Annual Report
2024-25

Kirloskar
Industries

limitless

Kirloskar Industries Limited
A Kirloskar Group Company

Contents

To view the report online, log on to **www.kirloskarindustries.com/investors**

Scan the QR Code to know more about the Company

About the Report

We are pleased to present our Annual Report, which includes voluntary information to the extent available to us, in accordance with 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, 2024 to 31st March, 2025. However, certain portions of the report provide facts and numbers 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.

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

Capitals that drive our business forward

- Financial
- Intellectual
- Manufactured
- Human and Social

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. Mahesh Chhabria
Managing Director
(Up to 31st March, 2025)
(DIN 00166049)

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. Tejas Deshpande
Independent Director
(DIN 01942507)

Mr. D. Sivanandhan
Independent Director
(DIN 03607203)

Mr. Ashit Parekh
Independent Director
(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)

Chief Financial Officer

Mr. Anandh Baheti

Company Secretary

Mrs. Ashwini Mali

Statutory Auditors

Kirtane & Pandit LLP,
Chartered Accountants

Secretarial Auditors

Mr. Mahesh J. Risbud,
Practicing Company Secretary

Bankers

HDFC Bank Limited,
DBS Bank Limited,
Kotak Mahindra Bank Limited,
ICICI Bank Limited and
State Bank of India

Registrar and Share Transfer 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

31st Annual General Meeting

Day & Date	: Wednesday, 13 August 2025
Time	: 11.30 a.m.
Venue	: Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
Date of Book Closure	: Thursday, 7 August 2025 to Wednesday 13 August 2025 (Both days inclusive)

Decade at a glance

Amount in Crore

Sr. No.	Particulars	Ind AS								Indian GAAP	
		2024-25**	2023-24**	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
1	Revenue from operations	98.7	94.4	90.2	72.6	29.9	56.3	46.0	38.3	3.5	4.8
2	Total Income	123.5	136.6	118.3	102.7	58.1	86.1	77.9	72.1	48.0	76.7
3	Profit Before Tax $	101.6	102.3	93.4	80.1	32.5	64.9	56.8	49.2	37.5	68.4
4	Profit After Tax $	78.3	74.6	74.1	60.9	27.2	59.5	49.5	42.4	28.8	60.3
5	Dividend per share (Rs.)	13	13	11	10	10	10	21	21	20	20
6	Dividend (%)	130	130	110	100	100	100*	210	210	200*	200
7	Earnings Per Share (Rs.)	76.9	75.4	75.5	62.5	28.0	61.2	51.0	43.7	29.7	62.1
8	Book Value Per Share (Rs.)	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	752.9
9	Share Capital	10.4	9.9	9.9	9.8	9.7	9.7	9.7	9.7	9.7	9.7
10	Reserves and Surplus	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	721.3
11	Total Capital Employed	5,108.0	3,872.4	2,190.7	1,614.2	1,414.5	837.7	1,203.2	1,659.5	759.8	731.0
12	Net Worth	1,521.17	1,423.9	1,314.9	952.0	898.9	864.1	833.4	796.9	759.8	731.0
13	Investment in subsidiary#	491.9	499.4	297.9	217.3	176.4	175.3	175.3	175.3	175.3	175.0
14	Total investment (at cost)	1,271.8	1,205.3	1,029.0	907.1	706.1	690.0	689.8	689.8	680.3	680.1

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

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

limitless

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

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

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

Growth, from the ground up

At Kirloskar Industries Limited (KIL), our journey is deeply rooted in a simple yet powerful philosophy — sustainable value creation across the Kirloskar ecosystem. As a Core Investment Company, KIL's role is to enable long-term growth by unlocking potential across Group companies. This year, that philosophy has taken an important shape — both literally and strategically.

Through our Wholly-Owned Subsidiary, Avante Spaces Limited (ASL), KIL successfully delivered its maiden commercial real estate project - One Avante - where, for the first time in 136 years, all Kirloskar Group companies were brought under a single roof. The moment was not just symbolic — it reflected the unity, strength and limitless ambition of the Group. With the next commercial development spanning over approximately 1.9 million square feet (built up area), ASL is now poised to redefine benchmarks in sustainable commercial real estate, with all projects aligned to IGBC and LEED standards.

As the holding company of Kirloskar Ferrous Industries Limited (KFIL), KIL has also supported focused efforts towards operational excellence, cost efficiency and a clear shift towards green energy investments — all of which are deeply aligned with KIL's commitment to sustainable development.

What truly binds all of KIL's ventures together is a shared commitment to ingenuity, responsible innovation and business practices that create societal value, alongside financial growth. Whether through world-class real estate, energy-efficient manufacturing or forward-looking capital allocation, KIL's strategy is grounded in purpose-driven progress.

We are proud that everything we build — from ideas to infrastructure — is imagined, designed and delivered, leveraging our in-house expertise and talent. Our digital-first approach, commitment to design thinking and an unshakable belief in Kirloskar's core values, position us as a strategic enabler for sustainable growth of the entire Group, while amplifying stakeholder value.

As we step into the future, KIL remains steadfast in its mission towards 'Investing in the Future' by maximising returns, nurturing every investment and enabling limitless progress for the Kirloskar Group.

Padma Bhushan

Late Shri Shantanurao Laxmanrao Kirloskar

About Kirloskar Group

Engineering progress to empower generations

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

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

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

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

Kirloskar Group Companies

Kirloskar Industries Limited (KIL) and Avante Spaces Limited

Unregistered Core Investment Company, Real Estate

Kirloskar Pneumatic Company Limited (KPCL)

Compressors and Compression systems

Kirloskar Ferrous Industries Limited (KFIL)

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

Kirloskar Oil Engines Limited (KOEL)

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

Kirloskar Chillers Private Limited

Chillers

ARKA Fincap Limited

Non-Banking Financial Company

Our Exciting Story in Numbers

136
Years of Excellence

₹ 9,044 crore
Combined Shareholders' Funds*

7,000+
Total Group Employees**

₹ 34,657 Crore
Combined Market Capitalisation***

4
Listed Companies

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

About Kirloskar Industries Limited — Investing in the long-term, delivering sustainable value

Kirloskar Industries Limited (KIL), established in 1978, operates as an unregistered **Core Investment Company (CIC)** with a strong mandate — investing in the long-term growth of Kirloskar Group companies and delivering sustainable value to our stakeholders.

Our core strength lies in strategic investments across key sectors, including significant stakes in Group entities and two key subsidiaries:

Kirloskar Ferrous Industries Limited, a leading player in pig iron, castings, steel and seamless tubes

Avante Spaces Limited, our foray into cutting-edge real estate development

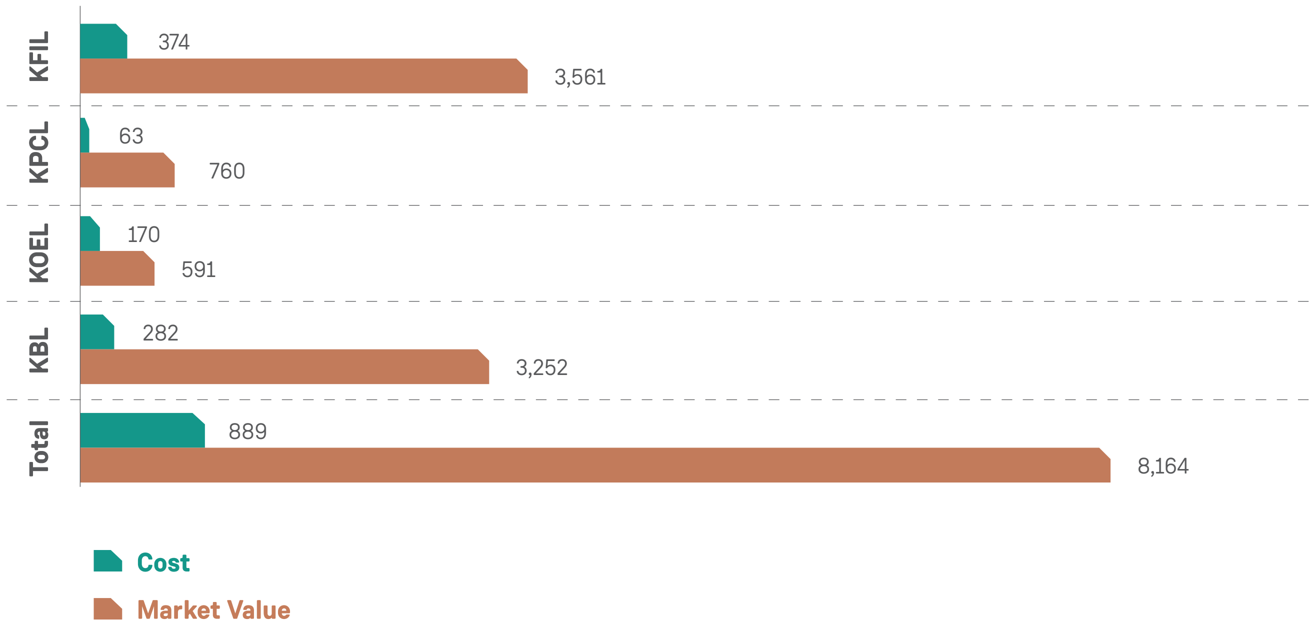
At KIL, our diversified portfolio reflects our deep industry insight and commitment to industrial progress and urbanisation. Through disciplined capital allocation and proactive oversight, we continue to enhance the performance of our investee companies, while capturing long-term value across sectors.

As we expand our real estate footprint, we are focused on creating next-generation spaces that combine innovation, sustainability and design excellence — reinforcing the Kirloskar legacy of quality and trust in every square foot we build.

At KIL, we are not just investing in businesses—we are investing in the future.

KIL's Listed Investments

(₹ in Crore)



Market values reflecting share prices as on 31st March, 2025

Ranked 1st

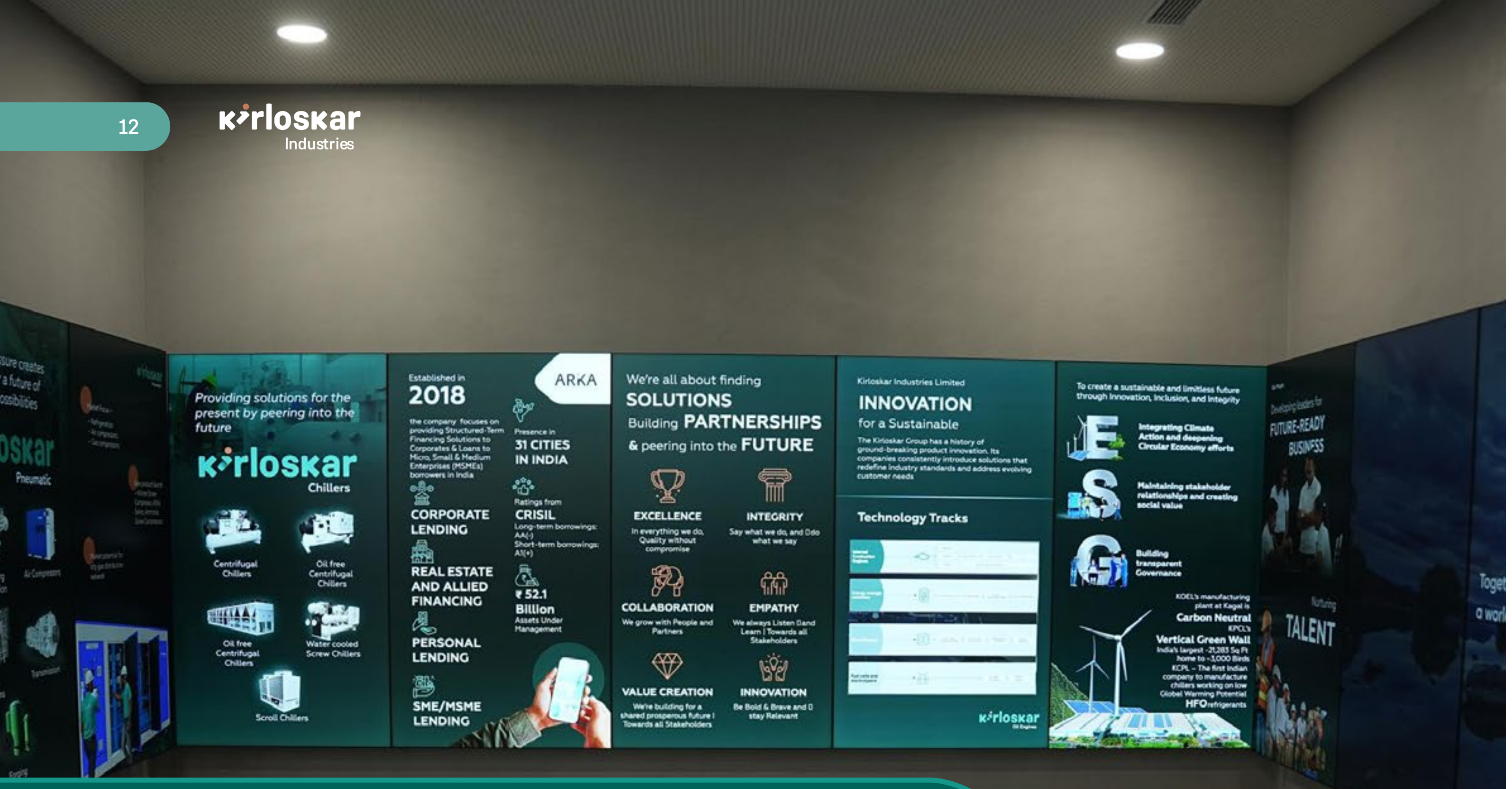
In India's casting industry

Ranked 2nd

In the pig iron business

~ 1.9 million sq. feet

Area under developed /under-development



An illustrious journey of value creation

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Foundation

In terms of the Scheme of Arrangement between the Company and Kirloskar Engines India Ltd., the Engines and Auto components business of the Company was transferred to KEIL with effect from 31st March, 2010 and vested in KEIL from the appointed date, i.e. 1st April, 2009. Additionally, pursuant to the Scheme, the Company's name has been changed from Kirloskar Oil Engines Limited to Kirloskar Industries Limited with effect from 31st March, 2010.

Wind power generation

We commenced our operations through wind energy generation and the sale of wind power through the Maharashtra State Electricity Distribution Company Limited (MSDECL) to third-party consumers.

Current scenario

Development of KIL:

We invested in the group companies - Judiciously allocating capital to shore up our holdings and provide growth capital.

Real estate development:

We focused on our real estate business -developed ~1.8 Lakhs sq.ft. of area in first project in Pune

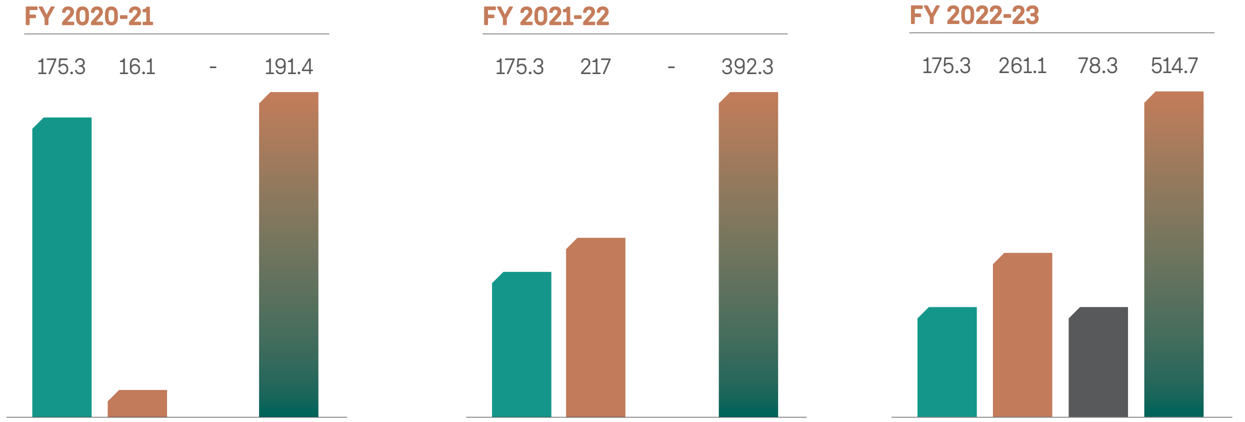
Capacity increase:

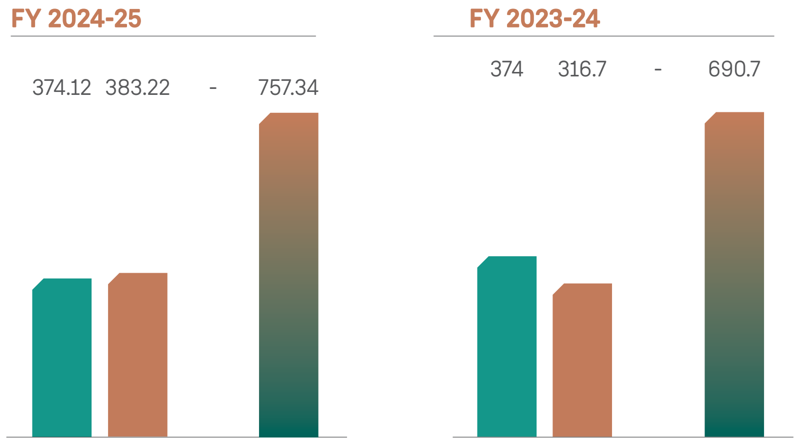
We focused on increasing our operational capacity and prepared our real estate business for exponential growth - 2nd larger project with ~15.6 Lakh sq.ft. (Leasble) area underway

Investments in subsidiaries

(₹ in crore)

Kirloskar Ferrous Industries Limited · ISMT Limited · Avante Spaces Limited · Total Investment in Subsidiaries





Our holding status

100%
Avante Spaces Limited

46.01%
Kirloskar Ferrous Industries Limited

23.91%
Kirloskar Brothers Limited

19.60%
S.L. Kirloskar CSR Foundation

9.90%
Kirloskar Pneumatic Company Limited

7.00%
Kirloskar Management Services Private Limited

5.66%
Kirloskar Oil Engines Limited

Chairman's Message

Our subsidiary, Kirloskar Ferrous Industries Limited (KFIL), delivered a resilient performance during FY2025, navigating a challenging global economic environment and commodity market volatility with resolve and agility. KFIL achieved a 7% growth in topline revenue, which further strengthens its strong market position and operational discipline.

Dear Shareholders,

At the completion of the financial year 2024-25, it is my privilege to share some insights with you about the performance of Kirloskar Industries Limited (KIL) and present to you the Annual Report for the year. The year was exciting and eventful — marked by strong execution across our businesses, achievement of strategic milestones and a continued focus on delivering long-term value to our stakeholders.

Financial Performance

As a core investment company, our financial performance continues to reflect the robustness of our subsidiaries. For FY2025, KIL (Standalone) reported a Total Income of ₹121 crore for FY 2025 compared to Total Income of ₹134 crore for FY 2024 and Profit Before Tax (PBT) of ₹101 crore compared to PBT of ₹102 crore for FY 2024 from the continuing operations.

The key contributors to this performance were dividend inflows from group companies and interest income. We remain committed to deploying our capital efficiently, with a strategic focus on supporting our subsidiaries' growth trajectories.

Completing Successfully our Maiden Real Estate Project

We are proud to announce the completion of our first real estate project, One Avante, under our Wholly-Owned Subsidiary, Avante Spaces Limited (Avante/Avante Spaces). This milestone marks KIL's official entry into the real estate sector as a developer of high-quality, sustainable urban spaces. The project is now delivered and occupied, following the completion of tenant fit-outs. It has also earned wide appreciation for its design and sustainability features.

Avante recognised revenue in FY24 for One Avante Project and the funds are being reinvested into our pipeline of real estate developments. The construction of our second project, located at the prominent Kothrud site, is progressing steadily. We are in the advanced stages of tower construction and this project is poised to further strengthen Avante Spaces' presence in the Pune real estate market.

Resilience Amid Challenges

Our subsidiary, Kirloskar Ferrous Industries Limited (KFIL), delivered a resilient performance during FY2025, navigating a challenging global economic environment and commodity market volatility with resolve and agility. KFIL achieved a 7% growth in topline revenue, which further strengthens its strong market position and operational discipline. For FY2025, KFIL (Standalone) reported a Revenue from Operations of ₹6,566 crore, compared to ₹6,134 crore for FY 2024 and Profit Before Tax (PBT) of ₹432 crore vis-à-vis ₹477 crore for FY 2024.

Amid cost pressures, KFIL continued to execute its strategic initiatives focused on operational efficiency and cost optimisation. Key projects such as the implementation of Pulverised Coal Injection (PCI) and Oxygen Enrichment in blast furnaces have contributed meaningfully to energy efficiency and cost reduction. These technological enhancements not only strengthen KFIL's competitiveness, but also align with its long-term sustainability goals.

A major milestone during the year was the commissioning of a 70 MW solar power capacity at Jalna. This project significantly enhances the Company's renewable energy footprint and supports its commitment to reducing carbon emissions and long-term power cost stability. We remain confident in KFIL's long-term growth potential and its ability to generate sustainable returns.

Celebrating our People-first Culture

We have always prioritised the aspirations and needs of our teams. Our focus during the year has been on fostering a culture of collaboration, inclusion and continuous learning. We have enhanced our employee development initiatives and are proud of the increased engagement and productivity that has resulted from these efforts. Our teams remain aligned to the Group's long-standing values of integrity, innovation and excellence.

Delivering Value Sustainably

Sustainability remains a cornerstone of our business strategy. One Avante project was awarded the prestigious IGBC Platinum rating, reaffirming our commitment to green construction and eco-conscious development. Across the Group, we are investing in renewable energy, water management and community upliftment programmes that align with our long-term vision of responsible growth.

Building on our Rich Legacy

As we look towards the future, we are committed to executing our strategic priorities with discipline and purpose. With a robust foundation in place and several growth levers across our portfolio, we are well-positioned to leverage emerging opportunities and navigate future challenges. Our focus remains on value creation, operational excellence and sustainable progress.

On behalf of the Board and the entire leadership team, I extend my sincere gratitude to our shareholders for their continued trust and to all our employees for their unwavering dedication. Together, we will continue to build on the legacy of the Kirloskar Group and shape a brighter, more resilient future for Kirloskar Industries Limited.

Warm regards,

Atul Kirloskar

Chairman
Kirloskar Industries Limited

Board of Directors

Atul. C. Kirloskar
Chairman

George Verghese
Managing Director

Aditi Chirmule
Executive Director

Ashit Parekh
Independent Director

D. Sivanandhan
Independent Director

Satish Jamdar
Independent Director

Anil Alawani
Non Independent Director

Vinesh Kumar Jairath
Non Independent Director

Tejas Deshpande
Independent Director

Purvi Sheth
Independent Director

V M Varma
Independent Director

Pallavi Gokhale
Independent Director

Navigating a dynamic macro scenario[1]

India's real estate sector has demonstrated significant strength and growth potential in recent years, owing to a combination of market dynamics and supportive government policies. The sector's expansion is driven by several factors, such as supportive government initiatives, sustainability efforts, technological advancements and increasing investments.

The convergence of regulatory tailwinds, sustainability imperatives and steadfast commitment to advanced technology standards underscores a forward-looking approach, aligning the sector with global standards and fostering innovation.

India's real estate sector contributes significantly to the country's economy and employment, accounting for ~7% of the GDP. With an 18% share in national employment, real estate is the largest employment generator after agriculture.

Moreover, the infusion of technology and sustainability principles has redefined the contours of India's real estate. From smart homes that integrate cutting-edge technology to data-driven insights guiding decision-making processes, the sector has been increasingly investing in technology.

Tailwinds behind India's real estate boom

Growth factors

Sustainable construction combined with new-age technology and renewed government emphasis on development are driving growth momentum in the sector.

Lifestyle upgradation
Higher demand for gated communities, luxury homes, co-living with new-age amenities and facilities

Urban development
By 2030, 38% of India's population is predicted to live in urban areas

Integration of technology
AI Powered PropTech platforms, IoT, Smart Homes

Government initiatives
Smart cities mission, PMAY, Metro-rail expansions

Foreign direct investments
Influx of FDI in the sector is driving the creation of high-quality assets

Economic growth
Push towards industrialisation is driving demand for industrial parks, office spaces Global Capaility Centers (GCCs) expansion and residences

[1]https://assets.cushmanwakefield.com/-/media/cw/apac/india/insights/research/gb-23915_report_rebt-cii_18_02_25.pdf?rev=c79075c2ab2946138ea8ae242c67d606&hash=2727B8C364FB1C84BD5163DF6ED79A32

Evolution of the Real Estate Sector in India

Real estate becomes a key economic driver	Regulatory reforms and market consolidation	Market decline and restructuring due to Covid-19	Expansion and growth
BEFORE 2015	2015-2029	2020	2021-2025
• 100% FDI in Real-estate attracted foreign investors • Rapid urban expansion and development • Unregulated and fragmented market	• Introduction of RERA in 2016 • Reforms such as IBC, GST, Benami, Transactions Act introduced • Introduction of Real-Estate Investment Trusts • Affordable housing push through PMAY	• Halt in construction activity during lockdown • Drastic reduction in demand for commercial real estate • Government measures such as reducing stamp duty, providing liquidity support to NBFCs and HFCs	• Real Estate sector on the path to get organised • Expansion of REITs -REITs gained popularity as investment vehicle • Digital transformation and AI powered Prop-Tech platforms • Focus on sustainability with green buildings and certifications along with energy efficient construction

Key Locations Driving Sector Growth

National Capital Region

- High demand of commercial leasing across Gurgaon, Noida and Greater Noida
- Expansion of Delhi Metro and Regional Rapid Transit System across NCR for real estate development

Mumbai Metropolitan Area

- Robust residential and commercial real estate demand at the Financial Capital of India
- Mumbai metro and coastal road, enabling accessibility across Mumbai, Navi Mumbai, Thane and Kalyan
- Upcoming Navi Mumbai International Airport is set to drive the business landscape in Navi Mumbai
- Redevelopment of major slum areas including Dharavi, contributes to residential sector, expansion along with sustained affordable housing

Bengaluru

- IT Hub of India contributing to approximately 28% commercial real estate market in the country
- Infrastructure projects like the suburban rail and Peripheral Ring Road are further enhancing connectivity and accessibility.

Ahmedabad

Benefiting from smart city projects driving infrastructure development

Hyderabad

High-quality infrastructure dots the city's skyline, including the Outer Ring Road and metro rail, which enhances connectivity. Lower property prices compared to other metros and the growth in Grade-A office spaces in areas such as Gachibowli and HITEC City are attracting both residential and commercial investments

Chennai

Expansion of the metro network and outer ring road is boosting connectivity, leading to rising demand for affordable and luxury residential projects

Pune

Details on next page

New investment horizons are attractive

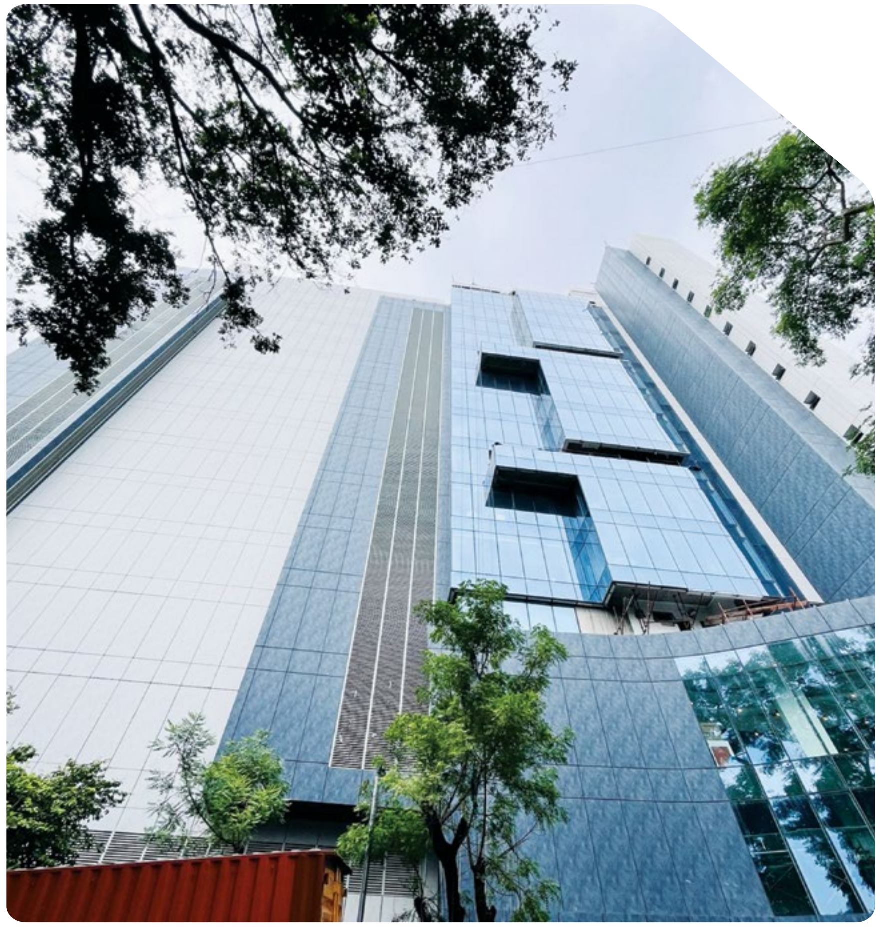
Investments in the sector are expanding beyond traditional models, with alternative asset classes such as data centres, co-living spaces and senior housing gaining traction, driven by changing consumer demographics and evolving preferences.

India's data centre capacity, which is currently at 1,255 MW, is expected to reach 1,600 MW by the year-end. In the next two years, the capacity is projected to increase by 66%. Innovative investment avenues and a much-improved regulatory environment are also playing a key role in bolstering the sector's transparency and overall institutional appeal.

With recent measures, such as the introduction of Small and Medium REITs and the new RERA rules, the momentum is likely to accelerate. Overall, with record institutional investments flowing into the sector, India's position as a global hub for real estate investment is looking brighter.

We can anticipate more innovative financing avenues flourishing in the domestic market. This diversification, coupled with advancements in technology and sustainability, is expected to attract more inflows into the sector.

As India embraces innovation, sustainability and urbanisation, 2025 promises to be another transformative year for the Indian real estate, which is growing at 9% CAGR. With a positive economic growth outlook, investor confidence and an ever-evolving consumer base, the sector is poised for a double-digit contribution to India's GDP and can form a vital pillar for the achievement of Viksit Bharat.

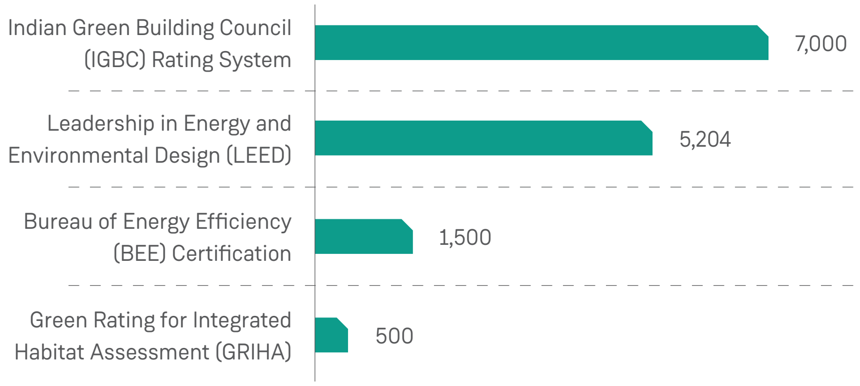


Sustainability initiatives for India's real estate scenario

Sustainability is reshaping India's real estate sector, fuelled by regulations, market demand and technological advancements. Green building certifications like LEED (Leadership in Energy and Environmental Design), IGBC (Indian Green Building Council), GRIHA (Green Rating for Integrated Habitat Assessment) and BEE (Bureau of Energy Efficiency) are driving eco-friendly practices. This is further supported by government policies such as the ECBC (Energy Conservation Building Code) and the National Hydrogen Mission.

The green real estate market is projected to reach USD 39 billion by 2025, driven by growing environmental awareness and economic benefits such as reduced operating costs and enhanced property values. Notably, 61% of India's Grade A office space is now green-certified, reflecting strong demand for sustainable workspaces.

Sustainability Certified Projects in India (As of H1 2024)



Source: Green Business Certification Inc.

Viksit Bharat by 2047: Real Estate in the spotlight

The Government of India's Viksit Bharat Vision outlines key themes around manufacturing, startups, technological advancement, social empowerment, employability, urban development and sustainability through continued reforms that will attract more private investment.

Infrastructure Development

Focus on development of industrial parks, data centers, roads, railways and other real estate projects. To achieve the Viksit Bharat Vision 2047, the Indian Government has projected an annual infrastructure investment of INR 15 lakh crore annually for next 22 years.

