75
Later than five years	-	-
Total	**4.08**	**5.00**

NOTE 44: FAIR VALUE MEASUREMENTS

Set out below is a comparison, by class, of the carrying amounts and the fair value of the Company's financial instruments as of 31 March 2026

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit and loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets					
Cash and cash equivalents	1.21	-	-	1.21	1.21
Bank balances other than above	101.73	-	-	101.73	101.73
Receivables					
- Trade receivables	-	-	-	-	-
Loan	353.15	-		353.15	353.15
Investments	-	95.26	4,302.40	4,397.67	4,397.67
Other financial assets	1.23	4.12	-	5.35	5.35
Total	**457.32**	**99.38**	**4,302.40**	**4,859.11**	**4,859.11**
Financial liabilities					
Trade payables	-	-	-	-	-
Deposits	7.35	-	-	7.35	7.35
Other financial liabilities	14.96	-	-	14.96	14.96
Total	**22.31**	**-**	**-**	**22.31**	**22.31**

Set out below is a comparison, by class, of the carrying amounts and the fair value of the Company's financial instruments as of 31 March 2025

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit and loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets					
Cash and cash equivalents	9.06	-	-	9.06	9.06
Bank balances other than above	89.76	-	-	89.76	89.76
Receivables					
- Trade receivables	-	-	-	-	-
Loan	260.65	4.77	-	265.42	265.42
Investments	-	122.97	4,603.18	4,726.16	4,726.16
Other financial assets	1.32	2.06	-	3.38	3.38
Total	**360.79**	**129.81**	**4,603.18**	**5,093.78**	**5,093.78**
Financial liabilities					
Trade payables	-	-	-	-	-
Deposits	6.54	-	-	6.54	6.54
Other financial liabilities	9.05	-	-	9.05	9.05
Total	**15.59**	**-**	**-**	**15.59**	**15.59**

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 44: FAIR VALUE MEASUREMENTS (CONTD.)

The following methods and assumptions were used to estimate the fair values/amortised cost as applicable

(i) The fair values of quoted instruments are measured using Level 1 hierarchy. There have been no transfers among Level 1, Level 2 and Level 3 during the year.

(ii) The fair value of unquoted instruments - The Company has carried out fair valuation of investments in equity shares of unquoted instruments based on discounted cash flow method under income approach based on valuation carried out by an independent valuer. The unquoted instruments are measured using Level 3 hierarchy.

(iii) The Management assessed that the fair value of cash and cash equivalents, other bank balances, trade receivables, trade payables, deposits and other financial assets and liabilities approximate their carrying amounts.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iv) The fair value of the quoted equity shares are based on the price quotations at reporting date.

(v) The fair value of other financial liabilities as well as other financial assets is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

NOTE 45: FINANCIAL RISK MANAGEMENT

The Company's activities exposes it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified are systematically addressed through risk mitigation actions on a continuing basis.

(A) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

The Company does not have any significant foreign currency obligation nor does it have any borrowings. Accordingly, the Company does not perceive any foreign currency risk or interest rate risk.

(B) Equity price risk

Equity price risk is related to the change in market reference price of the investments in equity securities. The fair value of the Company's investments measured at fair value through other comprehensive income and fair value through profit and loss exposes the Company to equity price risks. These investments are subject to changes in the market price of securities.

The fair value of Company's investment as at 31 March 2026 in quoted & unquoted equity securities was ₹ 4,302.40 Crores (Previous Year : ₹ 4,603.18 Crores) and ₹ 95.26 Crores in quoted mutual funds (Previous Year : ₹ 122.97 Crores). The impact of change in equity price risk is as under:

	31 March 2026		31 March 2025	
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
Impact on Statement of Profit and Loss				
Mutual funds	9.53	(9.53)	12.30	(12.30)
Impact on Statement of Other Comprehensive Income				
Equity shares	430.24	(430.24)	460.32	(460.32)

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 45: FINANCIAL RISK MANAGEMENT (CONTD.)

(C) Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables).

I. Trade receivables

Credit risk is the risk that one party to financial instrument will cause a financial loss for the other party by failing to discharge an obligation. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly. The credit period offered to customers is 10 days from the date of invoice.

Movement of provision for Expected Credit Loss:

Particulars	As at 31 March 2026	As at 31 March 2025
Opening provision for Expected Credit Loss	-	-
Change during the year (Net)	-	-
Closing provision for Expected Credit Loss	-	-

Credit risk on cash and cash equivalents and other bank balances is insignificant as the Company generally invests in bank deposits and liquid/money market mutual funds with high credit ratings.

(D) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The flexibility in funding requirements is met by ensuring availability of adequate inflows.

The Company had no outstanding bank borrowings as of 31 March 2026 and 31 March 2025. The working capital of the Company is positive as at each reporting date.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	On demand	Upto 1 year	More than 1 year upto 5 years	More than 5 years
Trade payables	-	-	-	-
Deposits (undiscounted)	0.13	0.20	7.75	-
Other financial liabilities	0.54	12.76	2.44	-
As at 31 March 2026	**0.67**	**12.96**	**10.19**	**-**
Trade payables	-	-	-	-
Deposits (undiscounted)	0.04	0.02	7.59	-
Other financial liabilities	0.60	5.82	3.75	-
As at 31 March 2025	**0.64**	**5.84**	**11.34**	**-**

NOTE 46: CAPITAL MANAGEMENT

The Company's objectives when managing capital are to :

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

The Company's capital structure completely comprises of equity component. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares etc.

No changes were made in the objectives, policies or processes for managing capital during the year and during the Previous Year.

Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 47: RATIO

The Company is termed as an Unregistered Core Investment Company (CIC) as per Reserve Bank of India Guidelines dated 13 August 2020 and is not exposed to any regulatory imposed capital requirements. Thus, the following analytical ratios are not applicable to the Company.

1) Capital to risk-weighted assets ratio (CRAR)
2) Tier I CRAR
3) Tier II CRAR
4) Liquidity Coverage Ratio

NOTE 48: RELATIONSHIP WITH STRUCK OFF COMPANIES

During the year the company has not made any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

NOTE 49: EVENT AFTER REPORTING PERIOD

According to the Management's evaluation of events subsequent to the Balance Sheet date, there were no significant adjusting events that occurred other than those disclosed/given effect to, in these Financial Statements as of 31 March 2026.

NOTE 50: DIVIDEND

The Board of Directors has proposed Final Dividend of ₹ 13 (i.e. 130%) per equity share for FY 2025-26. (Previous year Final dividend ₹ 13 per equity share i.e. 130%).

NOTE 51

Previous year's figures have been regrouped wherever considered necessary to make them comparable with those of the current year.

As per our attached report of even date

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Parag Pansare
Partner
Membership Number: 117309
Date: 19 May 2026

For and on behalf of the Board of Directors

George Verghese
Managing Director
DIN 11068946

Aditi Chirmule
Executive Director
DIN 01138984

Bharathan Gopalakrishnan
Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Date: 19 May 2026

Independent Auditors' Report

on the Audit of the Consolidated Financial Statements

To

The Members of **Kirloskar Industries Limited**

OPINION

We have audited the accompanying Consolidated Financial Statements of **Kirloskar 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, 2026, 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, 2026, 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 fulfiled 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.

EMPHASIS OF MATTER

We draw attention to Note 51 of the Consolidated Financial Statements which fully explains that by virtue of approval of Scheme of arrangement and merger by absorption of Oliver Engineering Private Limited ('Transferor Company 1') and Addica Energy Solutions Private Limited ('Transferor Company 2') (together the 'Transferor Companies') with the Kirloskar Ferrous Industries Limited (Subsidiary of Holding Company) and their respective shareholders ('the Scheme') by Hon'ble National Company Law Tribunal (NCLT) Mumbai Bench vide order dated June 02, 2026 with effect from April 01, 2025 ('Appointed Date'), the Consolidated Financial Statements approved by Board on May 19, 2026 have been updated to give the effect of merger in accordance with Appendix C to Ind AS 103 read with related accounting pronouncements, as set out in the aforesaid note.

Further, explanation with respect to the evaluation performed by Management of the Group in respect of the unabsorbed depreciation and carried forward business losses of the transferor companies that were transferred and vested in the Kirloskar Ferrous Industries Limited (Subsidiary of Holding Company) pursuant to the sanctioned scheme of merger and consequential effect on Current Tax and Deferred Tax is also provided in the said note.

Consequently, our report on the Consolidated Financial Statements dated May 19, 2026 having UDIN 26117309NQGXWJ7139 stands cancelled.

Our opinion on Consolidated Financial Statements is not modified in respect of the above matter.

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 litigations including direct and indirect tax that are pending with various statutory authorities as mentioned in Note No. 45 of the Consolidated Financial Statements. Whether a liability is recognised or disclosed as a contingent liability in the Consolidated 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 recognised or disclosed in the Consolidated 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 Consolidated Financial Statements.
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. 14 and 15 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, 2026. • 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 componentisation and Completion reports for capitalisation 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.

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 each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 the 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 Statement

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 scepticism 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 included in the Consolidated Financial Statements, which have been audited by the 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 year 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. We did not audit the Financial Statements of Wholly Owned Subsidiary whose Standalone Financial Statements include total assets of Rs. 644.16 Crore as at March 31, 2026, total income of Rs. 8.77 Crore, total net loss after tax of Rs. 19.20 Crore, total comprehensive loss of Rs.19.15 Crore and net cash inflow of Rs. 9.05 Crore for the year ended on that date, as considered in the Consolidated Financial Statements. These Financial Statements have been audited by other auditor whose reports have been furnished to us by the Management, and our opinion on the Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

b. 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 matter with respect to our reliance on the work done and the reports of the other auditor.

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, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e) On the basis of the written representations received from the Directors of the Holding Company for the year ended March 31, 2026 taken on record by the Board of Directors of the Holding 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, 2026 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 Consolidated 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, subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting 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 Holding Company and it's subsidiaries 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 45 of the Consolidated Financial Statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

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 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 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 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 dividend declared and paid by the Holding Company and a subsidiary 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 companies incorporated in India:

The Holding company and its subsidiaries have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same 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. The audit trail has been preserved by the Holding Company as per the statutory requirements for record retention. Whereas in case of the Step down subsidiaries, the Audit Trail has been enabled in the current year, accordingly Audit trail has not been preserved for previous periods as per the statutory requirements for record retention.

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.

For Kirtane & Pandit LLP

Chartered Accountants

Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No.: 117309
UDIN: 26117309SILBDK1152

Pune, June 19, 2026

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 Consolidated 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 Industries Limited (hereinafter referred to as "Holding Company") as of and for the year ended March 31, 2026, 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, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to wholly owned subsidiary which is company incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India. Our opinion is not modified in respect of the above matters.

Management's Responsibility for Internal Financial Controls with reference to Consolidated Financial Statements

The respective Management and Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 over financial reporting of the Holding 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 Over Financial Reporting (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. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, 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 Consolidated Financial Statement

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal financial controls with reference to Consolidated Financial Statement

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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
UDIN: 26117309SILBDK1152

Pune, June 19, 2026

Consolidated Balance Sheet as at 31 March 2026

(Amounts in Indian Rupees Crores, unless otherwise stated)

	Particulars	Note No.	As at 31 March 2026	As at 31 March 2025
	ASSETS			
1	**Financial Assets**			
(a)	Cash and cash equivalents	6	97.42	51.46
(b)	Bank balances other than (a) above	7	140.09	118.34
(c)	Receivables			
	(i) Trade receivables	8	1,089.99	1,044.41
(d)	Investments	9	4,398.60	4,729.80
(e)	Other financial assets	10	59.83	49.39
			5,785.93	**5,993.40**
2	**Non-Financial Assets**			
(a)	Inventories	11	1,073.28	1,126.71
(b)	Current tax assets	12	19.92	9.56
(c)	Investment property	13	4.64	4.20
(d)	Property, Plant and Equipment	14	3,638.78	3,565.95
(e)	Capital work-in-progress	15	733.41	650.59
(f)	Intangible assets	14	25.97	26.66
(g)	Intangible assets under development	16	19.96	2.00
(h)	Goodwill	14	0.05	0.05
(i)	Other non-financial assets	17	362.24	269.23
			5,878.25	**5,654.95**
(k)	Assets associated with Assets held for sale - Discontinued Operation	18	2.66	2.48
(l)	Non-current Assets Held For Sale	19	23.40	-
	TOTAL ASSETS		**11,690.24**	**11,650.83**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
(a)	Trade payables	20		
	(i) Total outstanding dues of micro enterprises and small enterprises		59.19	58.48
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,122.65	1,013.20
(b)	Borrowings	21	1,105.03	1,275.86
(c)	Deposits	22	7.59	6.78
(d)	Other financial liabilities	23	189.12	249.05
			2,483.58	**2,603.37**
2	**Non-Financial Liabilities**			
(a)	Current tax liability	12	0.92	1.02
(b)	Provisions	24	68.25	51.85
(c)	Deferred tax liabilities (Net)	25, 43	698.10	749.81
(d)	Other non-financial liabilities	26	89.68	85.91
			856.95	**888.59**
(e)	Liabilities directly associated with assets classified as held for sale- Discontinued Operation	18	3.43	3.21
	TOTAL LIABILITIES		**3,343.96**	**3,495.17**
3	**EQUITY**			
(a)	Equity share capital	27	10.51	10.41
(b)	Other equity	28	6,239.08	6,284.43
	Equity attributable to owners of the Company		**6,249.59**	**6,294.84**
	Non-controlling interest		2,096.69	1,860.82
	Total Equity		**8,346.28**	**8,155.66**
	TOTAL LIABILITIES AND EQUITY		**11,690.24**	**11,650.83**

Notes forming part of the Financial Statements: Note No. 1 to 56

As per our attached report of even date

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Parag Pansare
Partner
Membership Number: 117309
Pune: 19 June 2026

For and on behalf of the Board of Directors

George Verghese
Managing Director
DIN 11068946

Aditi Chirmule
Executive Director
DIN 01138984

Bharathan Gopalakrishnan
Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Pune: 19 June 2026

Consolidated Statement of Profit and Loss for the year ended 31 March 2026

(Amounts in Indian Rupees Crores, unless otherwise stated)

	Particulars	Note No.	Year ended 31 March 2026	Year ended 31 March 2025
1	**Revenue from Operations**			
(a)	Interest income	29	12.25	10.62
(b)	Dividend income		25.05	21.20
(c)	Net gain on fair value changes	30	7.67	9.95
(d)	Revenue from Sale of Products / Services	31	6,893.77	6,566.29
	Total Revenue from Operations		**6,938.74**	**6,608.06**
2	**Other Income**	32	74.44	69.62
3	**Total Income**		**7,013.18**	**6,677.68**
4	**Expenses**			
(a)	Finance costs	33	126.15	145.62
(b)	Cost of material consumed	34	3,864.18	3,780.14
(c)	Purchases of Stock-in-Trade		18.80	-
(d)	Changes in inventories of finished goods, work-in-progress and by-product	35	13.14	(48.93)
(e)	Employee benefit expenses	36	389.08	364.37
(f)	Depreciation and amortisation expense	37	271.86	258.58
(g)	Operating and other expenses	38	1,801.69	1,743.91
5	**Total Expenses**		**6,484.90**	**6,243.69**
6	**Profit before exceptional items & tax from continuing operations**		**528.28**	**433.99**
	Exceptional Items - (Expenses) / Income	40	**(12.68)**	**12.24**
	Profit before tax from continuing operations		**515.60**	**446.23**
7	**Tax expense for continuing operations:**	43		
	- Current tax		21.65	117.24
	- Short/ (Excess) provision of earlier years		1.38	(2.61)
	- Deferred tax		(10.54)	24.03
8	**Total tax expenses for continuing operations:**		**12.49**	**138.66**
9	**Profit for the year from continuing operations**		**503.11**	**307.57**
	Profit before exceptional items & tax from discontinuing operations		**0.36**	**0.89**
	Tax expense for discontinuing operations			
	- Current tax		0.35	0.30
	- Short/ (Excess) provision of earlier years		-	-
	- Deferred tax		(0.06)	(0.06)
	Total tax expenses for discontinuing operations		**0.29**	**0.24**
10	**Profit after tax from discontinuing operations**		**0.07**	**0.65**
11	**Net Profit for the period**		**503.18**	**308.22**
12	**Other Comprehensive Income/(Loss)**			
	Items that will not be reclassified to profit or loss			
	a) Gain/(loss) on remeasurements of defined benefit plan		7.63	(13.93)
	b) Gain/(loss) on fair valuation of investments in equity shares		(300.78)	1,362.86
	c) Income tax reversal / (expenses) relating to items that will not be reclassified to profit or loss		41.10	(220.99)
	Items that will be reclassified to profit or loss			
	Foreign Currency Translation Differences		(2.02)	(0.04)
	Income tax reversal / (expenses) relating to items that will be reclassified to profit or loss		-	-
13	**Other Comprehensive Income/(Loss)**		**(254.07)**	**1,127.90**
14	**Total Comprehensive Income/(Loss) for the year (Comprising profit and Other Comprehensive Income for the year)**		**249.11**	**1,436.12**
	Profit attributable to:			
	- Owners of the Company		227.54	149.09
	- Non-controlling interest		275.64	159.13
	Other Comprehensive Income/(loss) attributable to:			
	- Owners of the Company		(256.09)	1,133.71
	- Non-controlling interest		2.02	(5.81)
	Total Comprehensive Income/(loss) attributable to:			
	- Owners of the Company		(28.55)	1,282.80
	- Non-controlling interest		277.66	153.32
15	**Earnings per equity share (for continuing operations)**	44		
	[Nominal value of share ₹ 10 (Previous Year ₹ 10)]			
	Basic (₹)		217.44	145.77
	Diluted (₹)		216.10	143.13
	Earnings per equity share (for discontinuing operations)			
	[Nominal value of share ₹ 10 (Previous Year ₹ 10)]			
	Basic (₹)		0.07	0.64
	Diluted (₹)		0.07	0.63
16	**Earnings per equity share**			
	[Nominal value of share ₹ 10 (Previous Year ₹ 10)]			
	Basic (₹)	44	217.51	146.41
	Diluted (₹)		216.17	143.76

Notes forming part of the Financial Statements: Note No. 1 to 56

As per our attached report of even date

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Parag Pansare
Partner
Membership Number: 117309
Pune: 19 June 2026

For and on behalf of the Board of Directors

George Verghese
Managing Director
DIN 11068946

Aditi Chirmule
Executive Director
DIN 01138984

Bharathan Gopalakrishnan
Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Pune: 19 June 2026

Consolidated Cash Flow Statement for the year ended 31 March 2026

(Amounts in Indian Rupees Crores, unless otherwise stated)

Particulars	Year ended 31 March 2026		Year ended 31 March 2025	
A. Cash flow from operating activities				
Profit / (Loss) before tax from continuing operations		**515.60**		**446.23**
Profit / (Loss) before tax from discontinuing operations		**0.36**		**0.88**
Adjustments for:				
Depreciation and amortisation expense	271.90		258.61	
Bad debts written off	0.23		-	
Unrealised foreign exchange (Gain)/Loss	0.94		1.89	
Stock option expenses/(reversal)	3.12		8.29	
(Gain)/Loss on fair valuation and sale of mutual funds	(7.66)		(10.00)	
Provision for doubtful debts	0.41		5.04	
(Gain)/Loss on sale of property, plant and equipment and investment property (net)	7.99		5.59	
Interest income	(12.25)		(10.62)	
Dividend income	(25.06)		(21.14)	
Income from licensing of properties	(16.00)		(20.73)	
Sundry credit balances appropriated	-		(1.77)	
Provisions no longer required written back	(10.50)		(28.52)	
Fair value changes in derivative financial instruments	(15.36)		3.33	
Finance cost	126.40		145.85	
Foreign Currency Translation Reserves	(2.02)		(0.04)	
Profit on Lease retirement	-		(0.49)	
Remeasurements of post-employment benefit obligations	7.69		(14.14)	
		329.83		321.15
Operating profit / (loss) before working capital changes		**845.79**		**768.26**
Changes in working capital:				
(Increase) / Decrease in inventories	53.44		(99.89)	
(Increase) / Decrease in trade receivables	(46.10)		(130.51)	
(Increase) / Decrease in other financial assets	2.09		(23.29)	
(Increase) / Decrease in other non-financial assets	(81.86)		(3.98)	
(Increase) / Decrease in bank balance other than cash and cash equivalent	(8.16)		(17.41)	
Increase / (Decrease) in other financial liabilities	5.50		(17.59)	
Increase / (Decrease) in trade payables	117.89		227.83	
Increase / (Decrease) in other non-financial liabilities	4.18		10.16	
Increase / (Decrease) in provisions	14.90		10.30	
		61.88		**(44.38)**
Cash generated from operations		907.67		723.88
Net income tax (paid) / refund		(34.02)		(111.94)
CASH FLOW BEFORE EXCEPTIONAL ITEM		**873.65**		**611.94**
Exceptional items		(2.46)		(12.24)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES FROM CONTINUING OPERATIONS		**869.79**		**598.48**
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES FROM DISCONTINUING OPERATIONS		**1.40**		**1.22**

Consolidated Cash Flow Statement for the year ended 31 March 2026

(Amounts in Indian Rupees Crores, unless otherwise stated)

Particulars	Year ended 31 March 2026		Year ended 31 March 2025	
B. Cash flow from investing activities				
Purchase of property, plant and equipment	(450.58)		(509.24)	
Expenses on Real estate project under development	(96.89)		(67.87)	
Proceeds from sale of property, plant and equipment	0.53		5.65	
Maturity proceeds of/(investments in) fixed deposits	(13.18)		(44.82)	
Sale/(investment) in mutual funds (net)	38.08		35.21	
Interest income	11.16		9.26	
Dividend income	25.06		21.14	
Security deposits received/(paid)	0.34		(6.00)	
Income from licensing of properties	15.44		20.01	
Investment in other financial assets	-		(0.04)	
Development Expenditure of investment properties	(0.61)		-	
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES FROM CONTINUING OPERATIONS		**(470.65)**		**(536.70)**
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES FROM DISCONTINUING OPERATIONS		-		-
C. Cash flow from financing activities				
Interest paid	(125.14)		(144.07)	
Proceeds / (Repayment) from long-term borrowings (net)	(96.41)		(116.96)	
Proceeds / (Repayment) from short-term borrowings	(72.95)		174.98	
Proceeds from issue of equity shares	4.77		5.25	
Proceeds from issue of share warrants- Preferential allotment	-		75.00	
Payment of Lease liabilities	(2.34)		(2.47)	
Dividend paid	(62.51)		(61.79)	
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES FROM CONTINUING OPERATIONS		**(354.58)**		**(70.06)**
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES FROM DISCONTINUING OPERATIONS		-		-
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**45.96**		**(7.06)**
Cash and cash equivalents at the beginning of the year		51.46		58.52
Cash and cash equivalents at the end of the year (Refer Note No.: 6)		**97.42**		**51.46**

Notes:

1. The above cash- flow statement has been prepared under the indirect method setout in Indian Accounting Standard (IND AS) -7, 'Statement of Cash Flow' as specified in the Companies (Indian Accounting Standards) Rules, 2015.
2. Direct Tax paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.
3. All figures in brackets indicate outflow.

As per our attached report of even date

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Parag Pansare
Partner
Membership Number: 117309
Pune: 19 June 2026

For and on behalf of the Board of Directors

George Verghese
Managing Director
DIN 11068946

Aditi Chirmule
Executive Director
DIN 01138984

Bharathan Gopalakrishnan
Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Pune: 19 June 2026

Consolidated Statement of Changes in Equity for the year ended 31 March 2026

(Amounts in Indian Rupees Crores, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 10 each issued, subscribed and fully paid	As at 31 March 2026 No.	As at 31 March 2026 ₹ in Crores	As at 31 March 2025 No.	As at 31 March 2025 ₹ in Crores
As at beginning of the year	1,04,13,076	10.41	99,27,584	9.93
Add/ (Less): Changes in Equity Share Capital due to prior period errors	-	-	-	-
Add/ (Less): Restated balance at the beginning of the current reporting period	-	-	-	-
Add/ (Less): Issue of equity shares under ESAR scheme	96,327	0.10	29,912	0.03
Add/(Less): Issue of equity shares against share warrants	-	-	4,55,580	0.45
As at end of the year	**1,05,09,403**	**10.51**	**1,04,13,076**	**10.41**

B. OTHER EQUITY

Particulars	Reserves and surplus - Attributable to owners of company									
	Securities premium	General Reserve	Capital reserve	Money received against share warrants	Share Options Outstanding Account	Equity instruments through Other Comprehensive Income	Foreign currency translation reserve	Surplus/ (Deficit) in the Statement of Profit and Loss	Non-controlling interest	Total
As at 1 April 2024	**117.22**	**347.63**	**472.52**	**25.00**	**36.09**	**2,448.69**	**0.94**	**1,533.46**	**1,746.70**	**6,728.25**
Profit for the year	-	-	-	-	-	-	-	149.10	159.13	308.23
Foreign Currency Translation Reserve	-	-	-	-	-	-	(0.01)		(0.02)	(0.03)
Remeasurement of defined benefit plans (net of taxes)	-	-	-	-	-	-	-	(10.19)	-	(10.19)
Transfer from statement of profit and loss on account of sale of shares of Swaraj Engines Limited	-	-	-	-	-	31.81	-	-	(0.08)	31.73
Measurement of investments at FVTOCI (net of taxes)	-	-	-	-	-	1,112.12	-	-	(5.71)	1,106.41
Total Comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**-**	**1,143.93**	**(0.01)**	**138.91**	**153.32**	**1,436.14**
Increased during the year	-	-	-	75.00	-	-		-	-	75.00
Transfer from share option outstanding account	4.99	-	-	-	-	-	-	-	-	4.99
Share Issued during the year	-	-	-	(100.00)	-	-	-	-	0.20	(99.80)
Stock options expense	-	-	-	-	25.89	-	-	-	1.79	27.68
Adjustment on lapse of unvested share options	-	-	-	-	(34.08)	-	-	-		(34.08)
Transfer from ESAR reserve	-	-	-	-	-	-	-	1.10	0.60	1.70
Transferred to other comprehensive income on account of sale of shares of Swaraj Engines Limited	-	-	-	-	-	-	-	(31.81)	2.09	(29.72)
Share in share premium	-	-	-	-	-	-	-	-	4.72	4.72
Transfer to securities premium	-	-	-	-	(4.01)	-	-	-	(0.47)	(4.48)
Transfer from Money received against share warrants	99.55	-	-	-	-	-	-	-		99.55
Share application money received	-	-	-	-	-	-	-	-	(0.20)	(0.20)
Adjustment due to Minority Interest	(0.23)	(0.08)	(1.49)	-	(0.02)	-	-	(1.82)	3.64	-
Appropriations:										
Transfer to general reserve	-	2.30	-	-	-	-	-	(2.30)	(2.70)	(2.70)
Final Dividend	-	-	-	-	-	-	-	(12.93)	(48.86)	(61.79)
As at 31 March 2025	**221.53**	**349.85**	**471.03**	**-**	**23.87**	**3,592.62**	**0.93**	**1,624.60**	**1,860.82**	**8,145.25**

Consolidated Statement of Changes in Equity for the year ended 31 March 2026

(Amounts in Indian Rupees Crores, unless otherwise stated)

Particulars	Reserves and surplus - Attributable to owners of company									
	Securities premium	General Reserve	Capital reserve	Money received against share warrants	Share Options Outstanding Account	Equity instruments through Other Comprehensive Income	Foreign currency translation reserve	Surplus/ (Deficit) in the Statement of Profit and Loss	Non-controlling interest	Total
As at 1 April 2025	**221.53**	**349.85**	**471.03**	**-**	**23.87**	**3,592.62**	**0.93**	**1,624.60**	**1,860.82**	**8,145.25**
Profit for the year	-	-	-	-	-	-	-	227.54	275.64	503.18
Remeasurement of defined benefit plans (net of taxes)	-	-	-	-	-	-	-	2.61	3.12	5.73
Foreign Currency Translation Reserve	-	-	-	-	-	-	(0.93)	-	(1.10)	(2.03)
Measurement of investments at FVTOCI (net of taxes)	-	-	-	-	-	(257.77)	-	-	-	(257.77)
Total Comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**-**	**(257.77)**	**(0.93)**	**230.15**	**277.66**	**249.11**
Increased during the year	-	-	-	-	-	-	-	-	-	-
Share in share premium	-	-	-	-	-	-	-	-	4.00	4.00
Share Issued during the year	-	-	-	-	-	-	-	-	0.16	0.16
Adjustment on lapse of vested share options	-	0.34	-	-	(3.86)	-	-	-	-	(3.52)
Stock options expense	-	-	-	-	3.21	-	-	-	1.42	4.63
Transfer from share option outstanding account	10.13	-	-	-	-	-	-	-	-	10.13
Transferred to statement of profit and loss	-	-	-	-	-	-	-	-	2.82	2.82
Transfer to securities premium	-	-	-	-	(9.77)	-	-	-	(1.64)	(11.41)
Transfer from ESAR reserve	-	-	-	-	-	-	-	0.22	(0.12)	0.10
Adjustment due to Minority Interest	(0.20)	(0.06)	(1.15)	-	(0.02)	-	-	(1.65)	3.08	-
Share application money received	-	-	-	-	-	-	-	-	0.16	0.16
Appropriations:										
Transfer to general reserve	-	2.30	-	-	(0.34)	-	-	(2.41)	(2.70)	(3.15)
Final Dividend	-	-	-	-	-	-	-	(13.54)	(48.97)	(62.51)
As at 31 March 2026	**231.46**	**352.43**	**469.88**	**-**	**13.09**	**3,334.85**	**-**	**1,837.37**	**2,096.69**	**8,335.77**

Notes forming part of the Financial Statements: Note No. 1 to 56

As per our attached report of even date

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Parag Pansare
Partner
Membership Number: 117309
Pune: 19 June 2026

For and on behalf of the Board of Directors

George Verghese
Managing Director
DIN 11068946

Aditi Chirmule
Executive Director
DIN 01138984

Bharathan Gopalakrishnan
Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Pune: 19 June 2026

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 1: CORPORATE INFORMATION

Kirloskar Industries Limited ("the Company" / "Holding Company") is a public company incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India, namely the BSE Limited and the 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 Group is engaged in investment in the securities of group Companies, wind-power generation (Discontinued), real estate development and leasing, manufacturing of iron castings, and manufacturing of seamless tubes, cylinder tubes, components and Engineering steels.

The Consolidated Financial Statements of the Group for the year ended 31 March 2026 were authorised for issue by the Board of Directors on 19 May 2026.

Pursuant to an approved Scheme of Arrangement and Merger by Absorption of Oliver Engineering Private Limited ('OEPL' / 'Transferor Company 1') and Adicca Energy Solutions Private Limited ('AESPL' / 'Transferor Company 2') (together, the 'Transferor Companies') with the subsidiary Company Kirloskar Ferrous Industries Limited and their respective Shareholders & Creditors ('Scheme, sanctioned by the Hon'ble National Company Law Tribunal, Mumbai ("NCLT") vide order dated June 2, 2026, and filing of the requisite documentation with the Registrar of Companies, Pune, the Transferor Companies have been absorbed by the subsidiary Company with effect from the appointed date as per the Scheme, i.e. April 1, 2025. In terms of the Scheme, all the assets, liabilities, reserves, and surplus of the Transferor Companies have been transferred to and vested in the subsidiary Company. Accordingly, the Consolidated financial results for the year ended March 31, 2026, originally approved by the Board of Directors and filed with the stock exchange on May 19, 2026, have been updated to give effect to the Scheme and the previous year's figures have been restated as per Ind AS 103 - Business Combinations. These Consolidated Financial Statements are approved by the Board of Directors of the Company and authorised for issue on June 19, 2026.

NOTE 2: BASIS OF PREPARATION

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The Group has consistently applied accounting policies, except where newly issued accounting standard or revision to existing accounting standards requires changes in the existing accounting policies.

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement basis
Investment in equity instruments	Fair value
Investment in mutual funds and derivative instruments	Fair value
Share-based payment	Fair value
Defined benefit liability/(assets):	Fair value of plan assets less present value of defined benefit obligation

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiaries. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

Functional and presentation currency

The items included in the Financial Statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian rupee (₹) rounded off to nearest crores (unless otherwise stated), which is the Group's functional and presentation currency.

NOTE 3: SIGNIFICANT ACCOUNT JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Consolidated Financial Statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

i. Judgements

In the process of applying the Group's accounting policies, Management has made the following judgements, which have the most significant effect on the amounts recognised in the Financial Statement:

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 unfavourable 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.

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 recognises Investments (Securities & Properties), Real estate, Iron Castings, Tube and Steel Segment as its segments.

ii. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimating 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 assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer Note 52.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model.

Site restoration and decommissioning obligation

A provision is recognised when the Group has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The Group estimates the liability for decommission and restoration obligation using the best estimates available at each reporting date.

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. 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.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the Management considers the interest rates of Government bonds.

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 and gratuity increases are based on expected future inflation rates.

Deferred tax

Deferred tax assets are recognised for all the deductible temporary differences including 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 losses can be utilised.

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 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.

Share-Based Payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

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

NOTE 4: SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following are the material accounting policies applied by the Group in preparing its Consolidated Financial Statements:

a) Basis of consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiaries as at 31 March 2026. 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 investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (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 subsidiaries Financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.

The Financial Statements of the Subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on March 31.

In preparing the Consolidated Financial Statements, the Group has used the following key consolidation procedures:

i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiaries are based on the amounts of assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

ii. Offset (eliminate) the carrying amount of the Holding Company's investment in the subsidiaries and the Holding Company's portion of equity of the subsidiaries.

iii. 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 recognised 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. Ind AS 12 – Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

iv. Assets and liabilities of entities with functional currency other than the functional currency of the Group have been translated using exchange rates prevailing on the balance sheet date. Statement of Profit and Loss of such entities have been translated using weighted average exchange rates.

v. 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.

vi. Non-controlling interests in the results is shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.

Name of the Company	Country of Incorporation	Parent's ultimate holding as on 31.03.2026	Reporting date	Status
Kirloskar Ferrous Industries Limited	India	45.93%	31.03.2026	Subsidiary
Avante Spaces Limited	India	100%	31.03.2026	Wholly Owned Subsidiary

b) Foreign currency transactions and balances

Transactions on foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transaction 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 rate and the resultant exchange differences and 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 recognised 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.

c) Fair value measurement

The Group measures financial instruments such as investments in equity shares, mutual funds etc. at fair value at each reporting date.

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

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient information is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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 Consolidated 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 on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosures of fair value measurement hierarchy (refer Note 52)
- Financial instruments (including those carried at amortised cost) (refer Note 52)

d) Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and impairment losses, if any.

The cost comprises of the purchase price and directly attributable costs of bringing the asset to its working condition for the intended use. It also includes the initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located, where the Group has such contractual obligation. Any trade discounts and rebates are deducted in arriving at the purchase price. Each part of item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

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.

Real Estate Projects under which tangible assets are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable borrowing costs. Depreciation is not provided on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

Borrowing costs attributable to construction or acquisition of a qualifying asset for the period upto the date, the asset is ready for its intended use are included in the cost of the asset to which they relate.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under 'Other non-financial assets.'