Smart Cities Mission

Smart cities mission aims at area-based and pan-city development spanning e-governance and urban mobility, with more than ₹ 2 lakh crore allocated to such developments.

Pradhan Mantri Awas Yojana (PMAY)

PMAY aims at providing affordable housing for all through financial assistance for constructing or upgrading homes, focusing on urban areas to ensure housing for economically weaker sections, low-income groups and middle-income groups with a total outlay of ₹ 306,137 crore from FY25 to FY29.

REAL ESTATE

Capital Investment

100% FDI allowed in townships and settlement development projects. The Union Budget for 2025-26 has allocated more than 10 lakh crore for industrial parks and housing development.

Urban Development

Urbanisation would be a major growth driver of the real estate sector as infrastructure and public amenities are required for those migrating to cities. The urban population is expected to be ~50% of the total in 2047.

Pune's vibrant real estate sector

Pune's real estate market has shown remarkable resilience and vibrancy, often outperforming the broader Indian market due to its unique regional strengths. The city remains a magnet for businesses, students, tech companies and an increasing number of Global Service Centers (GSCs) establishing operations here. Commercial real estate continues to attract investment, with new business parks and office developments underway to support corporate growth.

Pune's housing market is buoyed by rapid urbanisation and economic progress, with a noticeable shift towards mid- and high-end properties. Developers are focusing on timely project completions to cater to the rising demand and low unsold inventory reflects a vibrant market. At the same time, increasing demand is pushing rental values upward, a trend expected to continue through the year.

Looking ahead, Pune's real estate market indicates significant growth driven by economic expansion, infrastructure upgrades, rising demand for sustainable housing and diverse investment opportunities across residential, commercial and luxury segments—thanks to its robust IT parks, thriving automotive and manufacturing sectors in the suburbs, a strong talent pool and prestigious educational institutions. This ecosystem sustains consistent demand for both residential and commercial properties. Key areas such as Hinjewadi, Kharadi and Waka, are witnessing growing interest, largely due to their proximity to major IT hubs and GSCs, making them prime locations for residential development. Infrastructure upgrades, particularly the Pune Metro project, are further enhancing connectivity and boosting property values in connected zones. The demand for office space remains strong, driven by the expansion of IT and the growing presence of GSCs.

Addressing diverse stakeholder perspectives

At KIL, we adhere to consistent and meaningful engagements with varied stakeholders to foster evergreen relationships of trust. Through open communication, we gain valuable insights into their expectations and concerns, enabling us to respond effectively. This approach reinforces our commitment to ethical conduct, transparency and long-term value creation.

	Employees	Shareholders and investors	Customers	Suppliers and business partners	Communities	Regulatory bodies and government
Importance of the stakeholders	Our employees drive our progress. We deeply value their role in shaping business strategy and are committed to drive their growth, well-being and overall success.	Shareholders and investors are pivotal to our journey. We are dedicated to delivering consistent financial performance and generating sustainable, long-term returns.	Engaging with a diverse customer base opens doors to market expansion. The insights we gather from various segments help shape strategic decisions and identify new growth opportunities across markets and industries.	We collaborate with our suppliers and partners to strengthen relationships built on trust and transparency. This ensures seamless communication, enhances mutual understanding and drives operational efficiency and innovation.	We remain closely connected with the communities we serve, listening to their needs and addressing concerns through impactful projects. Our engagement initiatives aim to create meaningful, lasting change in society.	We prioritise compliance and transparency by maintaining regular dialogue with regulatory bodies and government agencies, ensuring we stay aligned with evolving laws and policies.
What they expect from us	▸ Fair practices and wages. ▸ Learning and development opportunities. ▸ Equal opportunities for growth, without any discrimination.	▸ Corporate governance and resilient future plans for the business. ▸ Symbiotic growth of all shareholders and investors. ▸ Improved in market share.	▸ Deliver high quality products. ▸ Ensure consistent service. ▸ Enhance operational efficiency	▸ Mutual growth and development. ▸ Build stronger and lasting relationships.	▸ Employment generation. ▸ Community development efforts. ▸ Minimise impact on the environment.	▸ Compliance with applicable laws and regulations. ▸ Follow mandatory guidelines for reporting rules and regulations.
Channels of engagement	▸ Employee on-boarding ▸ Performance review forums ▸ MD Annual Address ▸ Weekly team meetings ▸ Training and Development programmes ▸ Cultural events ▸ Employee engagement activities ▸ Round table events ▸ Website ▸ Intranet ▸ Employee engagement survey	▸ Annual General Meeting ▸ Postal ballot ▸ Website ▸ Conferences / Investors Meet ▸ Quarterly earnings calls / press release / media dissemination ▸ Investor Presentations ▸ Press Release / published notices ▸ Annual Reports	▸ Website ▸ Press release ▸ Customer satisfaction survey ▸ Customer events ▸ Help desk	▸ Workshops ▸ Dealer conferences and meets ▸ Exhibitions ▸ Website ▸ Vendor satisfaction survey	▸ Interaction with NGOs for CSR initiatives ▸ Employee volunteering ▸ Website ▸ Society perception survey	▸ Regular compliance filings and meetings ▸ Participation at industry forums ▸ Press release ▸ Website
Frequency of engagement	Regularly and on need basis	Quarterly, annually and on need basis.	Frequently and on need basis.	Frequently and on need basis.	On need basis.	Frequently and on need basis.

Prudent assessment of core materiality priorities

We recognise the importance of identifying material topics that impact both our internal and external stakeholders. These priorities shape our corporate strategy and guide our risk management efforts. Through sustained dialogue with stakeholders, we stay responsive to industry shifts, enabling us to remain competitive and agile in a constantly evolving business environment.

Stakeholder Identification

Evaluating Standards and Frameworks

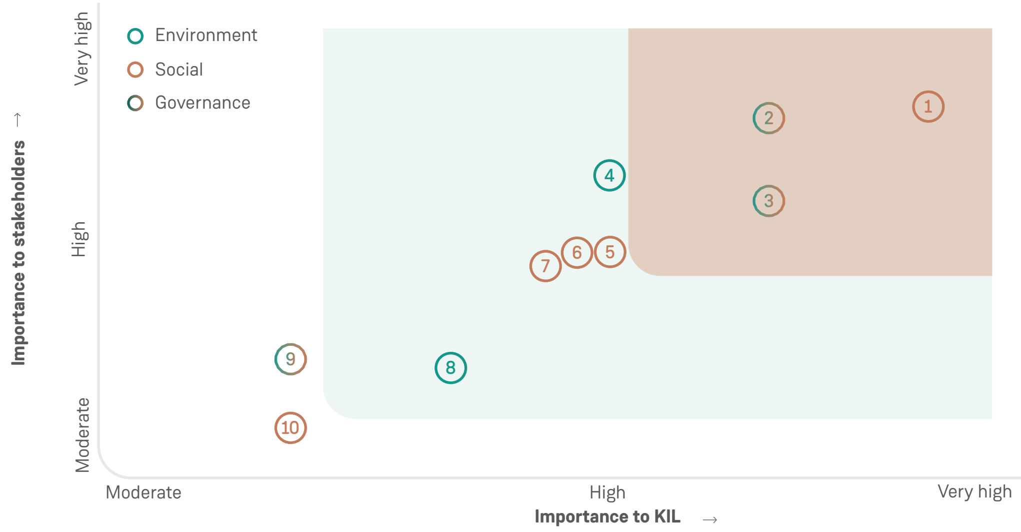
Online Surveys

Diagnostic Assessments

Mapping

Final Materiality Matrix

Materiality matrix



Rank	Material Issues
1	Employee health and safety
2	Business ethics
3	Responsible supply chain
4	Circular economy
5	Talent management
6	Community relations
7	Human rights
8	Climate action
9	Sustainable innovation
10	Data privacy

Corporate Governance

Transparent Disclosures

Framework for ESG commitments

Group-Theme and common areas

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 stakeholder 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 disclosures

Sustainability Foundation | Corporate Governance | Policies | Transparency

Managing risks with agility and foresight

At KIL, we place a strong emphasis on robust risk management practices. Our comprehensive framework enables us to proactively identify, assess and mitigate potential risks. This structured approach ensures timely analysis and effective evaluation of threats that could affect our operations.

- **Identification and categorisation of risks**
- **Risk Rating**
- **Risk Mitigation**
- **Risk Monitoring and Review**
- **Risk Activity Calendar**

Risk Management Governance Structure

Our Risk Governance structure clearly defines the roles and responsibilities across departments to manage risks effectively. It supports a coordinated approach to identifying and mitigating potential threats, ensuring organisation-wide participation in the risk management process.

- Board of Directors
- Risk Management committee
- Risk Coordinator
- Risk Owners

Risk management framework

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

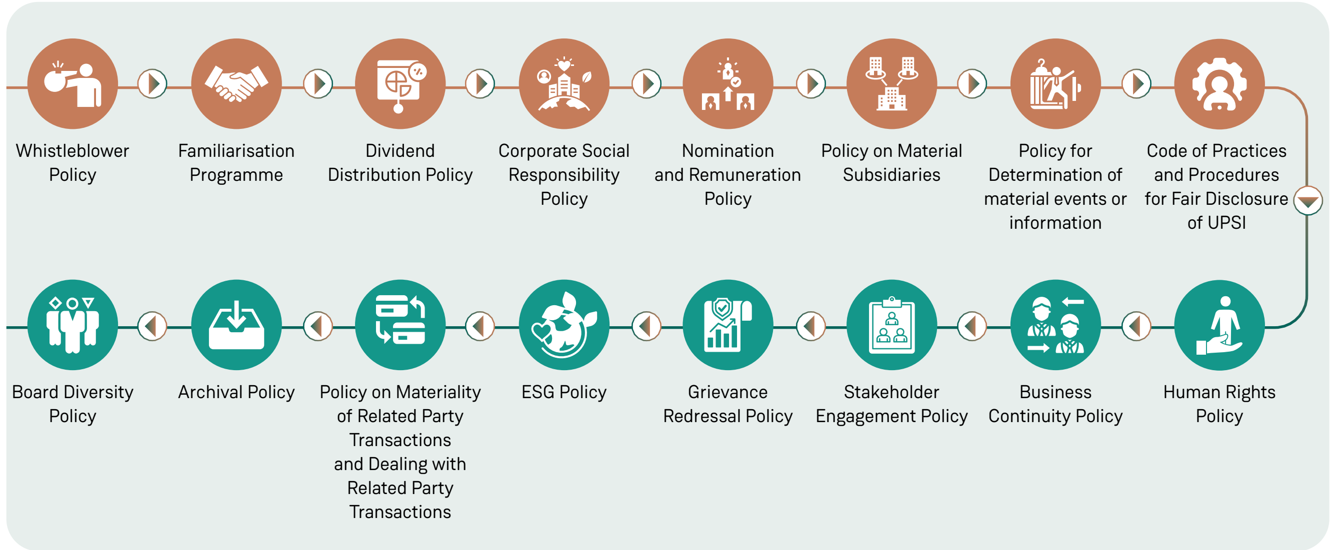
Financial Capital · Intellectual Capital · Social and Relationship Capital · Manufactured Capital · Human Capital · Natural Capital

Robust corporate governance underpins our progress

We are dedicated to maintaining the highest standards of corporate governance, with a strong focus on transparency, accountability and fairness in all our operations. Our governance framework promotes open communication and timely action to uphold stakeholder trust. Guided by a visionary leadership team, we ensure strategic alignment with organisational goals through impartial oversight. To drive effective policy execution and compliance, we have established specialised committees led by board members with relevant expertise.

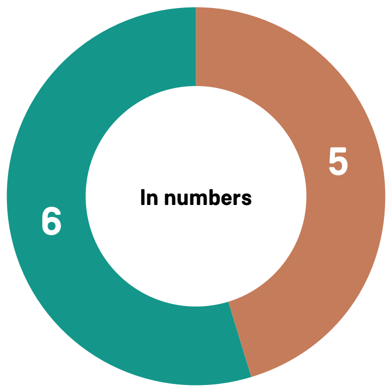
Our policies

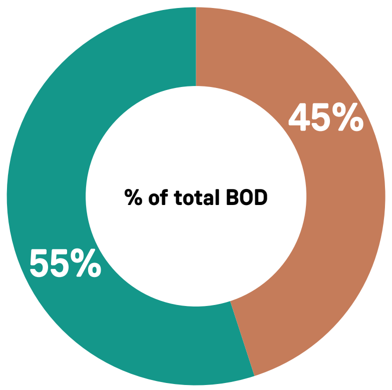
We uphold the highest standards of governance across our organisation. From promoting equal opportunities for our employees to integrating ESG principles into our operations, we have established robust policies and practices that reinforce our commitment to ethical and responsible governance.



Board's strategic and effective guidance

Our Board comprises seasoned professionals with deep industry expertise and specialised knowledge across key domains. As the highest governing authority, the Board ensures compliance with relevant regulations and provides strategic guidance on economic, social and environmental aspects of sustainability.





- Independent Director
- Non-Independent Director

Data as on 31st March, 2025

Our key committees include the following:

Audit Committee

Roles

Overseeing the financial reporting process, ensuring the accuracy and reliability of financial statements and monitoring the effectiveness of internal control systems.

Responsibility

- Timeliness and accuracy of financial reporting
- Internal audit findings and resolution
- Compliance with regulatory requirements

Number of meetings held	Attendance
5	100%

Risk Management Committee

Roles

Identifying, assessing and mitigating potential risks to the Company's business and ensuring that appropriate risk management policies and processes are in place.

Responsibility

- Frequency and impact of identified risks
- Effectiveness of risk mitigation strategies
- Periodic review of mitigation plans

Number of meetings held	Attendance
4	75%

Nomination and Remuneration Committee

Roles

Reviewing and approving the appointment, remuneration and performance evaluation of executive directors, key managerial personnel and senior management.

Responsibility

- Employee retention rates
- Performance against set objectives for senior management
- Diversity and inclusion metrics in leadership roles

Number of meetings held	Attendance
4	100%

Stakeholder Relationship Committee

Roles

Addressing and resolving grievances of shareholders and other security holders in a timely and effective manner.

Responsibility

- Resolution time for stakeholder grievances
- Stakeholder satisfaction
- Number of unresolved grievances

Number of meetings held	Attendance
4	100%

Corporate Social Responsibility Committee

Roles

Formulating and monitoring the Company's CSR policies, programmes and initiatives in line with statutory requirements and social expectations.

Responsibility

- CSR expenditure as a percentage of profits
- Implementation of action plan
- The number of beneficiaries of CSR programmes

Number of meetings held	Attendance
3	100%

ESG strategy

We recognise that addressing Environmental, Social and Governance (ESG) issues is vital to achieving our strategic goals and building a culture of integrity and long-term value creation. Through this commitment, we operate responsibly, uphold ethical standards and prioritise social impact to drive meaningful change in the communities we serve.

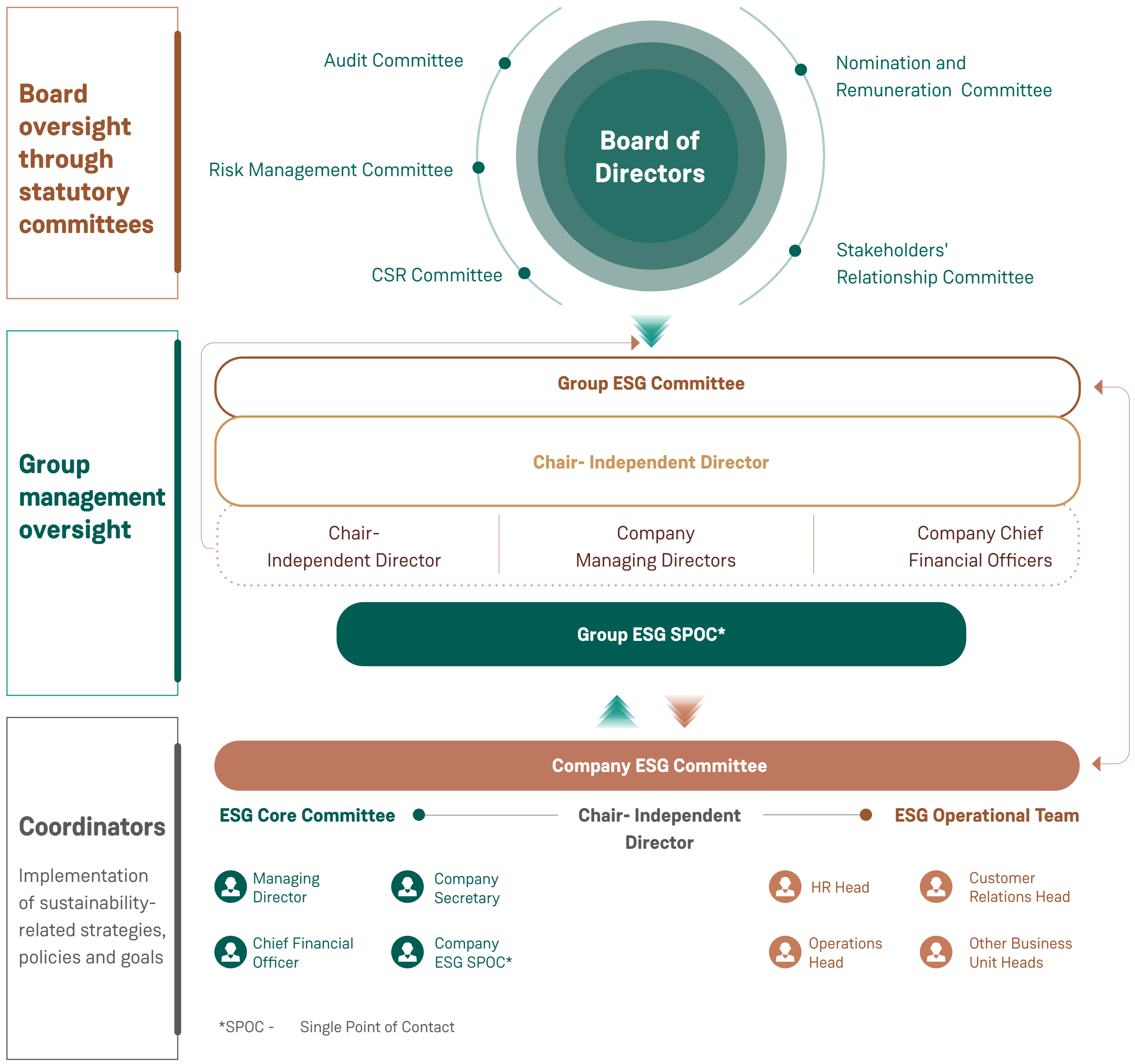
ESG Governance

Our ESG governance is led by a committed Board of Directors that ensures strong oversight of corporate governance, environmental stewardship and social responsibility in line with industry standards. Core committees, such as the Audit Committee, Risk Management Committee and CSR Committee play a pivotal role in establishing an ethical and sustainable operational framework.

The Group ESG Committee, chaired by an Independent Director, ensures that ESG principles are deeply embedded in our decision-making processes and serve as a cornerstone of our corporate strategy.

Execution of our ESG vision is driven by the ESG Core Committee—comprising Managing Directors and senior leadership—which is responsible for translating strategy into measurable outcomes. Supporting this, the ESG Operational Team, made up of experts from functions such as HR, operations and customer engagement, reinforces our social and governance agenda, while fostering a culture of integrity, inclusivity and stakeholder alignment.

Sustainable governance structure



Reporting standards that match global excellence

Our Voluntary Assurance

As global expectations for corporate accountability on social and environmental impact continue to rise, we have taken a proactive step by voluntarily seeking assurance for our Business Responsibility and Sustainability Report (BRSR). This initiative reflects our continued commitment to integrity, excellence and responsible business practices.

The assurance is conducted by an independent third party, enhancing stakeholder trust in the accuracy and credibility of the information disclosed. Beyond validating our ESG efforts, the process also highlights areas for improvement, reinforcing our culture of continuous progress and transparency.

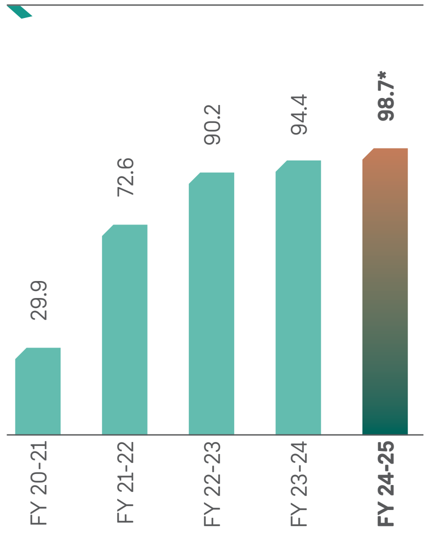
Please refer to BRSR Assurance certificate on page 150

We execute our strategic priorities by judicious deployment of capital in a constantly changing market scenario. Our legacy and achievements have strengthened our foundation and we are confident of our ability to capitalise on the opportunities that lie ahead

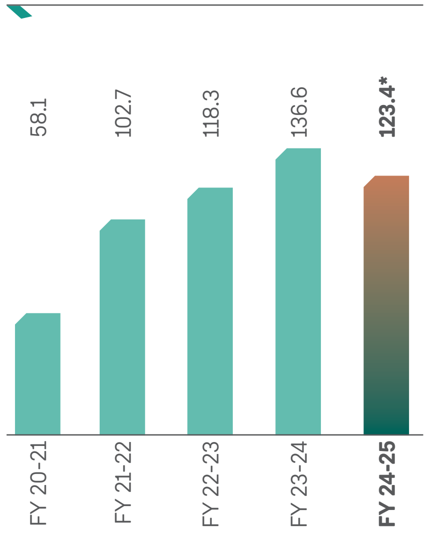
Financial Capital

We continue to maintain a prudent and disciplined approach to financial management, guided by sharper focus on long-term value creation and sustainable growth. Through strategic capital allocation, cost efficiency and effective risk management, we ensure financial stability and resilience. Our emphasis on robust governance and responsible investment decisions drive consistent performance and strengthen stakeholder confidence.

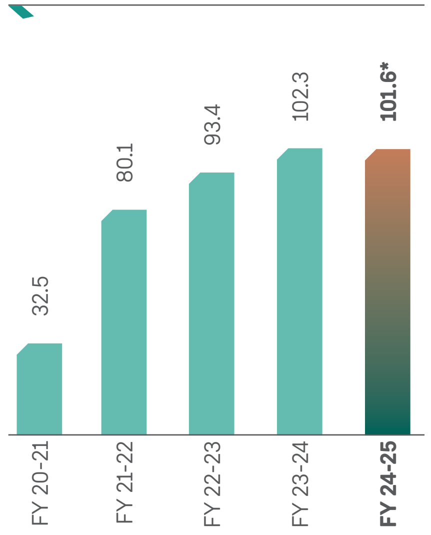
Revenue (₹ in crore)



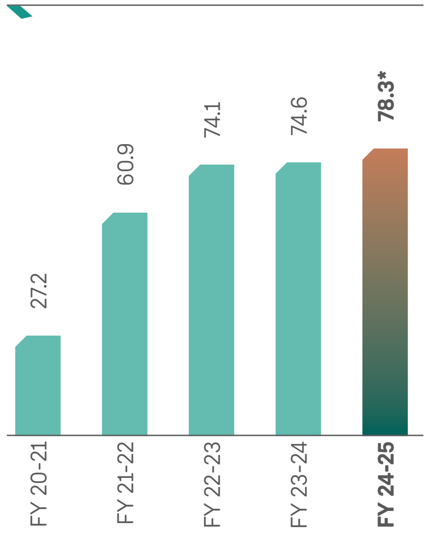
Total Income (₹ in crore)



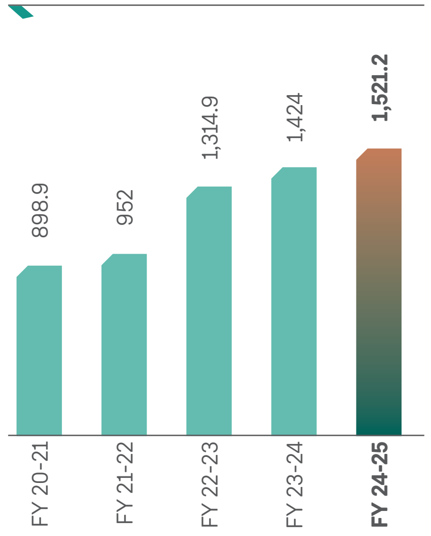
PBT (₹ in crore)



PAT (₹ in crore)



Net Worth (₹ in crore)



* includes revenue from discontinuing operation

Manufactured and Intellectual Capital - Building Long-Term Value Through Strategic Assets and Innovation

Our Manufactured and Intellectual Capital form the backbone of our long-term growth strategy. Our physical assets—including properties and real estate developments—generate sustained value for stakeholders through consistent revenue streams and enhanced operational efficiency. Complementing these, our next-generation projects are driven by cutting-edge technology and superior design capabilities, ensuring we stay at the forefront of innovation while embedding sustainability into every stage of development.

Avante Spaces Limited

Shaping the Future of Workspaces

At Avante Spaces, we are reimagining workspaces for the next generation of businesses. As the real estate development arm of the Kirloskar Group, we are committed to building premium, sustainable and future-ready buildings across India's most vibrant urban hubs. Our approach is deeply rooted in the Group's legacy of trust, innovation and excellence.

Flagship Development: Kothrud, Pune

Targeting global tenants including MNCs, GCCs and tech giants seeking world-class, experience-driven office environments.

Our landmark project in Kothrud, Pune marks a pivotal step forward in our journey. Spanning 1.6 million square feet (leasable area), this Grade A+ commercial office space is strategically located in one of Pune's most premium micro-markets. With all statutory approvals in place, the project is on course for completion by 2028.

Designed for Experience and Engagement

We go beyond real estate to craft ecosystems that elevate the workplace experience. Our Kothrud project incorporates:

- Curated social zones and breakout areas
- Wellness spaces and food courts
- Campus-like environment fostering collaboration and community
- Amenities designed to enhance engagement, productivity and employee well-being

Technology-First Approach

We are embedding intelligent systems to ensure our developments are not just beautiful, but smart and efficient. Our smart systems are designed to reduce energy consumption and downtime—delivering maximum value and efficiency.

- Digitally connected high-side equipment
- AI-powered predictive maintenance
- Remote performance monitoring for operational excellence

Sustainability at the core

Every Avante project is designed with focus on holistic wellbeing of occupants and other stakeholders. The Kothrud development is set to meet the highest benchmarks in green building, with:

- LEED Platinum (USGBC) and IGBC Platinum certifications targeted
- Evaluation underway for global wellness certifications
- Deep integration of sustainability from design through delivery

Leveraging favourable market opportunities

India's corporate real estate market continues to exhibit strong fundamentals and resilience, despite global uncertainties. According to industry reports such as CBRE, gross office space absorption in India reached ~90 million sq. ft. in FY25, registering a 12% year-on-year growth and setting a new all-time high.

Pune stood out as one of the top-performing office markets, with ~8 million sq. ft. of leasing activity during the year. The city's thriving ecosystem, skilled talent pool and increasing demand for Grade A+ workspaces in premium micro-markets continue to attract multinational corporations and global capability centres.

Avante is strategically positioned to ride this momentum, delivering high-performance assets that align with evolving corporate needs.

Growth beyond Kothrud

Every new initiative will continue to reflect our core ethos:

- Design-led
- Sustainable
- User-centric development

Building on the success of our flagship development in Kothrud, we are expanding our footprint with a keen eye on future potential-

Mixed-use Developments

Extensive market research is underway to determine the highest and best use of two large land parcels owned by group companies. These projects are poised to unlock significant long-term value.

Inorganic Expansion

We are exploring strategic acquisitions within Pune to strengthen our development pipeline and diversify our real estate portfolio.

Roadmap

As we scale our presence and portfolio, our focus is to create sustainable, premium and customer centric commercial and residential developments. With the backing of the Kirloskar Group's legacy and our commitment to innovation, sustainability and excellence, Avante Spaces is well-positioned to become a leading force in reshaping Pune's real estate landscape.

CII Award for Excellence in Sustainability – Avante Spaces Limited (ASL)

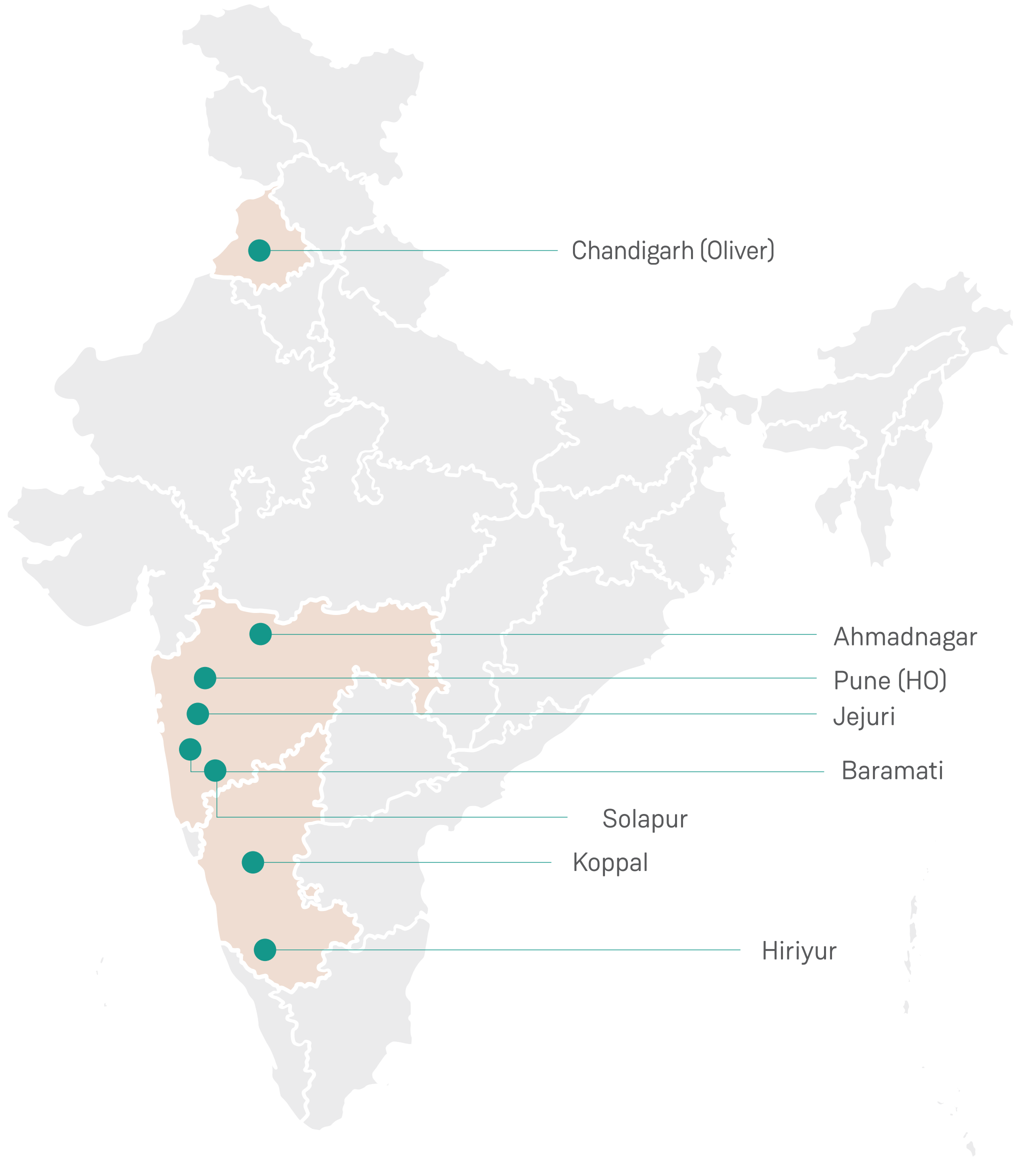
ASL was recognised by the Confederation of Indian Industry (CII) for its sustainability-led approach to project design and resource efficiency.

KFIL

Kirloskar Ferrous Industries Limited (KFIL), a part of the renowned Kirloskar Group, is one of India's leading manufacturers in the foundry and steel sector. The company plays a critical role in the country's industrial ecosystem by producing high-quality pig iron, ductile iron castings and steel products that are essential for a variety of applications, particularly in the automotive, agricultural, construction and engineering industries. Over the years, KFIL has built a reputation for delivering reliable, durable and precision-engineered products that meet the stringent requirements of its domestic and international clientele.

The Company's expansive manufacturing network span key locations across Maharashtra and Karnataka, with major plants in Solapur, Koppal and the recently added Hiriyur, strengthening its production capabilities. These plants are equipped with advanced blast furnaces, foundry units, machining lines and energy-efficient systems that support integrated operations. The strategic integration of ISMT has further expanded KFIL's footprint to include specialized facilities in Ahmednagar, Jejuri and Baramati, enhancing its capabilities in alloy and seamless tube production.