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 the property, plant and equipment are recognised in the Statement of Profit and Loss as incurred.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

Depreciation and Amortisation

(i) The Group has provided for depreciation using the straight-line method, based on the useful lives specified in Schedule II Part C to the Companies Act, 2013, except in case of the following assets:

Type of assets	Useful lives considered
Plant and Equipment's:	
a) Foundry machineries	20 years
b) Turbo Generator	20 years
c) Plant and Equipment under operating Lease	5 Years
d) Machinery Spares and Other Components of PPE	2 to 10 years
e) Patterns	8 years
f) Sinter plant	20 years
g) Blast furnace and allied machineries used in manufacture of pig Iron	20 years
h) Captive Power Plant	20 years
Office Equipment's	
a) Equipment installed at employee's residence	3 Years
Vehicles	5 years
Windmills	20 years

(ii) Freehold land is not depreciated.

(iii) On account of classification of windmill operations as discontinued operations, depreciation of windmill has been suspended from May 2023 onwards.

(iv) Leasehold improvements are amortised under straight line method over the lower of lease term and the useful life of such assets subject to maximum of 60 months.

(v) All items of property, plant and equipment individually costing INR 5,000 or less are fully depreciated in the year of installation.

(vi) 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.

(Vii) Stepdown Subsidiaries

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 Stepdown 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:

a) Building	45 years
b) Equipment's, Tools, Fixtures and Fittings	3-5 years
c) Plant & Machinery and Equipment	3-30 years
d) Computer Hardware	5 years
e) Computer Software	5 years

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

(viii) Disposals/ 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. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

e) Intangible assets

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

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost comprising of the consideration paid for acquisition less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the expenditure is recognised in the Statement of Profit and Loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives i.e. software are amortised on a straight-line basis over the period of expected future benefits i.e. over their estimated useful lives of six years.

Intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Mine properties and development costs are amortised on a Unit of Production basis over the mineable reserves of the respective mines.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

f) Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/ development of the qualifying asset up to the date of capitalisation of such asset, is added to the cost of the assets. 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.

g) Revenue recognition:

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

(i) Dividend is recognised as income when right to receive it is established.

(ii) Interest on fixed deposits with banks, debentures, bonds etc. is recognised on a time proportion basis taking into account the amount outstanding and rate applicable. In case of significant uncertainty of receiving interest, the same is not recognised though accrued and is recognised only when received.

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 instruments or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

(iii) Profit/ Loss of the sale /redemption of investments is dealt with at the time of actual sale/redemption.

(iv) Sales of iron castings, seamless tubes, cylinder tubes, components and engineering steels is 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 and there is no unfulfiled 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 Group does not have any payment terms exceeding one year for any contract. Accordingly, the group does not adjust any of the transaction prices of the time value of money.

(v) Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other credits, if any, as specified in the contract with the customer. The Company presents revenue from contracts with customers net of indirect taxes in its Statement of Profit and Loss.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

(vi) Revenue from real estate development of residential or commercial unit is recognised at the point in time, when the control of the asset is transferred to the customer, which generally coincides with either of the two conditions as stated below –

- On transfer of legal title of the residential or commercial unit to the customer; or
- On transfer of physical possession of the residential or commercial unit to the customer.

Sale of residential and commercial units consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Company as a single performance obligation, as they are highly interrelated with each other. The performance obligation in relation to real estate development is satisfied upon completion of project work and transfer of control of the asset to the customer.

(vii) Export Incentives are recognised 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 realisation of such claim.

(viii) Income from power generation is recognised on supply of power to the grid and recognised in accordance with the terms and conditions of the contract with the Open Access Consumer.

The unutilised units by the open access consumer are initially recognised at a rate which is estimated on the basis of latest available rates as per MSEDCL circulars/orders. The same are subsequently billed upon determination of the billable rate / units after verification by MSEDCL in accordance with the rules and regulations. The difference between the initial accrual and final billing is adjusted with the revenue of the year in which the billing is done.

(ix) Income from the sale of Renewable Energy Certificates (RECs) is recognised on an accrual basis at the time when the contract to sale is entered.

(x) Other incomes are accounted as and when the right to receive such income arises and it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably

h) Expenditure on Corporate Social Responsibility (CSR Activities)

The expenditure on CSR activities is recognised in the Statement of Profit and Loss upon utilisation by the trust/NGO to which the funding is made by the Group. The expenditure on CSR activities conducted by the Group is recognised in the Statement of Profit and Loss, on payment basis.

i) Income taxes

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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

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 relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other Comprehensive Income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 Company and the same taxation authority.

Minimum Alternate Tax (MAT) Credit:

MAT credit is recognised 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.

j) Investment property

Investment in land and/or buildings that are not intended to be occupied substantially for use by or in the operations of the Group are classified as investment property.

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

Subsequent to the initial recognition, investment property is stated at cost less accumulated depreciation and accumulated impairment loss, if any. Depreciation on investment property has been provided in a manner that amortise the cost of the assets over their estimated useful lives on straight line method as per the useful life prescribed under Schedule II of the Act.

Investment property in the form of land is not depreciated.

Investment property is derecognised either when it is disposed off or permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed as required by IND AS 40 'Investment Properties'. Fair values are determined based on a periodic evaluation performed by an accredited external independent valuer applying valuation model recommended by recognised valuation standards committee.

k) Goodwill on Consolidation and Capital Reserve:

Goodwill on consolidation represents the excess of cost of acquisition at the time of making the investment in the subsidiary over the Group's share in the net worth of a subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest Financial Statements, prior to the acquisition, after making necessary adjustments for material events between the date of such Financial Statements and the date of respective acquisition. Capital reserve on consolidation represents excess of the Group's share in the net worth of a subsidiary over the cost of acquisition at each point of time of making the investment in the subsidiary.

Goodwill arising on consolidation is not amortised. However, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

l) Leases

Group as lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group, at the inception of a contract, assesses whether the contract is a lease or otherwise. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

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. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. Such depreciation is recognised in the Statement of Profit and Loss except to the extent that it can be allocated to any Property, Plant & Equipment.

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 Company's incremental borrowing rate. After the commencement date, the lease liability is adjusted by increasing the carrying amount to reflect interest on the lease liability; reducing the carrying amount to reflect the lease payments made; and re-measuring the carrying amount to reflect any reassessment or lease modifications. The lease liability is also re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The interest on the lease liability is recognised in the Statement of Profit and Loss except to the extent that it can be allocated to any Property, Plant & Equipment.

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 (assets of less than Rs. 5,000 in value). The Group recognises the lease payments associated with these leases as an expense over the lease term.

Group as lessor

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

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

m) Inventories

- Raw materials are valued at lower of cost and net realisable value. Cost of raw material is determined on a weighted average basis.
- Work in process and finished goods other than by-products are valued at lower of cost and net realisable value. Cost includes cost of raw material, conversion cost and other cost incurred in bringing the inventories to their present location and condition. Cost is arrived at by absorption cost method.
- By-products are valued at net realisable 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.
- Renewable Energy Certificates (RECs) are recognised upon application for certification to the respective authorities till such units are sold and valued at lower of cost and net realisable value. Cost comprises of costs incurred for certification of RECs. Net realisable value of RECs is the estimated selling price in the ordinary course of business.
- 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 realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs necessary to make the sale.
- Related to contractual and real estate activity

Direct expenditure relating to construction activity is inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is in the nature of directly attributable cost of bringing the asset to its working condition for its intended use.

Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the Statement of Profit and Loss.

Direct and other expenditure is determined based on specific identification to the construction and real estate activity. Cost incurred/ items purchased specifically for projects are taken as consumed as and when incurred/ received.

Work-in-progress – Real estate projects (including land inventory): Represent cost incurred in respect of unsold area of the real estate development projects/units or cost incurred on projects where the revenue is yet to be recognised. Real estate work-in-progress is valued at lower of cost and net realisable value.

Finished goods – Residential Flats, Commercial Units and Plots: Valued at lower of cost and net realisable value.

Land inventory - Valued at lower of cost and net realisable value.

n) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group. When 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.

Impairment losses, including impairment on inventories, are recognised in the Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

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

o) Provisions

A provision is recognised when the Group has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, 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.

p) Contingent liabilities

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 recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the Consolidated Financial Statements.

Contingent assets are not recognised in Financial Statements. 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) Capital Commitments:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

(i) Estimated number of contracts remaining to be executed on capital account and not provided for; and

(ii) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of Management.

r) Retirement and other employee benefits

i. Short-term Employee Benefits

The distinction between short-term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits and is required for the purpose of measurement of the obligations. All employee benefits payable within twelve months of rendering the service are classified as short-term benefits. Such benefits include salaries, bonus, short-term compensated absences, awards, etc. and are recognised in the period in which the employee renders the related service, except to the extent that it can be allocated to any Property, Plant & Equipment.

ii. Other employment benefits

a) Defined contribution plan

The eligible employees of the Group are entitled to receive benefits under the Provident Fund and Superannuation Scheme, which are defined contribution plans. In case of Provident Fund, both the employee and the Group contribute monthly at a stipulated rate to the Government provident fund, while in case of superannuation, the Group contributes to Life Insurance Corporation of India at a stipulated rate. The Group has no liability for future Provident Fund or Superannuation benefits other than its annual contributions which are recognised as an expense in the year on an accrual basis.

The Group recognises contribution payable as an expenditure, when an employee renders the related services. If the contribution payable to the scheme for services received before balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then the excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or cash refund.

b) Defined benefit plan

The Group operates a defined benefit plan for its employees, viz. gratuity. The present value of the obligation or asset under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

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 a net basis.

The net interest cost is calculated by applying the discount rate to the balance of the net defined benefit obligation. This cost is included in Finance Cost in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the statement of changes in equity.

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.

c) Benefits for long-term compensated absences:

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity.

s) Share-based payments

Eligible employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment ("SBP") reserves in equity, over the period in which the performance and/or service conditions are fulfiled in employee benefits expense/vesting period. 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 expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options including options in the subsidiaries is reflected as additional share dilution in the computation of diluted earnings per share.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

t) 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.

I. Financial assets

Initial recognition and measurement of financial assets

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

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

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. 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 the effective interest rate 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 scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group has made an irrevocable election to present subsequent changes in the fair value in the 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 recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group transfers the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss at each reporting date.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost
- Financial assets that are debt instruments and are measured as at FVOCI
- Trade receivables or any contractual right to receive cash or another financial asset

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis. The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

II. Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially at fair value net of, in the case of financial liabilities not classified as FVTPL, transaction costs that are attributable to the issue of the financial liability. Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated as such upon initial recognition at the initial date of recognition if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to the Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Financial liabilities at amortised cost

The Group generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Compound Financial Instruments

The issuer of a non-derivative financial instrument shall evaluate the terms of the financial instrument to determine whether it contains both a liability and an equity component.

The Company has recognised separately the components of the financial instruments that (a) have created a financial liability of the entity and (b) have granted an option to the issuer of the instrument to convert it into an equity instrument of the entity.

De-recognition of financial liability

A financial liability (or a part of a financial liability) is derecognised from the balance sheet when, and only when, it is extinguished i.e., when the obligation specified in the contract is discharged or cancelled or expired.

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.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

Offsetting of financial instruments

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

Derivative financial instruments

Initial 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.

III. Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in other equity as a deduction, net of tax, from the proceeds.

u) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferral or accruals of past or future cash receipts or payments. The cash flows from regular operating, investing and financing activities of the Group are segregated.

v) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with original maturity of three months or less, which are subject to an insignificant risk of changes in value. In the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered as integral part of the Group's cash management.

w) Dividend

The Group recognises a liability to make cash distributions to the equity holders of the Group when the distribution is authorised, and the distribution is no longer at the discretion of the Group. As per the provisions of the Act, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

The interim dividends are recorded as liability on the date of declaration by the Group's Board of Directors.

x) Earnings per share (EPS)

Basic EPS is calculated by dividing the Group's earnings for the year attributable to ordinary equity shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. The earnings considered in ascertaining the Group's EPS comprise the net profit after tax attributable to equity shareholders. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares) other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares including the dilution on account of Stock Options of the subsidiaries.

y) Segment reporting

i) Identification of segment

An operating segment is a component of a company whose operating results are regularly reviewed by the Company's Chief Operating Decision Makers (CODMs) to make decisions about resource allocation and assess its performance and for which discrete financial information is available.

ii) Allocation of income and direct expenses and unallocable expenses.

Income and direct expenses allocable to segments are classified based on items that are individually identifiable

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

to that segment. Common allocable costs are allocated to each segment pro-rata on the basis of revenue of each segment to the total revenue of the Group. The remainder is considered as un-allocable expense.

iii) Segment policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group as a whole.

z) 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.

aa) 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 recognised and measured at fair value and the 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.

ab) 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.

NOTE 5: 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.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its Financial Statements.

In August 2025, MCA notified the following amendments to:

Ind AS 1 – Presentation of Financial Statements

The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact on these amendments in its classification criteria of current and non-current liabilities.

Ind AS 7 – Statement of Cash Flows and Ind AS 107

Financial Instruments - Disclosures, applicable w.e.f April 1, 2025 – The amendment in Ind AS 7 requires to inform users of Financial Statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact on its Financial Statements.

Amendment issued but not effective (effective from April 01, 2026):

The Ministry of Corporate Affairs (MCA) through notification dated August 13, 2025, notified amendment to Ind AS 1, Presentation of Financial statements. This amendment removes the carve-outs in Ind AS 1 from IAS 1 when there is a breach of a material covenant that transforms the liability from non-current to current. The Company will evaluate the requirements and apply these amendments from the effective date. However, presently the Company does not see any material impact on the Financial Statements.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 6: CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2026	As at 31 March 2025
Cash on hand*	0.00	0.01
Balances with banks		
- On current accounts	81.42	42.49
- Fixed deposits having original maturity less than 3 months and interest accrued thereon	16.00	8.96
Total	**97.42**	**51.46**

*Indicates amount less than ₹ 50,000/-

NOTE 7: BANK BALANCES OTHER THAN (6) ABOVE

Particulars	As at 31 March 2026	As at 31 March 2025
Earmarked balances		
Unclaimed dividend accounts	9.65	8.39
Other bank balances		
Margin money deposits	0.31	0.29
Bank Balances held as Margin money*	0.55	-
Deposits with banks and interest accrued thereon[#] (More than 3 months)	129.58	109.66
Total	**140.09**	**118.34**

*Margin money represent deposits held by Bank towards Debt Service Reserve Account (DSRA) Deposits.

#Against Guarantees / Letter of Credit of ₹ 25.73 Crores (₹ 18.91 Crores in Previous year)

NOTE 8: RECEIVABLES

Particulars	As at 31 March 2026	As at 31 March 2025
Trade receivables		
Unsecured		
- Considered good	1,091.15	1,044.92
- Receivables which are credit impaired	9.96	10.26
Less : Allowance for bad and doubtful trade receivables (Incl. Expected credit loss)	(11.12)	(10.77)
Total	**1,089.99**	**1,044.41**
Movement in allowance of bad and doubtful trade receivables		
Balance as the beginning of the year	**10.77**	**12.26**
Provided during the year	0.64	0.07
Amount written off	(0.23)	-
Amount written back	(0.06)	(1.56)
Balance as the end of the year	**11.12**	**10.77**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 8: RECEIVABLES (CONTD.)

Ageing schedule of Trade Receivables

	Particulars	As at 31 March 2026	As at 31 March 2025
(i)	Undisputed Trade Receivables – considered good		
	Not Due	732.16	733.94
	Less than 6 months	326.74	278.99
	6 months - 1 year	5.01	18.12
	1-2 years	14.55	2.87
	2-3 years	1.57	0.41
	More than 3 years	11.12	10.58
	Less: Provision for doubtful receivables	(1.16)	(0.50)
	Sub-Total (I)	**1,089.99**	**1,044.41**
(ii)	Disputed Trade Receivables – which are credit impaired		
	Less than 6 months	-	0.07
	6 months - 1 year	0.01	0.23
	1-2 years	0.45	-
	2-3 years	0.16	4.59
	More than 3 years	9.34	5.37
	Less: Provision for doubtful receivables	(9.96)	(10.27)
	Sub-Total (II)	**-**	**-**
	Total (I+II)	**1,089.99**	**1,044.41**

NOTE 9: INVESTMENTS

	Particulars	Face Value (₹)	As at 31 March 2026		As at 31 March 2025	
			Nos.	₹ in Crores	Nos.	₹ in Crores
(A)	**Measured at fair value through other comprehensive income**					
(i)	(Quoted equity instruments, fully paid)					
	Kirloskar Pneumatic Company Limited	2	64,22,990	667.99	64,22,990	759.61
	Kirloskar Brothers Limited	2	1,89,88,038	2,542.69	1,89,88,038	3,252.08
	Kirloskar Oil Engines Limited	2	82,10,439	1,091.09	82,10,439	590.95
	Cummins India Limited	2	683	0.31	683	0.21
				4,302.08		**4,602.85**
(ii)	(Unquoted equity instruments, fully paid)					
	S. L. Kirloskar CSR Foundation[$]	10	19,600	0.01	19,600	0.01
	Kirloskar Management Services Private Limited	10	6,62,500	1.26	6,62,500	1.26
	Kirloskar Proprietary Limited[*$]	100	2	0.00	2	0.00
	The Mysore Kirloskar Limited (In liquidation)	10	1,13,460	0.27	1,13,460	0.27
	Less: Provision for impairment loss			(0.27)		(0.27)
(iii)	Preference Shares					
	Kirloskar Proprietary Limited*	100	1	-	1	-
				1.27		**1.27**
	Sub-total (A)			**4,303.35**		**4,604.12**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 9: INVESTMENTS (CONTD.)

	Particulars	Face Value (₹)	As at 31 March 2026 Nos.	As at 31 March 2026 ₹ in Crores	As at 31 March 2025 Nos.	As at 31 March 2025 ₹ in Crores
(B)	**Measured at amortised cost**					
	(Unquoted debentures and bonds)					
	The Mysore Kirloskar Limited (In liquidation)					
	12.5% Secured Non Convertible Part "B" debentures of ₹ 44/- each	100	30,000	0.13	30,000	0.13
	Less: Provision for impairment loss			(0.13)		(0.13)
	Sub-total (B)			-		-
(C)	**Measured at fair value through profit and loss**					
	Investments in mutual funds					
	Aditya Birla Sun Life Money Manager Fund -Direct - Growth		-	17.76	-	22.03
	Axis Money Market Fund - Direct - Growth		-	11.99	-	19.23
	Axis Money Manager - Direct - Growth		-	-	-	0.01
	Bajaj Finserv Money Market Fund - Direct - Growth		-	15.52	-	21.14
	Bandhan Liquid Fund - Direct - Growth		-	-	-	0.40
	Bandhan Money Manager Fund - Direct - Growth		-	11.03	-	14.32
	DSP - Saving Fund - Direct - Growth		-	6.86	-	0.71
	HDFC Money Market Fund - Direct - Growth		-	4.09	-	1.41
	HSBC Money Market Fund - Direct - Growth		-	4.01	-	-
	Mirae Asset Money Market Fund - Direct - Growth		-	15.31	-	16.02
	Nippon India Money Market Fund - Direct - Growth		-	0.40	-	10.64
	Tata Money Market Fund - Direct -Growth		-	3.30	-	11.97
	Kotak Money Market Fund - Direct - Growth		-	4.37	-	-
	UTI Money Market Fund - Direct - Growth		-	0.61	-	7.80
	Sub-total (C)			**95.25**		**125.68**
	Total (A + B + C)			**4,398.60**		**4,729.80**

$The Group has not performed fair valuation on this investment in unquoted ordinary shares, which are classified as FVTOCI, as the Group believe that the impact of change on account of fair value is insignificant

*indicates amount less than ₹ 50,000.

Aggregate amount of quoted investments- Cost	606.86	635.81
Aggregate amount of quoted investments- Market Value	4,397.34	4,728.53
Aggregate amount of unquoted investments	1.67	1.67
Aggregate provision in diminution in value of investments	0.40	0.40

NOTE 10: OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2026	As at 31 March 2025
Measured at amortised cost		
(Unsecured considered good, unless otherwise stated)		
Security deposits	44.03	46.92
Loan to employees	1.63	1.52
Loan to contractors	1.62	0.88
Other receivables	0.47	0.07
Forward Contracts Asset	12.02	-
Taxes Paid under protest#	0.06	-
Unsecured, credit impaired	3.36	3.86
Less: Allowance for impairment loss	(3.36)	(3.86)
Total	**59.83**	**49.39**

#The Company has paid property tax aggregating ₹ 1.11 crore under protest to PMC for earlier years, and the matter is currently pending before the relevant authority. The Management believes it has a reasonable case for recovery; however, as the outcome is uncertain, in the earlier years, the amount has not been recognised as an asset in accordance with Ind AS 37. The same will be accounted as income for in the year in which a favourable order is received and attains finality.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 11: INVENTORIES

Particulars	As at 31 March 2026	As at 31 March 2025
Raw material at site	384.54	372.15
Raw material in transit	134.89	193.59
Work-in-progress*	195.12	190.58
Finished goods**	104.31	139.39
Finished goods in transit**	53.63	31.14
Stores and spares	191.99	188.25
Stores and spares in transit	2.93	0.63
By-products	5.87	10.98
Total	**1,073.28**	**1,126.71**
***Details of Work-in-progress**		
a. Castings	109.19	85.06
b. Tube	54.90	73.52
c. Steel	31.03	32.00
Total	**195.12**	**190.58**
****Details of Finished Good and Finished Goods in transit**		
a. Castings	12.64	11.79
b. Pig iron	5.61	11.72
c. Tube	111.43	105.90
d. Steel	28.26	41.12
Total	**157.94**	**170.53**

NOTE 12: CURRENT TAX ASSETS

Particulars	As at 31 March 2026	As at 31 March 2025
Advance Income Tax	19.92	9.56
Total	**19.92**	**9.56**

NOTE 12: CURRENT TAX LIABILITY

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for tax	0.92	1.02
Total	**0.92**	**1.02**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 13A: INVESTMENT PROPERTY

Particulars	As at 31 March 2026	As at 31 March 2025
Land (at cost)**		
Balance as at the beginning of the year	0.11	0.11
Add: Additions during the year	-	-
Less: Transferred to property, plant and equipment	-	-
Balance as at the end of the year (i)	**0.11**	**0.11**
Building (at cost less depreciation)		
(a) Gross block		
Balance as at the beginning of the year	13.87	27.07
Add: Additions during the year	0.69	-
Less: Sold during the year	-	-
Less: Transferred to property, plant and equipment*	-	(13.20)
Balance as at the end of the year	**14.56**	**13.87**
(b) Accumulated depreciation		
Balance as at the beginning of the year	9.78	10.92
Add: Depreciation for the year	0.25	0.50
Less: On disposals	-	-
Less: Transferred to property, plant and equipment*	-	(1.64)
Balance as at the end of the year	**10.03**	**9.78**
Net Block of building (ii) =(a) - (b)	**4.53**	**4.09**
Total investment property (i)+(ii)	**4.64**	**4.20**
Movement in fair value of investment properties		
Fair value of assets as at the beginning of the year	415.36	409.92
Fair valuation pertaining to property transferred to property, plant and equipment during the year	-	(15.29)
Change in fair value of other properties	58.30	20.73
Fair value of assets as at the end of the year	**473.66**	**415.36**

*During the previous year ended 31 March 2025, the Company transferred a building from investment property to property, plant and equipment following a change in use, as it is now occupied for administrative purposes. The transfer was made at the carrying amount of ₹ 13.20 Crores and ₹ 1.64 Crores accumulated depreciation thereon. As both investment property and PPE are measured using the cost model under Ind AS 40 and Ind AS 16 respectively, no gain or loss was recognised on the transfer. The asset will continue to be depreciated over its remaining useful life in accordance with the Company's accounting policy for PPE.

**Title Deeds held in the name of the Company.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 13B: INVESTMENT PROPERTY UNDER DEVELOPMENT

Particulars	As at 31 March 2026	As at 31 March 2025
Cost		
Opening Balance	-	-
Additions during the year	0.69	-
Transferred to investment property	(0.69)	-
Closing Balance	**-**	**-**

Fair valuation methodology

The fair values of investment properties have been determined on the basis of valuation carried out by an independent valuer on a case to case basis. Valuation is based on Government rates, market research, market trend and comparable values as considered appropriate.

Amount recognised in Statement of Profit and Loss relating to investment properties

Particulars	For year ended 31 March 2026	For year ended 31 March 2025
Rental income from investment properties	16.00	20.89
Expenses arising from investment properties that generated rental income during the year	(1.88)	(2.29)
Profit from renting of investment properties	**14.12**	**18.60**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 14: PROPERTY, PLANT AND EQUIPMENT

Particulars	Tangible assets (A)														Intangible assets (B)				Goodwill (C)
	Freehold land	Leasehold land	Building		Plant and equipment			Furniture and fixtures	Vehicles	Office equipments	Computers and peripherals	Electrical installations	Leasehold improvement	Total of (A)	Mining rights	Computer software	Trademark	Total (B)	
			Owned *	Right of Use of assets	Plant and equipments	Plant and equipments under lease	Right of Use of assets												
Gross Block																			
Balance as at 1 April 2024	390.01	243.00	635.27	8.06	4,324.15	0.07	8.19	11.53	18.03	26.93	6.40	0.53	0.63	5,672.80	0.11	12.86	0.36	13.33	0.05
- Additions	6.07	1.14	126.12	0.02	421.78	-	-	18.13	3.27	6.25	1.93	-	-	584.71	25.09	0.28	-	25.37	-
- (Disposals)	(0.35)	-	(2.88)	(5.55)	(22.61)	-	-	-	(0.48)	(0.22)	(0.58)	-	-	(32.67)	-	-	-	-	-
- Adjustments#	-	-	13.20	-	-	-	-	-	-	-	-	-	-	13.20	-	-	-	-	-
Balance as at 31 March 2025	**395.73**	**244.14**	**771.71**	**2.53**	**4,723.32**	**0.07**	**8.19**	**29.66**	**20.82**	**32.96**	**7.76**	**0.53**	**0.63**	**6,238.05**	**25.20**	**13.14**	**0.36**	**38.70**	**0.05**
- Additions	30.31	0.27	62.59	0.60	301.79	-	-	0.81	2.90	1.80	1.14	-	-	402.21	-	0.62	-	0.62	-
- (Disposals)	-	-	(1.48)	-	(62.62)	-	-	(2.33)	(1.40)	(1.73)	(0.53)	-	-	(70.09)	-	(0.19)	-	(0.19)	-
- Adjustments ##	-	-	(26.40)	(0.39)	(0.22)	-	-	(0.38)	-	(0.53)	-	(0.47)	-	(28.39)	-	-	-	-	-
Balance as at 31 March 2026	**426.04**	**244.41**	**806.42**	**2.74**	**4,962.27**	**0.07**	**8.19**	**27.76**	**22.32**	**32.50**	**8.37**	**0.06**	**0.63**	**6,541.78**	**25.20**	**13.57**	**0.36**	**39.13**	**0.05**
Accumulated Depreciation																			
Balance as at 1 April 2024	**-**	**32.35**	**237.23**	**2.81**	**2,056.59**	**0.04**	**5.16**	**8.94**	**7.52**	**17.90**	**4.61**	**0.32**	**0.01**	**2,373.48**	**0.11**	**10.22**	**0.02**	**10.35**	**-**
- Depreciation charge for the year	-	3.61	27.76	1.07	213.75	0.01	1.22	0.73	2.94	4.22	1.34	0.05	0.15	256.85	0.95	0.72	0.02	1.69	-
- (Disposals)	-	-	(2.38)	(2.90)	(12.32)	-	-	-	(0.43)	(0.52)	(0.50)	-	-	(19.05)	-	-	-	-	-
- Adjustments#	-	-	1.64	-	-	-	-	-	-	(0.18)	(0.02)	-	-	1.44	-	-	-	-	-
Balance as at 31 March 2025	**-**	**35.96**	**264.25**	**0.98**	**2,258.02**	**0.05**	**6.38**	**9.67**	**10.03**	**21.42**	**5.43**	**0.37**	**0.16**	**2,612.72**	**1.06**	**10.94**	**0.04**	**12.04**	**-**
- Depreciation charge for the year	-	3.65	30.77	0.81	223.70	0.02	1.15	2.24	3.00	3.92	0.98	0.00	0.15	270.39	0.54	0.69	0.04	1.27	-
- (Disposals)	-	-	(1.26)	-	(27.83)	-	-	(2.20)	(1.08)	(1.61)	(0.50)	-	-	(34.48)	-	(0.15)	-	(0.15)	-
- Adjustments##	-	-	(3.31)	(0.39)	(0.17)	-	-	(0.25)	-	(0.58)	-	(0.31)	-	(5.01)	-	-	-	-	-
Balance as at 31 March 2026	**-**	**39.61**	**290.45**	**1.40**	**2,453.72**	**0.07**	**7.53**	**9.46**	**11.95**	**23.15**	**5.91**	**0.06**	**0.31**	**2,843.62**	**1.60**	**11.48**	**0.08**	**13.16**	**-**
Impairment																		-	
Balance as at 1 April 2024	57.46	-	0.78	-	1.14	-	-	-	-	-	-	-	-	59.38	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2025	57.46	-	0.78	-	1.14	-	-	-	-	-	-	-	-	59.38	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2026	**57.46**	**-**	**0.78**	**-**	**1.14**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**59.38**	**-**	**-**	**-**	**-**	**-**
Net Block																			
Balance as at 31 March 2025	**338.27**	**208.18**	**506.68**	**1.55**	**2,464.16**	**0.02**	**1.81**	**19.99**	**10.79**	**11.54**	**2.33**	**0.16**	**0.47**	**3,565.95**	**24.14**	**2.20**	**0.32**	**26.66**	**0.05**
Balance as at 31 March 2026	**368.58**	**204.80**	**515.19**	**1.34**	**2,507.41**	**-**	**0.66**	**18.30**	**10.37**	**9.35**	**2.45**	**-**	**0.32**	**3,638.78**	**23.60**	**2.09**	**0.28**	**25.97**	**0.05**

#During the previous year ended 31 March 2025, the Company transferred a building from investment property to property, plant and equipment following a change in use, as it is now occupied for administrative purposes. The transfer was made at the carrying amount of ₹ 13.20 Crores and ₹ 1.64 Crores accumulated depreciation thereon. As both investment property and PPE are measured using the cost model under Ind AS 40 and Ind AS 16 respectively, no gain or loss was recognised on the transfer. The asset will continue to be depreciated over its remaining useful life in accordance with the Company's accounting policy for PPE.

##During the year ended 31 March 2026, the Company transferred Cello Platina building and related assets (office equipments, furniture and fixtures and electrical installments) from property, plant and equipment to non current assets held for sale as per Ind AS 105. The transfer was made at the carrying amount of ₹ 28 Crores and ₹ 4.62 Crores accumulated depreciation thereon.

The asset pertaining to windmill has been reclassified and disclosed as Assets held for sale - Discontinued Operation.

*Title deeds held in the name of the Company, except as disclosed below.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 14: PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Security for Secured Loans:-

Refer note 21 for information on property, plant and equipment pledged as security for borrowings by the Company

Note: Title deeds of Immovable Property not held in name of the Company

Description of property	Gross carrying value	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	241.46	Erstwhile ISMT Limited	No	July, 2024	For immovable properties acquired through merger, the name change is under process
Buildings	187.29		No	July, 2024	
Freehold Land	26.67	Erstwhile OEPL	No		
Buildings	65.99		No	June, 2026	
Freehold Land	2.05	Erstwhile AESPL	No		

NOTE 15: CAPITAL WORK-IN-PROGRESS

NOTE 15A: PROPERTY, PLANT & EQUIPMENT

Particulars	As at 31 March 2026	As at 31 March 2025
Balance as at the beginning of the year	340.00	516.34
Additions during the year#	378.38	433.88
Capitalised during the year	(402.80)	(608.01)
Less: Reversal of ESAR Contribution Capitalised*	-	(2.21)
Balance as at the end of the year (A)	**315.58**	**340.00**

NOTE 15B: INVESTMENT PROPERTY

Particulars	As at 31 March 2026	As at 31 March 2025
Balance as at beginning of the year	310.59	211.92
Add: Additions during the year#	107.83	108.05
Less: Reversal of ESAR Contribution Capitalised*	(0.59)	(9.38)
Balance as at the end of the year (B)	**417.83**	**310.59**
Balance as at the end of the year (A)+(B)	**733.41**	**650.59**

*Reversal on account of separation of certain employees has resulted in lapse of ESAR options and unvested ESAR charges.

#Borrowing Cost of Rs. 1.31 Crores (previous year Rs. 0.03 Crores) has been included in Capital work in progress as per Ind AS 23, "Borrowing Costs." Refer Note 46

Investment property includes real estate project at Plot A+C+D at Kothrud, Pune (Refer note 21 for information on investment property pledged as security for borrowings by the Wholly owned subsidiary Company).

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 15: CAPITAL WORK-IN-PROGRESS (CONTD.)

Ageing schedule of capital work- in-progress

Particulars	As at 31 March 2026	As at 31 March 2025
Ageing schedule of Property, Plant & Equipment		
Less than 1 year	232.97	267.66
More than 1 year and less than 2 years	51.67	63.13
More than 2 year and less than 3 years	22.80	8.44
More than 3 years	8.14	0.77
Total	**315.58**	**340.00**
Ageing schedule of Investment Property		
Less than 1 year	107.23	97.88
1-2 years	97.88	9.79
2-3 years	9.79	83.86
more than 3 years	202.93	119.07
Total	**417.83**	**310.59**

Note:

1. There is no cost and time over-run for the project.
2. There are no projects under capital work -in - progress where activities have been suspended as at 31 March 2026.

NOTE 16: INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at 31 March 2026	As at 31 March 2025
Balance as at the beginning of the year	2.00	37.41
Additions during the year	18.59	-
Disposal during the year	(0.63)	(25.37)
Capitalised during the year	-	-
Adjustment	-	(10.04)
Balance as at the end of the year	**19.96**	**2.00**

NOTE 17: OTHER NON-FINANCIAL ASSETS

Particulars	As at 31 March 2026	As at 31 March 2025
(Unsecured considered good, unless otherwise stated)		
Capital advances	108.02	99.65
Advance to suppliers	81.59	55.57
Prepaid expenses	15.97	17.83
Claims receivable and Other Refunds	1.70	1.17
Unsecured, considered doubtful	0.07	0.44
Less : Provision	(0.07)	(0.44)
Balances with Government Authorities#	139.55	80.02
Advance income tax (Previous Years - Net of provision for Income Tax)	15.05	14.86
Others	0.36	0.13
Total	**362.24**	**269.23**

#The Balances with Government authorities includes an amount of Rs. 45.22 Crores (Previous Year : Rs. 13.96 Crores) receivable on account of Government incentive under Industrial Policies.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 18: ASSETS ASSOCIATED WITH ASSETS HELD FOR SALE - DISCONTINUED OPERATION

Accounting Policy

Non-current assets or disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. As at each balance sheet date, the Management reviews the appropriateness of such classification depending upon various factors including any regulatory approval.

Non-current assets or disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. property, plant and equipment's and intangible assets once classified as held for sale are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Statement of Profit and Loss. Additional disclosures are provided hereunder. All other notes to the Consolidated Financial Statements mainly include amounts for continuing operations, unless otherwise mentioned.