Headquartered in Pune, KFIL also has operational touchpoints in Chandigarh (Olive), reflecting a pan-India presence that enables better access to customers and markets. This robust and geographically diversified infrastructure not only enhances KFIL's responsiveness but also reinforces its ability to deliver value-added solutions across industries. With innovation, digitalisation and sustainability at the core of its strategy, KFIL is poised to remain a leading force in India's ferrous and steel manufacturing space.



Our manufacturing facilities

KFIL

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

Total capacity per annum

~1,80,000 MT
Iron castings capacity

~3,00,000 MT
Steel capacity*

~7,00,000 MT
Pig iron capacity

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

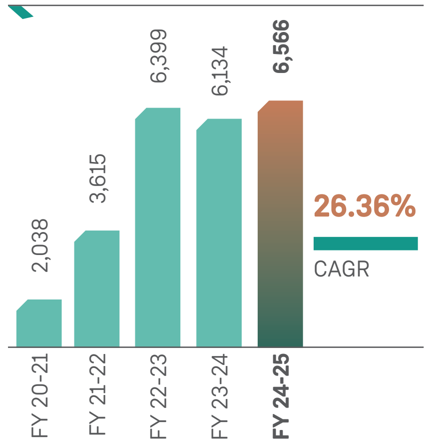
CII Environmental Best Practices Award 2024 – Kirloskar Ferrous Industries Limited (KFIL)

KFIL received the 2024 CII award for its environmental efforts, including cleaner production technologies, optimised energy usage and process innovations aimed at reducing ecological impact.

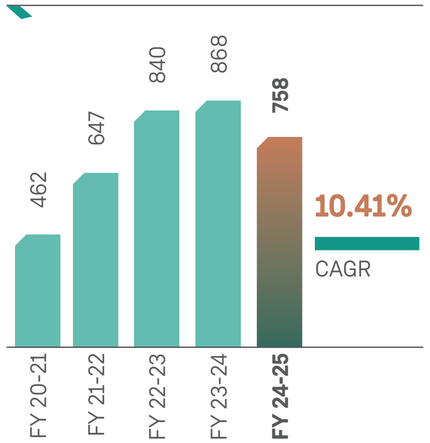
*Liquid Metal

**Hot Mill Rolling

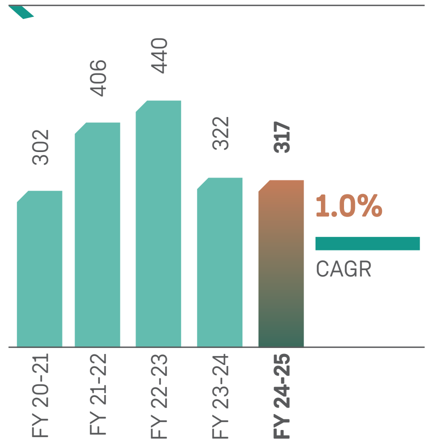
Revenue (₹ in crore)



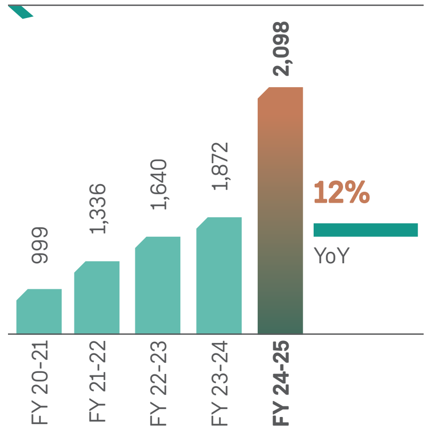
EBITDA (₹ in crore)



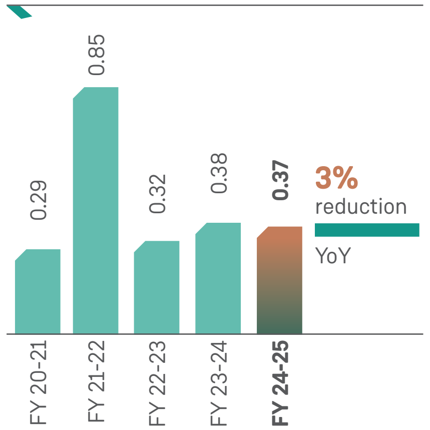
PAT (₹ in crore)



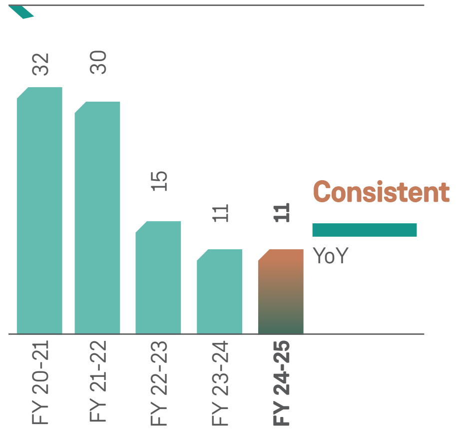
Net Worth (₹ in crore)



Debt Equity Ratio (in times)



ROCE (₹ in crore)



Achieving Strategic Goals with Human and Social Capital

Our people represent the backbone of our organisation, driving our sustainable progress. We are committed to nurturing their potential through continuous learning and development initiatives that promote both personal and professional advancement.

By prioritising skill enhancement and holistic growth, we equip our workforce to meet the dynamic requirements of the industry. Our approach to talent acquisition, retention and a culture rooted in diversity and inclusion enables us to build a resilient, agile and future-ready team prepared to lead in a rapidly evolving business landscape.

Talent Management

At KIL, we believe that our people are the engine behind our progress. Over the past year, we have made deliberate and strategic investments in building a workforce that is not only high-performing and future-ready, but also deeply aligned with our values. From recruitment to retention, learning to leadership, inclusion to integrity, we have adopted a comprehensive approach to talent management that ensure our long-term value creation for shareholders and stakeholders alike.

Attracting the Right Talent

Recognising that great companies are built by great people, we have sharpened our focus on attracting top-tier talent. In FY 2025, our recruitment strategy was designed to go beyond just filling roles, it was about finding individuals whose skills, potential and ethos resonate with our culture of excellence.

We strengthened our talent sourcing by leveraging digital platforms, industry collaborations and employee referral networks to access a broad and capable talent pool. Our selection process placed strong emphasis on behavioural alignment, problem-solving abilities and cultural compatibility. Post-hiring, new employees are guided through structured induction programmes designed to ensure smooth integration and enable them to contribute meaningfully from the outset.

Retaining Talent

To retain employees it requires strategic vision and deliberate action. In today's evolving employment landscape, we recognise that employees seek more than just financial rewards. They aspire to find purpose, opportunities for growth and alignment with the organisation's values.

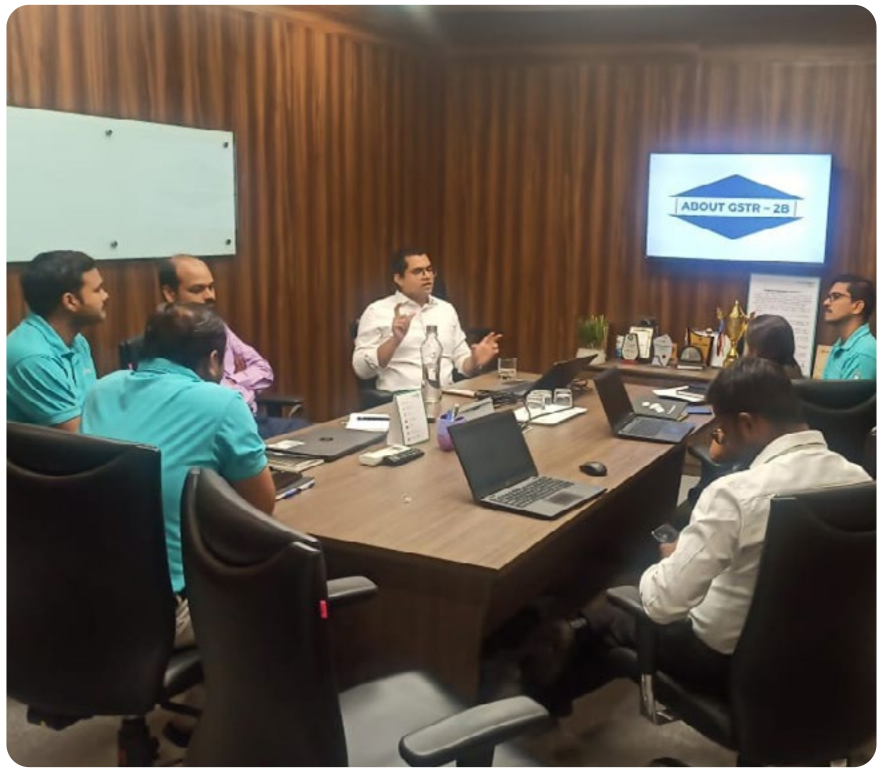
To reinforce the connection between individual contributions and organisational success, we introduced Employee Stock Appreciation Rights (ESARs). This initiative provides our team members with a tangible stake in the Company's performance, strengthening the shared belief that collective success benefits all.

Additionally, by enabling participation in cross-functional initiatives and ensuring employee accomplishments are recognised in visible and meaningful ways, we continue to build a culture in which every individual feels valued and integral to our growth journey.

Learning and Leadership Development

We have made meaningful progress in enhancing the skills, knowledge and leadership capabilities of our workforce. Among our key initiatives are the Senior Leadership Development programme and the Future Leaders programme, both designed in partnership with the Kirloskar Institute of Management. These programmes are aimed at strengthening critical competencies such as strategic thinking, innovation, people leadership and executive presence.

In addition to structured learning, our Employee Development Policy encourages self-directed growth through part-time postgraduate studies and carefully selected online certification courses. This integrated approach combining formal development with individual initiative ensures that our people are well-prepared to lead, adapt and excel in a rapidly evolving industry landscape.



Employee Engagement and Well-Being

At KIL, we regard employee engagement not merely as a performance indicator, but as a fundamental mindset. Our people remain central to our operations and their overall experience is of paramount importance. Over the past year, we introduced a range of engagement initiatives aimed at building stronger connections, enhancing morale and cultivating a sense of belonging. These included wellness programmes, sports events, cultural celebrations and team-building activities are all designed to create meaningful and memorable experiences.

Our wellness offerings were further strengthened through regular health check-ups, access to mental health resources and flexible work arrangements thereby enabling our employees to achieve a healthier work-life balance.

Diversity and Inclusion

We are committed to building a workforce that reflects the varied world we operate in. Our hiring processes are consciously inclusive, with checks to mitigate bias and ensure equity at every stage. We continue to improve policies that promote equal opportunity in promotions, professional development and rewards. By embracing different viewpoints, backgrounds and experiences, we are unlocking better decisions and more innovative outcomes which ultimately drives greater value for all stakeholders.

Human Rights and Ethical Conduct

Our people deserve more than just a great place to work — they deserve a safe, fair and principled environment. We are deeply committed to upholding the highest standards of conduct across the organisation.

Policies such as our Code of Conduct, Prevention of Sexual Harassment (POSH) Policy and Whistleblower Policy provide a strong framework for safeguarding employee rights and upholding accountability.

We continuously educate our workforce about these policies through workshops, training and open forums for discussion.

Ethics Helpline and Awareness

Transparency and trust are non-negotiables. To encourage a culture of integrity, we have implemented a confidential Ethics Helpline that empowers employees to report misconduct or ethical concerns without fear of retaliation. In parallel, we utilise the KORE Learning Management System (LMS) to provide structured POSH compliance training, both at the time of onboarding and at regular intervals thereafter. This ensures that our people are not only aware of their rights and responsibilities, but also confident in exercising them.

Notice

Notice is hereby given that the 31st Annual General Meeting ('AGM') of the Members of **Kirloskar Industries Limited** ('the Company') will be held on Wednesday, 13 August 2025, 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, the General Circular No. 2/2022 dated 5 May 2022; the General Circular No. 10/2022 dated 28 December 2022; the General Circular No. 09/2023 dated 25 September 2023 and the General Circular No. 09/2024 dated 19 September 2024, issued by the Ministry of Corporate Affairs (hereinafter referred to as 'MCA Circulars') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3 October 2024, read with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11 November 2024, 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 2025 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 2025.

ITEM NO. 3:

To appoint a Director in place of Mr. Atul Kirloskar (holding DIN: 00007387), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

ITEM NO. 4:

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

"**RESOLVED THAT** further to the approval by the members for the appointment and remuneration payable to Ms. Aditi Chirmule (holding DIN 01138984), Executive Director of the Company, at the Company's 28th Annual General Meeting held on 9 August 2022, pursuant to the provisions of Sections 196, 197, 198, 200 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), read with Schedule V of the Act and the Rules made thereunder, (including any statutory modifications or re-enactment thereof for the time being in force), Articles 167(A), 167(B) and 167(C) of the Articles of Association of the Company, and pursuant to the recommendation of Nomination and Remuneration Committee (the Committee) and approval of the Board, the consent of the members be and is hereby accorded for the remuneration payable to Ms. Aditi Chirmule, Executive Director of the Company, as detailed below, for a period effective from 25 January 2025 till 24 January 2027, as set out in the 'Amendment Agreement along with Annexure' to be entered into between the Company and Ms. Aditi Chirmule, Executive Director, notwithstanding that such remuneration may exceed the limit specified under Section 197 and Schedule V of the Act, as recommended by the Nomination and Remuneration Committee:

A. BASIC SALARY:

Basic Salary shall be ₹ 4,70,000 (Rupees Four Lakhs Seventy Thousand Only) per month with effect from 25 January 2022, with an annual increment of ₹ 35,000 per month (Rupees Thirty-Five Thousand Only), with effect from 25 January every year.

AA. Special allowance: 15% of Basic Salary.

B. Remuneration by way of variable incentives, as may be decided by the Board, based on the performance evaluation carried out by the Board.

C. PERQUISITES:

In addition to the aforesaid salary, Ms. Aditi Chirmule as the Executive Director, shall be entitled to the following perquisites:

1. Reimbursement of all medical expenses incurred for self and family.
2. Leave travel assistance for self and family, once in a year, not exceeding half a month's salary.
3. Provision of a car.
4. Telephone at residence and a mobile phone. Personal long-distance calls shall be billed by the Company to the Executive Director.
5. Contribution to Provident Fund, Superannuation Fund, or Annuity Fund as per the Rules of the Company.
6. Gratuity at the rate not exceeding 30 days' salary for each completed year of service, as per the Rules of the Company.
7. Leave at the rate of 30 days per calendar year of service. Leave calculation for a part of the calendar year at the date of appointment as the Executive Director or on ceasing to be Executive Director shall be made on a pro-rata basis at the rate of two and a half days' leave for every month of service. Leave accumulated and not availed of, may be encashed at the end of tenure as per the Rules of the Company.

8. Other allowances / benefits, perquisites as per the Rules applicable to the employees of the Company and / or which may become applicable in the future and / or any other allowance, perquisites as the Board may decide from time to time.

   "Family" for the above purpose means spouse, dependent children and dependent parents of the Executive Director.

   Perquisites shall be evaluated as per the provisions of the Income Tax Rules.

D. COMMISSION:

Commission as may be decided by the Board of Directors based on the net profits of the Company each year.

E. So long as she functions as the Executive Director, she shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

RESOLVED FURTHER THAT Ms. Aditi Chirmule, Executive Director of the Company, shall not be liable to retire by rotation.

RESOLVED FURTHER THAT Ms. Aditi Chirmule, Executive Director of the Company, shall be eligible to receive stock options / Stock Appreciation Rights of the Company, as decided by the Board or its Committee from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to revise the remuneration payable to Ms. Aditi Chirmule as the Executive Director of the Company, from time to time, during the tenure of her re-appointment, without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration, as recommended by the Nomination and Remuneration Committee.

RESOLVED FURTHER THAT the Company do enter into the Amendment Agreement along with Annexure with Ms. Aditi Chirmule as the Executive Director, which be signed by any of the Directors on behalf of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution."

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** pursuant to the provisions of Sections 149, 161 and other applicable provisions if any of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. George Verghese (holding DIN 11068946), who was appointed as an Additional Director by the Board of the Directors of the Company with effect from 20 May 2025 and who holds office of Director up to the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 read with Article 160 of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company who shall be liable to retire by rotation, as recommended by the Nomination and Remuneration Committee."

ITEM NO. 6:

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 200 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), read with Schedule V to the Act and the Rules thereof, (including any statutory modifications or re-enactment thereof for the time being in force), read with Articles 167(A), 167(B) and 167(C) of the Articles of Association of the Company and subject to such other approvals, as may be necessary and pursuant to the recommendation of Nomination and Remuneration Committee (the Committee) and approval of the Board, the consent of the members be and is hereby accorded for the 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.

RESOLVED FURTHER THAT on the recommendation of the Committee, the remuneration payable to Mr. George Verghese, Managing Director of the Company, as detailed below, be and is hereby approved, for the period effective from 20 May 2025 to 19 May 2028, as set out in the Agreement to be entered into between the Company and Mr. George Verghese, Managing Director, notwithstanding that such remuneration may exceed the limit specified under Section 197 of the Act, read with Schedule V to the Act:

A. BASIC SALARY:

Basic Salary shall be ₹ 2,56,000 (Rupees Two Lakhs Fifty-Six Thousand only) per month with effect from 20 May 2025 to 19 May 2028.

B. Remuneration by way of variable incentive as may be decided by the Board based on the performance evaluation carried out by the Board.

C. Special Allowance shall be ₹ 5,23,400 (Rupees Five Lakhs Twenty-Three Thousand Four Hundred only) per month.

D. PERQUISITES:

In addition to the aforesaid salary, Mr. George Verghese as the Managing Director, shall be entitled to the following perquisites:

1. House Rent Allowance not exceeding ₹ 1,05,000 (Rupees One Lakh Five Thousand only) per month.
2. Reimbursement of all medical expenses incurred for self and family.
3. Leave travel assistance for self and family not exceeding ₹ 10,000 (Rupees Ten Thousand only) per month.

4. Personal accident insurance, premium whereof does not exceed ₹ 25,000 (Rupees Twenty-Five Thousand only) per annum.

5. A car with a driver.

6. Telephone, fax and other communication facilities at residence.

7. Fees of clubs subject to a maximum of two clubs, which will include admission fees but will not include life membership fees.

8. Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company.

9. Gratuity at the rate not exceeding 30 days' salary for each completed year of service as per the Rules of the Company.

10. Leave at the rate of one month for every eleven months of service. Leave not availed of may be encashed at the end of the tenure.

11. Other allowances / benefits, perquisites as per the Rules applicable to the employees of the Company and / or which may become applicable in the future and / or any other allowance, perquisites as the Board may decide from time to time.

    "Family" for the above purpose means spouse, dependent children and dependent parents of the Managing Director.

    Perquisites shall be evaluated as per the provisions of the Income Tax Rules.

E. COMMISSION:

Commission as may be decided by the Board of Directors based on the net profits of the Company each year.

F. So long as he functions as the Managing Director, he shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

RESOLVED FURTHER THAT Mr. George Verghese, Managing Director of the Company, shall be eligible to receive stock options / Stock Appreciation Rights of the Company as decided by the Board or its Committee, from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company. be and are hereby authorised to revise the remuneration payable to Mr. George Verghese as the Managing Director of the Company, from time to time, during the period of the term, as stated above, of the present term of his appointment, without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

RESOLVED FURTHER THAT the terms of remuneration as set out shall be deemed to form part hereof and in the event of any inadequacy of profits or absence of profits in any financial year during the tenure of the said Managing Director, the aforesaid remuneration comprising salary, perquisites and benefits approved herein be continued to be paid as minimum remuneration to the Managing Director, subject to such other approvals as may be necessary.

RESOLVED FURTHER THAT the Company do enter into an Agreement along with Annexure with Mr. George Verghese as the Managing Director of the Company, which be signed by any Director of the Company, on behalf of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution."

ITEM NO. 7:

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the Rules thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modifications or re- enactment thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee (the Committee) and approval of the Board, the consent of the members be and is hereby accorded for the appointment of Ms. Pallavi Gokhale (holding DIN 00036369), who was appointed as an Additional Director in the capacity of Independent Director with effect from 1 July 2025 and who holds office of Director up to the date of this Annual General Meeting pursuant to the provisions of Section 161 of the Companies Act, 2013, read with Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five (5) consecutive years with effect from 1 July 2025."

ITEM NO. 8:

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

"**RESOLVED THAT** pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the provisions of Section 204(1) of the Companies Act, 2013 along with the applicable Rules thereunder, and other applicable provisions, if any, of the Companies Act, 2013 and based on the recommendation of the Audit Committee and the approval of the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded for appointment of M. J. Risbud & Co., Practicing Company Secretaries, a Peer Reviewed proprietorship firm of Mr. M. J. Risbud, FCS – 810, CP - 185 and Unique Identification No. (UIN) - S1981MH000400, Peer Review Certificate No. 1089/2021 dated 9 February 2021, valid for 5 years, as the Secretarial Auditors of the Company, to hold office for a period of 5 (five) consecutive years commencing from the conclusion of 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting of the Company, who shall conduct Secretarial Audit of the Company from and including the Financial Year ended 31 March 2026 to the Financial Year ended 31 March 2030 on a professional fees of ₹ 4,50,000 plus applicable taxes, if any for the Financial Year 2025-2026 and the Board of Directors of the Company be and are hereby authorised to increase and pay such professional fees as they may deem fit, for the remaining tenure of the appointment.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to do all such acts, deeds, things and to sign all such documents and writings as may be necessary to give effect to this resolution and for matters connected therewith or incidental thereto."

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: 20 May 2025

NOTES:

1. Ministry of Corporate Affairs allowed conducting Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) and dispensed 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, the General Circular No. 2/2022 dated 5 May 2022; the General Circular No. 10/2022 dated 28 December 2022; the General Circular No. 09/2023 dated 25 September 2023 and the General Circular No. 09/2024 dated 19 September 2024, issued by the Ministry of Corporate Affairs (hereinafter referred to as 'MCA Circulars') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3 October 2024, read with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11 November 2024, issued by SEBI (hereinafter referred to as 'SEBI Circulars'), have prescribed the procedure and manner of conducting the AGM through VC / OAVM. In terms of the said Circulars, the 31st 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 Scrutinizer 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 thorough 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 Section 102 (1) of the Act and the Rules made thereunder, including amendments thereof, relating to the Ordinary Business No. 3 and Special Business Nos. 4 to 8 in the Notice and 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 Thursday, 7 August 2025 to Wednesday, 13 August 2025 (both days inclusive), for the purpose of 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 6 August 2025, 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 on or before 6 August 2025.

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 / MIRSD - PoD -1 / P / CIR / 2023 / 181 dated 17 November 2023 have 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 contract details, including mobile number, bank account details and specimen signature.

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 Registrar and Share Transfer Agent (R & T Agent), i.e., MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited), R & T Agent of the Company, 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 dividend will become part of IEPF
2017-2018	11.08.2018	14.08.2018	210	10.09.2025
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

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., 25 September 2024) 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 2017-18, are requested to claim the same by 9 September 2025.

Members who have neither received nor encashed their dividend warrant(s) for the financial years 2017-18 to 2023-24, are requested to write to the RTA 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 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 IEPF.

Accordingly, during the Financial Year 2024-2025, the Company has transferred 4,860 number of 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

Regulation 12 and Schedule I of the Regulations, including amendments thereof require all companies to use the facilities of electronic clearing services for the payment of dividend. In order to get your dividend through electronic mode or NECS, Members who are holding shares in physical form are requested to inform their bank account details such as the name of the bank, branch, address, account number, 9 digit MICR code, IFSC code and type of account, i.e., Savings or Current or Cash Credit etc. to the R & T Agent of the Company 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 holding shares in dematerialised form are requested to inform their bank account particulars to their respective Depository Participant (DP) and not to the R & T Agent of the Company. Those Members who do not opt for the NECS facility may inform only the bank account number and bank name for printing the same on the dividend warrant to ensure safety.

As per SEBI vide circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20 April 2018, unpaid / unclaimed dividend will be processed through electronic mode only.

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 e-mail 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 31st AGM with regard to the Financial Statements or any other matter to be placed at the 31st 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. Those Members who have registered themselves as a speaker shall be allowed to ask questions during the 31st 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 31st 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, 1961 ("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), as may be applicable, before the cut-off date, i.e., Wednesday, 6 August 2025 as the Book Closure is from Thursday, 7 August 2025 to Wednesday, 13 August 2025, (both days inclusive).

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 194 of the Income Tax Act at the rate of 10 percent 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 2025-2026 does not exceed ₹ 10,000/-.

TDS will not be deducted in cases where a Member provides Form 15G (applicable to resident individual below 60 years of age) or Form 15H (applicable to a resident individual aged 60 years and above), along with a copy of self-attested Permanent Account Number (PAN), provided that eligibility conditions are being met. Form 15G / Form 15H can be uploaded at the below link provided by the RTA:

https://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.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 RTA for shares held in demat form or with the RTA 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 rate of 20 percent as per Section 206AA 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 10(23D) of the Income Tax and is covered under Section 196 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 10(23FBA) of the Income Tax Act and it has been granted a certificate of registration as Category / 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 10(44) (Subsection 1E of Section 197A) 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 196 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:

Necessary documentary evidence as per Circular No. 18/2017 issued by the Central Board of Direct Taxes.

In case of other resident Members having an Order under Section 197 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 195 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 percent (plus applicable surcharge and cess) on the amount of dividend payable.

Further, in the case of Foreign Institutional Investors and Foreign Portfolio Investors, tax shall be deducted at source at the rate of 20 percent (plus applicable surcharge and cess) under Section 196D of the Income Tax Act.

However, as per Section 90 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 2025-2026.

iii. Copy of the online Form 10F electronically verified and filed on the Income Tax web portal.

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 2025-2026 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 197 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 139AA 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 Act. The Company will reply on the reports downloaded from the reporting portal of the Income Tax department for checking validity of PANs / inoperative PANs.

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 RTA 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 15G / 15H, TRC, Form 10F, 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 cut-off 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 Act, in the hands of a person other than the Member in accordance with Rule 37BA(2) of the Income Tax Rules, 1962. 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.

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 Wednesday, 6 August 2025.

   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 6 August 2025.

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. Only the requests for transmission and transposition of securities in physical form will be accepted by the Company / the R & T Agent.

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 2024-2025, 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 2024-2025 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 e-mail 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 e-mail 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 of updation of e-mail 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 31st AGM through VC / OAVM facility and e-voting during the 31st AGM.

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

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, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including amendments thereof and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, including amendments thereunder and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 31st 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 **Sunday, 10 August 2025, at 9:00 a.m. (IST)** and ends on **Tuesday, 12 August 2025 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 (cut-off date), i.e., 6 August 2025, 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 cut-off date, being 6 August 2025.

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/CFD/CMD/CIR/P/2020/242 dated December 9, 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 Members holding securities in demat mode is given below:

Type of Members	Login Method
Individual Members' holding securities in demat mode with NSDL.	1. 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 and voting during the meeting. 2. 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 3. 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 and voting during the meeting. 4. 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 Members 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 and New System Myeasi Tab and then user your existing my easi username and password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi / Easiest, option to register is available at CDSL website www.cdslindia.com and click on login and New System Myeasi Tab and then click on registration option. 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 and 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.

Type of Members	Login Method
Individual Members (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 and voting during the meeting.

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

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

Login type	Helpdesk details
Individual Members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact the NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Members 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 210 9911

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 user 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 Scrutinizer 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 December 9, 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 31st AGM with regard to the Financial Statements or any other matter to be placed at the 31st 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 31st AGM, i.e., by Saturday, 9 August 2025 by 11:30 a.m. IST. Those Members who have registered themselves as a speaker shall be allowed to ask questions during the 31st 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 31st 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 e-mail 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 **Wednesday, 6 August 2025**.

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 **cut-off date, i.e., Wednesday, 6 August 2025**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or issuer or 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.

    In case of 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., **Wednesday, 6 August 2025**, 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 **cut-off date, i.e., Wednesday, 6 August 2025**, 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 Scrutinizer 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 Scrutinizer, 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 Scrutinizer 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, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

36. The Results declared along with the report of the Scrutinizer 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: 20 May 2025

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. Atul Kirloskar (holding DIN 00007387) retires by rotation and being eligible, offers himself for re-appointment.

Mr. Atul Kirloskar, Age 69 years, began his career with the erstwhile Kirloskar Cummins Limited in the year 1978, where he started out as a trainee. In December 1981, he was appointed as the Chief Executive of Cummins Diesel Sales and Services.

On 1 November 1984, Mr. Atul Kirloskar was appointed as the Executive Vice President of the Company (then known as Kirloskar Oil Engines Limited). He was co-opted on the Board of the Company on 6 August 1985, wherein he took over as the Managing Director. In 1988, he was appointed as the Vice Chairman of the Company and held the position till 25 July 1998, when he was elected as Chairman of the Board of the Company. He resigned as Managing Director of the Company with effect from the close of working hours on 22 October 2010. Currently, he is working as the Chairman of the Company.

Mr. Atul Kirloskar is also a director in the following other companies:

Name of the Company	Board Position held	Committee Membership
Kirloskar Pneumatic Company Limited	Director	1. Risk Management Committee – Member
Kirloskar Oil Engines Limited	Chairman and Non-Executive Director	-
Kirloskar Proprietary Limited	Director	1. Remuneration Committee – Chairman 2. Corporate Social Responsibility Committee – Member
Kirloskar Energen Private Limited	Director	-
Kirloskar Solar Technologies Private Limited	Director	-
Asara Sales and Investment Private Limited	Director	-
Navsai Opportunities Private Limited (earlier known as Navsai Investments Private Limited)	Director	-
GreenTek Systems (India) Private Limited	Director	-
S.L. Kirloskar CSR Foundation	Director	-

Mr. Atul Kirloskar is holding 15,11,352 (14.52%) equity shares of the Company, the said shareholding is considered in the name of the first holder (PAN based only).

He attended four meetings out of five meetings of the Board of Directors held during the Financial Year 2024-2025.

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 / 24 dated 20 June 2018, Mr. Atul Kirloskar 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. Atul Kirloskar 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, ortheir 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:

The Members of the Company accorded their consent in their meeting held on 9 August 2022, by way of special resolution to Ms. Aditi Chirmule (holding DIN 01138984) as the Executive Director for a term of 5 (five) years with effect from 25 January 2022 and remuneration payable to her for a period of 3 years effective from 25 January 2022 to 24 January 2025.

In terms of the amended provisions of Section 197 (3) of the Companies Act, 2013 (the Act), read with Schedule V to the Act, if in any financial year, a company has no profits or its profits are inadequate, the company may pay to its directors, including any managing or whole-time director or manager, by way of remuneration, any sum in excess of the limits specified in Part A of Section II of Part II of Schedule V, provided that the same has been approved by the Members of the Company by way of Special Resolution.

Pursuant to the aforesaid provisions, on the recommendation of the Nomination and Remuneration Committee (the Committee) and approval of the Board, the Members of the Company in their meeting held on 8 August 2019, had given their consent to the Board for payment for total managerial remuneration in respect of any financial year to any one managing director or whole time director or manager which may exceed 5% of the net profits of the Company and / or if there is more than one, such director remuneration which may exceed 10% of the net profits to all such directors and manager taken together and / or total managerial remuneration payable to all the directors which may exceed 11% of the net profits of the Company, computed in the manner laid down in Section 198 of the Act. Pursuant to the provision of Schedule V, the companies having no profit or inadequate profit could fix the managerial remuneration payable to the whole-time directors for a period of three years only.

The Members of the Company in their meeting held on 9 August 2022, approved the re-appointment of Ms. Aditi Chirmule, Executive Director of the Company for a period of 5 years with effect from 25 January 2022 and remuneration payable to Ms. Aditi Chirmule, Executive Director of the Company, for a period effective from 25 January 2022 to 24 January 2025, by way of special resolution and also authorised the Board to revise the remuneration payable to her, from time to time, during the period of term, without further approval of the Members of the Company but with such other approvals, sanctions or permissions, if any, required for such revisions in the remuneration.

The Ministry of Corporate Affairs (MCA) has notified the maximum remuneration payable by companies having no profit or inadequate profit to the managerial person or other director (non-executive director or an independent director) by amending Schedule V of the Act vide its Notification dated 18 March 2021. The Company may pay to its directors, including any managing or whole-time director or manager, by way of remuneration, any sum in excess of the limits specified in Schedule V, provided the same has been approved by the Members of the Company by way of special resolution.

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members of the Company, considered and recommended the remuneration payable to Ms. Aditi Chirmule, Executive Director of the Company, for the further period from 25 January 2025 to 24 January 2027.

Ms. Aditi Chirmule, Age 58 years, is a Commerce Graduate and Company Secretary. She has been associated with the Kirloskar Group since 1989, and has worked as the Executive Director of the Company from 25 January 2012. She also played a major role in internal and external restructuring of businesses and mergers, acquisitions and formation of joint ventures during her association with the Kirloskar Group.

She is a member of the Risk Management Committee, the Stakeholders' Relationship Committee and the Corporate Social Responsibility Committee.

Ms. Aditi Chirmule is not holding any Directorship in any other company. Ms. Aditi Chirmule has not resigned from any of the listed entities from the last three years.

Ms. Aditi Chirmule is holding 6,538 (0.06%) equity shares of the Company.

She attended all five meetings of the Board of Directors held during the Financial Year 2024-2025.

The remuneration payable to Ms. Aditi Chirmule, Executive Director, is also subject to the approval of the Members as required by the provisions of Section 196, read with Schedule V and other applicable provisions of the Companies Act, 2013.

Following detailed information as per Section II (B) (IV) of Schedule V of the Companies Act, 2013:

I. GENERAL INFORMATION

1. Nature of industry — The main operations of the Company are investment (securities and properties) and real estate activities.
2. Date or expected date of commencement of commercial production — The Company is already in existence.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus — Not applicable
4. Financial performance based on given indicators

Standalone basis: **(₹ in crores)**

Particulars	2024-2025	2023-2024	2022-2023
Total Income	120.57	133.51	114.99
Profit before tax	101.57	102.28	93.42
Profit after tax	78.32	74.63	74.09

Consolidated basis: **(₹ in crores)**

Particulars	2024-2025	2023-2024	2022-2023
Total Income	6,677.68	6,411.65	6,532.65
Profit before tax	447.12	556.25	657.82
Profit after tax	308.22	360.72	459.53

5. Foreign investments or collaborations, if any. — The Company does not have any foreign investments or collaborations.

II. INFORMATION ABOUT THE APPOINTEE	
1. Background details	Ms. Aditi Chirmule, Age 58 years, is a Commerce Graduate and Company Secretary. She has been associated with the Kirloskar Group since 1989, and has worked as the Executive Director of the Company from 25 January 2012.
2. Past remuneration	Her remuneration during the Financial Year 2024-2025 is as follows: 1. Basic salary ₹ 65,57,903 (Rupees Sixty-Five Lakhs Fifty-Seven Thousand Nine Hundred and Three Only); 2. Perquisites and other benefits ₹ 43,61,434 (Rupees Forty-Three Lakhs Sixty-One Thousand Four Hundred Thirty-Four Only); 3. Commission ₹ 99,00,000 (Rupees Ninety-Nine Lakhs Only)
3. Recognition or awards	None
4. Job profile and her suitability	Ms. Aditi Chirmule has been associated with the Kirloskar Group since 1989 and has played a major role in internal and external restructuring of businesses and mergers, acquisitions and formation of joint ventures during her association with the Kirloskar Group.
5. Remuneration proposed	The remuneration proposed to be paid to Ms. Aditi Chirmule, Executive Director, is as per the details set out in the Special Resolution mentioned at Item No. 4 of this Notice.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates, the relevant details would be with respect to the country of her origin)	There are no set standards for remuneration in the industry. Keeping in view the type / trends in the industry, size of the Company, the profile and responsibilities shouldered by Ms. Aditi Chirmule, the Company believes that the remuneration proposed to be paid to her as the Executive Director is appropriate and commensurate with the industry standards. Further, the remuneration proposed to be paid to her is in accordance with the Nomination and Remuneration Policy of the Company and as per the approval and recommendation of the Nomination and Remuneration Committee of the Board.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Ms. Aditi Chirmule holds 6,538 equity shares representing 0.06% of the total paid-up share capital of the Company. She receives dividend on these shares of the Company. Ms. Aditi Chirmule has no other pecuniary relationship with the Company except to the extent of her remuneration and shareholding in the Company and that held by her relatives. She is not related to any Director or Key Managerial Personnel of the Company.
III. OTHER INFORMATION	
1. Reasons of loss or inadequate profits	The main operations of the Company are investments (securities and properties) and real estate activities. The Company's main source of income is income from dividend income, interest income and property licensing fees. Presently, the Company is carrying out its real estate activities through Avante Spaces Limited (Avante), a Wholly-Owned Subsidiary Company. Avante is developing its mixed-use development on its land parcel at Kothrud, which needs investment upfront. Avante will generate income when it is fully set up. The Company, being an unregistered Core Investment Company, can invest only in group companies. Considering the above, the Company envisages that the business profitability could be inadequate for payment of remuneration, including the commission to the Whole-time Directors of the Company.
2. Steps taken or proposed to be taken for improvement	The management will explore various options to utilise treasury balances meaningfully to deliver good returns.
3. Expected increase in productivity and profits in measurable terms	It is difficult to forecast the profitability in measurable terms. However, the profitability may improve and would be comparable to the industry average.

Upon receipt of approval of the Members of the Company, the Amendment Agreement along with Annexure for the period from 25 January 2025 to 24 January 2027, will be executed with Ms. Aditi Chirmule.

Save and except Ms. Aditi Chirmule and her 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 Special Resolution set out at Item No. 4 of the Notice for approval by the Members.

ITEM NOS. 5 AND 6:

Pursuant to Article 160 of the Articles of Association of the Company, on the recommendation of the Nomination and Remuneration Committee (the Committee), the Board of Directors in its meeting held on 20 May 2025, co-opted Mr. George Verghese (holding DIN 11068946) as an Additional Director on the Board of the Company. Being an Additional Director, he holds the office up to the date of this Annual General Meeting.

The Company has received a notice in writing from a Member under Section 160 of the Act, proposing the candidature of Mr. George Verghese for the office of Director of the Company.

Mr. George Verghese is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Board of Directors, based on the recommendation of the Committee, appointed Mr. George Verghese as the Managing Director of the Company with effect from 20 May 2025, for a term of five (5) years and also remuneration payable to him for a period of 3 years effective from 20 May 2025, on the terms and remuneration as set out at Item No. 6 of the Notice. The appointment and remuneration payable to Mr. George Verghese as the Managing Director are also subject to the approval of the members as required by the provisions of Section 196, read with Schedule V and other applicable provisions of the Companies Act, 2013.

In terms of the amended provisions of Section 197 (3) of the Companies Act, 2013, (the Act), read with Schedule V to the Act, if in any financial year, a company has no profits or its profits are inadequate, the company may pay to its directors, including any managing or whole-time director or manager, by way of remuneration, any sum in excess of the limits specified in Part A of Section II of Part II of Schedule V, provided that the same has been approved by the members of the Company by way of Special Resolution.

Pursuant to the aforesaid provisions, on the recommendation of the Committee and approval of the Board, the members of the Company in their meeting held on 8 August 2019, had given their consent to the Board for payment for total managerial remuneration in respect of any financial year to any one managing director or whole time director or manager which may exceed 5% of the net profits of the company and / or if there is more than one, such director remuneration which may exceed 10% of the net profits to all such directors and manager taken together and / or total managerial remuneration payable to all the directors which may exceed 11% of the net profits of the company, computed in the manner laid down in Section 198 of the Act. Pursuant to the provision of Schedule V, the companies having no profit or inadequate profit, could fix the managerial remuneration payable to the whole-time directors for a period of three years only.

The Ministry of Corporate Affairs (MCA) has notified the maximum remuneration payable by companies having no profit or inadequate profit to the managerial person or other director (non-executive director or an independent director) by amending Schedule V of the Act vide its Notification dated 18 March 2021. The Company may pay to its directors, including any managing or whole-time director or manager, by way of remuneration, any sum in excess of the limits specified in Schedule V, provided the same has been approved by the members of the Company by way of special resolution.

Mr. George Verghese, Age 44 years, is a dedicated, focused and accomplished professional with over 21 years of experience in the Manufacturing Industry, Information Technology Enabled Services and Telecom.

Mr. George Verghese completed his Master's in Management from XLRI, Jamshedpur, and his engineering degree from the College of Engineering, Munnar.

Mr. George Verghese joined Kirloskar Management Services Private Limited, a Kirloskar Group Company, in April 2021, as the Vice President - Group Human Resources (HR). He subsequently took on the role of Chief Human Resources Officer (CHRO) and Chief of Staff of Kirloskar Oil Engines Limited (KOEL).

In his leadership role overseeing the Group HR function, Mr. Verghese has spearheaded HR transformation initiatives at the Group level. His contributions include driving key processes such as succession planning, leadership development, the brand refresh project, the business planning process, organisational restructuring, and change management.

Additionally, he plays an integral role in the Group's business transformation efforts, ensuring that the organisation remain market-relevant while actively driving the broader transformation and change agenda.

In his role at KOEL, Mr. George Verghese was part of the core leadership team responsible for the company's business turnaround efforts, resulting in significant growth, margin improvement, and enhanced shareholder returns. He contributed to several key strategic initiatives at KOEL, including formulating the overall business strategy, leading business restructuring efforts in alignment with the new strategy, driving channel restructuring, and enhancing product branding and market positioning.

Mr. George Verghese began his career with Dell International Services and has since worked with various Indian and multinational organisations, including Cummins, Reliance Communications, and UST Global, across diverse roles and functions.

Before joining the Kirloskar Group, he spent 11 years at Cummins, progressing through multiple roles and ultimately serving as the HR Leader for the Aftermarket Business.

Mr. George Verghese has been with the Group for over three years and has already played a big role in key areas like leadership, branding, public relations, data analytics, information technology and culture. In his tenure with the Group over the last 3 years, he has made significant contributions in all these areas, and also has worked closely with the leadership in business-level transformation efforts. He has also helped turn around other businesses in the Group. Because of his experience and deep understanding of the Group, Mr. George Verghese is the right person to take on the role of Managing Director of the Company.

Mr. George Verghese is the Director of Arka Investment Advisory Services Private Limited.

Mr. George Verghese does not hold equity shares of the Company.

The remuneration payable to Mr. George Verghese, Managing Director, is also subject to the approval of the members as required by the provisions of Section 196, read with Schedule V and other applicable provisions of the Companies Act, 2013.

Following detailed information as per Section II (B) (IV) Of Schedule V of the Companies Act, 2013:

I.	**GENERAL INFORMATION**	
1.	Nature of industry	The main operations of the Company are investment (securities and properties) and real estate activities.
2.	Date or expected date of commencement of commercial production	The Company is already in existence.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
4.	Financial performance based on given indicators	See tables below

Standalone basis: **(₹ in crores)**

Particulars	2024-2025	2023-2024	2022-2023
Total Income	120.57	133.51	114.99
Profit before tax	101.57	102.28	93.42
Profit after tax	78.32	74.63	74.09

Consolidated basis: **(₹ in crores)**

Particulars	2024-2025	2023-2024	2022-2023
Total Income	6,677.68	6,411.65	6,532.65
Profit before tax	447.12	556.25	657.82
Profit after tax	308.22	360.72	459.53

5.	Foreign investments or collaborations, if any.	The Company does not have any foreign investments or collaborations.
II.	**INFORMATION ABOUT THE APPOINTEE**	
1.	Background details	Mr. George Verghese, Age 44 years, is a dedicated, focused and accomplished professional with over 21 years of experience in the Manufacturing Industry, Information Technology Enabled Services and Telecom.
2.	Past remuneration	Not applicable
3.	Recognition or awards	Not applicable
4.	Job profile and his suitability	Mr. George Verghese, Managing Director, is associated with the Company since 2021. His responsibilities as the Managing Director of the Company include executing business strategy and managing the organisation's overall performance and growth. Ever since his joining in the Company, he has been spearheading all the activities of the Company. Mr. George Verghese has over 21 years of diverse experience. Considering his qualifications and vast experience, the remuneration proposed is commensurate with his job profile and is justified.
5.	Remuneration proposed	The remuneration proposed to be paid to Mr. George Verghese, Managing Director, is as per the details set out in the Special Resolution mentioned at Item No. 6 of this Notice.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	There are no set standards for remuneration in the industry. Keeping in view the type / trends in the industry, size of the Company, the profile and responsibilities shouldered by Mr. George Verghese, the Company believes that the remuneration proposed to be paid to him as the Managing Director is appropriate and commensurate with the industry standards. Further, the remuneration proposed to be paid to him is in accordance with the Nomination and Remuneration Policy of the Company and as per the approval and recommendation of the Nomination and Remuneration Committee of the Board.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. George Verghese does not hold equity shares of the Company. Mr. Geroge Verghese has no other pecuniary relationship with the Company except to the extent of his remuneration and shareholding in the Company and that held by his relatives, if any. He is not related to any Director or Key Managerial Personnel of the Company.

III. OTHER INFORMATION	
1. Reasons of loss or inadequate profits	The main operations of the Company are investment (securities and properties) and real estate activities. The Company's main source of income is income from dividend income, interest income and property licensing fees. Presently, the Company is carrying out its real estate activities through Avante Spaces Limited (Avante), a Wholly-Owned Subsidiary Company. Avante is developing its mixed-use development on its land parcel at Kothrud, which needs investment upfront. Avante will generate income when it is fully set up. The Company being an unregistered Core Investment Company, can invest only in group companies. Considering the above, the Company envisages that the business profitability could be inadequate for payment of remuneration including the commission to the Whole-time Directors of the Company.
2. Steps taken or proposed to be taken for improvement	The management will explore various options to utilise treasury balances meaningfully to deliver good returns.
3. Expected increase in productivity and profits in measurable terms	It is difficult to forecast the profitability in measurable terms. However, the profitability may improve and would be comparable to the industry average.

Upon receipt of approval of the Members of the Company, the Agreement, along with Annexure for the period from 20 May 2025 to 19 May 2028, will be executed with Mr. George Verghese.

In terms of BSE Circular No. LIST / COMP / 14 / 2018-2019 dated 20 June 2018 and NSE Circular No. NSE / CML / 2018 / 24 dated 20 June 2018, Mr. George Verghese 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. George Verghese 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, financially or otherwise in the said Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 and the Special Resolution set out at Item No. 6 of the Notice for approval by the members.

ITEM NO. 7:

The Board of Directors based on recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members of the Company, pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 (the Act) and the Articles of Association of the Company, considered the appointment of Ms. Pallavi Gokhale (holding DIN 00036369), as an Additional Director in the capacity of Independent Director with effect from 1 July 2025.

In terms of the provisions of Section 161 (1) of the Act, Ms. Pallavi Gokhale would hold office up to the date of this Annual General Meeting.

She is also proposed to be appointed as an Independent Director for a term of five (5) consecutive years with effect from 1 July 2025, pursuant to the provisions of Section 149 (including other applicable provisions, if any) of the Act and Rules made thereunder.

The Company has received a notice in writing from a Member under Section 160 of the Act, proposing the candidature of Ms. Pallavi Gokhale for the office of Director of the Company.

Ms. Pallavi Gokhale is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Pursuant to the provisions of Section 149 of the Act, an independent director can hold office for a term up to five (5) consecutive years on the Board of a Company and as per Section 152 of the Act, she shall not be included in the total number of directors for retirement by rotation. The Company has received declarations from Ms. Pallavi Gokhale that she meets the criteria of independence as prescribed under Sub-section (6) of Section 149 of the Act and Regulation 16 (1) (b) of the Regulations.

Ms. Pallavi Gokhale (Age 53 years) is a Chartered Accountant and Cost Accountant with over two decades of experience in consulting.

Through her twenty-plus years of professional services experience, Ms. Pallavi Gokhale has supported large Indian organisations and multi-nationals across automotive, industrial products, metals and mining and chemical sectors, in ensuring high levels of corporate governance while achieving business objectives. Ms. Pallavi Gokhale comes with deep experience in risk management, process and controls optimisation, digitisation and driving sustainable governance frameworks.

Ms. Pallavi Gokhale, an ex-partner in EY LLP India, has been in senior leadership roles in the consulting sector and has successfully executed several complex reengineering programs for multi-location, multi-business organisations, contributing to operational efficiencies and creating long-term value. With a strong track record of collaborating with leadership teams, she has been instrumental in partnering with organisations in setting up robust risk management practices.

Ms. Pallavi Gokhale does not hold equity shares of the Company.

Ms. Pallavi Gokhale is a director of Gokhale Charity Foundation. She has been appointed as an Additional Director of S. H. Kelkar and Company Limited with effect from 1 July 2025.

Ms. Pallavi Gokhale has not resigned from any of the listed entities from the last three years.

She is not related to any other Director or Key Managerial Personnel of the Company.

The Board is of the opinion that Ms. Pallavi Gokhale fulfills the conditions for her appointment as an Independent Director and also possesses an appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively, and she is independent of the management.

Ms. Pallavi Gokhale meets the following skills and capabilities required for the role as an Independent Director, as have been identified by the Board of Directors of the Company, *inter alia:*

1. Strategy;
2. Risk management; and
3. Finance.

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that she is appointed as an Independent Director.

Copy of the draft letter for appointment of Ms. Pallavi Gokhale as an Independent Director, setting out the terms and conditions, is available for inspection by members at the website of the Company, viz., www.kirloskarindustries.com.

The Statement may also be regarded as a disclosure under Regulation 36 (3) of the Regulations.

In terms of BSE Circular No. LIST / COMP / 14 / 2018-2019 dated 20 June 2018 and NSE Circular No. NSE / CML / 2018 / 24 dated 20 June 2018, Ms. Pallavi Gokhale is not debarred from holding the office of a Director by virtue of any order by SEBI or any other authority.

Save and except Ms. Pallavi Gokhale and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

ITEM NO. 8 OF THE NOTICE:

In accordance with the provisions of Section 204 of the Companies Act 2013 (the Act), read with the Rules thereunder, and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations), every listed entity is required to undertake Secretarial Audit by a Peer Reviewed Secretarial Auditor who shall be appointed by the Members of the Company, on the recommendation of the Board of Directors, for a period of five consecutive years.

Based on the recommendation of the Audit Committee, the Board of Directors, at its Meeting held on 20 May 2025, based on fulfilment of eligibility, relevant qualifications, peer review status, audit quality, experience, and capability, as well as the professional conduct of M. J. Risbud & Co., Practicing Company Secretaries approved the appointment of M. J. Risbud & Co., Practicing Company Secretaries, a Peer Reviewed proprietorship firm of Mr. M. J. Risbud, FCS- 810, CP – 185 and Unique Identification No. (UIN) – S1981MH000400, Peer Review Certificate No. 1089/2021 dated 9 February 2021, valid for 5 years, as the Secretarial Auditors of the Company, for a term of five (5) consecutive years, to hold office of the Secretarial Auditor commencing from the conclusion of 31st Annual General Meeting ('AGM') till the conclusion of 36th AGM of the Company to be held in the Year 2030, and including the Financial Year ended 31 March 2026 to the Financial Year ended 31 March 2030, subject to the approval of the Members of the Company.

Mr. M. J. Risbud, proprietor of M. J. Risbud & Co., has been in practice since 1979. He provides advisory and compliance services across Company Law, secretarial matters, and regulatory audits to listed and unlisted companies. He has been a faculty to seminars and training programs. He has authored several articles on company law and has also published a few books in the Marathi language.

M. J. Risbud & Co., have given their consent to act as Secretarial Auditor of the Company and confirmed that their aforesaid appointment (if approved) would be within the prescribed limits specified by the Institute of Company Secretaries of India, under the Act and Rules made thereunder and the Regulations. Furthermore, in terms of the Regulations, M. J. Risbud & Co., has provided a confirmation that they have subjected themselves to the peer review process of the Institute of Company Secretaries of India and holds a valid peer review certificate.

M. J. Risbud & Co., Practicing Company Secretaries, have also confirmed that they are is not disqualified to be appointed as Secretarial Auditor in terms of provisions of the Act and Rules made thereunder and the Regulations.

The proposed remuneration to be paid to M. J. Risbud & Co., Practicing Company Secretaries for secretarial audit services for the financial year ending 31 March 2026, is ₹ 4,50,000 plus applicable taxes, if any. Besides the secretarial audit services, the

Company may also obtain certifications from them under various statutory regulations and certifications required by statutory authorities and other permissions non-secretarial audit services as required from time to time, for which the remuneration will be paid to them separately on mutually agreed terms, as approved by the Board of Directors, after taking into consideration the recommendations of the Audit Committee.

The Board of Directors and the Audit Committee shall approve the revision of the remuneration of M. J. Risbud & Co., Practicing Company Secretaries, for the remaining part of the tenure.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution except to the extent of their shareholding, if any, in the Company.

The Board recommends the Ordinary Resolution set out at Item No. 8 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: 20 May 2025

Board's Report for Financial Year 2024-25

To The Members,

The Directors have pleasure in presenting this 31st Annual Report with the Audited Annual Accounts of the Company for the year ended 31 March 2025.

I. FINANCIAL PERFORMANCE (STANDALONE):

(₹ in Crores)

Particulars	2024-2025	2023-2024
Total Income	120.57	133.51
Total Expenditure	25.99	31.42
Profit before exceptional items and taxation	94.58	102.28
Profit before taxation	101.57	102.28
Provision for tax (including Deferred Tax)	23.25	27.65
Net Profit	78.32	74.63
Balance of Profit / (Loss) from previous year	1,016.68	952.64
Less: Re-measurement of defined benefit plans (net of Taxes)	(0.17)	0.29
Profit available for appropriation	1,063.02	1,027.56
Dividend paid on equity shares:		
Final Dividend	12.94	10.88
Balance carried to Surplus in Statement of Profit and Loss	1,050.08	1,016.68

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 2025.

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. www.kirloskarindustries.com.

III. CLASSIFICATION OF THE COMPANY AS AN UNREGISTERED CORE INVESTMENT COMPANY:

The Company is an 'Unregistered Core Investment Company' (CIC) regulated by the Reserve Bank of India (RBI), which cannot access public funds and is complying with all the regulations required for an 'Unregistered CIC'.

IV. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A. 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 is making efforts to optimize revenue from these licensed properties.

During the year under review, the Company generated revenue amounting to ₹ 20.89 Crores from its leased properties (₹ 27.40 Crores as on 31 March 2024).

Avante Spaces Limited (Avante), a Wholly-Owned Subsidiary of the Company, achieved a significant milestone with the successful delivery of its maiden commercial project, 'One Avante', (the Project), situated in Kothrud, Pune. The Project received the Occupancy Certificate (OC) for all floors, marking the formal completion. This achievement reflects Avante's commitment to timely execution and quality delivery in its foray into real estate.

During the year under review, the Company has further advanced ₹ 69.20 Crores (net) as an unsecured loan to Avante for its real estate business.

WINDMILLS:

In line with the Company's strategic objective to focus on its core real estate business and that of its Wholly-Owned Subsidiary, and with the aim of optimising returns on its investment portfolio, the Company has divested its windmill business on a going-concern basis to ISMT Limited.

Pursuant to the Scheme of Arrangement and Merger under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the Hon'ble National Company Law Tribunal, Mumbai Bench, vide its order dated 24 July 2024, approved the amalgamation of ISMT Limited ("Transferor Company") with Kirloskar

Ferrous Industries Limited ("Transferee Company"), along with their respective shareholders.

Upon the Scheme becoming effective on 8 August 2024, the business undertakings and operations of the Transferor Company, including the windmill business, have been transferred to and vested in the Transferee Company. 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 0.96 Crores units of electricity in the period under review as against 0.91 Crores units of electricity in the previous year, showing an increase of approximately 5.50% over the previous year.

During the year under review, the Company has also sold 7,122 RECs, which has resulted in revenue of ₹ 0.08 Crores (previous year ₹ 0.01 Crores). The Company is holding 20,123 unsold RECs as on 31 March 2025.

OTHERS:

The Company continues to invest its surplus funds in fixed deposits and mutual funds. These investments stood at ₹ 218.16 Crores as on 31 March 2025 (Previous year ₹ 161.94 Crores). During the year under review, the Company has deployed part of the funds towards the real estate business, either directly or through its subsidiaries.

B. RAISING OF FUNDS THROUGH PREFERENTIAL ALLOTMENT

The members of the Company, by way of Special Resolution passed through Postal Ballot on 29 March 2023, approved the allotment of 4,55,580 Warrants convertible into equity shares of the Company, as set out in the Notice of Postal Ballot dated 27 February 2023, read with Corrigendum dated 15 March 2023. The said Warrants were allotted to Mr. Atul Kirloskar and Mr. Rahul Kirloskar (Allottees), in equal proportion of 2,27,790 Warrants each, at an issue price of ₹ 2,195 per Warrant.

Subsequently, upon receipt of the requisite approvals, the Stakeholders' Relationship Committee, at its meeting held on 27 April 2023, allotted 4,55,580 Warrants convertible into an equivalent number of equity shares of the Company, following the receipt of 25% of the total consideration from the Allottees. The proceeds from the preferential issue were utilised in accordance with the objects stated in the explanatory statement annexed to the Postal Ballot Notice.

During the year under review, upon the receipt of the balance 75% of the consideration amounting to ₹ 37,49,99,050 each from the Allottees on 20 September 2024, the Stakeholders' Relationship Committee, at its meeting held on 26 September 2024, approved the allotment of 4,55,580 equity shares of face value ₹ 10 each, fully paid-up, to Mr. Atul Kirloskar and Mr. Rahul Kirloskar, Promoters of the Company, upon conversion of an equivalent number of Warrants earlier allotted to them on a preferential basis.

These equity shares rank pari-passu in all respects with the existing equity shares of the Company, including entitlement to dividend, if any.

C. COMPANY PERFORMANCE:

During the year under review, your Company earned a total income of ₹ 120.57 Crores (previous year ₹ 133.51 Crores).

During the year under review, the Company received a total dividend of ₹ 62.80 Crores (previous year ₹ 60.07 Crores) declared by the investee companies.

The Profit Before Tax (PBT) is at ₹ 101.57 Crores (previous year ₹ 102.28 Crores). The increase in the PBT is due to an exceptional item i.e., reversal of charges amounting to ₹ 6.10 Crores on account of unvested ESAR.

D. HUMAN RESOURCES:

Mr. Mahesh Chhabria ceased to be the Managing Director of the Company with effect from the close of business hours on 31 March 2025, upon his early retirement. He also resigned as a director on the Board of the Company with effect from the close of business hours on the same date.

As on 31 March 2025, the Company had 35 employees on its rolls, as compared to 34 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 (up to 31 March 2025) and the Executive Director of the Company.

E. 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 the 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) grant 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. 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 Mr. Mahesh J. Risbud, Practicing Company Secretary, (FCS 810 CP 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, including the Managing Director, the Executive Director, a Non-Executive Director 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 year under review, 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 have been returned to the ESAR pool.

In view of the above, the total granted ESARs have been reduced by 1,96,640 unvested ESARs, which are forfeited, bringing the total number of granted ESARs to 5,28,858 from 7,24,858 under KIL ESARP 2019.

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 Employees Benefits Regulations, as on 31 March 2025, are set out in '**Annexure I**' to this Report and are available on the Company's website at www.kirloskarindustries.com.

F. CAPITAL STRUCTURE

During the year under review, the Company allotted a total of 29,912 equity shares of ₹ 10 each to eligible employees, including the Managing Director, 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).

Additionally, the Company allotted 2,27,790 equity shares of ₹ 10 each to Mr. Atul Kirloskar and 2,27,790 equity shares of ₹ 10 each to Mr. Rahul Kirloskar, on the conversion of warrants into equity share capital of the Company.

Consequent to these allotments, the Issued and Subscribed Share Capital of the Company increased from 99,27,584 equity shares of ₹ 10 each to 1,04,13,076 equity shares of ₹ 10 each, and the Paid-up Share Capital increased from 99,27,553 equity shares of ₹ 10 each to 1,04,13,045 equity shares of ₹ 10 each.

As at 31 March 2025, the Paid-up Share Capital of the Company stood at ₹ 10,41,30,450, comprising 1,04,13,045 equity shares of ₹ 10 each.

G. 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.

H. PROSPECTS:

We continue to evaluate opportunities to invest in our group companies and deploy capital to support their investment plans and / or improve our stakes in those Companies.

The real estate sector, our core focus area going forward, has performed remarkably in the last financial year and with benign inflation environment and reducing interest regime, should further support the real estate sector. We see marked improvement in the prospects of real estate as volume and pricing is witnessing an uptick across geographies. While commodity price inflation and availability of labour continue to be a risk, we believe the improving demand 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.

I. 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.

J. 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.

K. 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.

L. 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 2024, the Company held 50.68% of the total shareholding in KFIL.

Pursuant to the Scheme of Arrangement and Merger of ISMT Limited ("Transferor Company") with Kirloskar Ferrous Industries Limited ("Transferee Company") and their respective shareholders, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the Scheme became effective on 8 August 2024. On the Scheme coming into effect, the percentage holding of the Company in KFIL stood at 46.08%.

Pursuant to the provisions of Section 2(87) of the Companies Act, 2013 and the Indian Accounting Standards, the Audit Committee and the Board of Directors of the Company in their respective meetings held on 14 August 2024, noted that, upon the Scheme becoming effective, KFIL would continue to be a subsidiary of the Company. Accordingly, the financial statements of KFIL will continue to be consolidated with those of the Company, in compliance with applicable accounting standards and regulatory requirements.

As on date, the Company holds 46.01% of the total shareholding of KFIL.

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

M. SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS:

The Hon'ble National Company Law Tribunal, Mumbai vide its Order dated 24 July 2024, has sanctioned the Scheme of Arrangement and Merger of ISMT Limited (Transferor Company) with Kirloskar Ferrous Industries Limited (Transferee Company) and their respective shareholders pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, ("Scheme").

After filing the certified true copy of the aforesaid Order along with a copy of the Scheme with the Registrar of Companies, Pune on 8 August 2024, the Scheme had become operative effective from 1 April 2023 (Appointed Date). In terms of the Scheme, ISMT Limited stands merged into and with KFIL with effect from 8 August 2024.

The Company has the following subsidiaries as on 31 March 2025:

1. Avante Spaces Limited, a Wholly-Owned Subsidiary Company;
2. Kirloskar Ferrous Industries Limited (KFIL), Subsidiary Company;
3. Oliver Engineering Private Limited, a subsidiary of the subsidiary company (a subsidiary of KFIL);
4. ISMT Enterprises SA, Luxembourg, a subsidiary of the subsidiary company (a subsidiary of KFIL);

5. Structo Hydraulics AB, Sweden, a subsidiary of the subsidiary company (a subsidiary of KFIL); (under liquidation)

6. ISMT Europe AB, Sweden, a subsidiary of the subsidiary company (a subsidiary of KFIL); (under liquidation)

7. Tridem Port and Power Company Pvt Ltd, a subsidiary of the subsidiary company (a subsidiary of KFIL);

8. Nagapattinam Energy Pvt Ltd, a subsidiary of the subsidiary company (a subsidiary of KFIL);

9. Best Exim Pvt Ltd, a subsidiary of the subsidiary company (a subsidiary of KFIL);

10. Success Power and Infraprojects Pvt Ltd, a subsidiary of the subsidiary company (a subsidiary of KFIL);

11. Marshall Microware Infrastructure Development Company Pvt Ltd, a subsidiary of the subsidiary company (a subsidiary of KFIL); and

12. Adicca Energy Solutions Private Limited (a subsidiary of KFIL)

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., www.kirloskarindustries.com.

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 first commercial project, 'One Avante' (the Project), located in Kothrud, Pune. The Project was completed well within the estimated cost, marking a major milestone in the Company's commercial real estate journey. 'One Avante' is an IGBC Platinum and LEED Gold pre-certified building, highlighting our focus on sustainability as one of the core pillars of the business.

The 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.

Ongoing Development – Mixed-Use Project, Kothrud

Avante is currently focused on the construction and timely delivery of its second project, a mixed-use development of approximately 2 million sq.ft. built-up area located on the same campus in Kothrud, Pune.

The project is progressing as per timelines and will conclude on schedule.

The project is targeting to achieve prestigious sustainability certifications - IGBC Platinum and LEED Gold. 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 (₹ 1.89) Crores.

KIRLOSKAR FERROUS INDUSTRIES LIMITED:

Kirloskar Ferrous Industries Limited (KFIL) is in the business of manufacture of pig iron and castings and has its manufacturing facilities located at Bevinahalli village and Hiriyur in Karnataka and Solapur in Maharashtra.

During the year under review:

KFIL achieved Net Sales of ₹ 6,566.26 Crores as compared to ₹ 6133.90 Crores in the previous year. The Profit Before Tax for the year under review stood at ₹ 432.14 Crores as compared to ₹ 476.83 Crores of the previous year.

KFIL sold MT 5,11,788 of pig iron valued at ₹ 2,078 Crores during the Financial Year 2024–2025 as compared to 4,18,601 MT of pig iron valued at ₹ 1,805 Crores in the previous financial year. Production of pig iron for the financial year increased by 22 percent as compared to the previous year. It was mainly on account of the operation of all three mini blast furnaces throughout the financial year. All the pig iron produced during the financial year was sold and optimum level of inventory was maintained.