Financial Assets

Particulars	As at 31 March 2026	As at 31 March 2025
Other Financial Assets		
Security Deposit	0.03	0.03
Contract Assets	0.34	0.16
	0.37	**0.19**
Non Financial Assets		
Inventories$	0.02	0.03
Property, Plant and Equipment	2.01	2.01
Other non-financial assets		
Advance to Creditors*	(0.00)	0.00
Prepaid Expenses	0.10	0.09
Deposits	0.16	0.16
	2.29	**2.29**
Total	**2.66**	**2.48**

*Indicates amount less than ₹ 50,000/-

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 18: LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE- DISCONTINUED OPERATION

Financial Liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Other Financial Liabilities		
Creditors	0.30	0.32
Advance Received	-	-
	0.30	**0.32**
Non-Financial Liabilities		
Provisions (Refer Note No. 48)	3.13	2.89
	3.13	**2.89**
Total	**3.43**	**3.21**

$Renewable Energy Certificates (RECs) and RECs under certification

[Total REC units 16,286 (Previous Year: 22,507); of which certified units are 13,685 (Previous Year: 20,123)]

NOTE 19: NON-CURRENT ASSETS HELD FOR SALE

Non financial assets

Particulars	As at 31 March 2026	As at 31 March 2025
Property, Plant and Equipment	23.37	-
Security Deposits- Electricity	0.03	-
Total	**23.40**	**-**

NOTE 20: TRADE PAYABLES

Particulars	As at 31 March 2026	As at 31 March 2025
Trade payables		
(i) Due to micro, small and medium enterprises	59.19	58.48
Total (i)	**59.19**	**58.48**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	635.82	319.12
Others	486.83	694.08
Total (ii)	**1,122.65**	**1,013.20**
Ageing schedule of Trade payables		
(i) MSME		
Not Due	52.63	55.52
Less than 1 year	6.54	2.96
1-2 years	0.02	-
2-3 years	-	-
More than 3 years*	0.00	-
Total (i)	**59.19**	**58.48**
(ii) Others		
Unbilled	89.11	96.88

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 20: TRADE PAYABLES (CONTD.)

Particulars	As at 31 March 2026	As at 31 March 2025
Not Due	848.03	788.67
Less than 1 year	183.94	125.12
1-2 years	0.53	1.17
2-3 years	0.52	0.45
More than 3 years	0.52	0.91
Total (ii)	**1,122.65**	**1,013.20**
Total (i+ii)	**1,181.84**	**1,071.68**

*Indicates amount less than ₹ 50,000/-

Dues of small enterprises and micro enterprises

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.

Particulars	As at 31 March 2026	As at 31 March 2025
Total outstanding to MSME suppliers (not due)		
i. Trade payables	52.65	55.27
ii. Other financial liabilities - Creditors for capital goods	5.68	4.92
Principal amount due remaining unpaid		
i. Trade payables	6.56	2.97
ii. Other financial liabilities - Creditors for capital goods	1.96	4.34
Principal amount outstanding and overdue out of above	4.53	3.65
Interest on above and unpaid interest	0.09	0.06
Interest paid	-	-
Payment made beyond the appointed day	40.77	89.85
Interest due and payable for the period of delay	0.15	0.40
Interest accrued and remaining unpaid at the end of the year	0.25	0.46
Amount of further interest remaining due and payable in succeeding year	1.84	1.60

NOTE 21: BORROWINGS

Particulars	As at 31 March 2026	As at 31 March 2025
Measured at amortised cost		
Short-term borrowings		
Secured		
- Term loans	15.00	65.00
Unsecured		
- Working capital facility	-	-
- Term loans	113.00	70.00
- Commercial Paper	294.98	344.73
- Vendor bill discounted	96.35	112.55
- Others	5.75	5.75

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 21: BORROWINGS (CONTD.)

Particulars	As at 31 March 2026	As at 31 March 2025
Long-term borrowings		-
Secured		
- Term loans	80.00	-
- Less : Unamortised transaction cost on above borrowings	(9.27)	-
Unsecured		
- Term Loan	509.22	677.83
Total	**1,105.03**	**1,275.86**

The portion of long-term borrowings maturing within 12 months from the reporting date is, i.e. ₹ 272.46 Crores (PY ₹ 260.71 Crores)

Security for Secured Loans :

1.) 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.

2.) Rupee Term Loan from Bank availed by Wholly owned subsidiary

Term Loan of ₹ 80 Crores as at March 31, 2026 (Previous Year : Nil) (Total sanctioned amount of ₹ 1,150 Crores) from ICICI Bank is availed for Real Estate Development Project at Kothrud, Pune (The Project).

Description of Pledged Security :

The Term Loan is secured by Land at Plot A+C+D located at Kothrud, Pune including present and future structures for the Project, future receivables from lease rentals, deposits, insurance claims received and sale proceeds (if any) from the Project. The Loan is also secured by way of charge on Escrow and Debt Service Reserve Accounts pertaining to the Project.

The Term Loan is repayable in 4 ballooning quarterly instalments starting from December 31, 2028.

Rate of Interest:

The Company's borrowing from bank has an interest rate of 1M MCLR + "Spread" per annum subject to reset as per terms and conditions of the Loan Agreement.

Significant Covenants as per Loan Agreement :

The unsecured borrowings availed from Company are subordinated to the Secured Loan availed from ICICI Bank and are considered as equity for the Project as per the terms of the Loan Agreement. Repayment of any part of the unsecured borrowings availed from Company is permitted only after compliance of covenants specified in the Loan Agreement.

As per the terms and conditions of the Loan Agreement, dilution in existing shareholding by the Promoters below 51% can be made only after prior approval of the Bank.

The Loan Agreement also contains certain debt covenants relating to maintenance of security cover and debt to equity ratio. The wholly owned subsidiary has satisfied all debt covenants prescribed as per terms of respective term loan documents.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 21: BORROWINGS (CONTD.)

Commercial Papers :

Commercial Papers outstanding as on 31st March 2026

1. On 24th March 2026 ₹ 100 Crores issued at a discounted rate of 7.65% p.a. payable on 12th June 2026
2. On 25th March 2026 ₹ 100 Crores issued at a discounted rate of 7.65% p.a. payable on 23rd June 2026
3. On 27th March 2026 ₹ 100 Crores issued at a discounted rate of 7.70% p.a. payable on 25th June 2026

Commercial Papers outstanding as on 31st March 2025

1. On 30th Dec 2024 ₹ 125 Crores issued at a discounted rate of 7.72% p.a. paid on 05th Jun 2025
2. On 13th Mar 2025 ₹ 100 Crores issued at a discounted rate of 7.68% p.a. paid on 11th Jun 2025
3. On 21st Mar 2025 ₹ 125 Crores issued at a discounted rate of 7.70% p.a. paid on 19th Jun 2025

Details of unsecured term loan from banks*

Terms of Repayment	Loan availed (Rs. in Crores)	Interest rate per annum payable monthly	Tenure
3 equal annual installments of Rs. 66.67 Crores.	200	7.45%	36 months
42 monthly equal installments of Rs. 2.98 Crores.	125	6.85%	48 months
42 monthly equal installments of Rs. 2.98 Crores.	125	6.65%	48 months
39 monthly equal installments of Rs. 3.21 Crores.	125	6.65%	48 months
42 monthly equal installments of Rs. 2.98 Crores.	125	5.46%	48 months
4 Quarterly equal Installments of Rs. 7.28 Crores & balance in 48 monthly installments.	140	7.95%	60 months
20 Quarterly installments.	50	7.95%	60 months
2 Quarterly Installments of Rs. 4.03 Crores. & 48 Monthly installments.	110	6.75%	60 months

*All the above borrowings have a Put and call option at the end of every 12 months from the date of first draw down of the facility.

Particulars	As at 31 March 2026	As at 31 March 2025
Net debt position		
Cash and Bank Balance		
Cash and cash equivalents	97.42	51.46
Borrowings	(1,105.03)	(1,275.86)
Net debt	**(1,007.61)**	**(1,224.40)**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 21: BORROWINGS (CONTD.)

Net debt reconciliation

Particulars	Cash and bank balance	Borrowings	Total
Net debt as at 1st April 2024	**58.52**	**(1,217.84)**	**(1,159.32)**
Cash flows	(7.06)	-	(7.06)
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	-	141.21	141.21
Interest paid	-	(141.22)	(141.22)
(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	**51.46**	**(1,275.86)**	**(1,224.40)**
Cash flows	45.96	-	45.96
On account of acquisition of step down subsidiary	-	-	-
Foreign exchange adjustment	-	-	-
Interest accrued but not due as on 01 April 2025	-	-	-
Interest accrued but not due as on 31 March 2026	-	-	-
Interest expense	-	125.14	125.14
Interest paid	-	(125.14)	(125.14)
(Borrowings) / Repayment (net)- long-term	-	97.88	97.88
(Borrowings) / Repayment (net)- short-term	-	72.95	72.95
Net debt as at 31st March 2026	**97.42**	**(1,105.03)**	**(1,007.61)**

NOTE 22: DEPOSITS

Particulars	As at 31 March 2026	As at 31 March 2025
Measured at amortised cost		
Security deposits	7.59	6.78
Total	**7.59**	**6.78**

NOTE 23: OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
Measured at amortised cost		
Unclaimed equity dividend#	9.66	8.39
Creditors for capital goods	47.19	109.02
Employee benefits	59.63	50.06
Expenses and other payable	38.84	28.36
Commission payable to Directors	1.07	0.94
Lease liability	3.59	4.42
Derivative Liability	-	3.33
Interest accrued on Loan from Bank		
- Due	1.25	-
- Not Due	0.33	-
Other liability	5.45	11.02
Creditor for expenses CWIP*	22.11	33.50
Total	**189.12**	**249.05**

#There is no amount due and outstanding as at balance sheet date to be credited to Investor Education and Protection Fund, except unclaimed equity dividend includes ₹ 13,314 (Previous Year: ₹ 12,912) ; on 31 shares in abeyance on the directions of Special Court which will not be transferred to Investors Education and Protection Fund.

*Includes ₹ 1.53 Crores (previous year ₹ 3.58 Crores) pertaining to outstanding dues of micro and small enterprises

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 24: PROVISIONS

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for employee benefits		
- Gratuity	23.34	16.58
- Compensated absences	35.38	30.09
- Contribution to Superannuation fund	-	0.27
Provision for expected sales returns	9.53	4.91
Total	**68.25**	**51.85**

NOTE 25: DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 March 2026	As at 31 March 2025
(Refer Note No. 43)		
Deferred tax liability (Net)	698.10	749.81
Total	**698.10**	**749.81**

NOTE 26: OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
Statutory dues payable	18.17	23.25
Advances from customers	70.82	61.57
Property Licensing fees received in advance	0.69	1.09
Total	**89.68**	**85.91**

NOTE 27: EQUITY SHARE CAPITAL

(a) Authorised, issued, subscribed and paid-up share capital and par value per share:

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number	₹ in Crores	Number	₹ in Crores
AUTHORISED				
Equity Shares of ₹ 10/- each	5,00,00,000	50.00	5,00,00,000	50.00
ISSUED AND SUBSCRIBED				
Equity Shares of ₹ 10/- each	1,05,09,403	10.51	1,04,13,076	10.41
CALLED UP AND PAID UP				
Equity Shares of ₹ 10/- each fully paid up	1,05,09,372	10.51	1,04,13,045	10.41
SHARE CAPITAL SUSPENSE ACCOUNT*	31	0.00	31	0.00
Equity Shares of ₹ 10/- each fully paid up				
Total	**1,05,09,403**	**10.51**	**1,04,13,076**	**10.41**

*31 (Previous Year: 31) Equity Shares of ₹ 10/- each aggregating to ₹ 310/- to be issued to shareholders of erstwhile Shivaji Works Limited on amalgamation as per scheme sanctioned by Board for Industrial and Financial Reconstruction, are kept in abeyance on the directions of Special Court.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 27: EQUITY SHARE CAPITAL (CONTD.)

(b) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number	₹ in Crores	Number	₹ in Crores
Shares outstanding at the beginning of the year	1,04,13,076	10.41	99,27,584	9.93
Add: Issue of equity shares under ESAR scheme	96,327	0.10	29,912	0.03
Add: Issue of equity shares against share warrants	-	-	4,55,580	0.45
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	**1,05,09,403**	**10.51**	**1,04,13,076**	**10.41**

(c) Equity shares in the Company held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31 March 2026		As at 31 March 2025	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Atul Chandrakant Kirloskar#	15,11,352	14.38%	15,11,352	14.51%
Rahul Chandrakant Kirloskar##	18,49,478	17.60%	18,49,478	17.76%
Jyotsna Gautam Kulkarni	11,78,592	11.21%	11,78,592	11.32%
Alpana Rahul Kirloskar	7,09,648	6.75%	7,09,648	6.81%
Nihal Gautam Kulkarni	5,89,296	5.61%	5,89,296	5.66%
Ambar Gautam Kulkarni	5,89,296	5.61%	5,89,296	5.66%
Gauri Atul Kirloskar	5,27,608	5.02%	5,27,608	5.07%

#Out of these 15,11,327 equity shares are held in the individual capacity and 25 equity shares held as a Trustee of C.S. Kirloskar Testamentary Trust.

##Out of these, 18,49,249 equity shares are held in the individual capacity and 229 equity shares held as a Trustee of C.S. Kirloskar Testamentary Trust.

(d) Details of allotment of shares for consideration other than cash, allotments of bonus shares and shares bought back:

Particulars	Financial year (Aggregate no. of shares)				
	2025-26	2024-25	2023-24	2022-23	2021-22
Equity Shares :					
Fully paid up by way of bonus shares	-	-	-	-	-
Allotted pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Shares bought back	-	-	-	-	-

(e) Each holder of equity share is entitled to one vote per share and to receive interim/ final dividend as and when declared by the Board of Directors/ at the Annual General Meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 27: EQUITY SHARE CAPITAL (CONTD.)

(f) Details of shareholding pattern of Promoters:

Promoter Name	As at 31st March 2026			As at 31st March 2025		
	No. of Shares held	% of Holding	% Change during the year	No. of Shares held	% of Holding	% Change during the year
Individuals / Hindu Undivided Family						
Atul Chandrakant Kirloskar	15,11,327	14.38	(0.13)	15,11,327	14.51	1.58
Atul Chandrakant Kirloskar as a Trustee of C S Kirloskar Testamentary Trust	25	-	-	25	-	-
Rahul Chandrakant Kirloskar	18,49,249	17.60	(0.16)	18,49,249	17.76	1.43
Rahul Chandrakant Kirloskar as a Trustee of C S Kirloskar Testamentary Trust	229	-	-	229	-	-
Sanjay Chandrakant Kirloskar as a Trustee of Kirloskar Brothers Limited Employees Welfare Trust Scheme	2,362	0.02	(0.01)	2,362	0.03	-
Sanjay Chandrakant Kirloskar	250	-	-	250	-	-
Sanjay Chandrakant Kirloskar as a Karta of Sanjay Kirloskar HUF*	-	-	(0.00)	14	-	-
Jyotsna Gautam Kulkarni	11,78,592	11.21	(0.11)	11,78,592	11.32	(0.55)
Geetanjali Vikram Kirloskar	-	-	(0.02)	2,125	0.02	-
Mrinalini Shreekant Kirloskar	-	-	-	-	-	-
Mrinalini Shreekant Kirloskar as a Karta of Shreekant S. Kirloskar HUF	-	-	-	-	-	-
Suman Chandrakant Kirloskar	5	-	-	5	-	-
Suman Chandrakant Kirloskar as a Karta of C. S. Kirloskar HUF	2,125	0.02	-	2,125	0.02	-
Suman Chandrakant Kirloskar as a Karta of as a Trustee Vijay Durga Devi Trust	-	-	-	-	-	-
Roopa Jayant Gupta	5,123	0.05	-	5,123	0.05	-
Arti Atul Kirloskar	3,57,909	3.41	(0.03)	3,57,909	3.44	(0.17)
Alpana Rahul Kirloskar	7,09,648	6.75	(0.06)	7,09,648	6.81	(0.34)
Nihal Gautam Kulkarni	5,89,296	5.61	(0.05)	5,89,296	5.66	(0.28)
Ambar Gautam Kulkarni	5,89,296	5.61	(0.05)	5,89,296	5.66	(0.28)
Aditi Atul Kirloskar	1,75,869	1.67	(0.02)	1,75,869	1.69	(0.08)
Gauri Atul Kirloskar	5,27,608	5.02	(0.05)	5,27,608	5.07	(0.24)
Total	**74,98,913**	**71.35**		**75,01,052**	**72.04**	
Corporate Bodies						
Kirloskar Pneumatic Company Limited	200	-	-	200	-	-
Navsai Investments Private Limited	3,854	0.04	-	3,854	0.04	-
Alpak Investments Private Limited	3,854	0.04	-	3,854	0.04	-
Achyut and Neeta Holdings and Finance Private Limited	100	-	-	100	-	-
Kirloskar Chillers Private Limited	46,144	0.44	-	46,144	0.44	(0.02)
Total	**54,152**	**0.52**		**54,152**	**0.52**	
Grand Total	**75,53,065**	**71.87**		**75,55,204**	**72.56**	

*Indicates percentage change in holding less than 0.01%

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 28: OTHER EQUITY

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Securities Premium		
Balance as at the beginning of the year	221.53	117.22
Add: Transfer from share option outstanding account	10.13	4.99
Add: Transfer from Money received against share warrants	-	99.55
Less: Adjustment due to change in Minority Interest	(0.20)	(0.23)
Balance as at the end of the year	**231.46**	**221.53**
(b) General reserve :		
Balance as at the beginning of the year	349.85	347.63
Add: Transfer from surplus of profit and loss	2.30	2.30
Add: Transfer from share options outstanding account	0.34	-
Less: Adjustment due to change in Minority Interest	(0.06)	(0.08)
Balance as at the end of the year	**352.43**	**349.85**
(c) Capital reserve:		
Balance as at the beginning of the year	471.03	472.52
Add : Increase / (decrease) during the year	-	-
Less: Adjustment due to change in Minority Interest	(1.15)	(1.49)
Balance as at the end of the year	**469.88**	**471.03**
(d) Share options outstanding account :		
Balance as at the beginning of the year	23.87	36.09
Add : Stock options expense	3.21	25.89
Less : Transferred to general reserve	(0.34)	-
Less: Transfer to securities premium	(9.77)	(4.01)
Less : Adjustment on lapse of unvested share options transferred to retained earnings	(3.86)	(34.08)
Less: Adjustment due to change in Minority Interest	(0.02)	(0.02)
Less: Payment made for fractional shares	-	-
Balance as at the end of the year	**13.09**	**23.87**
(e) Equity instruments through other comprehensive income :		
Balance as at the beginning of the year	3,592.62	2,448.69
Measurement of investments at FVTOCI (net of taxes)	(257.77)	1,112.12
Add/Less: Transferred to statement of profit and loss on account of sale of shares of Swaraj Engines Limited#	-	31.81
Balance as at the end of the year	**3,334.85**	**3,592.62**
(f) Surplus/ (Deficit) in the Statement of Profit and Loss :		
Balance as at the beginning of the year	1,624.60	1,533.46
Add/(Less): Net Profit transferred from the Statement of Profit and Loss	227.54	149.10
Add/(Less): Remeasurement of defined benefit plans (net of taxes)	2.62	(10.19)
Add/(Less) : Increase on exercise of ESOPs of subsidiary	-	-
Add/(Less): Transfer from Other Comprehensive Income on account of sale of shares of Swaraj Engines Limited#	-	(31.81)
Add/(Less): Transfer to profit and loss on account of lapse of employee stock options	0.22	1.10
Less: Adjustment due to change in Minority Interest	(1.66)	(1.82)
Amount available for appropriation	**1,853.32**	**1,639.83**
Less: Appropriations:		
Transfer to general reserve	2.41	2.30
Final Dividend for F.Y. 2024-25 (FY 2023-24)	13.54	12.93
Interim Dividend F.Y. 2024-25	-	-
Net surplus in the Statement of Profit and Loss	**1,837.37**	**1,624.60**
(g) Foreign currency translation reserve		
Opening balance	0.93	0.94
Addition during the year	(0.93)	(0.01)

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 28: OTHER EQUITY (CONTD.)