KFIL sold 1,32,242 MT of castings aggregating to ₹ 1,654 Crores during the Financial Year 2024–2025 as compared to 1,20,018 MT castings aggregating to ₹ 1,508 Crores for the previous Financial Year. During the financial year, production of castings increased by 10 percent as compared to the previous year. The Company continued to maintain the market leadership position in the domestic castings business. Demand for the castings was good throughout the financial year.

KFIL sold 1,68,804 MT of Tubes valued at ₹ 2,103 Crores in the Financial Year 2024-2025 as compared to 1,56,487 MT of Tubes valued at ₹ 2,065 Crores in the previous Financial Year.

KFIL sold 73,002 MT of Steel valued at ₹ 541 Crores in the financial year 2024-2025 as compared to 69,605 MT of Steel valued at ₹ 534 Crores in the previous Financial Year.

Operational performance of KFIL:

Pig Iron

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

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

Operations of 'Kirloskar Bharat Mines' have resumed after obtaining necessary regulatory clearances and dispatches of iron ore have commenced from December 2024. Blended average coal price was around USD 220 per metric tonne during the financial year.

Castings

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

Tubes

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

Steel

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

Finance costs

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

Update on customers

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

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

Update on Projects

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

1. 70 MW solar plant commissioned at Jalna, Maharashtra.
2. VPSA oxygen plant commissioned for mini blast furnaces at Koppal, Karnataka.
3. Dispatch of iron ore commenced from Kirloskar Bharath Mines.
4. De-bottlenecking projects.

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

1. Moulding Line (phase II) at Solapur plant for enhancing production capacity of castings by 20,000 MT per annum.
2. 30 MW solar plant (Phase II) at Jalna, Maharashtra.
3. 12.6 MW Wind Mill at Sambhajinagar, Maharashtra.
4. Fume extraction system at Jejuri plant.
5. Expansion of machining capacity based on customer requirements.
6. De-bottlenecking projects.

The Board of Directors of KFIL declared an interim dividend of ₹ 3 (60%) per equity share on 14 February 2025 and paid on 3 March 2025.

The Board of Directors of KFIL, in its meeting held on 9 May 2025, has also recommended a final dividend of ₹ 2.50 (50%) per equity share for the Financial Year ended 31 March 2025.

Accordingly, the total dividend (inclusive of the interim dividend declared and paid) for the Financial Year 2024-2025 is 110%.

N. 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 ratio, along with detailed explanation therefor:

Sr. No.	Particulars	Ratio as on 31 March 2025	Ratio as on 31 March 2024	% of Change	Explanations, if any
i.	Current Ratio	12.62	9.02	39.91%	Refer Note No. 1
ii.	Debt Equity Ratio	-	-	-	Refer Note No. 2

Notes:

1. The Company's asset have gone up where the liabilites are stable.
2. The Company does not have any borrowings.

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

O. 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 2025	Ratio as on 31 March 2024	% of Change	Explanations
i.	Net worth	5.15%	5.24%	(1.75%)	-

V. 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 2023-2024, is available on the website of the Company, viz., www.kirloskarindustries.com and the Annual Return for the Financial Year 2024-2025, 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 2025, 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 2025 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:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (7) 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 name in the data bank with the Indian Institute of Corporate Affairs, New Delhi, India, within prescribed time period.

In the opinion of the Board, each of the Independent Director appointed / re-appointed during the year under review possess 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., www.kirloskarindustries.com.

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., www.kirloskarindustries.com.

6. AUDITORS:

a. Statutory Auditors:

Kirtane and Pandit LLP, Chartered Accountants, (Firm Registration Number 105215W), Pune, were appointed as the Statutory Auditors of the Company under Section 139 of the Companies Act, 2013, (the Act), to hold office for a term of 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.

The Company has received a certificate from the Statutory Auditors to the effect that they are fulfilling requirements prescribed under the provisions of Section 141 of the Act.

b. Cost Auditors:

Pursuant to the Companies (Cost Records and Audit) Rules, 2014, dated 31 December 2014, the Company was not required to audit cost records for the Financial Year 2024-2025.

c. Secretarial Auditors:

i) Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had appointed Mr. Mahesh J. Risbud, Practicing Company Secretary, (FCS 810 CP 185), Pune, to undertake the Secretarial Audit of the Company.

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

Mr. Mahesh J. Risbud, Practising Company Secretary, Pune, has submitted the Secretarial Compliance Report as laid down in SEBI Circular CIR/CFD/CMD1/27/2019 dated 8 February 2019 and has also confirmed that the Company has complied with all applicable SEBI Regulations and circulars / guidelines issued thereunder, for the Financial Year 2024-2025.

ii) Pursuant to the amended provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Section 204 of the Companies Act, 2013 ("the Act"), and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee and the Board of Directors, at their respective meetings, have approved and recommended 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 and UIN - S1981MH000400), Peer Review Certificate No. 1089/2021 dated 9 February 2021 valid for 5 years, as the Secretarial Auditor of the Company.

The proposed appointment is for a period of five (5) 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 through 31 March 2030 (both inclusive).

M. J. Risbud & Co., have given their consent to act as Secretarial Auditor of the Company and confirmed that their aforesaid appointment (if approved) would be within the prescribed limits specified by the Institute of Company Secretaries of India, under the Act and Rules made thereunder and the Regulations. Furthermore, in terms of the Regulations, M. J. Risbud & Co., has provided a confirmation that they have subjected themselves to the peer review process of the Institute of Company Secretaries of India and holds a valid peer review certificate.

M. J. Risbud & Co., has also confirmed that they are not disqualified to be appointed as Secretarial Auditor in terms of provisions of the Act and Rules made thereunder and the Regulations.

Further details regarding his appointment are provided in the Notice convening the 31st AGM of the Company.

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 2024-2025.

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 2025.

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 ₹ 69.2 Crores (Total ₹ 265.42 Crores inclusive interest receivable of ₹ 4.77 Crores) 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. www.kirloskarindustries.com.

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 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, ASSOCIATES, AND JOINT VENTURE COMPANIES:

Name and Registered Office of the Subsidiary Company	% Holding	Particulars	2024-2025 (₹ in Crores)
Avante Spaces Limited, One Avante, Level 14, Karve Road, Kothrud, Pune 411 038	100	Total income	5.18
		Profit / (Loss) before tax	(0.18)
		Tax expenses (including deferred tax)	1.71
		Profit / (Loss) for the year	(1.89)
		Other comprehensive income for the year	0.46
		Total comprehensive income for the period	(1.43)
		Profit / (Loss) brought forward from the previous year	67.02
		Final Dividend paid on equity shares	-
		Tax on above Dividend	-
		Profit / (Loss) available for appropriation	65.59
		Transfer to General Reserves	-
		Balance carried to surplus / (deficit) in the Statement of Profit and Loss	65.59

Name and Registered Office of the Subsidiary Company	% Holding	Particulars	2024-2025 (₹ in Crores) (Standalone)
Kirloskar Ferrous Industries Limited, One Avante, Level 5, Karve Road, Kothrud, Pune 411038	46.01	Total income	6,628.60
		Profit before tax	432.14
		Tax expenses	114.86
		Profit for the year	317.28
		Other comprehensive income for the year	(10.73)
		Total comprehensive income for the period	306.55
		Profit brought forward from the previous year	1,495.36
		Final Dividend paid on equity shares	(41.13)
		Interim dividend paid on equity shares	(49.38)
		Payment of interim dividend by ISMT Limited	-
		Transfer to General Reserves	(5.00)
		Balance carried to surplus in the Statement of Profit and Loss	1,707.65

Name and Registered Office of the Associate Company	% Holding	Particulars	2024-2025 (₹ in Crores)
# Kirloskar Brothers Limited, Yamuna, S. No. 98/3, to 7, Plot No. 3, Baner, Pune 411 045	23.91	Total income	2,901.4
		Other income	40.8
		Total income	2,942.2
		Profit before taxation and exceptional items	336.5
		Exceptional items	(10.8)
		Tax expenses	85.2
		Profit for the period	262.1
		Other comprehensive income	(4.14)
		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 2025.

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

In Financial Year 2024-2025, there was no change in the nature of 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, Mr. Vinesh Kumar Jairath, Non-Executive Director of the Company was re-appointed with effect from 25 September 2024, subject to retirement by rotation.

Key Managerial Personnel appointed during the year:

During the year under review, the Company has not appointed any Key Managerial Personnel.

Directors and Key Managerial Personnel resigned during the year 2024-2025:

During the year under review, Mr. Mahesh Chhabria ceased to be the Managing Director of the Company, with effect from close of business hours on 31 March 2025, upon his early retirement. He also resigned as director of the Company with effect from the close of business hours on the same date.

The Board placed on record its sincere appreciation for the valuable services, guidance and experience extended by Mr. Mahesh Chhabria during his tenure as the Managing Director and Director of the Company.

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

Mr. Atul Kirloskar (DIN 00007387), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The Company has received the requisite disclosure / declaration from Mr. Atul Kirloskar.

The brief resume and other details relating to Mr. Atul Kirloskar, who is proposed to be re-appointed as required to be disclosed under Regulation 36(3) of the Regulations, form part of the Statement setting out material facts annexed to the Notice of the Annual General Meeting.

The resolution seeking approval of the members for the re-appointment of Mr. Atul Kirloskar has been incorporated in the Notice of the forthcoming Annual General Meeting of the Company.

On the recommendation of the Nomination and Remuneration Committee, in accordance with the provisions of Section 161 of the Companies Act, 2013, (the Act), read with the Articles of Association of the Company, the Board of Directors of the Company co-opted Mr. George Verghese as an Additional Director with effect from 20 May 2025.

Mr. George Verghese hold office up to the date of the ensuing Annual General Meeting of the Company. The Company has received a requisite notice under Section 160 of the Act, in writing from a member signifying intention to propose the appointment of Mr. George Verghese as candidate for the office of Directors at the ensuing Annual General Meeting. Mr. George Verghese is eligible for appointment.

Further, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on 20 May 2025, also appointed Mr. George Verghese (DIN 11068946) as the Managing Director of the Company, for a term of five (5) years with effect from 20 May 2025 up to 19 May 2030 and remuneration payable to him for a period of three (3) years with effect from 20 May 2025. A proposal for his appointment as the Managing Director and remuneration payable to him is being placed before the members for their approval at the ensuing Annual General Meeting.

On the recommendation of the Nomination and Remuneration Committee, in accordance with the provisions of Section 161 of the Companies Act, 2013, (the Act), read with the Articles of Association of the Company, the Board of Directors of the Company co-opted Ms. Pallavi Gokhale as an Additional Independent Director with effect from 1 July 2025 and appointed as an Independend Director of the Company to hold the office for a term upto 30 June 2030.

Ms. Pallavi Gokhale hold office up to the date of the ensuing Annual General Meeting of the Company. The Company has received a requisite notice under Section 160 of the Act, in writing from a member signifying intention to propose the appointment of Ms. Pallavi Gokhale as candidate for the office of Directors at the ensuing Annual General Meeting. Ms. Pallavi Gokhale is eligible for appointment.

In the opinion of the Board of Directors, Ms. Pallavi Gokhale fulfill the conditions specified in the Act, and Rules thereunder and also possess high integrity, repute, requisite expertise and experience (including the proficiency) so as to enable the Board to discharge its functions and duties effectively and they are independent of the management.

Ms. Pallavi Gokhale has passed online proficiency test pursuant to the provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Company has also received requisite disclosures / declarations from Ms. Pallavi Gokhale under Section 149 of the Act, and other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements), 2015, (the Regulations) and its amendments thereunder.

A proposal for her appointment as an Independent Director for a period of five (5) years with effect from 1

July 2025 is being placed before the members for their approval at the ensuing Annual General Meeting.

The brief resumes and other details relating to Director who are proposed to be appointed / re-appointed as required to be disclosed under Regulation 36 (3) of the Regulations, form part of the Statement setting out material facts annexed to the Notice of the Annual General Meeting.

The resolutions seeking approval of the members for the appointment / re-appointment of these Directors have been incorporated in the Notice of the forthcoming Annual General Meeting of the Company.

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

None

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

None

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 operation 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 or 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.

VI. 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.

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

VII. VIGIL MECHANISM:

The Company has a Whistle Blower Policy / Vigil Mechanism (the Policy) to deal with instances of fraud, unethical behavior, 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 behavior, 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., www.kirloskarindustries.com. No case was filed during the year.

VIII. 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 8 April 2024, 9 July 2024, 8 October 2024 and 10 January 2025.

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

IX. CASH FLOW:

A Cash Flow Statement for the year ended 31 March 2025, 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.

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. Mahesh Chhabria	Managing Director (up to 31 March 2025)	0.165	Nil
2	Ms. Aditi Chirmule	Executive Director	Nil	Nil

XIII. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR):

Pursuant to provisions of Regulations 34(2)(f) of the Regulations, the Business Responsibility and Sustainability Report for the Financial Year 2024 - 2025 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

ATUL KIRLOSKAR
Sd/-
CHAIRMAN
DIN 00007387

Date: 20 May 2025
Place: Pune

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 2025

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 issue of shares on exercise of ESARs calculated in accordance with 'IND AS 33 - Earnings Per Share':

Diluted EPS of the Company is ₹ 75.30 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 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. Based on 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	4,84,498 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 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.)	4,21,055
Number of ESARs granted during the year	Nil
Number of ESARs cancelled during the year	Nil
Number of ESARs forfeited / lapsed during year	1,96,640

Particulars	KIL ESARP 2019
Number of ESARs vested during the year	Nil
Number of ESARs exercised during the year	30,000
Number of shares arising as a result of exercise of ESARs	29,912
Money realised by exercise of ESARs (INR), if the scheme is implemented directly by the Company	2,99,120
Number of ESARs outstanding at the end of the year	1,94,415
Number of ESARs exercisable at the end of the year	1,43,575

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
Weighted-average exercise price in ₹	Not Applicable
Weighted-average Fair Value in ₹	Not Applicable

vi. Employee wise details (name of employee, designation, number of ESARs granted) during the Financial Year 2024-2025 to:

a) Senior Managerial Personnel:

Sr. No	Name of Employee	Designation	No. of ESARs granted						No. of ESARs vested				
			No. of ESARs granted during the year 2019-2020	No. of ESARs granted during the Year 2020-2021	No. of ESARs granted during the Year 2021-2022	No. of ESARs granted during the Year 2022-2023	No. of ESARs granted during the Year 2023-2024	No. of ESARs granted during the Year 2024-2025	No. of ESARs vested during the Year 2020-2021	No. of ESARs vested during the Financial Year 2021-2022	No. of ESARs vested during the Financial Year 2022-2023	No. of ESARs vested during the Financial Year 2023-2024	No. of ESARs vested during the Financial Year 2024-2025
Employees of the Company													
1.	Mr. Mahesh Chhabria	Managing Director	2,31,000	Nil	Nil	Nil	*98,000	Nil	1,15,500	50,000	65,500	Nil	Nil
2.	Ms. Aditi Chirmule	Executive Director	48,540	Nil	Nil	Nil	Nil	Nil	24,270	14,560	9,710	Nil	Nil
3.	Mr. Anandh Baheti	Chief Financial Officer	NA	NA	NA	3,000	25,000	Nil	Nil	Nil	Nil	1,000	Nil
4.	Mrs. Ashwini Mali	Company Secretary	24,270	Nil	Nil	Nil	10,000	Nil	12,135	7,280	4,855	Nil	Nil
5.	Mr. Jagdish Purandare	Head – Human Resource	18,000	Nil	Nil	Nil	Nil	Nil	6,000	6,000	6,000	Nil	Nil
		Total	**3,21,810**	**Nil**	**Nil**	**3,000**	**1,33,000**	**Nil**	**1,57,905**	**77,840**	**86,065**	**1,000**	**Nil**

*Mr. Mahesh Chhabria ceased to be the Managing Director of the Company with effect from the close of business hours on 31 March 2025, upon his early retirement. He also resigned as a director on the Board of the Company with effect from the close of business hours on the same date. Consequently, the unvested ESARs are forfeited due to his early retirement as the Managing Director and resignation as a Director, both effective from 31 March 2025.

Non – Executive Director

Sr. No	Name of Employee	Designation	No. of ESARs granted						No. of ESARs vested				
			No. of ESARs granted during the year 2019-2020	No. of ESARs granted during the Year 2020-2021	No. of ESARs granted during the Year 2021-2022	No. of ESARs granted during the Year 2022-2023	No. of ESARs granted during the Year 2023-2024	No. of ESARs granted during the Year 2024-2025	No. of ESARs vested during the Year 2020-2021	No. of ESARs vested during the Financial Year 2021-2022	No. of ESARs vested during the Financial Year 2022-2023	No. of ESARs vested during the Financial Year 2023-2024	No. of ESARs vested during the Financial Year 2024-2025
1.	Mr. Vinesh Kumar Jairath	Non-Executive Director	33,000	Nil	Nil	29,000	*98,000	Nil	16,500	9,900	6,600	29,000	Nil
		Total	**33,000**	**Nil**	**Nil**	**29,000**	**98,000**	**Nil**	**16,500**	**9,900**	**6,600**	**29,000**	**Nil**

*Mr. Vinesh Kumar Jairath ceased to be the Managing Director of Avante Spaces Limited (Avante), a Wholly - Owned Subsidiary of the Company with effect from 1 January 2025, upon completion of his tenure. He also resigned as a Director of Avante with effect from the same date. 98,000 unvested ESARs held by Mr. Vinesh Kumar Jairath are forfeited with effect from the date of his completion of tenure as the Managing Director of Avante and resignation from directorship of Avante, i.e., 01 January 2025.

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 2019-2020	No. of ESARs granted during the Year 2020-2021	No. of ESARs granted during the Year 2021-2022	No. of ESARs granted during the Year 2022-2023	No. of ESARs granted during the Year 2023-2024	No. of ESARs granted during the Year 2024-2025
Employees of the Company								
1.	*Mr. Mahesh Chhabria	Managing Director	2,31,000	Nil	Nil	Nil	*98,000	Nil
2.	Ms. Aditi Chirmule	Executive Director	48,540	Nil	Nil	Nil	Nil	Nil
3.	Mr. Anandh Baheti	Chief Financial Officer	NA	NA	NA	3,000	25,000	Nil
4.	Mrs. Ashwini Mali	Company Secretary	24,270	Nil	Nil	Nil	10,000	Nil
Non-Executive Director of the Company								
5.	**Mr. Vinesh Kumar Jairath	Non-Executive Director	33,000	Nil	Nil	29,000	**98,000	Nil

* Mr. Mahesh Chhabria ceased to be the Managing Director of the Company with effect from the close of business hours on 31 March 2025, upon his early retirement. He also resigned as a Director on the Board of the Company with effect from the close of business hours on the same date.

**Mr. Vinesh Kumar Jairath ceased to be the Managing Director of Avante Spaces Limited (Avante), a Wholly - Owned Subsidiary of the Company with effect from 1 January 2025, upon completion of his tenure. He also resigned as a Director of Avante with effect from the same date. 98,000 unvested ESARs held by Mr. Vinesh Kumar Jairath are forfeited with effect from the date of his completion of tenure as the Managing Director of Avante and resignation from directorship of Avante, i.e., 01 January 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 year 2019-2020	No. of ESARs granted during the year 2020-2021	No. of ESARs granted during the year 2021-2022	No. of ESARs granted during the year 2022-2023	No. of ESARs granted during the year 2023-2024	No. of ESARs granted during the year 2024-2025
1.	*Mr. Mahesh Chhabria	Managing Director	2,31,000 (2.38%)	Nil	Nil	Nil	98,000 (0.99%)	Nil

* Mr. Mahesh Chhabria ceased to be the Managing Director of the Company with effect from the close of business hours on 31 March 2025, upon his early retirement. He also resigned as a Director on the Board of the Company with effect from the close of business hours on the same date.

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 condition.

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

M. J. RISBUD & CO.
Company Secretaries
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1034 Shivajinagar, Canal Road, Pune - 411016.
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 31ST MARCH, 2025

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorised Representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2025, according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956, ('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, (the Act) 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.

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

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

(ii) The 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.

I 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.

I further report that, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

I further report that, during the audit period:

a. Post inspection of books of accounts and other statutory records of the Company under Section 206(5) of the Companies Act, 2013, the Company has replied in 2023 to the points raised in the inspection Order received by the Company. The Company has complied with points included in further communication received by the Company in this respect;

b. The shareholders and creditors of Kirloskar Ferrous Industries Limited (KFIL), a subsidiary of the Company, and that of ISMT Limited, a step-down subsidiary of the Company, have approved the Scheme of Merger of ISMT Limited with KFIL at their respective meetings held on 14 March 2024. After hearing, the final Order sanctioning the scheme by the Hon'ble National Company Law Tribunal, Mumbai was dated 24 July, 2024. The copy of the order was filed with the Ministry of Corporate Affairs / Registrar of Companies, Pune. Accordingly, the aforesaid Scheme was effective from 08 August, 2024 and the appointed date was 1 April 2023.

c. During the previous year with the approval of the Board, the Company has disposed off its windmills business with all assets at a price as per the valuation report obtained as a going concern to its step-down subsidiary ISMT Ltd. (a related Party) by executing Business Transfer Agreement (BTA) subject to such permissions as might be required. Part-payment has been received on the signing of BTA, final payment would be received when all the permissions from Govt./Statutory Authority are received;

d. The Hon'ble National Company Law Tribunal Mumbai ("NCLT") vide its Order dated 24 July 2024, sanctioned the Scheme of Arrangement and Merger of ISMT Limited ("ISMT"), Transferor Company with Kirloskar Ferrous Industries Limited (KFIL), Transferee Company and their respective shareholders pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme"). The Scheme came into effect on 8 August 2024. Accordingly, Windmill Business will be transferred to KFIL, after getting requisite government, statutory, regulatory and third - party approvals.

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

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

Sd/-
M. J. Risbud & Co

Mahesh J. Risbud, Proprietor
FCS No.: 810, C P No.: 185
PR –1089/2021 UCN: S1981MH000400

Date: 20 May 2025
Place: Pune
UDIN: F000810G000384512

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

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

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

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

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

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

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

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/- :

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

Date: 20 May 2025
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 2024 to 31 March 2025	Number of meetings of the CSR Committee attended during the period 1 April 2024 to 31 March 2025
1.	Mr. Anil Alawani	Chairman of the Committee, Non-Executive Non-Independent Director	3	3
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/779558/785321/Committee+Position.pdf/58840d74-e534-8434-5c45-338a19523384?t=1744007442700

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):** ₹ 20.55 Crores.
   b. **Two percent of the average net profit of the company as per Section 135(5) as on 31 March 2024:** ₹ 0.411 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:** Nil
   e. **Total CSR obligation for the Financial Year (b+c+d):** ₹ 0.411 Crores
6. a. **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 0.411 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 (a+b+c):** ₹ 0.411 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
0.411	NA	NA	NA	NA	NA

f. Excess amount for set off, if any: Nil

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 2024	0.411
(ii)	Total amount spent for the Financial Year 2024-2025	0.411
(iii)	Excess amount spent for the Financial Year 2024-2025 [(ii)-(i)]	Nil
(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., 2025-2026[(iii)-(iv)]	Nil

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) (in ₹)	Balance Amount in unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	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. (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
	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

(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/-
Anandh Baheti
Chief Financial Officer

Date: 20 May 2025

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	4.21
		Mr. Mahesh Chhabria, Managing Director (upto 31 March 2025)	119.94
		Ms. Aditi Chirmule, Executive Director	21.35
		Mr. Anil Alawani	1.84
		Mr. Tejas Deshpande	1.49
		Mr. D. Sivanandhan	1.69
		Mr. Vinesh Kumar Jairath	1.49
		Mr. Ashit Parekh	0.82
		Mr. Satish Jamdar	1.90
		Mr. Vijay Varma	1.43
		Ms. Purvi Sheth	1.26
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	583.3
		Mr. Mahesh Chhabria, Managing Director (upto 31 March 2025)	145.0
		Ms. Aditi Chirmule, Executive Director	1.0
		Mr. Anil Alawani	32.0
		Mr. Tejas Deshpande	-
		Mr. D. Sivanandhan	13.8
		Mr. Vinesh Kumar Jairath	(98.9)
		Mr. Ashit Parekh	(11.1)
		Mr. Satish Jamdar	12.1
		Mr. Vijay Varma	(1.1)
		Ms. Purvi Sheth	(42.6)
		Mr. Anandh Baheti	17.50
		Mrs. Ashwini Mali	12.00
iii.	The percentage increase in the median remuneration of employees in the financial year	10%	
iv.	The number of permanent employees on the rolls of the Company	17 including Managing Director (up to 31 March 2025) 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	12.9 %	
	its comparison with the percentile increases in the managerial remuneration and	15.6 %	
	justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	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 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.	

Sr. No.	Particulars		
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 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 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 fulfilling 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 eleven Directors as on 31 March 2025.

The composition of the Board is as under:

Category of Directors	No. of Directors
Managing and Executive #	2
Non-Executive and Non-Independent	3
Non-Executive and Independent	6
Total*	**11**

Mr. Mahesh Chhabria ceased to be the Managing Director of the Company with effect from the close of business hours on 31 March 2025, upon his early retirement. He also resigned as a director of the Company with effect from the close of business hours on the same date.

* Out of 11 Directors, 2 are Woman Directors.

b. Number of Board Meetings:

During the Financial Year under review, 5 meetings of the Board of Directors were held on 27 May 2024, 14 August 2024, 14 November 2024, 10 February 2025 and 5 March 2025. The gap between any two Board meetings during the year under review did not exceed one hundred and twenty days. The requisite quorum was present for all the meetings.

c. Directors' attendance record and directorships held:

The information on composition of the Board, category of Directors, attendance of each Director at the Board Meetings held during the Financial Year 2024-2025 and the Annual General Meeting (AGM) held on 25 September 2024, 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 2025, 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 **		Number of Board Meetings held and attended		Attendance at the last AGM
				Chairman / Chairperson	Member	Held	Attended	
	Managing Director / Executive Director							
1.	Mr. Mahesh Chhabria, (DIN 00166049) Managing Director (upto 31 March 2025)#	NA	5	2	6	5	4	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 **		Number of Board Meetings held and attended		Attendance at the last AGM
				Chairman / Chairperson	Member	Held	Attended	
2.	Ms. Aditi Chirmule (DIN 01138984) Executive Director	NA	Nil	Nil	Nil	5	5	Yes
	Non-Executive and Non-Independent Directors							
3.	Mr. Atul Kirloskar *** (DIN 00007387)	15,11,352	3	Nil	Nil	5	4	Yes
4.	Mr. Anil Alawani (DIN 00036153)	2,285	Nil	Nil	Nil	Nil	5	Yes
5.	Mr. Vinesh Kumar Jairath (DIN 00391684)	49,595	2	1	3	5	5	Yes
	Non-Executive and Independent Directors							
6.	Mr. Tejas Deshpande (DIN 01942507)	20	2	Nil	3	5	5	Yes
7.	Mr. D. Sivanandhan (DIN 03607203)	Nil	4	Nil	3	5	5	Yes
8.	Mr. Ashit Parekh (DIN 00821577)	Nil	Nil	Nil	Nil	5	4	Yes
9.	Mr. Satish Jamdar (DIN 00036653)	Nil	2	1	2	5	5	Yes
10.	Mr. Vijaydipak Varma (DIN 00011352)	400	1	Nil	2	5	5	Yes
11.	Ms. Purvi Sheth (DIN 06449636)	Nil	9	Nil	1	5	5	Yes

* 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.

\# Mr. Mahesh Chhabria ceased to be the Managing Director of the Company with effect from the close of business hours on 31 March 2025, upon his early retirement. He also resigned as a Director of the Company with effect from the same date. Accordingly, the number of directorships and committee positions held by him in other public limited companies is stated as on 31 March 2025.

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

Notes:

1. None of the Directors on the Board is a member of more than ten Committees and Chairperson of more than five Committees in all public limited companies, whether listed or not, in which he is a director. All the Directors have made the requisite disclosures regarding committee positions held by them in other public limited companies.
2. As on 31 March 2025, none of the current Directors are related to each other within the meaning of Section 2 (77) of the Companies Act, 2013 and Rules thereunder.

Table B:

Sr. No.	Name of Director, Designation and age as on 31 March 2025	Name of the other listed entities in which Director holds Directorship	Category of Directorship
	Managing Director / Executive Director		
1	*Mr. Mahesh Chhabria, Managing Director Age: 60 years	1. Kirloskar Oil Engines Limited (upto close of business hours of 31 March 2025)	Non-Independent and Non-Executive Director
		2. ZF Commercial Vehicle Control Systems India Limited (earlier known as Wabco India Limited)	Independent and Non-Executive Director
		3. Shoppers Stop Limited	Independent and Non-Executive Director
2	Ms. Aditi Chirmule, Executive Director Age: 58 years	-	-
	Non-Executive and Non-Independent Directors		
3	Mr. Atul Kirloskar Age: 69 years	1. Kirloskar Oil Engines Limited	Chairman, Non-Independent and Non-Executive Director
		2. Kirloskar Pneumatic Company Limited	Non-Independent and Non-Executive Director
4	Mr. Anil Alawani Age: 79 years	-	-

Sr. No.	Name of Director, Designation and age as on 31 March 2025	Name of the other listed entities in which Director holds Directorship	Category of Directorship
5	Mr. Vinesh Kumar Jairath Age: 66 years	1. Wockhardt Limited	Independent and Non-Executive Director
		2. Kirloskar Oil Engines Limited	Non-Independent and Non-Executive Director
	Non-Executive and Independent Directors		
6	Mr. Tejas Deshpande Age: 43 years	1. Kirloskar Pneumatic Company Limited	Independent and Non-Executive Director
7	Mr. D. Sivanandhan Age: 74 years	1. Forbes Precision Tools and Machine Parts Limited	-
8	Mr. Ashit Parekh Age: 65 years	-	-
9	Mr. Satish Jamdar Age: 72 years	1. Kirloskar Oil Engines Limited	Independent and Non-Executive Director
10	Mr. Vijaydipak Varma Age: 73 years	1. Kirloskar Ferrous Industries Limited	Independent and Non-Executive Director
11	Ms. Purvi Sheth Age: 52 years	1. Deepak Nitrite Limited	Independent and Non-Executive Director
		2. Kirloskar Oil Engines Limited	Independent and Non-Executive Director
		3. Ambuja Cements Limited	Independent and Non-Executive Director
		4. Metropolis Healthcare Limited	Independent and Non-Executive Director
		5. Shoppers Stop Limited	Independent and Non-Executive Director

* Mr. Mahesh Chhabria ceased to be the Managing Director of the Company with effect from the close of business hours on 31 March 2025, upon his early retirement. He also resigned as a director of the Company with effect from the close of business hours on the same date.

Note:

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 2025.

d. Separate meeting of Independent Directors:

The provisions of Schedule IV of the Companies Act, 2013, Regulation 25 of Regulations and Secretarial Standard – 1 on Meetings of the Board of Directors, require that the Independent Directors of the Company hold at least one meeting in a year without the attendance of Non-Independent Directors.

Separate meetings of Independent Directors were held on Monday, 20 January 2025 and Wednesday, 5 March 2025, 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 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 meetings was presented to the Board along with the course of actions taken for implementing the observations / suggestions received from Independent Directors.

e. Familiarisation program for Independent Directors:

Independent Directors of the Company are made aware of their role, rights and responsibilities at the time of their appointment, through a formal letter of appointment, which also stipulates various terms and conditions of 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.

In April 2024 and May 2024, sponsored a residential 2 days training programme for the Directors and KMPs of the Company, organized by the Kirloskar Institute of Management Studies. This training programme *inter-alia*, covered aspects of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 'Group of

Companies' doctrine in arbitration and its impact on non-signatories, as recently decided by the Hon'ble Supreme Court, potential misuse of social media platforms and the regulatory issues in the securities market and SEBI (Prohibition of Insider Trading) Regulations, 2015.

The details of such familiarisation programs 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 2025. A declaration to this effect signed by the Executive 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 drawn up setting out roles / terms of references and processes of functioning of the Board including 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 is as follows:

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

Sr. No.	Core Skills / Expertise / Competencies	Particulars
4.	Legal	a. Regulatory Compliances
		b. Statutory Compliances
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. Mahesh Chhabria, Managing Director	✓	✓	✓	✓	-	✓	✓
3.	Ms. Aditi Chirmule, Executive Director	✓	✓	✓	✓	-	✓	-
4.	Mr. Anil Alawani	✓	✓	✓	✓	-	✓	-
5.	Mr. Vinesh Kumar Jairath	✓	✓	✓	✓	-	✓	✓
6.	Mr. Tejas Deshpande	✓	✓	-	✓	-	✓	-
7.	Mr. D. Sivanandhan	✓	✓	✓	✓	✓	-	✓
8.	Mr. Ashit Parekh	✓	✓	-	-	-	-	✓
9.	Mr. Satish Jamdar	✓	✓	✓	-	-	✓	✓
10.	Mr. Vijaydipak Varma	✓	✓	✓	-	-	✓	-
11.	Ms. Purvi Sheth	✓	✓	-	-	-	✓	-

* Mr. Mahesh Chhabria ceased to be the Managing Director of the Company with effect from the close of business hours on 31 March 2025, upon his early retirement. He also resigned as a director of the Company with effect from the close of business hours on the same date.