Particulars	As at 31 March 2026	As at 31 March 2025
Balance as at the end of the year	-	**0.93**
(h) Money Received against Share Warrants		
Balance as at the beginning of the year	-	25.00
Received During the year	-	75.00
Less : Share Issued during the year	-	(100.00)
Balance as at the end of the year	-	-
Total	**6,239.08**	**6,284.43**

#During the previous year ended 31 March 2025, the Company identified that, in the Financial Year 2022-23, the entire cumulative gain on sale of long-term equity investments of Swaraj Engine Limited classified as fair value through other comprehensive income (FVTOCI) had been transferred from Other Comprehensive Income (OCI) to Retained Earnings upon disposal of those investments. However, in accordance with Ind AS 109 – Financial Instruments, only the gain net of tax should have been transferred. Accordingly, an amount of ₹ 31 Crore, representing the tax effect on such gain, has been reclassified/regrouped from Retained Earnings to Other Comprehensive Income during the previous year ended 31 March 2025 through the Statement of Changes in Equity.

Notes:

1) **Security Premium:**

   The amount in the Security premium account represents the additional amount paid by the shareholders for the issued shares in excess of the face value of equity shares.

2) **General reserve:**

   General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

3) **Share options outstanding account:**

   The share option outstanding account is used to recognise the fair value of options to the employees of the Group under the employee stock option plans of the Group which are unvested or unexercised as on the reporting date.

4) **Equity instruments through other comprehensive income:**

   This reserve represents the cumulative gains and losses arising on the fair valuation of equity instruments measured through other comprehensive income, net of amounts reclassified to retained earnings when these equity instruments are disposed off.

5) **Surplus/(Deficit) in the Statement of Profit and Loss:**

   This comprises of the undistributed profit after taxes.

6) **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. Rs.) 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.

7) **Capital reserve**

   a) **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.

   b) **Capital reserve arising out of Merger :**

      This represents capital reserve on business combination which arises on transfer of business between entities under common control.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 29: INTEREST INCOME

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
On financial assets measured at amortised cost		
- Interest on deposits with banks	6.59	6.37
- Interest on other financial assets	5.03	3.83
- Other interest	0.63	0.42
Total	**12.25**	**10.62**

NOTE 30: NET GAIN ON FAIR VALUE CHANGES

Particulars	Year ended 31 March 2026	Year ended 31 March 2026
On financial instruments measured at fair value through profit and loss		
Investments in mutual funds		
Unrealised	2.44	4.11
Realised	5.23	5.84
Total	**7.67**	**9.95**

NOTE 31: REVENUE FROM SALE OF PRODUCTS / SERVICES

Particulars	Year ended 31 March 2026	Year ended 31 March 2026
Sale of products		
Pig Iron	1,937.49	2,075.85
Castings	1,876.37	1,653.69
By-products	100.66	95.13
Tube	2,129.91	2,103.19
Steel	604.69	540.89
Total (a)	**6,649.12**	**6,468.75**
Other operating income		
Export incentive	3.99	2.84
Amenities and Facilities Fees	5.21	2.06
Scrap / Coke/ Miscellaneous sales (b)	235.45	92.64
Total (b)	**244.65**	**97.54**
Total (a)+ (b)	**6,893.77**	**6,566.29**

NOTE 32: OTHER INCOME

Particulars	Year ended 31 March 2026	Year ended 31 March 2026
Property licensing fees	16.34	20.85
IPS incentive	44.95	12.83
Gain on Sale of Fixed Assets	0.17	0.01
Sale of Scrap	0.03	0.02
Insurance claim received	0.07	0.30
Sundry credit balances appropriated	-	0.29
Provisions no longer required written back	10.50	27.14
Rental Income	0.27	0.26
Miscellaneous income	2.11	7.92
Total	**74.44**	**69.62**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 33: FINANCE COSTS

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Interest Expense		
- on term loan	46.41	56.39
- on working capital loan	14.97	20.44
- on others	61.51	64.38
Other borrowing costs	2.47	3.23
on Financial liabilities measured at amortised cost		
- Unwinding of interest on security deposit	0.42	0.74
- Lease liability	0.20	0.20
on Provisions		
- Net Interest on net defined benefit liability	0.17	0.24
Total	**126.15**	**145.62**

NOTE 34: COST OF MATERIAL CONSUMED

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Stock at the beginning of the year	565.74	501.03
Add : Purchases	3,817.86	3,844.85
Less : Stock at the end of the year	519.42	565.74
Total	**3,864.18**	**3,780.14**

NOTE 35: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND BY-PRODUCT

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
At the end of the year		
a. Finished goods	157.94	170.53
b. Work-in-Progress	195.13	190.57
c. By-products	5.87	10.98
Total (A)	**358.94**	**372.08**
At the beginning of the year		
a. Finished goods	170.53	147.03
b. Work-in-Progress	190.57	172.74
c. By-products	10.98	3.38
Total (B)	**372.08**	**323.15**
(Increase)/Decrease (B-A)	**13.14**	**(48.93)**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 36: EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Salaries and incentives	333.28	305.36
Contributions to provident fund and other funds	14.78	16.57
Employees stock option expense	3.12	8.29
Gratuity	7.27	5.43
Staff welfare expenses	30.63	28.72
Total	**389.08**	**364.37**

NOTE 37: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
On property, plant and equipment (Refer Note No. 14)	269.54	256.03
On investment property (Refer Note No. 13)	0.25	0.50
On Right of Use of asset (Refer Note No. 14)	0.80	0.35
On intangible assets (Refer Note No. 14)	1.27	1.70
Total	**271.86**	**258.58**

NOTE 38: OPERATING AND OTHER EXPENSES

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
A. Operating expenses		
Consumption of stores, spares and consumables	629.05	574.78
Power, fuel and water	533.11	545.86
Fettling and other manufacturing expenses	108.22	87.49
Repairs and maintenance		
- Machinery	63.89	46.93
- Buildings	3.31	2.91
Machinery hire charges	14.60	11.28
Other processing expenses	71.83	111.75
Sub Total	**1,424.01**	**1,381.00**
B. Selling expenses		
Freight and forwarding expenses (net)	212.42	179.88
Sales commission and incentive	0.86	0.42
Royalty	12.33	9.37
Advertisement	0.26	0.48
Other selling expenses	2.93	32.91
Sub Total	**228.80**	**223.06**
C. Other expenses		
Communication expenses	0.80	1.00
Facilitation charges	-	0.04
Loss on assets sold, demolished, discarded and scrapped	8.15	5.61
Net loss on foreign currency transactions	13.35	3.04
Security expenses	1.75	2.99
Facility Management Expenses	0.15	0.36

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 38: OPERATING AND OTHER EXPENSES (CONTD.)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Repairs and maintenance :		
- Property	0.81	0.37
- Other assets	11.16	8.00
Garden and site maintenance	0.16	0.27
Rent, rates and taxes	8.18	6.69
Legal and professional fees	41.53	40.10
Commission to Directors	1.90	1.96
Director sitting fees	1.65	1.72
Acquisition related cost in business	-	-
Travelling expenses	6.61	7.33
Insurance charges	5.90	5.62
Bad debts written off (Net)	0.23	-
Allowance for credit losses (including Expected credit loss)	0.41	-
Miscellaneous expenses	31.93	42.32
Corporate Social Responsibility expense	10.51	11.01
Advertisement and Business Promotion Expenses	1.80	-
Public & Investor Relation	0.45	-
Payment to auditors :		
(a) for audit	1.22	1.19
(b) for taxation audit	0.08	0.10
(c) for other services	0.08	0.07
(d) for Auditors Reimbursement of Expenses	0.07	0.06
Sub Total	**148.88**	**139.85**
Total	**1,801.69**	**1,743.91**

NOTE 39: DETAILS OF RESEARCH AND DEVELOPMENT EXPENDITURE CARRIED OUT BY THE GROUP

(For unit situated at Bevinahalli village, Koppal incurred are given below)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
a. Revenue expenses		
Cost of materials/consumables/spares	0.18	0.44
Employee related expense	5.89	5.14
Other expense	0.98	0.70
Total	**7.05**	**6.28**
b. Capital expenditure		
Plant and machinery	0.26	0.53
Computers	0.09	-
Office equipment	0.01	0.05
Total	**0.36**	**0.58**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 40: EXCEPTIONAL ITEMS - (EXPENSES) / INCOME

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Statutory impact of new Labour Codes (Refer Note 40.1)	(18.93)	-
Loss on liquidation of Subsidiary (Refer Note 40.2)	0.50	-
Reclassification of FCTR on subsidiaries (Refer Note 40.2)	2.02	-
Gain on reversal of ESAR charges (Refer Note 40.3)	3.73	12.24
Total	**(12.68)**	**12.24**

40.1) On November 21, 2025, the Government of India notified the four Labour Codes consolidating 29 existing labour laws. The Company assessed and disclosed the impact of these changes on the basis of the best information available. Due to changes in the "wage definition", the impact of 18.93 crore related to gratuity and compensated absences has been recorded and disclosed under "Exceptional Items" for the current year. The Company continues to monitor the finalisation of Central Rules, State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

Further, the Government of India has by a notification on 8th May 2026, notified the final Rules under the New Labour Codes. Since the new labour codes and related rules are evolving and subject to further clarifications and implementation guidelines, the Company will continue to evaluate the implications thereof and the appropriate accounting impacts, if any, shall be accounted for as and when the same becomes reasonably measurable and ascertainable.

40.2) During the Financial Year, the prospects of the Company's Stepdown subsidiary, ISMT Enterprises SA, Luxembourg, were evaluated, and a decision was made to liquidate the entity. Consequently, voluntary liquidation was initiated during the Financial Year.

Following the loss of control and subsequent liquidation, the credit balance of Rs. 2.02 Crores remaining in the Foreign Currency Translation Reserve was reclassified to the Statement of Profit and Loss. Additionally, a gain of Rs. 0.50 Crores arising from the loss of control was recognised in the Financial Statements.

On September 1, 2025, pursuant to the receipt of the certificate of deregistration, the name of 'ISMT Enterprises SA' was officially deleted from the Luxembourg Trade Registry. As of March 31, 2026, ISMT Enterprises SA stands fully dissolved, and there are no further obligations or adjustments remaining in this regard.

40.3) During the year ended March 31,2026 the reversal of ESAR charge for unvested options on account of separation of employees has resulted in exceptional gain and accordingly Exceptional Item of ₹ 3.73 Crores is shown as income.

NOTE 41: EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Balance unspent CSR amount at the beginning of the year	-	-
(a) Gross amount required to be spent by the Company during the year	10.33	10.85
(b) Amount spent by the Company during the year-		
(i) Construction/Acquisition of any asset	-	-
(ii) On purpose other than (i) above	10.51	11.01
(c) Excess spent of earlier year	0.51	0.35
Balance unspent /(Excess) CSR amount at the end of the year	**(0.69)**	**(0.51)**
The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	-	-
The total of previous years' shortfall amounts	-	-
The reason for above shortfalls	NA	NA

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 42:

Notes on these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the Companies. Recognising this purpose, the Company has disclosed only such notes from the individual Financial Statements, which:

a) are necessary for presenting a true and fair view of the Consolidated Financial Statements

b) the notes involving items, which are considered to be material.

NOTE 43: INCOME TAXES

	Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(i)	**The major components of income tax expense are:**		
(a)	**Statement of Profit and Loss section**		
	Current income tax charge	22.00	117.54
	Short/ (Excess) provision of earlier years	1.38	(2.61)
	Deferred tax:		
	Deferred tax	(10.60)	23.97
	Income tax expense reported in the Statement of Profit and Loss	**12.78**	**138.90**
(b)	**Statement of Other Comprehensive Income (OCI)**		
	Deferred tax (expense) / income on fair valuation of equity instruments	43.07	(224.34)
	Deferred tax (expense) / income on remeasurements of defined benefit plan	(1.98)	3.34
	Income tax charged to Other Comprehensive Income	**41.09**	**(221.00)**

	Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(ii)	**Reconciliation of tax expense and the accounting profit**		
	Accounting profit for the Group before income tax	515.96	447.12
	Tax on above at current rate of Income Tax	134.39	112.58
	Tax Expense		
	Current	22.00	117.54
	Short/ (Excess) provision of earlier years	1.38	(2.61)
	Deferred	(10.60)	23.97
	Total Tax Expense	**12.78**	**138.90**
	Difference	**121.61**	**(26.32)**
	Tax Reconciliation		
	Amounts not deductible		
	Deferred tax assets on Carried forward losses & Unabsorbed Depreciation of Transferor Companies (Refer Note No. 51)	(141.28)	-
	Donations & CSR expenses	0.14	0.11
	Others	23.32	25.09
	Amounts not taxable		
	Others	(5.17)	2.03
	Taxation in respect of earlier years	1.38	(0.91)
	Total adjustments	**(121.61)**	**26.32**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 43: INCOME TAXES (CONTD.)

(iii) Deferred tax relates to the following:

Particulars	Balance Sheet		Statement of Profit and Loss	
	As at 31 March 2026	As at 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025
Deferred tax assets				
Provision for employee benefits	1.36	0.91	0.45	0.77
Provision for Expected Credit Loss	-	-	-	(1.41)
Provision for dismantling obligation	0.79	0.73	0.06	0.06
MAT credit entitlement	0.50	0.50	0.00	-
Disallowances under section 43B of Income tax Act, 1961	20.77	20.42	0.35	3.45
Deferred tax asset on Carried forward losses & Unabsorbed Depreciation of Transferor Companies	38.40	-	38.40	-
Provision for Impairment	38.15	50.31	(12.16)	0.04
Others	2.07	2.41	(0.34)	(0.83)
Gross deferred tax assets	**102.04**	**75.28**	**26.76**	**2.08**
Deferred tax liabilities				
Property, plant and equipment and intangible assets	340.05	322.07	17.98	22.63
Fair valuation of financial instruments	0.66	1.03	(0.37)	0.38
Fair valuation of Equity financial instruments	458.95	501.96	(43.01)	256.30
Other temporary difference	(0.56)	(0.49)	(0.07)	(0.57)
Preference Shares- Finance Income	1.04	0.51	0.52	0.11
Tax impact of sale of equity investment measured through OCI#	-	-	-	(31.81)
Gross deferred tax liabilities	**800.15**	**825.08**	**(24.94)**	**247.04**
Deferred tax (assets)/liabilities (net)	**698.10**	**749.81**	**51.71**	**244.96**

Breakup of movement in Deferred Tax (assets)/Liabilities (Net)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Amount recognised in Statement of Profit and Loss	(10.60)	23.97
Amount recognised in Statement of Other Comprehensive Income	(41.10)	220.99
Deferred Tax adjustment through Profit and Loss Accounts	**(51.70)**	**244.96**
On account of business acquisition of Step-down Subsidiary limited- Deferred Tax	-	
On account of business acquisition of Step-down Subsidiary limited- Current Tax	-	
Deferred Tax adjustment through balance sheet	-	-
Total Deferred Tax moment	**(51.70)**	**244.96**

#The deferred tax liability of Rs. 31 crore arose from the sale of investment in Swaraj Engine Limited during the FY 2022-23. This amount was deducted from Other Comprehensive Income (OCI) in the same year and subsequently credited to the profit and loss account under provision for tax. Simultaneously, as the OCI decreased due to the sale of investment, it led to automatic impact on deferred tax as a result, the deferred tax was reduced twice for a single transaction.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 44: EARNING PER SHARE

Basic EPS amounts are 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 year.