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 fulfill 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 & 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 2024-2025, if any:

None of the Independent Directors resigned during the Financial Year 2024-2025.

3. BOARD COMMITTEES

A. AUDIT COMMITTEE:

a. Composition:

The Audit Committee (the Committee) comprises of six Non-Executive Directors, out of which four are Independent Directors. The composition is in conformity with Regulation 18 of the Regulations.

During the Financial Year under review, five meetings of the Committee were held on 27 May 2024, 14 August 2024, 14 November 2024, 10 February 2025 and 5 March 2025.

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	5
2.	Mr. Tejas Deshpande	Non-Executive Independent Director	5
3.	Mr. D. Sivanandhan	Non-Executive Independent Director	5
4.	Mr. Vijaydipak Varma	Non-Executive Independent Director	5
5.	Mr. Vinesh Kumar Jairath	Non-Executive Non-Independent Director	5
6.	Mr. Anil Alawani	Non-Executive Non-Independent Director	5

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, 25 September 2024.

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 30th Annual General Meeting of the Company held on Wednesday, 25 September 2024.

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* includes 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 effectiveness of 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 accessing 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 is 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 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, 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 terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. NOMINATION AND REMUNERATION COMMITTEE:

a. Composition:

The Nomination and Remuneration Committee (the Committee) comprises three Non-Executive Directors, out of which two Directors are Independent Directors. The composition is in conformity with Regulation 19 of the Regulations.

During the Financial Year under review, four meetings of the Committee were held on 27 May 2024, 14 August 2024, 14 November 2024 and 10 February 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. D. Sivanandhan (Chairman)	Non-Executive Independent Director	4
2.	Mr. Satish Jamdar	Non-Executive Non-Independent Director	4
3.	Mr. Anil Alawani	Non-Executive Non-Independent Director	4

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) Regulations, 2014, (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 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 an 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 recommend to the Board of Directors their appointment and removal.

v. Whether to extend or continue the term of appointment of independent director, on the basis of the report of performance evaluation of independent directors.

vi. Formulation of detailed terms and conditions of the schemes under the SEBI SBEB Regulations, as may be amended 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 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 panelists, 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 24 April 2024, 15 July 2024, 26 September 2024 and 13 November 2024.

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	4
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 2025, were five and there was no complaint pending as on 31 March 2025.

The Company had no share transfer requests pending as on 31 March 2025.

Mrs. Ashwini Mali, Company Secretary is the Compliance Officer.

The Registered Office of the Company has been changed from Cello Platina, Office No. 801, Fergusson College Road, Pune 411 005 to One Avante, Level 14, Karve Road, Kothrud, Pune 411 038, with effect from 1 December 2024.

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 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 2025, the Risk Management Committee of the Company comprised six Directors, out of which two Whole-time Directors (including the Managing Director up to 31 March 2025), and four Non-Executive Directors, of whom three were Independent Directors. The composition was in conformity with Regulation 21 of the Regulations.

As of 1 April 2025, the Risk Management Committee of the Company comprised one Executive Director and four Non-Executive Directors, of whom three are Independent Directors. The composition is in conformity with Regulation 21 of the Regulations.

During the Financial Year under review, four meetings of the Committee were held on 27 May 2024, 14 August 2024, 14 November 2024 and 10 February 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 Independent Director	4
2.	Mr. Tejas Deshpande	Non-Executive Independent Director	4
3.	Mr. Ashit Parkeh	Non-Executive Independent Director	4
4.	Mr. Mahesh Chhabria *	Managing Director	3
5.	Mr. Vinesh Kumar Jairath	Non-Executive Non-Independent Director	4
6.	Ms. Aditi Chirmule**	Executive Director	Nil

*Mr. Mahesh Chhabria ceased to be the Managing Director of the Company with effect from the close of business hours on 31 March 2025, upon his early retirement. He also resigned as a director of the Company with effect from the close of business hours on the same date. Consequently, he ceased to be a member of the Risk Management Committee with effect from 31 March 2025.

** Ms. Aditi Chirmule appointed as the Member of the Risk Management Committee with effect from 10 February 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 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 three members, out of which one is Independent Director. The composition is in conformity with the provisions of the Companies Act, 2013.

During the Financial Year under review, three meetings of the Committee were held on 27 May 2024, 14 August 2024 and 13 November 2024.

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	3
2.	Ms. Aditi Chirmule	Non-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:

Sr. No.	Name	Designation	Changes if any, since the previous financial year (Yes / No)	Nature of change and effective date
1.	Mr. Anandh Baheti	Chief Financial Officer	No	
2.	Mrs. Ashwini Mali	Company Secretary	No	
3.	Mr. Jagdish Purandare	Head Human Resources	No	
4.	Mr. Akshay Sahni	Chief Operating Officer	Yes	Appointed as COO with effect from 1 April 2025

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 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., https://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 2024-2025:

(Amount in ₹)

Sr. No	Name of Director	Basic Salary	Allowances	Perquisites and Other Benefits	Sitting Fees ***	Commission @	Total
	Managing Director / Executive Director						
1.	Mr. Mahesh Chhabria, Managing Director (upto 31.03.2025)	1,80,00,000	24,00,000	*9,65,42,272	-	-	11,69,42,272
2.	Ms. Aditi Chirmule, Executive Director	65,57,903	-	43,61,434	-	99,00,000	2,08,19,337
	Non-Executive Director						
3.	Mr. Atul Kirloskar	-	-	-	3,00,000	38,00,000	41,00,000
4.	Mr. Anil Alawani	-	-	-	8,95,000	9,00,000	17,95,000
5.	Mr. Tejas Deshpande	-	-	-	7,25,000	7,25,000	14,50,000
6.	Mr. D. Sivanandhan	-	-	-	8,25,000	8,25,000	16,50,000
7.	Mr. Vinesh Kumar Jairath	-	-	-	7,25,000	7,25,000	14,50,000

(Amount in ₹)

Sr. No	Name of Director	Basic Salary	Allowances	Perquisites and Other Benefits	Sitting Fees ***	Commission @	Total
8.	Mr. Ashit Parekh	-	-	-	4,00,000	4,00,000	8,00,000
9.	Mr. Satish Jamdar	-	-	-	9,25,000	9,25,000	18,50,000
10.	Mr. Vijaydipak Varma	-	-	-	6,95,000	7,00,000	13,95,000
11.	Ms. Purvi Sheth	-	-	-	3,75,000	4,00,000	7,75,000
	TOTAL	**2,45,57,903**	**24,00,000**	**10,09,03,706**	**58,65,000**	**1,93,00,000**	**15,30,26,609**

@ Represents Commission for the year ended 31 March 2025, which will be paid after the adoption of the accounts by the members at the Annual General Meeting, subject to deduction of applicable tax.

* Includes benefits of ₹ 7.12 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, contributions to provident fund and superannuation 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)

The Company had granted 7,25,498 (Seven Lakh Twenty-Five Thousand Four Hundred Ninety-Eight) Employees Stock Appreciation Rights (ESARs) out of 7,85,000 (Seven Lakh Eighty-Five Thousand) ESARs which are exercisable into not more than 7,85,000 (Seven Lakh Eighty-Five Thousand) equity shares of the Company at face value of ₹ 10 (Rupees Ten only) each fully paid-up, under the Kirloskar Industries Limited – Employees Stock Appreciation Rights Plan (KIL ESARP 2009) at an exercise price of ₹ 500 per ESAR.

The Company has till date, granted a total 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.

Pursuant to KIL ESARP 2019, ESARs granted shall vest after a minimum period of 1 year but not later than a maximum period of 4 years from the grant date of such ESARs.

Accordingly, the Company has vested ESARs in the employees of the Company, including the Managing Director and the Executive Director, employees of Avante Spaces Limited and a Non-Executive Director of the Company.

During the year under review, 640 unvested ESARs (issued at an exercise price of ₹ 500 per ESAR) were forfeited due to the resignation or early retirement of identified employees and 1,96,000 unvested ESARs (issued at an exercise price of ₹ 1,800 per ESAR).

Consequently, the total granted ESARs have 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. Accordingly, a total number of 5,28,858 ESARs have been granted under KIL ESARP 2019.

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 2025:

Sr. No	Particulars	No. of ESARs		
		Mr. Mahesh Chhabria, Managing Director	Ms. Aditi Chirmule, Executive Director	Mr. Vinesh Kumar Jairath, Non-Executive Director
1.	ESARs granted	3,29,000	48,540	1,60,000
2.	ESARs vested	2,31,000	48,540	62,000
3.	ESARs Forfeited	98,000	Nil	98,000
4.	ESARs lapsed	Nil	Nil	Nil
5.	ESARs exercised	1,41,300	16,300	62,000

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
2023-2024	25 September 2024	11.30 am	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.
2022-2023	12 August 2023	2.30 pm	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 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 2023-2024
2021-2022	9 August 2022	11.30 am	Annual General Meeting	Through Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM')	1. Revision in the remuneration payable to Mr. Mahesh Chhabria, Managing Director of the Company. 2. Re-appointment of Mr. Mahesh Chhabria, as a Managing Director of the Company for a further period of 5 (five) years commencing from 4 July 2022. 3. Re-appointment of Ms. Aditi Chirmule (holding DIN 01138984) as the Executive Director of the Company, for a further period of 5 (five) years commencing from 25 January 2022. 4. 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 2022-2023.

Financial Year	Date	Time	Type of Meeting	Venue	Special Resolutions passed
					5. Appointment of Mr. Vijaydipak Varma (holding DIN 00011352), who was appointed as an Additional Director in the capacity of Independent Director with effect from 15 October 2021. 6. Re-appointment of Mr. D. Sivanandhan (holding DIN 03607203), as an Independent Director of the Company, to hold office for a second term upto his attaining the age of 75 years i.e., upto 2 February 2026, with effect from 11 May 2022. 7. Re-appointment of Mr. Ashit Parekh (holding DIN 00821577), as an Independent Director of the Company, to hold office for a second term of five consecutive years with effect from 4 July 2022. 8. Appointment of Ms. Purvi Sheth (holding DIN 06449636), as an Independent Director of the Company, to hold office for a period of 5 years with effect from 26 May 2022.

II. RESOLUTIONS PASSED BY POSTAL BALLOT

During the Financial Year 2024-2025, the members of the Company passed the Special Resolutions by way of Postal Ballot on 22 March 2025.

Snapshots of the voting results of the said postal ballots is as under:

A. The members of the Company have passed the following Special Resolution(s) by way of Postal ballot on 22 March 2025.

Date of postal ballot notice	10 February 2025
Voting period	Friday, 21 February 2025 (9.00 a.m.) (IST) to Saturday, 22 March 2025 (5.00 p.m.) (IST)
Name of the Scrutinizer 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, 24 March 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. Akshay Sahni, as an employee of the Company, who is a relative of Mr. Atul Kirloskar, Chairman of the Company, to hold office or place of profit in the Company for the position of 'Chief Operating Officer' with effect from 1 April 2025.	Special	69,17,663	68,79,038	99.4416	38,625	0.5584	Passed with the requisite majority

7. MEANS OF COMMUNICATION:

a. 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., https://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., https://www.kirloskarindustries.com.

b. 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.

c. 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	: 13 August 2025, Wednesday
Time	: 11: 30 a.m.
Venue	: 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 2025
Book Closure	Thursday, 7 August 2025 to Wednesday, 13 August 2025, (both days inclusive)
Dividend Payment Date	On or before 12 September 2025
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 2024-2025	During the year, the financial results were announced as under: First quarter : 14 August 2024 Second quarter : 14 November 2024 Third quarter : 10 February 2025 Annual : 20 May 2025
International Security Identification Number (ISIN)	INE250A01039
Name and address of the Stock Exchange where securities are listed	The BSE Limited - 500243 Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 The National Stock Exchange of India Limited - 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 2024-2025, have been paid to BSE and NSE.
Designated email address for investor services	investorrelations@kirloskar.com

b. Shareholding Pattern as on 31 March 2025:

Sr. No.	Category	No. of shares	% of Shareholding
1.	Promoter and Promoter Group	75,55,204	72.56
2.	Mutual Funds	3,740	0.04
3.	Banks / Financial Institutions and Insurance Companies	1,91,944	1.84
4.	Other Bodies Corporates	4,50,782	4.33
5.	Foreign Institutional Investors	125	0.00
6.	Foreign Portfolio Investors	62,212	0.60
7.	Clearing Members	4	0.00
8.	NRI	50,015	0.48
9.	Trusts	853	0.01
10.	Foreign Nationals	88	0.00

Sr. No.	Category	No. of shares	% of Shareholding
11.	Hindu Undivided Family	54,446	0.52
12.	General Public	19,64,426	18.86
13.	IEPF	59,238	0.57
14.	NBFCs registered with RBI	750	0.01
15.	Body Corporates – Limited Liability Partnership	19,143	0.18
16.	Foreign Bank	75	0.00
	TOTAL	**1,04,13,045**	**100.00**

c. **Distribution of Shareholding as on 31 March 2025:**

Shareholding of shares		Members		Shares	
From	To	Number	% to Total	Number	% to Total
(1)		(2)	(3)	(4)	(5)
1	500	20,255	97.56	6,28,367	6.03
501	1,000	218	1.05	1,58,993	1.53
1,001	2,000	123	0.59	1,82,069	1.75
2,001	3,000	48	0.23	1,22,278	1.17
3,001	4,000	24	0.12	85,586	0.82
4,001	5,000	19	0.09	85,997	0.83
5,001	10,000	32	0.15	2,21,040	2.12
	10,001 and above	43	0.21	89,28,715	85.75
	TOTAL	**20,762**	**100.00**	**1,04,13,045**	**100.00**

Dematerialisation of shares and liquidity (as on 31 March 2025)	1,03,44,508 (99.34%)
Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity	The members of the Company, by way of Special Resolution passed through Postal Ballot on 29 March 2023, approved the allotment of 4,55,580 Warrants convertible into equity shares of the Company, as set out in the Notice of Postal Ballot dated 27 February 2023, read with Corrigendum dated 15 March 2023. The said Warrants were allotted to Mr. Atul Kirloskar and Mr. Rahul Kirloskar (Allottees), in equal proportion of 2,27,790 Warrants each, at an issue price of ₹ 2,195 per Warrant. Subsequently, upon receipt of the requisite approvals, the Stakeholders' Relationship Committee, at its meeting held on 27 April 2023, allotted 4,55,580 Warrants convertible into an equivalent number of equity shares of the Company, following the receipt of 25% of the total consideration from the Allottees. The proceeds from the preferential issue were utilised in accordance with the objects stated in the explanatory statement annexed to the Postal Ballot Notice. During the year under review, upon the receipt of the balance 75% of the consideration amounting to ₹ 37,49,99,050 each from the Allottees on 20 September 2024, the Stakeholders' Relationship Committee, at its meeting held on 26 September 2024, approved the allotment of 4,55,580 equity shares of face value ₹ 10 each, fully paid-up, to Mr. Atul Kirloskar and Mr. Rahul Kirloskar, Promoters of the Company, upon conversion of an equivalent number of Warrants earlier allotted to them on a preferential basis. As on 31 March 2025, there are no outstanding GDRs / ADRs / Warrants or any convertible instruments.

Commodity price risk or foreign exchange risk and hedging activities:

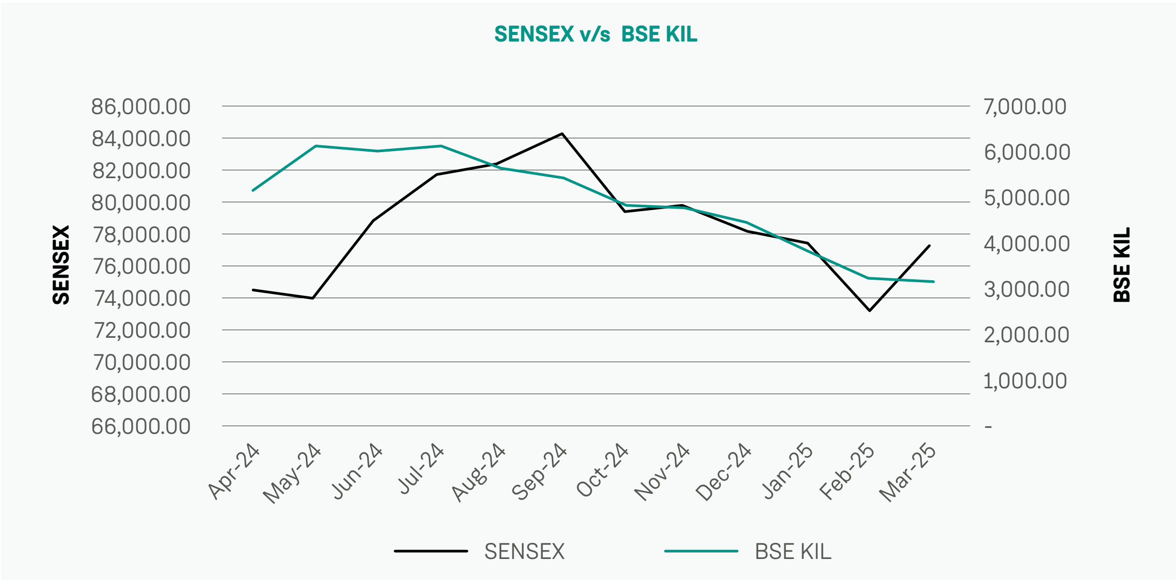
Not applicable, since the Company does not procure any commodities or have any forex inflows or outflows.

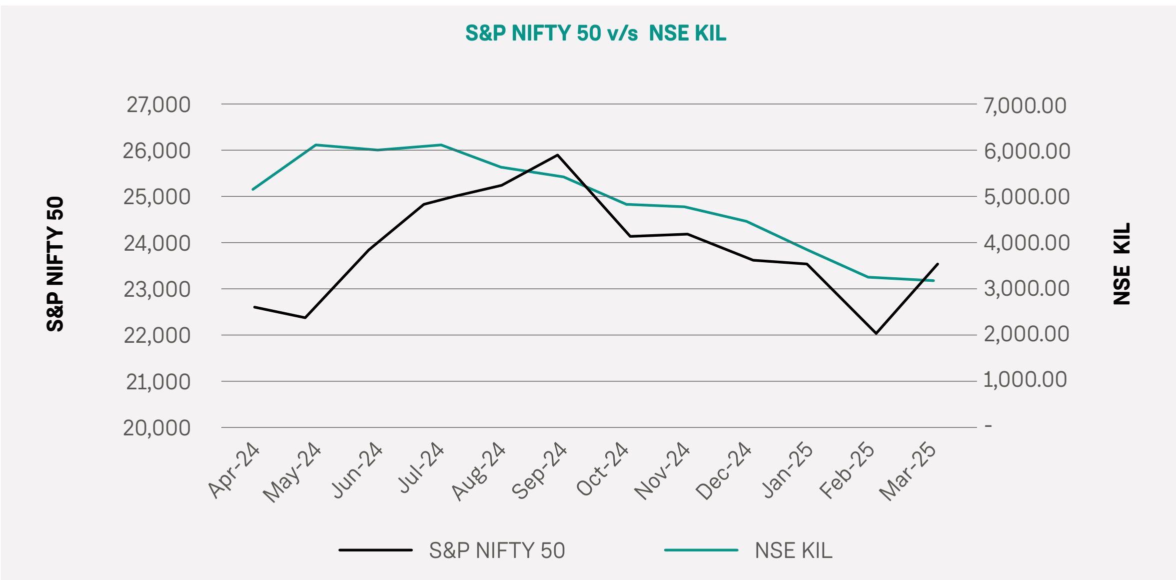
d. Market Price Data:

Monthly high / low during the Financial Year 2024-2025, on the BSE and NSE are as under:

Stock Exchange	BSE		NSE	
Month	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2024	5,415.80	4,111.70	5,444.00	4,118.10
May 2024	6,697.95	4,930.85	6,698.90	4,980.00
June 2024	6,500.00	5,401.10	6,500.00	5,301.00
July 2024	6,469.20	5,524.95	6,466.00	5,572.35
August 2024	6,249.00	5,134.00	6,274.00	5,135.00
September 2024	5,819.30	5,165.55	5,828.40	5,170.00
October 2024	5,566.90	4,202.00	5,521.30	4,399.90
November 2024	5,127.35	4,382.95	5,077.45	4,402.60
December 2024	5,599.95	4,409.55	4,915.00	4,385.00
January 2025	4,659.75	3,615.00	4,630.00	3,591.55
February 2025	4,115.95	3,091.00	3,989.95	3,150.00
March 2025	3,867.95	3,004.00	3,591.95	3,029.55

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 2024-2025:





f. Registrar and Share Transfer Agent (the R&T Agent):

The contact details of the Registrar and Share Transfer Agent (the R&T Agent) are 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 SEBI Master Circular dated 7 May 2024, the listed Companies shall issue the securities in dematerialised form only, for processing any service requests from shareholders, viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. The Company / RTA shall issue a letter of confirmation after processing the service requests, which shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerialising the said securities.

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 120 days, 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.

b. Generating awareness on the Dispute Resolution Mechanism: The said mechanism has also been made available on the Company's website.

Pursuant to SEBI Letter No. SEBI/HO/OIAE/2023/03391 dated 27 January 2023, the Registrar and Share Transfer 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."

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.

In compliance with the aforesaid circular, the Company sent communications via ordinary post on 24 May 2023 to all members holding shares in physical form, requesting them to furnish their PAN, KYC, and nomination details through the prescribed standardised forms. Subsequently, reminder letters along with the requisite forms were also dispatched by ordinary post on 30 March 2024 to such members.

The aforesaid communications have also been made available on the Company's website.

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 RTA 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) (RTA) has launched 'SWAYAM', investors self-service portal created for investors.

The RTA 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 anwers 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.

f. Pursuant to Regulation 40 (9) of the Regulations, a certificate on an annual basis is issued by the Practicing Company Secretary for compliance with share transfer formalities by the Company.

g. List of all credit ratings obtained by the Company during the financial year:

Not applicable.

h. 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 Registrar and Share Transfer 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 possibility of loss / mutilation of share certificate(s) and to ensure 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 Registrar and Share Transfer 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 RTA or download the same from the Company's Website.

  Members holding shares in dematerialised form should contact their Depository Participants (DP) in this regard.

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 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	2024-2025 Transaction Value	2024-2025 Outstanding Amount Carried in Balance Sheet	2023-2024 Transaction Value	2023-2024 Outstanding Amount Carried in Balance Sheet
1.	Mr. Atul Kirloskar	Promoter	Dividend	1.67	--	1.41	---
			Remuneration	0.41	--	0.06	--
2.	Mr. Rahul Kirloskar	Promoter	Dividend	2.11	--	1.78	---
3.	Mrs. Jyotsna Kulkarni	Promoter	Dividend	1.53	--	1.30	---

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 behavior, 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 2024-2025, as per the audited Consolidated Financial Statements of the Company for the Financial Year 2024-2025, 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 of Related Party Transaction 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:

The members of the Company, by way of Special Resolution passed through Postal Ballot on 29 March 2023, approved the allotment of 4,55,580 Warrants convertible into equity shares of the Company to Mr. Atul Kirloskar and Mr. Rahul Kirloskar (Allottees), in equal proportion of 2,27,790 Warrants each, at an issue price of ₹ 2,195 per Warrant. In the Financial Year 2023-2024, the Stakeholders' Relationship Committee had allotted 4,55,580 Warrants convertible into an equivalent number of equity shares of the Company, following the receipt of 25% of the total consideration from the Allottees.

During the year under review, upon the receipt of the balance 75% of the consideration amounting to ₹ 37,49,99,050 each from the Allottees on 20 September 2024, the Stakeholders' Relationship Committee, at its meeting held on 26 September 2024, approved the allotment of 4,55,580 equity shares of face value ₹ 10 each, fully paid-up, to Mr. Atul Kirloskar and Mr. Rahul Kirloskar, Promoters of the Company, upon conversion of an equivalent number of Warrants earlier allotted to them on a preferential basis.

The funds raised through this preferential issue were utilised for the objects stated in the Explanatory Statement to the said Notice.

x. A certificate from Mr. Mahesh Risbud, Practising Company Secretary (Registration 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 2024-2025, 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 2024-2025, 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 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. Disclosure under clause 5A of Paragraph A of Part A of Schedule III

NIL

xv. During the Financial Year 2024-2025, 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 already is 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 2025, 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 2025, the total unclaimed equity shares are 3,047.

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 2024-2025.

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:

To focus on the real estate business of the Company and that of its Wholly-Owned Subsidiary, and aiming to optimize returns on its investment portfolio, the Company has divested its windmill business on a going-concern basis to ISMT Limited., a related party of the Company, for a total consideration of ₹ 5,40,28,000 /- (Indian Rupees Five Cores Forty Lakhs Twenty Eight Thousand only). Accordingly, the Business Transfer Agreement (BTA) was executed by and between the Company and ISMT on 12 September 2023.

The Hon'ble National Company Law Tribunal Mumbai ("NCLT") vide its Order dated 24 July 2024, sanctioned the Scheme of Arrangement and Merger of ISMT Limited ("ISMT"), Transferor Company with Kirloskar Ferrous Industries Limited (KFIL), Transferee Company and their respective shareholders pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme"). The Scheme came into effect on 8 August 2024. Upon the Scheme becoming effective on 8 August 2024, the business undertakings and operations of the Transferor Company, including the windmill business, have been transferred to and vested in the Transferee Company. 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. 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 : https://www.kirloskarindustries.com/
Email : investorrelations@kirloskar.com
Tel : 020-69065007

b. Office Address of Registrar and Share Transfer Agent (RTA):

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. Anandh Baheti, Chief Financial Officer of the Company, was placed before the meeting of the Board of Directors held on 20 May 2025.

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, Aditi Chirmule, Executive 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/-
Aditi Chirmule
Executive Director
DIN 01138984

Place: Pune
Date: 20.05.2025

Independent Auditors' Certificate on Corporate Governance

To
The Members
Kirloskar Industries Limited

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 on March 31, 2025, as stipulated in Regulations 17 to 27 and clauses (b) to (i) 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 with 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) of Regulation 46(2) and para C, D and E of Schedule V to the Listing Regulations during the year ended March 31, 2025.

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.

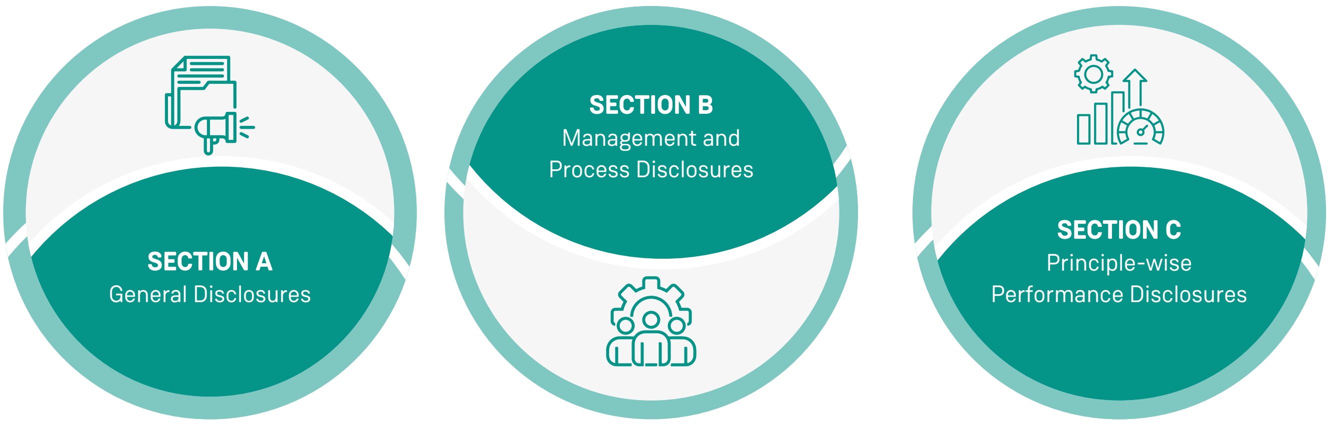
For **Kirtane and Pandit LLP**
Chartered Accountants
Firm Registration Number: 105215W/W100057

Parag Pansare
Partner
Membership Number: 117309
UDIN: 25117309BMJDIP5889
Pune, May 20, 2025

Business Responsibility and Sustainability Report

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 2025. This report conforms to the BRSR requirements of the 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.



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	2024-2025
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	₹ 10.41 Crores
12.	Name and contact details (telephone, email address) of the person for 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 https://www.kirloskarferrous.com/. Notes in this Report contain additional information about Avante Spaces Limited (Avante), a Wholly-Owned Subsidiary of the Company.
14.	Name of the assurance provider	BDO India LLP
15.	Type of assurance obtained	Limited Assurance for select BRSR indicators

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 Turnover of the entity
1	Investments (Properties and Securities)	Investing in group companies, securities, and leasing of properties	97.64%
2	Wind Power Generation	The Company sells its generated wind power units to third-party consumers.	2.36%

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)	-	97.64
2	Wind Power Generation	400	2.36

III. Operations

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

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

* *To focus on the real estate business of the Company and that of its Wholly-Owned Subsidiary and aiming to optimize returns on its investment portfolio, the Company has sold its windmill business on a going-concern basis to ISMT Limited.*

The Hon'ble National Company Law Tribunal, Mumbai, vide its order dated 24 July 2024, sanctioned the Scheme of Arrangement and Merger pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The said Scheme involved the amalgamation of ISMT Limited ("Transferor Company") with Kirloskar Ferrous Industries Limited ("Transferee Company"), together with their respective shareholders.

Upon the Scheme becoming effective, all business undertakings and operations of the Transferor Company stood transferred to and vested in the Transferee Company. Consequently, subject to the receipt of all requisite statutory approvals and permissions, the windmill business shall henceforth be operated and managed by Kirloskar Ferrous Industries Limited.

While the Company awaits requisite statutory approvals to finalise the sale, the windmill business operations have been categorised as discontinuing operations in accordance with the Accounting Standards.

19. Markets served by the entity

a. Number of locations served:

Sr. No.	Locations	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. Briefly explain the 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 steel, alloy, and tube manufacturing. 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

20. Details as at the end of the Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male No. (B)	Male % (B / A)	Female No. (C)	Female % (C / A)
	EMPLOYEES					
1.	Permanent (D)	17	11	65%	6	35%
2.	Other than Permanent (E)	1	NA	0	1	100%
3.	**Total employees (D + E)**	**18**	**11**	**61%**	**7**	**39%**
	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:

S. No.	Particulars	Total (A)	Male No. (B)	Male % (B / A)	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:

	Total No. (A)	No. and percentage of Females No. (B)	% (B/A)
#Board of Directors	11	2	18.18
*Key Management Personnels (KMPs)	4	2	50.00

#As on 31 March 2025, the Board comprised a total of 11 members.

Mr. Mahesh Chhabria ceased to be the Managing Director of the Company with effect from the close of working hours of 31 March 2025. He also resigned from his position as a Director of the Company, effective from the close of working hours on the same date.

* As on 31 March 2025, 2 out of the 4 Key Managerial Personnel (KMP) were members of the Board, including Mr. Mahesh Chhabria.

The Board of Directors in its meeting held on 20 May 2025, appointed Mr. George Verghese as the Managing Director of the Company with effect from 20 May 2025, subject to the approval of the members of the Company, as recommended by the Nomination and Remuneration Committee.

22. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

Category	FY 2025 (Turnover rate in current FY)			FY 2024 (Turnover rate in previous FY)			FY 2023 (Turnover rate in the year prior to the previous FY)		
	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)	Total (%)
Permanent employees	0	18.2	18.2	0	6.3	6.3	0	7.7	7.7
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 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	*46.01	No
2	Avante Spaces Limited	Subsidiary	100.00	NA
3	Kirloskar Brothers Limited	Associate	23.91	No

* The Hon'ble National Company Law Tribunal, Mumbai vide its Order [C.P.(CAA) 57 / MB / 2024 C/w CA (CAA) 238 / MB / 2023] dated 24 July 2024, had sanctioned the Scheme of Arrangement and Merger of ISMT Limited (Transferor Company) with Kirloskar Ferrous Industries Limited (Transferee Company) and their respective shareholders pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, ("Scheme"). The certified copy of the said Order, along with a copy of the Scheme, was filed with the Registrar of Companies, Pune on 8 August 2024. Accordingly, the Scheme became operative and effective from 1 April 2023 (Appointed Date).

VI. CSR details

24. i. Whether CSR is applicable as per section 135 of the Companies Act, 2013: Yes

ii. If yes, Turnover – ₹ 120.57 Crores

iii. Net worth – ₹ 1,521.17 Crores

VII. Transparency and Disclosure Compliances

25. 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)	FY 2025			FY 2024			FY 2023		
	(If yes, then provide web-link for grievance redress policy)	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	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0		0	0		0	0	
*Investors (other than shareholders)	Yes	0	0	Refer Notes	0	0		0	0	Refer Notes
Shareholders	Yes	5	0		3	0		2	0	
**Employees and workers	Yes	0	0	Refer Notes	0	0		0	0	Refer Notes
Customers	Yes	0	0		0	0		0	0	
Value Chain Partners	Yes	0	0		0	0		0	0	

*No other securities except equity shares are issued by the Company

**Mechanism like PoSH Committee, Ethics Helpine

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

Grievance Redressal Policy
(weblink - https://www.kirloskarindustries.com/documents/779558/6fbd7f67-ba84-b985-4a3d-84449d838e94

26. Overview of the entity's material responsible business conduct issues:

The key material issues for our business have been listed below:

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R / O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate (Measures for enhancing opportunities are also indicated)	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Employee health and safety	Risk	• Employee health and safety is a non-negotiable aspect for the Company to ensure that its human capital is provided with a working environment that places utmost emphasis on their mental and physical well-being. • Health and Safety has an impact on employee's well-being (ill health) and overall productivity apart from decreased in the Company image and customer confidence.	• To promote occupational health and safety and a conducive work environment, numerous efforts are adopted. • The Company is having office protocols in place to ensure safety and hygiene practices are followed. • Our employee health annual checkups identify health issues early, establishing a baseline for health and promote healthy habits.	**Neutral-** • Cost put towards employee health and safety improvement will yield positive results in the long term though it may have financial impact on the Company. • Continuous safety improvement will increase confidence of current and prospective employees.
2.	Business ethics	Opportunity	• Helps in alignment with the business's core values and operating in an ethical manner, as per governing laws as well. • It also helps in reducing fines and improving our brand and reputation.	• The Company follows ethical practices for its business conduct that guides all the employees for fair and responsible behavior and enables a culture of compliance. • The Company has adopted Code of Conduct for the Board of Directors and Senior Management of the Company and all members of the Board, and all senior management sign a declaration agreeing to follow the Code. • To promote the values of the Company, the top management of the Company communicates with its employees via email and speaks out on a frequent basis. • An independent ethics helpline is established for reporting any violation of the Code of Conduct.	**Positive-** • Improves workplace culture, and strengthens legal compliance and public reputation. Reinforces customer, partner, supplier and local communities' engagement and loyalty. • Better work environment leads to overall business reputation, success, and development of employees. • Drives the Company to evolve as a good corporate citizen by implementing the highest degree of transparency, integrity, accountability, and corporate social responsibility.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R / O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate (Measures for enhancing opportunities are also indicated)	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Circular economy	Risk and Opportunity	• Adopting circular economy will have long term impact on sustainable use of resources and may lead to cost saving in some cases. • It helps in reducing the environmental impact of the industrial processes, such as Greenhouse gases and Improves brand value and can bring in more investment.	• The Company, through its Environment, Social and Governance Policy is committed to promote a circular economy by reutilisation of resources and thereby reduce waste generation at source.	**Positive-** • By reducing waste and keeping resources in use for longer the Company may reduce their reliance on costly virgin material and minimise disposal cost thus improving profit.
4.	Talent Management	Opportunity	• Employees are contributors to value creation. Attracting talented people and training them adequately to build their competencies and skills is critical to driving Company's future growth by providing a quality differentiator.	• The selected candidates are on boarded into the organisation and the Company has 'buddy system', each candidate gets a buddy for a few months to guide them during this transition. • To promote learning and developing, the Company has recently launched 'Employee Development Policy' to encourage our employees to pursue higher education. • The Company has also launched "Wall of fame", wherein the employees can appreciate their peers, reportees and seniors, for demonstrating Values. This motivates the employees to perform better. • The Company recognises consistent performers through a quarterly recognition programme, in which it felicitates the winners as 'Value Champions'.	**Positive-** • Ensures retention of talent, improves efficiency and productivity in achieving strategic goals and enhancing business performance.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R / O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate (Measures for enhancing opportunities are also indicated)	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Community relations	Opportunity	• Business must be rooted in community and be aligned with its larger interests. Any negative impact can inhibit the Company's ability to create long-term value.	• The Company implements program focusing on local community development on initiatives like employment generation, education, healthcare, and hygiene. • Have supported youth skill development through initiatives run by the S L Kirloskar CSR Foundation.	**Positive –** • Creating balanced relationships with the community provide a secure, social environment to operate. Also, being socially responsible, the Company believes in the holistic improvement of the ecosystem
6.	Human rights	Risk	• Changing regulations around human rights pose a challenge • Violation can lead to damaging the reputation and brand image. • It also impacts workers' health and well-being. • It can lead to legal cases.	• The Company's Human Rights Policy meets national regulatory requirements such as International Bill of Human Rights and other relevant Acts and standards, wherever applicable. • The Company is not complicit in any human rights violation by its contractors and suppliers. • The Company ensures that there is no discrimination at workplace through its Human Rights Policy. • The Company is having a strong policy in place to prevent sexual harassment of employees to provide a conducive work environment and ensure that employees at all levels collaborate in an atmosphere free of gender discrimination, violence, and harassment.	**Negative -** • Any violation can lead to severe reputational and financial risk.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R / O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate (Measures for enhancing opportunities are also indicated)	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7.	Climate action	Risk and Opportunity	• Climate change offers opportunities arising from innovations in emissions, energy efficiency and renewable energy.	• The Company is committed to ensure environmental protection and safety and is fully aware of global environmental issues.	**Neutral-** • Additional cost to be incurred to prevent / mitigate the impact of climate change in the short-term to medium term. • Benefits will accrue in the medium / long-term to the Company as well as the stakeholders.
8.	Sustainable innovation	Opportunity	• In the view of global climate issues, innovative solutions offered by business will help create more value across the stakeholders.	NA	**Positive –** • Commitment to provide consistently high-quality products and services in a responsible and timely manner.
9.	Data privacy	Risk	• Risk of malicious exploitation or intrusion impacts on financial cost, and loss of confidence from stakeholders, it also puts the Company's as well as the customer's data at risk. • Inadequate prevention, detection, and remediation of data security threats can damage the Company's reputation and thus influence customer acquisition and retention, resulting in decreased market share and lower demand for the Company's products / services.	• Implemented operational technology network, monitoring and threat detection, incident response process. • Implemented multiple controls to ensure data security and privacy including user awareness and training programs.	**Neutral-** • Provides adequate assurance and confidence to the customers and employees for the Protection of their sensitive data. • Greater confidence of its customers and partners in its supply chain and products.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R / O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate (Measures for enhancing opportunities are also indicated)	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10.	Responsible supply chain	Risk and Opportunity	• Lack of sustainable sourcing, approaches and efforts to build resilient supply chain can lead to supply / business disruptions due to unforeseen circumstances • Responsible supply chain may lead to cost savings and efficient usage of resources, reduction in transport related emissions.	• The Company has integrated environmental, ethical social performance factors into the process of selecting and periodically evaluating its key suppliers.	**Positive-** • Creating multiple opportunities for local and small entrepreneurs, to boost local economy. In the long run, this may result in efficient supply chain and cost saving.
11.	Corporate Governance	Opportunity	• It ensures transparent communication and sound relationship among the Company's stakeholders. • It also assists the Senior Management team to handle the Company's business in an ethical and transparent manner.	• NA	**Neutral-** • This ensures alignment with the Company's philosophy of being a responsible corporate citizen ensuring the best interest of all its stakeholders across the value chain.
12.	Transparent Disclosures	Risk	• Transparent disclosures are essential for communicating the Company's operations, progress, and challenges. It is crucial to balance sharing key information with protecting sensitive details that could benefit competitors. The Company's management and board regularly review disclosure guidelines and take appropriate actions to ensure the best interests of all stakeholders are upheld.	• The Company makes sure that all pertinent information is accurately and immediately conveyed to its shareholders, investors, employees, and other stakeholders in order to keep its commitment to transparent disclosures.	**Neutral –** • Publicly available disclosures to ensure long-term sustainability.

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:

Sr. No.	Principle Description
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.	Points	P1	P2	P3	P4	P5	P6	P7	P8	P9
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
1.(b)	**Has the policy been approved by the Board? (Yes/No)**	Y	Y	Y	Y	Y	Y	Y	Y	Y
1.(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								

Sr. No.	Points	P1	P2	P3	P4	P5	P6	P7	P8	P9
		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 Transaction and Dealing With Related Party 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 Partners in the value chain to participate in responsible and sustainable business conduct, depending upon their means and resources. All policies have been developed based on industry practices, as per the regulatory requirements and through appropriate consultation with relevant stakeholders.								
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, The SEBI (Listing Obligations and Requirements) Regulations, 2015 and other applicable Acts, Rules and Regulations. Avante Spaces Limited (Avante), our Wholly-Owned Subsidiary, has received a precertification of 'Platinum Rating' from the Indian Green Building Council (IGBC) for our first project 'One Avante'. 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. Avante has already received a Platinum rating for the construction of its first project, demonstrating its commitment to leading environmental conservation and being a responsible real estate company. The Leadership in Energy and Environmental Design (LEED) Gold certification, which signifies leadership in energy and environmental design and is awarded by the USGBC, is currently being pursued for Avante's second project as well.								

Sr. No.	Points	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) is a part of the Kirloskar group, which primarily operates in the engineering and manufacturing sectors. As an unregistered Core Investment Company (CIC), KIL invests in group companies that have set ambitious targets in key ESG areas, such as energy management, emission control, water conservation, and waste recycling. At the group level, these companies are committed to aligning with the national goal of achieving carbon neutrality by 2070. Given the nature of its operations, KIL supports its subsidiary companies and their capital commitments toward a sustainable future. Details of each subsidiary's targets are available in their respective annual reports.								
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. *The Board of Directors, in its meeting held on 20 May 2025, appointed Mr. George Verghese as the Managing Director of the Company with effect from 20 May 2025, subject to the approval of the members of the Company, as recommended by the Nomination and Remuneration Committee.								
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 overlooked by 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 onpage no. 31								

10. Details of Review of NGRBCs by the Company:

Sr. No.	Subject of Review	a. Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee								
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P8	P 9
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

Sr. No.	Subject of Review	b. Frequency (Annually/ Half yearly/ Quarterly / Any other – please specify)								
		P 1	P 2	P 3	P4	P 5	P 6	P 7	P 8	P 9
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	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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.

1 PRINCIPLE

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 Managerial 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. In April 2024 and May 2024, sponsored residential 2 days training programme for the Directors and KMPs of the Company, organised by the Kirloskar Institute of Management Studies. This training programme *inter-alia*, covered aspects of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 'Group of Companies' doctrine in arbitration and its impact on non-signatories, as recently decided by the Hon'ble Supreme Court, potential misuse of social media platforms and the regulatory issues in the securities market and SEBI (Prohibition of Insider Trading) Regulations, 2015. 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	4	Training and awareness programs covered POSH (Prevention of Sexual Harassment) and Regulatory Compliances.	100
4.	Workers	NA	NA	NA

*2 Out of 4 KMPs are also Board Members till 31 March 2025.

With effect from 1 April 2025, Mr. Mahesh Chhabria ceased to be Managing Director and Director of the Company.

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:

Not Applicable as there were no such instances during the Financial Year 2024-2025.

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 the 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.

5. No 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 2025	FY 2024
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:

		FY 2025		FY 2024	
		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:

*Parameter	FY 2025	FY 2024
Number of days of accounts payables	07	12

*Note: Reported as per BRSR Core Reporting Standard Publishde by SEBI

9. Openness of business

Provide details of 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 2025	FY 2024
Concentration of Purchases	a. Purchases of 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

*Parameter	Metrics	FY 2025	FY 2024
Concentration of Sales	a. Sales to dealers / distributors as %	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)	8.07	2.92
	b. Sales (Sales to related parties / total sales)	87.67	89.11
	c. Loans and Advances (Loans and Advances given to related parties / total loans and advances	100	100
	d. Investments (Investments in related parties / total investments made)	97.64	97.19

*Note: Reported as per BRSR Core Reporting Standard Publishde by SEBI

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
0	0	0

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 Executive Director gives a declaration confirming all the Directors and Senior Management Personnel adherence to the Code of Conduct in the Corporate Governance Report of the Annual Report

2 PRINCIPLE

Businesses should provide goods and services in a manner that is Sustainable and safe

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Sr. No.	Segment	FY 2025	FY 2024	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.

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 the dependence on natural resources.

Avante Spaces Limited (Avante), a Wholly-Owned Subsidiary company of the Company, is committed to sustainable sourcing practices. Avante is developing commercial real estate and is adhering to IGBC norms which gives greater emphasis on sustainable sourcing. Based on the practices followed by Avante, IGBC has pre-certified Platinum rating for the first project "One Avante". The Leadership in Energy and Environmental Design (LEED) Gold certification, which signifies leadership in energy and environmental design and is awarded by the USGBC, is currently being pursued for Avante's second project as well.

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:**

The Company safely disposes of its E-waste for recycling at Avis Group, Hazardous and other wastes are not applicable for its business operations.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same:**

Considering the nature of 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 manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format:**

NIC Code	Name of Product/ Service	% Of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
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 2025	FY 2024
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 2025			FY 2024		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	0.348	NA	NA	NA	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

3 PRINCIPLE

Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1 a. **Details of measures for the well-being of employees:**

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	11	11	100%	11	100%	-	-	11	100%	-	-
Female	6	6	100%	6	100%	6	100%	-	-	-	-
Total	**17**	**17**	**100%**	**17**	**100%**	**6**	**100%**	**11**	**100%**	**-**	**-**
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 well-being of employees and workers (including permanent and other than permanent) in the following format:**

*Parameter	FY 2025	FY 2024
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	0.34 %	0.07%

*Note: Reported as per BRSR Core Reporting Standard Publishde by SEBI

2. Details of retirement benefits for the Current FY and Previous FY:

Benefits	FY 2025			FY 2024		
	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.)
PF	100	NA	Y	100	NA	Y
Gratuity	100	NA	Y	100	NA	Y
ESI	NA	NA	NA	NA	NA	NA
Superannuation	6	NA	Y	18	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 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, and separate washrooms.

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 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 – None of the permanent workers availed of parental leave in the Financial Year 2024-2025.

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 FY 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	Yes, the Company strives to create a culture which is fair, open and transparent and where employees can openly present their views. The Company transparently communicates its Policies and practices such as performance metrices, variable pay metrices, compliance and other processes. The Company enables employees to work without fear of prejudice, gender discrimination and harassment. It has zero tolerance on non-compliance of these principles. The Company has an independent helpline number for employees to report their concerns.
4	Other than Permanent Employees	

7. **Membership of employees in association(s) or Unions recognised by the listed entity:**

Category	FY 2025			FY 2024		
	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 2025					FY 2024				
	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	11	-	-	11	100%	9	-	-	9	100%
Female	6	-	-	6	100%	7	-	-	7	100%
Total	17	-	-	17	100%	16	-	-	16	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 2025			FY 2024		
	Total (A)	No (B)	% (B/A)	Total (C)	No (D)	% (D/C)
Employees						
Male	11	8	73%	9	6	67%
Female	6	5	83%	7	6	86%
Total	**17**	**13**	**76%**	**16**	**12**	**75%**
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 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 prioritizes 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 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 counseling and Health and Lifestyle Risk Assessment to promote well-being at the individual level.

11. Details of Safety related incidents:

Sr. No.	Safety Incident/Number	Category	FY 2025	FY 2024
1	Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	*Employees	0	0
		Workers	NA	NA
2	Total recordable work-related injuries	*Employees	0	0
		Workers	NA	NA
3	No. of fatalities	*Employees	0	0
		Workers	NA	NA
4	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:

In addition to initiatives and actions taken as mentioned in response to disclosure no. 10 above, measures that were taken by the Company include the provision of flexi timing, the requirement of compulsory availing 20 days leave annually, maternity leave for women, paternity leave for male employees, birthday leave provision, promotes a healthy work-life balance. Employee health is critical for Company's sustainable growth and in keeping with this, annual health check-up is conducted for employees as per the prescribed protocol.

13. Number of Complaints on the following made by employees:

Category	FY 2025			FY 2024		
	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 and 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 steps / actions to prevent any mishaps. As a result, there have not been any complaints about 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 2025	FY 2024	FY 2025	FY 2024
Employees	0	0	0	0
Workers	NA	NA	NA	NA

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes / No)**

   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 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.

4 PRINCIPLE

Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. **Describe the processes for identifying key stakeholder groups of the entity:**

   The Company 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 and Marginalized Group (Yes / No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually / Half yearly / Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
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
		- KORE 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 - Employee Engagement Survey	- Annually - 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.
Investors	No	- Annual General Meetings - Quarterly Results, Annual Reports, Press Releases, Media Interactions - Investors Presentations - Stock Exchange Filings, Notices to shareholders, Postal Ballots, Advertisements, Emails, one-to-one interactions, Website	- Annually - Quarterly - Need based at the time of investor interactions - Continuous / Frequently	- Corporate Governance. - Transparency in disclosures and Enhancing enterprises Value. - Performance and Financial Results - 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 Contractor and address queries / grievances that Contractor may have. Also, to further strengthen relations by regular interaction.

Stakeholder group	Whether identified as Vulnerable and Marginalized Group (Yes / No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually / Half yearly / Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Regulatory authorities	No	Multiple channels - physical and digital	On-going and Need bases	- 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

The Company's Materiality Assessment was conducted in consultation with its key identified stakeholder groups. The Company engaged with its stakeholder groups (both internal and external stakeholders) through a comprehensive confidential third-party survey and gathered their inputs to determine and prioritise the sustainability issues that matter most to the sustainability of its business operations.

The Company personnel interact with various stakeholders to understand the evolvement and relevance of ESG topics, their impact, and expectations from the Group.

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 have 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 155 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).

5 PRINCIPLE

Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	FY 2025			FY 2024		
	Total (A)	No. of employees /workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	17	17	100	16	16	100
Other than permanent	1	1	100	1	1	100
Total employees	**18**	**18**	**100**	**17**	**17**	**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 2025					FY 2024				
	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	11	-	-	11	100%	9	-	-	9	100%
Female	6	-	-	6	100%	7	-	-	7	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 Crores)	Number	Median remuneration / salary / wages of respective category (₹ in Crores)
Board of Directors (BoD) (excludes 2 Directors who are included in KMPs)	8	0.07	1	0.08
Key Managerial Personnel (includes 2 Directors)	2	6.27	2	1.25
Employees other than BoD and KMP	9	0.09	4	0.09
Workers	0	NA	0	N.A.

Information given above is based on permanent headcount of 31 March 2025

i. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

*Parameter	FY 2025	FY 2024
Gross wages paid to females as % of total wages	28.3%	28%

*Note: Reported as per 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:

Category	FY 2025			FY 2024		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour / Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

*Parameter	FY 2025	FY 2024
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 case:

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 – please specify	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 2024-2025, 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 violation of Human Rights Policy during the Financial Year 2024-2025.

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 emphasize 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 2024-2025.

6
PRINCIPLE

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 2025	FY 2024
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 (A)	112.54	112.57
Total fuel consumption (B)	140.56	148.8
Energy consumption through other sources (C)	0	0
Total energy consumption from non-renewable sources (A+B+C)	**253.10**	**261.45**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.00000026423	0.00000028658
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.00000539873	0.00000635273
Energy intensity in terms of physical output	0.00000121181	0.00000095403
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 LLP 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. Details of the following disclosures related to water:

Parameter	FY 2025	FY 2024
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	-	
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)	11.08	9
Water intensity per rupee of turnover (Total water consumed / Revenue from operations)	0.0000000115671	0.0000000098652
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.0000002363397	0.0000002186814
Water intensity in terms of physical output	0.0000000530493	0.0000000328409
Water intensity (optional) – the relevant metric maybe selected by the entity	-	-

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 LLP has been appointed for independent assessment / evaluation / assurance.

4. Provide the following details related to water discharged:

Parameter	FY 2025	FY 2024
Water discharge by destination and level of treatment (in kilolitres)		
(i) To surface water	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.
- 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: 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 LLP 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 2025	FY 2024
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 LLP 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 2025	FY 2024
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric terms of CO2 equivalent	10.27	10.80
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric terms of CO2 equivalent	22.73	22.38
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	NA	0.0000000344509	0.0000000363788
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	0.0000007038999	0.0000008064080
Total Scope 1 and Scope 2 emission intensity in terms of physical output	NA	0.0000001579989	0.0000001211039
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	NA	NA	NA

Note: Indicate if any independent assessment / evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency; Yes, BDO India LLP has been appointed for 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 2025	FY 2024
	Total Waste generated (in MT)	
Plastic waste (A)	NA	NA
E-waste (B)	0.348	Nil
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)	NA	NA
Total (A+B + C + D + E + F + G + H)	**0.348**	**Nil**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0000000003633	Nil
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.0000000074229	Nil
Waste intensity in terms of physical output Waste intensity *(optional)* – the relevant metric may be selected by the entity	0.0000000016662	Nil
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	0.348	Nil
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	Nil	Nil
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		

*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 LLP 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 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 handlers for disposal of e-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 fully comply 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 2025	FY 2024
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

Parameter	FY 2025	FY 2024
- 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 2025	FY 2024
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, 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 and 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 emphasizes 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 to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

The Company 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:

As the Company is an un-registered CIC, the scope of business does not have dependency on value chain partners. So, as of now, the value chain partners are not assessed for environmental impacts. However, as a part of supplier code of conduct for the Company as well as its subsidiaries, detailed evaluation is followed to check that suppliers do not violate any environmental norms as applicable by the respective regulatory authorities.

7 PRINCIPLE

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers / associations:

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 Red 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 2024-2025.

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

8 PRINCIPLE

Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current FY 25:

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 2025	FY 2024
Directly sourced from MSMEs/ small producers	10.19%	3.8%
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 2025	FY 2024
Rural	0	0
Semi-Urban	0	0
Urban	0	0
Metropoliton	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 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

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 benefited 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	155	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 2024-2025.

9 PRINCIPLE

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 / service 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 2025			FY 2024		
	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
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	Reasons 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. **Provide the following information relating to data breaches:**

   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.

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 disclosures in the Business Responsibility & Sustainability Report for the financial year 2024-25.

Introduction and objective of engagement

Kirloskar Industries Limited (the 'Company') has developed its Business Responsibility and Sustainability Report (BRSR) (the 'Report') based on the BRSR reporting guidelines prescribed by SEBI for listed entities. The reporting criteria have been derived from the Principles of National Guidelines on Responsible Business Conduct, 2018 (NGRBC), and Greenhouse Gas (GHG) Protocol - A Corporate Accounting and Reporting Standard. The BRSR will be part of the Company's Annual Report 2024-25.

BDO India LLP (BDO) was engaged by the Company to provide independent limited assurance on select non-financial information in the Report for the financial year 2024-25.

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's responsibilities

BDO India LLP 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 Standards Board. We applied the criteria of 'Limited' assurance.

Scope & boundary of assurance

We have assured the select indicators in the Report pertaining to the Company's non-financial performance covering its operations for the period 1st April 2024 through 31st March 2025. The indicators under the scope of assurance are listed in Appendix 1.

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:

- Evaluate and assess the appropriateness of the quantification methods used to arrive at the non-financial sustainability information of the select BRSR indicators in the Report;
- Review of consistency of data/information within the Report as well as between the Report and 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.

We used our professional judgement as Assurance Provider and applied appropriate risk-based approach, for determining sample for review of non-financial information for verification. The reviews were conducted through virtual mode, where information and evidence were made available to us.

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 2024 to 31st March 2025)
- 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; and the indicators listed in Appendix-1;
- 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 1 April 2024 through 31 March 2025. The disclosures of the Company, covered under the ‘Scope and boundary of assurance’, are fairly reliable.

Our Conclusions

Based on the procedures performed and evidence obtained as defined under the ‘Scope & boundary of assurance’, nothing has come to our attention that causes us not to believe that the disclosures of the Company is presented fairly in accordance with the relevant reporting guidelines / standards.

Our assurance team and independence

BDO India LLP is a professional services firm providing services in Advisory, Assurance, Tax, and Business Advisory Services, to both domestic and international organizations across industry sectors. Our non-financial assurance practitioners for this engagement are drawn from a dedicated Sustainability and ESG Team in the organization. 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 LLP 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.

For BDO India LLP

Indra Guha
Partner | Sustainability & ESG Business Advisory Services

Gurugram, Haryana
20 May, 2025

Appendix 1 (to be read as part of ‘Scope and boundary of assurance’)

The sustainability indicators/disclosures considered during the engagement are presented below:

Section/Principle	Indicator as defined in Annexure II of Circular by SEBI1
Section A: General Disclosures	Employees and workers (including differently abled)
	Differently abled Employees and workers
	Participation / Inclusion / Representation of women
	Turnover rate for permanent employees and workers
Principle 1: Essential Indicator 8	Number of days of accounts payables
Principle 1: Essential Indicator 9	Open-ness of business
Principle 3: Essential Indicator 1	Details of measures for the well-being of employees
	Spending on measures towards well-being of employees and workers (including permanent and other than permanent)
Principle 3: Essential Indicator 8	Details of training given to employees and workers
Principle 3, Essential Indicator 9	Details of performance & career development reviews of employees & workers
Principle 3: Essential Indicator 11	Details of safety related incidents
Principle 5: Essential Indicator 3	Gross wages paid to females as % of total wages paid by the entity
Principle 5: Essential Indicator 7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
Principle 6: Essential Indicator 1	Energy Footprint
Principle 6: Essential Indicator 3	Water Footprint
Principle 6: Essential Indicator 7	Greenhouse Gas (GHG) Footprint
Principle 6: Essential Indicator 9	Embracing circularity - details related to waste management by the entity
Principle 8: Essential Indicator 4	Percentage of input material (inputs to total inputs by value) sourced from suppliers
Principle 8: Essential Indicator 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
Principle 9: Essential Indicator 7	Number of instances of data breaches and percentage of data breaches involving personally identifiable information of customers

Independent Auditors' Report

On Standalone Financial Statements

To
The Members of **Kirloskar Industries Limited**

OPINION

We have audited the accompanying Standalone Financial Statements of Kirloskar Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the 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, 2025, 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 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 fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us 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 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, total comprehensive income, changes in equity and cash flows of the Company in accordance 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. 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal 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 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the 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, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls 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 Statements.

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 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 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 and 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
Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No.: 117309
UDIN: 25117309BMJDIM4471
Pune, May 20 , 2025

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 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

OPINION

In our opinion, 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, 2025, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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
Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No.: 117309
UDIN: 25117309BMJDIM4471
Pune, May 20 , 2025

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 2025)

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 ₹ 91.10 Crores, and balance outstanding at the balance sheet date with respect to such loan is ₹ 265.42 Crores which includes interest of ₹ 4.77 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 during the year are repayable within a period of 7 yrs or mutually decided between the Company and Wholly Owned Subsidiary. The outstanding principle 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.

(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, 2025 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	4.13 (Net of 9.71 Crores paid under protest)	AY 2011-12 to AY 2016-17	High Court
3	Income Tax Act, 1961	Disallowance of Certain expenses	22.22 (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) According to information and explanation given to us and on the basis of examination of the books and records of the Company, during the year, the Company has made preferential allotment of warrants. The requirements of Section 42 and Section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.

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, 2025, 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 2025 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 realization 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 amount under Sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No.: 117309
UDIN: 25117309BMJDIM4471
Pune, May 20 , 2025

Balance Sheet as at 31 March 2025

(Amounts in Indian Rupees Crores, unless otherwise stated)

Particulars	Note No.	As at 31 March 2025	As at 31 March 2024
ASSETS			
Financial Assets			
Cash and cash equivalents	6	9.06	12.58
Bank balances other than cash and cash equivalents	7	89.76	43.08
Loans	8	265.42	191.45
Investments	9	4,726.16	3,348.29
Other financial assets	10	3.38	2.01
		5,093.78	**3,597.41**
Non-Financial Assets			
Investment in subsidiaries	11	491.92	499.42
Current tax assets (Net)	12	0.15	0.49
Investment property	13	4.20	16.26
Property, plant and equipment	14	30.61	18.48
Intangible assets	14	0.02	0.03
Capital work-in-progress	15	-	-
Other non-financial assets	16	16.16	14.68
		543.06	**549.36**
Assets classified as Held for Sale	17	2.48	2.61
TOTAL ASSETS		**5,639.32**	**4,149.38**
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	6.54	13.21
Other financial liabilities	19	9.05	8.13
		15.59	**21.34**
Non-Financial Liabilities			
Provisions	20	2.91	4.47
Deferred tax liabilities (Net)	21, 34	505.65	245.27
Other non-financial liabilities	22	2.36	1.25
		510.92	**250.99**
Total Liabilities associated with assets classified as Held for Sale	17	4.83	4.62
TOTAL LIABILITIES		**531.34**	**276.95**
EQUITY			
Equity share capital	23	10.41	9.93
Other equity	24	5,097.57	3,862.50
		5,107.98	**3,872.43**
TOTAL LIABILITIES AND EQUITY		**5,639.32**	**4,149.38**

Notes forming part of the Financial Statements: Note No. 1 to 51

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: 20 May 2025

For and on behalf of the Board of Directors

Atul Kirloskar
Chairman
DIN 00007387

Aditi Chirmule
Executive Director
DIN 01138984

Anandh Baheti
Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Date: 20 May 2025

Statement of Profit and Loss for the year ended 31 March 2025

(Amounts in Indian Rupees Crores, unless otherwise stated)

Particulars	Note No.	Year ended 31 March 2025	Year ended 31 March 2024
Revenue from Operations			
Interest income	25	24.28	23.37
Dividend income		62.80	60.07
Net gain on fair value changes	26	8.71	7.79
Total Revenue from Operations		**95.79**	**91.23**
Other Income	27	24.78	42.28
Total Income		**120.57**	**133.51**
Expenses			
Finance costs	28	1.17	1.63
Employee benefit expenses	29	10.00	16.68
Depreciation and amortisation expenses	30	2.31	2.35
Other expenses	31	12.51	10.76
Total expenses		**25.99**	**31.42**
Profit before tax and before exceptional item from continuing operations		**94.58**	**102.09**
Profit before tax and before exceptional item from discontinuing operations	32	**0.89**	**0.19**
Total Profit before tax and before exceptional item		**95.47**	**102.28**
Exceptional items - (Expenses) / Income	33	**6.10**	**-**
Profit before tax from continuing operations		**100.68**	**102.09**
Profit before tax from discontinuing operations		**0.89**	**0.19**
Total Profit/(Loss) before tax for the period		**101.57**	**102.28**
Tax expense for continuing operations			
- Current tax		20.00	20.61
- Short / (Excess) provision of earlier years		(1.18)	-
- Deferred tax		4.19	6.84
Total tax expenses from continuing operations		**23.01**	**27.45**
Tax expense for discontinuining operations	32		
- Current tax		0.30	0.14
- Short / (Excess) provision of earlier years		-	-
- Deferred tax		(0.06)	0.06
Total tax expenses for discontinuining operations		**0.24**	**0.20**
Total tax expenses for the period	34	**23.25**	**27.65**
Profit for the year from continuing operations		**77.67**	**74.64**
Profit for the year from discontinuining operations		**0.65**	**(0.01)**
Net Profit for the period		**78.32**	**74.63**
Other Comprehensive Income / (Loss)			
Items that will not be reclassified to profit or loss			
a) Gain / (loss) on remeasurements of defined benefit plan		(0.22)	0.39
b) Gain / (loss) on fair valuation of investments in equity shares		1,362.86	1,775.79
c) Income tax (expenses) / reversal relating to items that will not be reclassified to profit or loss		(224.44)	(203.25)
Other Comprehensive Income / (Loss)		**1,138.20**	**1,572.93**
Total Comprehensive Income / (Loss) for the year		**1,216.52**	**1,647.56**
Earnings per equity share (for continuing operations)	35		
[Nominal value of share ₹ 10 (Previous Year ₹ 10)]			
Basic (₹)		76.28	75.45
Diluted (₹)		75.30	72.82
Earnings per equity share (for discontinuing operations)			
[Nominal value of share ₹ 10 (Previous Year ₹ 10)]			
Basic (₹)		0.64	(0.02)
Diluted (₹)		0.63	(0.02)
Earnings per equity share			
[Nominal value of share ₹ 10 (Previous Year ₹ 10)]			
Basic (₹)		76.92	75.43
Diluted (₹)		75.93	72.80