Diluted EPS amounts are calculated by adjusting profit or loss attributable to ordinary equity holders of the entity, and the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars		Year ended 31 March 2026	Year ended 31 March 2025
Net profit after tax as per Statement of Profit and Loss -continuing operation		503.11	307.57
Less: Non-controlling interest		275.64	159.13
Net profit attributable to the owners of the Company - continuing operation	(A)	227.46	148.45
Net profit after tax as per Statement of Profit and Loss - discontinuing operation		0.07	0.65
Less: Non-controlling interest		-	-
Net profit attributable to the owners of the Company - discontinuing operation	(B)	0.07	0.65
Net profit attributable to the owners of the Company - Total	(C) = (A)+(B)	227.53	149.10
Weighted average number of equity shares in calculating basic EPS	(D)	10,461,014	10,183,094
Effect of dilution:			
Weighted average number of potential equity shares on account of employee stock options*	(E)	29,090	132,831
Total number of diluted equity shares at the end of the year*	(F) = (D)+(E)	10,490,104	10,315,925
Adjustment to numerator on account of ESOP issued by subsidiary	(G)	(0.77)	(0.78)
Net profit after tax and non-controlling interest for computing diluted EPS	(H) = (C)+(G)	226.76	148.31
Continuing operations			
Basic earnings per share of face value of 10 each (₹)	(A/D)	217.44	145.77
Diluted earnings per share of face value of 10 each (₹)	(A+G)/(F)	216.10	143.13
Discontinuing operations			
Basic earnings per share of face value of 10 each (₹)	(B/D)	0.07	0.64
Diluted earnings per share of face value of 10 each (₹)	(B/F)	0.07	0.63
Total			
Basic earnings per share of face value of ₹ 10 each (in ₹)	(C/D)	217.51	146.41
Diluted earnings per share of face value of ₹ 10 each (in ₹)	(H/F)	216.17	143.76

*The number of shares stated are in full figure.

NOTE 45: CONTINGENT LIABILITIES, CAPITAL COMMITMENTS AND OTHER COMMITMENTS

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Claims against the Company not acknowledged as debt		
- Central excise and customs	24.58	31.57
- Service tax	1.93	2.47
- Goods and Service tax	1.55	1.50
- Income tax*	99.48	68.65
- Labour matters to the extent quantifiable	0.41	0.43
- Forest Development Fee Matter	331.11	271.47

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 45: CONTINGENT LIABILITIES, CAPITAL COMMITMENTS AND OTHER COMMITMENTS (CONTD.)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
- Multi year tariff & Tax on Sale of Electricity	32.00	-
- Electricity Demand charges	10.39	-
- Conveyance deed charges in respect of property	0.22	0.22
- Others	10.19	10.19
Guarantees excluding financial guarantee		
- Bank Guarantee	191.76	184.51
Capital and Other Commitments		
- Stamp duty and registration fees	1.21	1.21
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	440.14	395.43

*Income tax :-

A) Net of ₹ 10.65 Crores paid under protest in earlier years and an income tax refund adjustment of ₹ 1.40 Crores.

B) An appeal against the order of ₹ 8.30 Crores. has been filed before the Commissioner of Income Tax (Appeals) (CIT(A) and stay Application against the demand notice has also been filed

Note

1. 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.
2. The Company has executed Cost Overrun Shortfall Undertaking in favour of Lenders of Avante Spaces Limited (ASL)(wholly owned subsidiary) whereby the Company has undertaken to provide additional funds as may be required to complete the commercial project at Karve Road, Kothrud, Pune in the event of any shortfall in the resources of ASL in completing the said project. As at March 31, 2026, there has been no increase in total project cost as assessed by the Lenders of ASL.

NOTE 46: BORROWING COST CAPITALISED

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Capitalised during the year	1.31	0.03
Total	**1.31**	**0.03**

NOTE 47: SEGMENT REPORTING

Segment information based on Consolidated Financial Statements, as required by the Indian Accounting Standard 108

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Segment Revenue		
- Investments (Securities & Properties)	127.00	120.57
- Real Estate	8.77	5.18
- Iron Casting	4,314.19	4,047.38
- Tube	2,342.74	2,294.31
- Steel	1,697.54	1,680.17
- Unallocable	62.36	52.59
Total	**8,552.60**	**8,200.20**
Less: Inter segment revenue	1,539.42	1,522.52

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 47: SEGMENT REPORTING (CONTD.)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Add : Discontinued Operation	2.60	2.91
Total Income	**7,015.78**	**6,680.59**
Segment Results		
Profit (+) / Loss (-) before tax and interest from each segment		
- Investments (Securities & Properties)	28.15	33.51
- Real Estate	(12.16)	(6.19)
- Iron Casting	397.10	348.85
- Tube	181.16	119.21
- Steel	57.20	59.63
- Unallocable	2.98	24.60
Total Profit / (Loss) Before interest and Tax from continuing Operations	**654.43**	**579.61**
- Finance cost for continuing operations	(126.15)	(145.62)
- Other Unallocable income/ (expenditure) net off Unallocable income/(expenditure)	-	-
- Exceptional items	(12.68)	12.24
Total Profit / (Loss) Before Tax from continuing Operations	**515.60**	**446.23**
Tax expense for continuing operations :		
- Current tax	21.66	117.24
- Short/ (Excess) provision of earlier years	1.38	(2.61)
- Deferred tax	(10.55)	24.03
Total tax expenses from continuing operations	**12.49**	**138.66**
Total Profit / (Loss) After Tax from continuing Operations	**503.11**	**307.57**
Total Profit / (Loss) Before Tax from Discontinued Operations	**0.36**	**0.89**
Tax expense for Discontinued operations :		
- Current tax	0.35	0.30
- Short/ (Excess) provision of earlier years	-	-
- Deferred tax	(0.06)	(0.06)
Total tax expenses from Discontinued operations	**0.29**	**0.24**
Total Profit / (Loss) After Tax from Discontinued Operations	**0.07**	**0.65**
Total Profit / (Loss) After Tax for the period	**503.18**	**308.22**
Segment Assets		
- Investments (Securities & Properties)	4,511.94	4,834.23
- Real Estate	546.28	455.05
- Iron Casting	3,751.32	3,582.75
- Tube	1,445.59	1,724.29
- Steel	1,323.85	980.54
- Other un-allocated assets	85.20	71.49
- Asset held for sale	2.66	2.48
- Asset held for sale	23.40	-
Total Segment Assets	**11,690.24**	**11,650.83**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 47: SEGMENT REPORTING (CONTD.)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Segment Liabilities		
- Investments (Securities & Properties)	23.44	13.75
- Real Estate	125.79	54.06
- Iron Casting	2,035.19	1,800.95
- Tube	244.72	244.87
- Steel	191.58	198.09
- Other un-allocated liabilities	719.81	1,180.24
- Liabilities classified as held for sale (Discontinued Operation)	3.43	3.21
- Liabilities classified as held for sale	-	-
Total Segment Liabilities	**3,343.96**	**3,495.17**
Capital Employed		
(Segment assets - Segment liabilities)		
- Investments (Securities & Properties)	4,488.50	4,820.48
- Real Estate	420.49	400.99
- Iron Casting	1,716.13	1,781.80
- Tube	1,200.87	1,479.42
- Steel	1,132.27	782.45
- Unallocable corporate assets less liabilities	(634.61)	(1,108.75)
- Net assets held for sale	(0.77)	(0.73)
- Net assets held for sale	23.40	-
Total capital employed	**8,346.28**	**8,155.66**

NOTE 48: PROVISIONS

The disclosure required by Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, is as follows:

Class of Provision	Casting rejections$	Provision for decommissioning and Restoration#
Opening balance as on 1 April 2024	5.75	2.66
Provisions for the year	4.91	0.23
Amounts used during the year	5.75	-
Closing balance as on 31 March 2025	4.91	2.89
Opening balance as on 1 April 2025	4.91	2.89
Provisions for the year	9.53	0.24
Amounts used during the year	4.91	-
Closing balance as on 31 March 2026	9.53	3.13

$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.

#Nature of Obligation: Provision for possible obligation towards outflow related to decommissioning and restoration of windmills.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 49: RELATED PARTY TRANSACTIONS

List of related parties as per the requirements of Ind AS 24 - Related party disclosures

Related parties, as defined under Indian Accounting Standard (Ind AS 24) "Related Party Disclosures" have been identified on the basis of representation made by the Key Management Persons and taken on record by the Board of Directors. Disclosures of transactions with Related Parties are as under:

(a) Name of the related party and nature of related party relationships :

Name of Key Management Personnel	Designation	Transactions with relatives of Key Management Personnel and relationship
Kirloskar Industries Limited		
Mr. George Verghese (w.e.f 20 May 2025)	Managing Director	None
Ms. Aditi Chirmule	Executive Director	None
Mr. Anandh Baheti (up to 04 November 2025)	Chief Financial Officer	None
Mr. Bharathan Gopalakrishnan (w.e.f 14 November 2025)	Chief Financial Officer	None
Ms. Ashwini Mali	Company Secretary	None
Avante Spaces Limited		
Mr. Deepak Porayath	Chief Executive Officer	None
Ms. Pratiksha Kadam (Upto 05 March 2026)	Company Secretary	None
Ms. Ashwini Mali (w.e.f 11 March 2026)	Company Secretary	None
Mr. Anand Baheti (Upto 04 November 2025)	Chief Financial Officer	None
Mr. Bharathan Gopalakrishnan (w.e.f. 03 December 2025)	Chief Financial Officer	None
Kirloskar Ferrous Industries Limited		
Mr. R.V. Gumaste	Managing Director	None
Mr. R.S. Srivatsan	Executive Director (Finance) & Chief Financial Officer	None
Mr. N. B. Ektare	Executive Director (Operations) (w.e.f. 09 August, 2024)	None
Mr. Mayuresh Gharpure	Company Secretary	None

(b) Related party transactions

Nature of transaction	Year	Key Management Personnel
Expenses rendering of services	2025-26	41.26
	2024-25	45.23
Dividend paid	2025-26	0.02
	2024-25	0.18
Outstanding as at 31 March		
Payable	2026	16.84
	2025	8.89
Receivable	2026	-
	2025	-

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) Transactions with related parties are at arms length price and the balances receivable / payable are un-secured.

(iii) The terms of payment are generally similar to those of other non-related parties.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 49: RELATED PARTY TRANSACTIONS (CONTD.)

Compensation of Key Management Personnel of the Group

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Short-term employee benefits	29.72	25.62
Post employment benefits	2.55	2.84
Other long-term benefits	0.59	1.87
Share based payments	8.40	14.91
Total	**41.26**	**45.23**

NOTE 50: RELATIONSHIP WITH STRUCKOFF 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 31st March 2026	Number of Shares held as on 31st March 2025
Nenawati Marketing Private Limited	Shares held in the Company	Shareholder	1,900	1,900
Box And Carton Private Limited	Shares held in the Company	Shareholder	100	100
Standard Fibrochem Private Limited	Shares held in the Company	Shareholder	-	-
Sri Ramachandra Investments Private Limited	Shares held in the Company	Shareholder	100	100
Umasoumya Investments Private Limited	Shares held in the Company	Shareholder	100	100
Uma Sridhar Hire Finance Private Limited	Shares held in the Company	Shareholder	100	100
Abhireet Investments & Trading Private Limited	Shares held in the Company	Shareholder	200	200
Pci Vanijya Private Limited	Shares held in the Company	Shareholder	85	85
North Point Properties Private Limited	Shares held in the Company	Shareholder	26	26
Unicon Fincap Private Limited	Shares held in the Company	Shareholder	1,105	1,105

NOTE 51: DISCLOSURE PURSUANT TO IND AS 103 “BUSINESS COMBINATIONS”:

Arrangement and Merger by Absorption of Oliver Engineering Private Limited and Adicca Energy Solutions Private Limited -

The Board of Directors of the Subsidiary Company (KFIL), at its meeting held on August 04, 2025, had approved the Scheme of Arrangement and Merger by Absorption of Oliver Engineering Private Limited (‘OEPL’ / ‘Transferor Company 1’) and Adicca Energy Solutions Private Limited (‘AESPL’ / ‘Transferor Company 2’) (together, the ‘Transferor Companies’) with the subsidiary Company and their respective Shareholders & Creditors (‘Scheme’).

Pursuant to the sanction of the Scheme by the Hon’ble National Company Law Tribunal, Mumbai (“NCLT”) vide order dated June 02, 2026, and filing of the requisite documentation with the Registrar of Companies, Pune, the Transferor Companies have been absorbed by the subsidiary Company with effect from the appointed date as per the Scheme, i.e. April 01, 2025.

In terms of the Scheme, all the assets, liabilities, reserves and surplus of the Transferor Companies have been transferred to and vested in the subsidiary Company. Accordingly, the consolidated financial results for the year ended March 31, 2026, originally approved by the Board of Directors and filed with the stock exchange on May 19, 2026, have been updated to give effect to the Scheme and also the previous year's figures have been restated as per Ind AS 103 – Business Combinations.

Further, as per the terms of the Scheme, the unabsorbed depreciation and carried forward losses of the Transferor Companies stand transferred to and vested in the subsidiary Company as on the Appointed Date. The Management of the subsidiary Company has evaluated the tax effect on account of the said unabsorbed depreciation and carried forward losses relating to the Transferor Companies and recognised an amount of ₹ 141.28 Crores as deferred tax asset as on April 1, 2025, in compliance with Ind AS 12. During the financial year 2025-26 these carried forward losses & unabsorbed depreciation have been adjusted and utilised for the computation of income tax in compliance with the provisions of the Income Tax Act, 1961 and consequently ₹ 110.38 Crores of current tax expense has been reversed in the updated financial results.

In accordance with the applicable stamp duty legislation, the Company will apply for adjudication of stamp duty payable on the NCLT order sanctioning the Scheme. The exact amount of stamp duty is not determinable as on the date of approval of these Financial Statements, as it is subject to assessment by state authorities. Stamp duty liability, if any, will be accounted for in the period in which the amount is determinable by the authority.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 52: FAIR VALUE MEASUREMENTS

Set out below is a comparison, by class, of the carrying amounts and the fair value of the Group's financial instruments as of 31 March 2026

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit and loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets					
Cash and cash equivalents	97.42	-	-	97.42	97.42
Bank balances other than above	140.09	-	-	140.09	140.09
Receivables					
(i) Trade receivables	1,089.99	-	-	1,089.99	1,089.99
Investments	-	95.25	4,303.35	4,398.60	4,398.60
Other financial assets	59.83	-	-	59.83	59.83
Total	**1,387.34**	**95.25**	**4,303.35**	**5,785.94**	**5,785.94**
Financial liabilities					
Derivative financial instruments	-	-	-	-	-
Trade payables	1,181.84	-	-	1,181.84	1,181.84
Borrowings (other than debt securities)	1,105.03	-	-	1,105.03	1,105.03
Deposits	7.59	-	-	7.59	7.59
Other financial liabilities	189.13	-	-	189.13	189.13
Total	**2,483.58**	**-**	**-**	**2,483.59**	**2,483.59**

Set out below is a comparison, by class, of the carrying amounts and the fair value of the Group's financial instruments as of 31 March 2025

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit and loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets					
Cash and cash equivalents	51.46	-	-	51.46	51.46
Bank balances other than above	118.34	-	-	118.34	118.34
Receivables					
(i) Trade receivables	1,044.41	-	-	1,044.41	1,044.41
Investments	-	125.68	4,604.12	4,729.80	4,729.80
Other financial assets	49.39	-	-	49.39	49.39
Total	**1,263.60**	**125.68**	**4,604.12**	**5,993.40**	**5,993.40**
Financial liabilities					
Derivative financial instruments	-	3.33	-	3.33	3.33
Trade payables	1,071.68	-	-	1,071.68	1,071.68
Borrowings (other than debt securities)	1,275.86	-	-	1,275.86	1,275.86
Deposits	6.78	-	-	6.78	6.78
Other financial liabilities	245.71	-	-	245.71	245.71
Total	**2,600.03**	**3.33**	**-**	**2,603.37**	**2,603.37**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 52: FAIR VALUE MEASUREMENTS (CONTD.)

Quantitative disclosures fair value measurement hierarchy for assets:

Particulars	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Asset measured at fair value through profit or loss/ other comprehensive income			
Date of Valuation			
As at 31 March 2026	4,397.34		1.26
As at 31 March 2025	4,728.54		1.26

The following methods and assumptions were used to estimate the fair values / amortised cost as applicable :

(i) The fair values of quoted equity instruments and mutual funds are measured using Level 1 hierarchy and derivative assets/(liabilities) on account of forward exchange contract are measured using Level 2 hierarchy. There have been no transfers among Level 1, Level 2 and Level 3 during the year.

(ii) The Management assessed that the fair value of cash and cash equivalents, other bank balances, trade receivables, trade payables, deposits, loans and other financial assets and other financial liabilities approximate their carrying amounts.

(iii) The fair value of the quoted equity shares and mutual fund are based on the price quotations at reporting date.

(iv) The fair value of unquoted instruments - The Group has carried out fair valuation of investments in equity shares of unquoted instruments based on discounted cash flow method under income approach based on valuation carried out by an independent valuer. The fair value of unquoted instruments are measured using Level 3 hierarchy.

(v) Derivative financial assets / (liabilities) are valued based on inputs that are directly or indirectly observable in the market.

(vi) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(vii) The fair value of other financial liabilities as well as other financial assets is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

NOTE 53: FINANCIAL RISK MANAGEMENT

The Group's activities exposes it to market risk, liquidity risk and credit risk.

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 sources of risk which the Group is exposed to and how the Group manages the risk.

The Group has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified are systematically addressed through risk mitigation actions on a continuing basis.

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.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 53: FINANCIAL RISK MANAGEMENT (CONTD.)

Risk	Exposure arising from	Risk Management Plan
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.	Group 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 (Subsidiary Company)	Coke/ coal, Iron ore, Pig Iron, Steel scrap and Steel	Every month Group 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 Group.

(A) 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.

I. 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.

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.

For ageing analysis of trade receivables/unbilled contract assets refer note no. 8

Credit risk on cash and cash equivalents and other bank balances is limited as the Group generally invests in banks and liquid mutual funds with high credit ratings.

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The flexibility in funding requirements is met by ensuring by availability of adequate inflows. The Group 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.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 53: FINANCIAL RISK MANAGEMENT (CONTD.)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	On demand	Upto 1 year	More than 1 year upto 3 years	More than 3 years
Trade payables	2.01	1,179.95	-	-
Borrowings (other than debt securities)	-	797.54	236.76	453.00
Deposits	0.13	0.20	7.75	-
Other financial liabilities	0.54	172.15	4.92	-
As at 31 March 2026	**2.68**	**2,149.84**	**249.43**	**453.00**
Trade payables	2.12	1,070.29	-	-
Borrowings (other than debt securities)	-	858.74	376.08	347.45
Deposits	0.04	0.09	7.59	-
Other financial liabilities	0.60	232.87	5.33	-
As at 31 March 2025	**2.76**	**2,162.00**	**389.00**	**347.45**

(C) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. Market risk comprises three types of risk interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

The sensitivity analysis in the following sections relate to the position as at 31st March, 2026. 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.

a. 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. Group transacts business in its functional currency i.e. Indian rupee 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. The Group 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:

Particulars	Currency	Amount in foreign currency	Equivalent Indian currency	Maturity Profile
As at 31st March, 2026				
Payables				
	USD	3.31	304.96	Within 6 Months
	AUD	0.56	13.83	Within 6 Months
As at 31st March, 2025				
Payables	USD	2.41	209.61	Within 6 Months

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 53: FINANCIAL RISK MANAGEMENT (CONTD.)

Details of foreign currency exposures that are not hedged by derivative instruments or otherwise:

Particulars	Currency	Amount in foreign currency	Equivalent Indian currency
Receivables			
As at 31st March, 2026	USD	0.21	20.23
As at 31st March, 2025	USD	0.14	11.61
As at 31st March, 2026	EURO	0.01	0.57
As at 31st March, 2025	EURO	0.00	0.00
Payables			
As at 31st March, 2026	USD	0.24	22.41
As at 31st March, 2025	USD	1.12	95.71
As at 31st March, 2026	EURO	0.01	1.48
As at 31st March, 2025	EURO	0.01	1.14
As at 31st March, 2026	SEK	0.00	0.02
As at 31st March, 2025	SEK	0.00	0.02

Foreign currency sensitivity on unhedged exposure

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, 2026	USD	+5%	(0.11)	(0.11)
		-5%	0.11	0.11
	EURO	+5%	-0.05	-0.05
		-5%	0.05	0.05
	SEK	+5%	(0.00)	(0.00)
		-5%	0.00	0.00
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

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 53: FINANCIAL RISK MANAGEMENT (CONTD.)

b. 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. At the reporting date the interest rate profile of the Group's interest bearing financial instruments are follows:

Particulars	31st March, 2026	31st March, 2025
Fixed rate borrowings		
Commercial Papers	344.73	96.86
	344.73	**96.86**
Variable rate borrowings		
Term loan from banks	757.83	794.79
Loans repayable on demand	247.55	320.44
Less: Interest rate swaps (principal amount hedged)	190.00	-
Total variable rate borrowings	**815.38**	**1,115.23**
Impact on profit before tax and pre-tax equity		
Increase by 50 basis points	(1.84)	(2.79)
Decrease by 50 basis points	1.84	2.79

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 subsidiary company is subject to fluctuations in prices for the purchase of metallurgical coke, coking coal and iron ore which are the major input materials for production of pig iron.

The subsidiary company 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.

d. Equity price risk

Equity price risk is related to the change in market reference price of the investments in equity securities. The fair value of the Group's investments measured at fair value through other comprehensive income and fair value through profit and loss expose's the Group to equity price risks. These investments are subject to changes in the market price of securities.

The fair value of Company's investment as at 31 March 2026 in quoted & unquoted equity securities was ₹ 4,303.35 Crores (Previous Year : ₹ 4,604.12 Crores quoted & unquoted equity shares) and ₹ 95.25 Crores in quoted mutual funds (Previous Year : ₹ 125.68 Crores in quoted mutual funds). The impact of change in equity price risk is as under:

Particulars	31 March 2026		31 March 2025	
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
Impact on Statement of Profit and Loss				
Mutual funds	9.53	(9.53)	12.57	(12.57)
Impact on Statement of Comprehensive Income				
Equity shares	430.33	(430.33)	460.41	(460.41)

For step-down subsidiary

The subsidiaries are exposed to the movement in price of key raw materials in domestic and international markets. The subsidiaries review the prices of key raw materials periodically and enters into most of the contracts for procurement of material on short-term fixed price basis.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 54: CAPITAL MANAGEMENT

The Group's objectives when managing capital are to

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

  In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares etc.

No changes were made in the objectives, policies or processes for managing capital during the years and Previous Year.

NOTE 55: STATEMENT OF NET ASSETS, PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS AND NON CONTROLLING INTEREST AS ON 31 MARCH 2026

Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in profits or loss		Share in Other Comprehensive Income		Share in total Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit / loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent - Kirloskar Industries Limited	58.59%	4,890.07	1.29%	6.51	101.49%	(257.87)	(100.90%)	(251.35)
Indian subsidiary - Avante Spaces Limited	(0.63%)	(52.85)	(2.60%)	(13.09)	(0.02%)	0.05	(5.24%)	(13.04)
Indian subsidiary - Kirloskar Ferrous Industries Limited	16.92%	1,412.37	46.53%	234.12	(0.68%)	1.72	94.67%	235.84
Non controlling interest	25.12%	2,096.69	54.78%	275.64	(0.80%)	2.03	111.46%	277.67
Total	**100%**	**8,346.28**	**100%**	**503.18**	**100%**	**(254.07)**	**100%**	**249.11**

NOTE 56

Previous year's figures have been regrouped wherever considered necessary to make them comparable with those of the current year.

As per our attached report of even date

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Parag Pansare
Partner
Membership Number: 117309
Pune: 19 June 2026

For and on behalf of the Board of Directors

George Verghese
Managing Director
DIN 11068946

Aditi Chirmule
Executive Director
DIN 01138984

Bharathan Gopalakrishnan
Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Pune: 19 June 2026

Form AOC-1

STATEMENT PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT, 2013 RELATING TO SUBSIDIARY COMPANIES :

PART "A" : SUBSIDIARIES

(₹ in Crores)

1	Name of the Subsidiaries	Kirloskar Ferrous Industries Limited*	Avante Spaces Limited
2	The date since when subsidiary was acquired	May 31, 2013	December 19, 2020
3	Reporting period for the subsidiary concerned, if different from the Holding Company's reporting Period	N.A	N.A
4	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	N.A	N.A
5	Share Capital	82.46	10.23
6	Reserves & Surplus	3,780.33	124.92
7	Total Assets	6,589.04	644.16
8	Total Liabilities	2,726.25	509.01
9	Investments	0.94	-
10	Turnover (Revenue from operations)	6,888.57	8.40
11	Profit Before taxation (incl. exceptional items)	496.65	(18.04)
12	Provision for Taxation	(10.57)	1.16
13	Profit after taxation	507.22	(19.20)
14	Proposed Dividend	-	-
15	% of Shareholding	45.93%	100.00%
16	Names of subsidiaries which are yet to commence operations	-	-
17	Names of subsidiaries which have been liquidated or sold during the year	-	-

*Kirloskar Ferrous Industries Limited (KFIL) includes consolidated figures

As per our attached report of even date

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Parag Pansare
Partner
Membership Number: 117309
Pune: 19th June 2026

For and on behalf of the Board of Directors

George Verghese
Managing Director
DIN 11068946

Aditi Chirmule
Executive Director
DIN 01138984

Bharathan Gopalakrishnan
Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Pune: 19th June 2026

STATEMENT PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT, 2013 RELATING TO ASSOCIATES AND JOINT VENTURES :

PART "B" : ASSOCIATES AND JOINT VENTURES

1	Name Of Associates	Not Applicable
2	Latest audited Balance Sheet Date;	
3	Date on which the Associate was associated or acquired;	
4	Shares of Associate held by the company on the year end;	
5	Amount of Investment in Associates (Rs in Lakhs)	
6	Extent of Holding (in percentage);	
7	Description of how there is significant influence;	
8	Reason why the associate/Joint venture is not consolidated;	
9	Net worth attributable to shareholding as per latest audited Balance Sheet;	
10	Profit or Loss for the year;	
	Considered in Consolidation;	
	Not Considered in Consolidation;	
11	Names of associates which are yet to commence operations;	
12	Names of associates which have been liquidated or sold during the year;	

Note :

1 For the Financial Year ending 31 March 2026, the Company has no Joint Venture & Associate.

As per our attached report of even date

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Parag Pansare
Partner
Membership Number: 117309
Pune: 19th June 2026

For and on behalf of the Board of Directors

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Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Pune: 19th June 2026

GRI Content Index

Statement of use

kirloskar industries has reported in accordance with the GRI Standards for the period 1st April 2025 to 31st March 2026.

GRI Standard/ Other Source	Disclosure	Section	Page Number
General disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	About Kirloskar Group, Kirloskar industries, BRSR Section- A	8-19, 129
	2-2 Entities included in the organization's sustainability reporting	About Kirloskar Group, Kirloskar industries, BRSR Section- A	8-19, 129
	2-3 Reporting period, frequency and contact point	About the report, BRSR Section- A	5,129
	2-4 Restatements of information	BRSR Section- A	129
	2-5 External assurance	BRSR Section-A, Independent assurance statement	129, 168-169
	2-6 Activities, value chain and other business relationships	BRSR Sec A, Independent Auditor's Certificate on Corporate Governance	127, 129-132
	2-7 Employees	BRSR Section - A	131
	2-8 Workers who are not employees	BRSR Section - A	131
	2-9 Governance structure and composition	Sustainable governance structure	31
	2-10 Nomination and selection of the highest governance body	Company's policy on directors' appointment and remuneration	81
	2-11 Chair of the highest governance body	Leadership Message	21
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainable governance structure	31
	2-13 Delegation of responsibility for managing impacts	Sustainable governance structure	31
	2-14 Role of the highest governance body in sustainability reporting	BRSR Section - B	140
	2-15 Conflicts of interest	BRSR Section-C; P-1	142
	2-16 Communication of critical concerns	BRSR Section-C; P-2	145
	2-17 Collective knowledge of the highest governance body	Board of directors, Leadership message	18-21
	2-18 Evaluation of the performance of the highest governance body	Board evaluation	84
	2-19 Remuneration policies	Remuneration to directors	113-115
	2-20 Process to determine remuneration	Remuneration to directors	113-115
	2-21 Annual total compensation ratio	Notes forming part of the Consolidated Financial Statements	296
	2-23 Policy commitments	BRSR Section B	138-141
	2-24 Embedding policy commitments	BRSR Section B	138-141
	2-25 Processes to remediate negative impacts	BRSR Section -A	133-137
	2-26 Mechanisms for seeking advice and raising concerns	BRSR Section-C; P-2	145
	2-27 Compliance with laws and regulations	BRSR Section -C; P-1, P-5, P-6	142, 155, 160
	2-28 Membership associations	BRSR Section- A; P-7	162
	2-29 Approach to stakeholder engagement	Stakeholder Engagement, BRSR Section -A	34-37, 132
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Topics	32-33
	3-2 List of material topics	Material Topics	32-33

GRI Standard/ Other Source	Disclosure	Section	Page Number
Biodiversity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	Natural capital, BRSR Section -C; P-6	55, 160, 161,
	101-2 Management of biodiversity impacts	Natural capital, BRSR Section -C; P-6	55, 160, 161,
	101-3 Access and benefit-sharing	Natural capital, BRSR Section -C; P-6	55, 160, 161,
	101-4 Identification of biodiversity impacts	Natural capital, BRSR Section -C; P-6	55, 160, 161,
	101-5 Locations with biodiversity impacts	Natural capital, BRSR Section -C; P-6	55, 160, 161,
	101-6 Direct drivers of biodiversity loss	Natural capital, BRSR Section -C; P-6	55, 160, 161,
	101-7 Changes to the state of biodiversity	Natural capital, BRSR Section -C; P-6	55, 160, 161,
	101-8 Ecosystem services	Natural capital, BRSR Section -C; P-6	55, 160, 161,
Climate Change			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 102: Climate Change 2025	102-1 Transition plan for climate change mitigation	Natural capital, BRSR Section -A	55, 137
	102-2 Climate change adaptation plan	Natural capital, BRSR Section -A	55, 137
	102-4 GHG emissions reduction targets and progress	BRSR Section -C, P-6	158-159
	102-5 Scope 1 GHG emissions	BRSR Section -C, P-6	158-159
	102-6 Scope 2 GHG emissions	BRSR Section -C, P-6	158-159
	102-7 Scope 3 GHG emissions	BRSR Section -C, P-6	158-159
	102-8 GHG emissions intensity	BRSR Section -C, P-6	158-159
	102-9 GHG removals in the value chain	BRSR Section -C, P-6	158-159
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 103: Energy 2025	103-1 Energy policies and commitments	BRSR Section -A	137
	103-2 Energy consumption and self-generation within the organization	BRSR Section - C; P-6	157
	103-3 Upstream and downstream energy consumption	BRSR Section - C; P-6	157
	103-4 Energy intensity	BRSR Section - C; P-6	157
	103-5 Reduction in energy consumption	BRSR Section - C; P-6	157
Economic performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Decade at a glance, Standalone Financial Statements including Auditor's Report, Consolidated Financial Statements including Auditor's Report	7, 170, 232
	201-3 Defined benefit plan obligations and other retirement plans	BRSR Section- C; P-3	146- 150
	201-4 Financial assistance received from government	Notes forming part of the Consolidated Financial Statements	263
Market presence			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	BRSR Section -C; P-5	154-155

Kirloskar Industries

GRI Standard/ Other Source	Disclosure	Section	Page Number
Indirect economic impacts			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	BRSR Section -C; P-8, Notes forming part of the Standalone Financial Statements	164, 188
	203-2 Significant indirect economic impacts	BRSR Section -C; P-8, Notes forming part of the Standalone Financial Statements	164, 188
Procurement practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	BRSR Section- C; P-1	143, 162
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	BRSR Section -C; P-1	142
	205-2 Communication and training about anti-corruption policies and procedures	BRSR Section -C; P-1	142
	205-3 Confirmed incidents of corruption and actions taken	BRSR Section -C; P-1	142
Anti-competitive behavior			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	BRSR Section -C; P-7	162
Tax			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 207: Tax 2019	207-1 Approach to tax	Notes forming part of the Standalone Financial Statements, Notes forming part of the Consolidated Financial Statements	216, 248
	207-2 Tax governance, control, and risk management	Notes forming part of the Standalone Financial Statements, Notes forming part of the Consolidated Financial Statements	216, 248
	207-3 Stakeholder engagement and management of concerns related to tax	Notes forming part of the Standalone Financial Statements, Notes forming part of the Consolidated Financial Statements	216, 248
Materials			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 301: Materials 2016	301-1 Materials used by weight or volume	BRSR Section -C, P-2	145
	301-2 Recycled input materials used	BRSR Section -C, P-2	145
	301-3 Reclaimed products and their packaging materials	BRSR Section -C, P-2	145
Water and effluents			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	BRSR Section - C; P-6	157, 160-161
	303-2 Management of water discharge-related impacts	BRSR Section - C; P-6	157, 160-161
	303-3 Water withdrawal	BRSR Section - C; P-6	157, 160-161
	303-4 Water discharge	BRSR Section - C; P-6	157, 160-161
	303-5 Water consumption	BRSR Section - C; P-6	157, 160-161
Emissions			
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	BRSR Section - C; P-6	158

GRI Standard/ Other Source	Disclosure	Section	Page Number
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	BRSR Section- C, P-2 P-6	145, 159
	306-2 Management of significant waste-related impacts	BRSR Section- C, P-2 P-6	145, 159
	306-3 Waste generated	BRSR Section- C, P-2 P-6	145, 159
	306-4 Waste diverted from disposal	BRSR Section- C, P-2 P-6	145, 159
	306-5 Waste directed to disposal	BRSR Section- C, P-2 P-6	145, 159
Supplier environmental assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	BRSR Section -C;P-6	162
	308-2 Negative environmental impacts in the supply chain and actions taken	BRSR Section -C;P-6	162
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	BRSR Section -C; P-3	146
	401-3 Parental leave	BRSR Section -C; P-3	146
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	BRSR Section -C; P- 3	148
	403-2 Hazard identification, risk assessment, and incident investigation	BRSR Section -C; P- 3	148
	403-3 Occupational health services	BRSR Section -C; P- 3	149
	403-4 Worker participation, consultation, and communication on occupational health and safety	BRSR Section -C; P- 3	149
	403-5 Worker training on occupational health and safety	BRSR Section -C; P- 3	148
	403-6 Promotion of worker health	BRSR Section -C; P- 3	149
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	BRSR Section -C; P- 3	150
	403-8 Workers covered by an occupational health and safety management system	BRSR Section -C; P- 3	149
	403-9 Work-related injuries	BRSR Section -C; P- 3	150
	403-10 Work-related ill health	BRSR Section -C; P- 3	150
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	BRSR Section -C; P- 3	148
	404-2 Programs for upgrading employee skills and transition assistance programs	Human and Social Capital	50
	404-3 Percentage of employees receiving regular performance and career development reviews	BRSR Section -C; P- 3	148

kirloskar
Industries

GRI Standard/ Other Source	Disclosure	Section	Page Number
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	BRSR Section- A	131
	405-2 Ratio of basic salary and remuneration of women to men	BRSR Section - C; P-5	154
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	BRSR Section-C; P-5	155
Child labor			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	BRSR Section-C; P-5	155
Forced or compulsory labor			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	BRSR Section-C; P-5	155
Security practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	BRSR Section-C; P-5	154
Rights of Indigenous Peoples			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	BRSR Section-C; P-5	156
Local communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	BRSR Section - A	137
	413-2 Operations with significant actual and potential negative impacts on local communities	BRSR Section - A	137
Supplier social assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	BRSR Section - C, P- 4	152
Customer privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	32-33
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	BRSR Section -A	136

Notes

Notes

Kirloskar
Industries

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