Notes forming part of the Financial Statements: Note No. 1 to 51

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: 20 May 2025

For and on behalf of the Board of Directors

Atul Kirloskar
Chairman
DIN 00007387

Aditi Chirmule
Executive Director
DIN 01138984

Anandh Baheti
Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Date: 20 May 2025

Statement of Cash Flow for the year ended 31 March 2025

(Amounts in Indian Rupees Crores, unless otherwise stated)

Particulars	Year ended 31 March 2025		Year ended 31 March 2024	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit / (Loss) before tax from continuining operations		100.68		102.09
Profit / (Loss) before tax from discontinuining operations		0.89		0.19
Adjustments for:				
Depreciation and amortization expense	2.33		2.43	
Expenses on share based payments	2.34		8.51	
(Gain) / Loss on fair valuation and sale of mutual funds	(8.71)		(7.79)	
(Gain) / Loss on sale of property plant and equipment and investment property (net)	(0.01)		0.37	
Gain on conversion of debentures	-		(12.72)	
Gain as per Ind AS 116	-		(0.13)	
Finance Income - Preference shares	(2.06)		(1.20)	
Exceptional items	(6.10)		-	
Provisions no longer required written back	(0.01)		(0.03)	
Interest income	(24.28)		(23.37)	
Dividend income	(62.80)		(60.07)	
Income from licensing of properties	(20.89)		(27.40)	
Finance cost on fair valuation of financial instruments	1.40	(118.79)	1.84	(119.56)
Operating profit / (loss) before working capital changes		(17.22)		(17.28)
Changes in working capital:				
(Increase) / Decrease in inventories	(0.01)		(0.01)	
(Increase) / Decrease in trade receivables	-		0.13	
(Increase) / Decrease in other financial assets	(0.29)		0.18	
(Increase) / Decrease in other non-financial assets	(0.99)		0.12	
Increase / (Decrease) in other financial liabilities	(0.77)		1.86	
Increase / (Decrease) in other non-financial liabilities	0.49		0.01	
Increase / (Decrease) in provisions	(1.94)	(3.51)	0.44	2.73
Cash generated from operations		(20.73)		(14.55)
Net income tax (paid) / refunds		(19.41)		(21.24)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES FROM CONTINUING OPERATIONS		**(41.37)**		**(36.59)**
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES FROM DISCONTINUING OPERATIONS		**1.23**		**0.80**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment (including capital work in progress)	0.01		(0.76)	
Proceeds from sale of property, plant and equipment	0.00		0.01	
Maturity proceeds of / (investment in) fixed deposits	(44.82)		59.82	
Investments in Subsidiaries	-		(145.58)	
Sale / (investment) in mutual funds (net)	(6.29)		(8.14)	
Interest received	4.25		9.22	
Interest received from Wholly Owned Subsidiary	13.40		15.60	
Dividend income	63.97		60.07	
Security deposits received / (refund)	(6.09)		0.05	
Income from licensing of properties	20.17		26.27	
Loan given to subsidiary (net)	(69.20)		(10.00)	
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES FROM CONTINUING OPERATIONS		**(24.60)**		**6.56**
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES FROM DISCONTINUING OPERATIONS		**-**		**-**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Payment of Lease liability	(0.87)		(0.26)	

Statement of Cash Flow for the year ended 31 March 2025

(Amounts in Indian Rupees Crores, unless otherwise stated)

Particulars	Year ended 31 March 2025		Year ended 31 March 2024	
Proceeds from issue of share warrants- Preferential allotment	75.00		25.00	
Proceeds from issue of equity shares under Employee Stock Appreciation Right's Scheme	0.03		0.05	
Dividend paid	(12.94)		(10.88)	
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES FROM CONTINUING OPERATIONS		**61.22**		**13.91**
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES FROM DISCONTINUING OPERATIONS		**-**		**-**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(3.52)**		**(15.32)**
Cash and cash equivalents at the beginning of the year		12.58		27.90
Cash and cash equivalents at the end of the year (Refer Note No: 6)		9.06		12.58

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
Date: 20 May 2025

For and on behalf of the Board of Directors

Atul Kirloskar
Chairman
DIN 00007387

Aditi Chirmule
Executive Director
DIN 01138984

Anandh Baheti
Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Date: 20 May 2025

Statement of Changes in Equity for the year ended 31 March 2025

(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 2025		As at 31 March 2024	
	No.	₹ Crores	No.	₹ Crores
As at beginning of the year	99,27,584	9.93	98,83,931	9.88
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	29,912	0.03	43,653	0.05
As at end of the year	**1,04,13,076**	**10.41**	**99,27,584**	**9.93**

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 2023	**15.10**	**323.60**	**13.63**	**952.64**	**875.80**	**-**	**2,180.77**
Profit for the year	-	-	-	74.63	-	-	74.63
Measurement of investments at FVTOCI (net of taxes)	-	-	-	-	1,572.64	-	1,572.64
Transferred to statement of profit and loss on account of sale of shares of Swaraj Engines Limited	-	-	-	-	-	-	-
Total Comprehensive Income for the year	**-**	**-**	**-**	**74.63**	**1572.64**	**-**	**1647.27**
Stock options expense	-	-	8.51	-	-	-	8.51
Stock options expense pertaining to Wholly Owned Subsidiary	-	-	11.54	-	-	-	11.54
Remeasurement of defined benefit plans (net of taxes)	-	-	-	0.29	-	-	0.29
Transfer to securities premium	4.06	-	(4.06)	-	-	-	-
Money received against share warrants	-	-	-	-	-	25.00	25.00
Appropriations:							
Final Dividend for year 2022-23	-	-	-	(10.88)	-	-	(10.88)
As at 31 March 2024	**19.16**	**323.60**	**29.62**	**1,016.68**	**2,448.44**	**25.00**	**3,862.50**

Statement of Changes in Equity for the year ended 31 March 2025

(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 1st april 2024	19.16	323.60	29.62	1,016.68	2448.44	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 to statement of profit and loss on account of sale of shares of Swaraj Engines Limited	-	-	-	(31.81)	31.81	-	-
Total Comprehensive Income for the year	**-**	**-**	**-**	**46.51**	**1,138.38**	**-**	**1,184.89**
Stock options expense	-	-	2.34	-	-	-	2.34
Stock options expense pertaining to Wholly Owned Subsidiary	-	-	1.65	-	-	-	1.65
Remeasurement of defined benefit plans (net of taxes)	-	-	-	(0.17)	-	-	(0.17)
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
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**

Notes forming part of the Financial Statements: Note No. 1 to 51

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: 20 May 2025

For and on behalf of the Board of Directors

Atul Kirloskar
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Executive Director
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Anandh Baheti
Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Date: 20 May 2025

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(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 hold 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 2025 were authorised for issue by the Board of Directors on 20 May 2025.

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 estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its 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.

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.

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

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 recognized 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.

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:

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

- 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.

i. Depreciation and amortisation

Depreciation is provided on all assets (except land, being a non-depreciable asset) equally over the useful life of the individual assets as prescribed under Part C of Schedule II to the Act. These lives also reflect the management's estimate of the useful life of the respective property, plant and equipment.

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. .

Dismantling and restoration cost are depreciated over remaining useful life of the windmill.

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.

Depreciation is recognised in the statement of profit and loss from the month in which the asset is acquired while the depreciation on assets sold during the year is recognised in the Statement of Profit and Loss till the month prior to the month in which the asset is sold.

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.

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

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 amortized 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, 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 recognized 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 recognized 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.

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

Notes forming part of the Standalone Financial Statements

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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 recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company 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

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

valuation model recommended by recognised valuation standards committee.

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 & 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 recognized upon application for certification to the respective authorities till such units are sold and valued at lower of cost and net realizable value. Cost comprises of costs incurred for certification of RECs. Net realizable 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.

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize 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 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

Notes forming part of the Standalone Financial Statements

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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 fulfilled 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.

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:

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- 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 recognized 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 recognized 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 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

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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) recognized during the period is recognized 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.

(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.

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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, net of outstanding bank overdrafts, 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.

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 vequity 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

The Ministry of Corporate Affairs ("MCA") has vide notification dated May 7, 2025 notified Companies (Indian Accounting Standards) Amendment Rules, 2025 (the 'Rules') which amends certain accounting standards, and are effective from 1 April 2025 onwards. The summary of amendments is as follows –

Ind AS 21, The Effects of Changes in Foreign Exchange Rates - These amendments provide guidance on when a currency is considered as exchangeable, application guidance on determining exchange ability and estimating spot rates, disclosure requirements when the currency is not exchangeable and references to matters contained in other Indian Accounting Standards.

Ind AS 101, First-time Adoption of Ind AS - Corresponding amendments are made to Ind AS 101 in line with above mentioned amendments in Ind AS 21 with respect to the entity having functional currency that is subject to severe hyperinflation or lacking exchange ability.

The above amendments are not applicable to the Company

Notes forming part of the Standalone Financial Statements

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NOTE 6 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2025	As at 31 March 2024
Cash on hand	0.01	0.01
Balances with banks		
- On current accounts	0.09	0.45
- Fixed deposits having original maturity less than 3 months and interest accrued thereon	8.96	12.12
Total	**9.06**	**12.58**

NOTE 7 : BANK BALANCES OTHER THAN NOTE (6) ABOVE

Particulars	As at 31 March 2025	As at 31 March 2024
Earmarked balances		
Unclaimed dividend accounts	0.60	0.61
Other bank balances		
Deposits with banks and interest accrued thereon (more than 3 months)	89.16	42.47
Total	**89.76**	**43.08**

NOTE 8 : LOANS

Particulars	As at 31 March 2025	As at 31 March 2024
Loan		
Loan to wholly owned subsidiary*	265.42	191.45
Total	**265.42**	**191.45**

*The loan is unsecured, carrying interest rate @ 8.25% and repayable within period of seven years or as mutually decided by both the parties.

NOTE 9 : INVESTMENTS

	Particulars	Face Value (₹)	As at 31 March 2025		As at 31 March 2024	
			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	759.61	64,22,990	454.78
	Kirloskar Brothers Limited	2	1,89,88,038	3,252.08	1,89,88,038	2,079.29
	Kirloskar Oil Engines Limited	2	82,10,439	590.95	82,10,439	705.65
	Cummins India Limited	2	683	0.21	683	0.21
				4,602.85		**3,239.92**
(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	0.40
	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)
				0.33		**0.40**
(iii)	Preference shares					
	Kirloskar Proprietary Limited *	100	1	0.00	1	0.00
	Sub-total (A)			**4,603.18**		**3,240.32**
(B)	**Measured at amortised cost**					
	(Unquoted debentures and bonds)					
	The Mysore Kirloskar Limited (In liquidation)					

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 9 : INVESTMENTS (CONTD..)

	Particulars	Face Value (₹)	As at 31 March 2025		As at 31 March 2024	
			Nos.	₹ in Crores	Nos.	₹ in Crores
	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			21.58		18.62
	Axis Money Market Fund - Direct - Growth			18.89		7.20
	Bajaj Finserv Money Market Fund - Direct - Growth			21.14		2.78
	Bandhan Money Manager Fund - Direct - Growth			14.32		3.01
	DSP - Saving Fund - Direct - Growth			0.71		12.38
	HDFC Money Market Fund - Direct - Growth			1.00		-
	Mirae Asset Money Market Fund - Direct - Growth			15.67		-
	Nippon India Money Market Fund - Direct - Growth			10.29		21.06
	Tata Money Market Fund - Direct Plan - Growth			11.97		9.91
	UTI Money Market Fund - Direct - Growth			7.40		-
	HSBC Money Market Fund - Direct - Growth			-		10.57
	ICICI Prudential Money Market Fund-Direct-Growth			-		2.01
	Kotak Money Market Fund - Direct - Growth			-		20.43
	Sub-total (C)			**122.97**		**107.97**
	Total (A + B + C)			**4,726.16**		**3,348.29**
	$ Held at nominal value of ₹ 1/-					
	* Indicates amount less than ₹ 50,000/-					
	Aggregate amount of quoted investments- Cost			633.12		620.37
	Aggregate amount of quoted investments- Market Value			4,725.82		3,347.88
	Aggregate amount of unquoted investments			0.73		0.80
	Aggregate provision in diminution in value of investments			0.40		0.40

NOTE 10 : OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2025	As at 31 March 2024
Security deposits	0.54	0.33
Other receivables *	0.07	0.00
Receivable from wholly owned subsidiary for:		
- Other receivables	0.71	0.48
- Dividend provision on cumulative compulsorily redeemable preference shares #	2.06	1.20
Other advances		
Unsecured, credit impaired	3.86	3.86
Less: Allowance for impairment loss	(3.86)	(3.86)
	-	-
Total	**3.38**	**2.01**

8.25% Non Convertible Compulsorily redeemable Cumulative Preference Shares each of ₹ 1,000/- w.e.f 7th September 2023.

* Indicates amount less than ₹ 50,000/-

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 11 : INVESTMENT IN SUBSIDIARIES

Particulars	As at 31 March 2025	As at 31 March 2024
Measured at cost		
(Quoted equity instruments, fully paid)		
Kirloskar Ferrous Industries Limited (KFIL)	374.12	374.12
- Extent of holding by the Company is 46.01 % (Previous Year: 46.12%)*#		
- 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)	8.67	16.17
Investment in preference shares	25.00	25.00
- Number of shares held 2,50,000 (Previous Year: 2,50,000)		
Total	**491.92**	**499.42**

*During the Previous year, the holding in KFIL is updated in accordance with the Scheme of Arrangement and Merger between ISMT Limited and Kirloskar Ferrous Industries Limited (KFIL), approved on 24th July 2024 by honourable NCLT

#During the year, KFIL has issued 3,91,620 equity shares under its ESOP scheme thereby reducing Company's holding from 46.12% to 46.01%.

Particulars	As at 31 March 2025	As at 31 March 2024
Aggregate amount of quoted investments in subsidiaries - Cost	374.12	374.12
Aggregate amount of quoted investments in subsidiaries- Market Value	3,561.09	4,107.86
Aggregate book value of unquoted investments in subsidiaries	117.80	125.30
Aggregate provision in diminution in value of investments in subsidiaries	-	-

NOTE 12 : CURRENT TAX ASSETS (NET)

Particulars	As at 31 March 2025	As at 31 March 2024
Advance income tax (AY 2025-26)	0.15	0.49
[Net of provision for income tax]		
Total	**0.15**	**0.49**

NOTE 13 : INVESTMENT PROPERTY

Particulars	As at 31 March 2025	As at 31 March 2024
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	27.07	27.07
Add: Additions during the year	-	-
Less: Transferred to Property Plant and Equipment *	(13.20)	-
Balance as at the end of the year	**13.87**	**27.07**

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 13 : INVESTMENT PROPERTY (CONTD..)

Particulars	As at 31 March 2025	As at 31 March 2024
(b) Accumulated depreciation		
Balance as at the beginning of the year	10.92	10.28
Add: Depreciation for the year	0.50	0.64
Less: Acc. Depreciation on transfer to Property Plant and Equipment	(1.64)	-
Balance as at the end of the year	**9.78**	**10.92**
Net Block of building (ii) = (a) - (b)	**4.09**	**16.15**
Total investment property (i) + (ii)	**4.20**	**16.26**
Movement in fair value of Investment Properties		
Fair value of properties as at the beginning of the year	409.92	392.66
Fair valuation pertaining to property transferred during the year	(15.29)	-
Change in fair value of other properties	20.73	17.26
Fair value of assets as at the end of the year	**415.36**	**409.92**

* During the 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.

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 2025	As at 31 March 2024
Rental income from investment property	20.89	27.40
Expenses arising from investment properties that generated rental income during the year	(2.29)	(4.15)
Profit from renting of investment properties	**18.60**	**23.25**

** Title deeds held in the name of the Company.

Notes to and forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(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)
	Building		Plant and equipment		Furniture and fixtures	Vehicles	Office equipments	Computers and peripherals	Electrical installations	Leasehold improvement	Total (A)	Computer software
	Owned *	Right of use of assets	Wind power generators **	Other Plant and equipment								
Gross Block												
Balance as at 1 April 2023	**13.20**	**1.15**	**27.14**	**2.29**	**1.62**	**1.69**	**1.20**	**0.36**	**0.56**	**0.80**	**50.01**	**0.13**
- Additions	-	2.50	-	-	-	0.15	0.11	0.06	-	0.63	3.45	-
- (Disposals) / (Adjustments) $	-	(1.14)	-	-	(0.20)	-	(0.05)	(0.07)	(0.09)	(0.80)	(2.35)	-
Balance as at 31 March 2024	**13.20**	**2.51**	**27.14**	**2.29**	**1.42**	**1.84**	**1.26**	**0.35**	**0.47**	**0.63**	**51.11**	**0.13**
- Additions	-	2.39	-	-	0.00	-	-	0.00	-	-	2.39	-
- (Disposals) / Adjustments #	13.20	-	-	-	-	-	(0.18)	(0.03)	-	-	12.99	-
Balance as at 31 March 2025	**26.40**	**4.90**	**27.14**	**2.29**	**1.42**	**1.84**	**1.08**	**0.32**	**0.47**	**0.63**	**66.49**	**0.13**
Accumulated Depreciation												
Balance as at 1 April 2023	**1.20**	**0.76**	**25.09**	**0.19**	**0.76**	**0.41**	**1.10**	**0.27**	**0.24**	**0.49**	**30.51**	**0.08**
- Depreciation charge for the year	0.22	0.56	0.04	0.15	0.14	0.36	0.08	0.05	0.05	0.11	1.76	0.02
- On (Disposals)	-	(0.84)	-	-	(0.10)	-	(0.04)	(0.05)	(0.03)	(0.59)	(1.65)	-
Balance as at 31 March 2024	**1.42**	**0.48**	**25.13**	**0.34**	**0.80**	**0.77**	**1.14**	**0.27**	**0.26**	**0.01**	**30.62**	**0.10**
- 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
- On (Disposals) / Adjustments #	1.64	-	-	-	-	-	(0.18)	(0.02)	-	-	1.44	-
Balance as at 31 March 2025	**3.28**	**1.14**	**25.13**	**0.49**	**0.93**	**1.13**	**1.01**	**0.29**	**0.31**	**0.16**	**33.87**	**0.11**
Net Block												
Balance as at 31 March 2024	11.78	2.03	2.01	1.95	0.62	1.07	0.12	0.08	0.21	0.62	20.49	0.03
Balance as at 31 March 2025	**23.12**	**3.76**	**2.01**	**1.80**	**0.49**	**0.71**	**0.07**	**0.03**	**0.16**	**0.47**	**32.62**	**0.02**

$ Refer Note No. 43 for Right of Use of assets

* Title deeds held in the name of the Company.

** PPE relating to asset held for sale.

During the 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 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 15 : CAPITAL WORK-IN-PROGRESS

Particulars	As at 31 March 2025	As at 31 March 2024
Balance as at the beginning of the year	-	-
Add: Additions during the year	-	0.62
Less: Capitalised during the year	-	0.62
Balance as at the end of the year	**-**	**-**
Ageing schedule of capital work- in-progress		
Less than one year	-	-
1-2 years	-	-
Total	**-**	**-**

NOTE 16 : OTHER NON-FINANCIAL ASSETS

Particulars	As at 31 March 2025	As at 31 March 2024
(Unsecured, considered good,unless otherwise stated)		
Prepaid expenses	0.01	0.09
Balances with government authorities	1.17	0.30
Others	0.12	0.05
Advance income tax (Previous Years - Net of provision)	14.86	14.24
Total	**16.16**	**14.68**

NOTE 17 : ASSETS CLASSIFIED AS HELD FOR SALE

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 2025	As at 31 March 2024
Financial assets		
Other financial assets		
- Security deposit	0.03	0.03
- Contract assets	0.16	0.29
	0.19	**0.32**

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 17 : ASSETS CLASSIFIED AS HELD FOR SALE (CONTD..)

Particulars	As at 31 March 2025	As at 31 March 2024
Non financial assets		
Inventories $	0.03	0.02
Property, plant and equipment	2.01	2.01
Other non-financial assets		
- Advance to creditors *	0.00	0.00
- Prepaid expenses	0.09	0.10
- Deposits	0.16	0.16
	2.29	**2.29**
	2.48	**2.61**
Liabilities directly associated with assets classified as held for sale		
Financial liabilities		
Other financial liabilities		
- Creditors	0.32	0.34
- Advance received against asset held for sale	1.62	1.62
	1.94	**1.96**
Non-financial liabilities		
Provisions for decommissioning and restoration (Refer Note No.39)	2.89	2.66
	2.89	**2.66**
	4.83	**4.62**

$ Renewable Energy Certificates (RECs) and RECs under certification

[Total REC units 22,507 (Previous Year: 20,000); of which certified units are 20,123 (Previous Year: 18,465)]

* Indicates amount less than ₹ 50,000/-

NOTE 18 : DEPOSITS

Particulars	As at 31 March 2025	As at 31 March 2024
Measured at amortised cost		
Others		
- Security deposits	6.54	13.21
Total	**6.54**	**13.21**

NOTE 19 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2025	As at 31 March 2024
Measured at amortised cost		
Investors Education and Protection Fund will be credited by the following amounts, as and when due:		
- Unclaimed equity dividend $	0.60	0.61
Employee benefits	1.38	2.82
Expenses and other payable **	1.93	1.61
Commission payable to directors	0.94	0.61
Lease liability	4.20	2.48
Total	**9.05**	**8.13**

$ Unclaimed equity dividend includes ₹ 12,912 (Previous Year: ₹ 12,509) ; on 31 shares in abeyance on the directions of Special Court which will not be transferred to Investors Education and Protection Fund.

* Indicates amount less than ₹ 50,000/-

** Details of dues to micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 19 : OTHER FINANCIAL LIABILITIES (CONTD..)

Particulars	As at 31 March 2025	As at 31 March 2024
Dues remaining unpaid to any supplier		
- Principal*	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	-	-

* Indicates amount less than ₹ 50,000/-

NOTE 20 : PROVISIONS

Particulars	As at 31 March 2025	As at 31 March 2024
Gratuity	2.00	2.80
Compensated absences	0.91	1.67
Total	**2.91**	**4.47**

NOTE 21 : DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31 March 2025	As at 31 March 2024
Deferred tax liabilities (Net)	505.65	245.27
Total	**505.65**	**245.27**

NOTE 22 : OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31 March 2025	As at 31 March 2024
Statutory dues payable	1.27	0.79
Property Licensing fees received in advance	1.09	0.46
Total	**2.36**	**1.25**

NOTE 23 : EQUITY SHARE CAPITAL

(a) Authorised, issued, subscribed and paid-up share capital and par value per share:

Particulars	As at 31 March 2025		As at 31 March 2024	
	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	1,04,13,076	10.41	99,27,584	9.93

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 23 : EQUITY SHARE CAPITAL (CONTD..)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number	₹ in Crores	Number	₹ in Crores
CALLED UP AND PAID UP				
Equity shares of ₹ 10/- each fully paid up	1,04,13,045	10.41	99,27,553	9.93
SHARE CAPITAL SUSPENSE ACCOUNT *	31	-	31	-
Equity shares of ₹ 10/- each fully paid up				
Total	1,04,13,076	10.41	99,27,584	9.93

* 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 2025		As at 31 March 2024	
	Number	₹ in Crores	Number	₹ in Crores
Shares outstanding at the beginning of the year	99,27,584	9.93	98,83,931	9.88
Add: Issue of equity shares under ESAR scheme	29,912	0.03	43,653	0.05
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	**1,04,13,076**	**10.41**	**99,27,584**	**9.93**

(c) Equity shares in the Company held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31 March 2025		As at 31 March 2024	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Atul Chandrakant Kirloskar #	15,11,352	14.51	12,83,562	12.93
Rahul Chandrakant Kirloskar # #	18,49,478	17.76	16,21,688	16.34
Jyotsna Gautam Kulkarni	11,78,592	11.32	11,78,592	11.87
Alpana Rahul Kirloskar	7,09,648	6.81	7,09,648	7.15
Nihal Gautam Kulkarni	5,89,296	5.66	5,89,296	5.94
Ambar Gautam Kulkarni	5,89,296	5.66	5,89,296	5.94
Gauri Atul Kirloskar	5,27,608	5.07	5,27,608	5.31

Out of these 15,11,327 (Previous Year: 12,83,537) equity shares are held in the individual capacity and 25 (Previous Year: 25) equity shares held as a Trustee of C.S. Kirloskar Testamentary Trust.

Out of these, 18,49,249 (Previous Year: 16,21,459) equity shares are held in the individual capacity and 229 (Previous Year: 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	2024-25	2023-24	2022-23	2021-22	2020-21
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 Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 23 : EQUITY SHARE CAPITAL (CONTD..)

(f) Details of shareholding pattern of Promoters:

Particulars	As at 31 March 2025			As at 31 March 2024		
	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	14.51	1.58	12,83,537	12.93	(0.06)
Atul Chandrakant Kirloskar as a Trustee of C S Kirloskar Testamentary Trust	25	-	-	25	-	-
Rahul Chandrakant Kirloskar	18,49,249	17.76	1.43	16,21,459	16.33	(0.08)
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	0.03	-	2,362	0.03	-
Sanjay Chandrakant Kirloskar	250	-	-	250	-	-
Sanjay Chandrakant Kirloskar as a Karta of Sanjay Kirloskar HUF	14	-	-	14	-	-
Jyotsna Gautam Kulkarni	11,78,592	11.32	(0.55)	11,78,592	11.87	(0.05)
Geetajali Vikram Kirloskar	2,125	0.02	-	2,125	0.02	0.02
Mrinalini Shreekant Kirloskar	-	-	-	-	-	(0.04)
Mrinalini Shreekant Kirloskar as a Karta of Shreekant S. Kirloskar HUF	-	-	-	-	-	(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	0.04
Arti Atul Kirloskar	3,57,909	3.44	(0.17)	3,57,909	3.61	(0.01)
Alpana Rahul Kirloskar	7,09,648	6.81	(0.34)	7,09,648	7.15	(0.03)
Nihal Gautam Kulkarni	5,89,296	5.66	(0.28)	5,89,296	5.94	(0.02)
Ambar Gautam Kulkarni	5,89,296	5.66	(0.28)	5,89,296	5.94	(0.02)
Aditi Atul Kirloskar	1,75,869	1.69	(0.08)	1,75,869	1.77	(0.01)
Gauri Atul Kirloskar	5,27,608	5.07	(0.24)	5,27,608	5.31	(0.03)
Total	**75,01,052**	**72.04**		**70,45,472**	**70.97**	
Corporate Bodies						
Kirloskar Pneumatic Co. Limited	200	-	-	200	-	-
Navsai Opportunities Private Limited (earlier known as Navsai Investments Private Limited)	3,854	0.04	-	3,854	0.04	0.01
Alpak Investments Private Limited	3,854	0.04	-	3,854	0.04	0.01
Achyut and Neeta Holdings and Finance Private Limited	100	-	-	100	-	-
Kirloskar Chillers Private Limited	46,144	0.44	(0.02)	46,144	0.46	(0.01)
Total	**54,152**	**0.52**		**54,152**	**0.54**	
Grand Total	**75,55,204**	**72.56**		**70,99,624**	**71.51**	

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 24: OTHER EQUITY

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(a) Securities Premium		
Balance as at the beginning of the year	19.16	15.10
Add: Transfer from share options outstanding account	0.97	4.06
Add: Transfer from money received against share warrants	99.55	-
Balance as at the end of the year	**119.68**	**19.16**
(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	-	-
Balance as at the end of the year	**323.60**	**323.60**
(c) Share options outstanding account (Refer Note No. 42)		
Balance as at the beginning of the year	29.62	13.63
Stock options expense	2.34	8.51
Stock options expense pertaining to wholly owned subsidiary	1.65	11.54
Less : Transferred to general reserve	-	-
Less: Transfer to securities premium	(0.97)	(4.06)
Less : Adjustment on lapse of unvested share options transferred to retained earnings	(15.25)	-
Balance as at the end of the year	**17.39**	**29.61**
(d) Equity instruments through other comprehensive income		
Balance as at the beginning of the year	2,448.44	875.80
Measurement of investments at FVTOCI (net of taxes)	1,106.57	1,572.64
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	**3,586.82**	**2,448.44**
(e) Surplus / (Deficit) in the Statement of Profit and Loss		
Balance as at the beginning of the year	1,016.68	952.64
Add: Net Profit transferred from the Statement of Profit and Loss	78.32	74.63
Add: Adjustment on lapse of share options	-	-
Add/(Less): Remeasurement of defined benefit plans (net of taxes)	(0.17)	0.29
Less : Transfer to Other Comprehensive Income on account of sale of shares of Swaraj Engines Limited #	(31.81)	-
Amount available for appropriation	**1,063.02**	**1,027.56**
Less: Appropriations:		
Final Dividend for F.Y. 2023-24 (2022-23)	12.94	10.88
Net surplus in the Statement of Profit and Loss	**1,050.08**	**1,016.68**
(f) Money received against share warrants		
Balance as at the beginning of the year	25.00	-
Received During the year	75.00	25.00
Less : Share Issued during the year	(100.00)	-
Balance as at the end of the year	**-**	**25.00**
(g) Share application money pending allotment *	**-**	**0.00**
Total	**5,097.57**	**3862.50**

* Indicates amount less than ₹ 50,000/-

During the year, 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 year 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.

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 24: OTHER EQUITY (CONTD..)

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 43)

4) Equity instruments through Other Comprehensive Income:

This reserve represents the cumulative gains and losses arrising 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.

NOTE 25 : INTEREST INCOME

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
- On financial assets measured at amortised cost		
Interest on loans	18.17	15.60
Interest on deposits with banks	5.69	7.14
Interest on optionally convertible debentures	-	0.63
Interest on non convertible debentures	0.42	-
Total	**24.28**	**23.37**

NOTE 26 : NET GAIN ON FAIR VALUE CHANGES

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
- On financial instruments measured at fair value through profit and loss		
Investments in mutual funds		
Unrealised	4.08	1.82
Realised	4.63	5.97
Total	**8.71**	**7.79**

NOTE 27 : OTHER INCOME

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Property licensing fees	20.89	27.40
Business faciliation services	1.82	0.78
Provisions no longer required written back	-	0.03
Gain on Sale of property, plant and equipment	0.01	0.01
Gain on termination of lease	-	0.13
Dividend provision on Preference shares	2.06	1.20
Miscellaneous income *	0.00	0.01
Gain on conversion of financial instruments	-	12.72
Total	**24.78**	**42.28**

* Indicates amount less than ₹ 50,000/-

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 28 : FINANCE COSTS

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
- On financial liabilities measured at amortised cost		
Unwinding of interest on security deposit (Net)	0.74	1.19
Lease liability	0.27	0.23
- On provisions		
Net interest on net defined benefit liability	0.16	0.21
Total	**1.17**	**1.63**

NOTE 29 : EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Salaries and incentives	6.80	7.40
Contributions to provident and other funds	0.50	0.51
Employees stock option expense (Refer Note No. 42)	2.34	8.51
Gratuity	0.05	0.13
Staff welfare expenses	0.31	0.12
Total	**10.00**	**16.68**

NOTE 30 : DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
On property, plant and equipment (Refer Note No. 14)	1.13	1.13
On investment property (Refer Note No. 13)	0.50	0.64
On right of use of asset (Refer Note No. 14)	0.67	0.56
On intangible assets (Refer Note No. 14)	0.01	0.02
Total	**2.31**	**2.35**

NOTE 31 : OTHER EXPENSES

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Security expenses	2.01	2.96
Repairs and maintenance :		
- Property	0.67	0.53
- Other assets	0.39	0.27
Garden and site maintenance	0.27	0.56
Rates and taxes	0.56	0.53
Legal and professional fees	5.53	2.87
Commission to directors	0.92	0.59
Director sitting fees	0.58	0.55
Electricity charges	0.16	0.14
Travelling expenses	0.10	0.12
Insurance charges	0.20	0.14
Membership subscription	0.08	0.08
Corporate social responsibility expenses #	0.41	0.24
Loss on sale of fixed assets *	0.00	0.00
Loss on write off of assets	-	0.37
Miscellaneous expenses	0.48	0.67

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 31 : OTHER EXPENSES (CONTD..)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Payment to auditors :		
(a) for audit	0.12	0.11
(b) for tax audit	0.02	0.02
(c) for other services	0.01	0.01
(d) for Auditors Reimbursement of Expenses *	0.00	-
Sub Total	**12.51**	**10.76**
Total	**12.51**	**10.76**

 # Expenditure on Corporate Social Responsibility (CSR) activities:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Balance unspent CSR amount at the beginning of the year	-	-
(a) Gross amount required to be spent by the Company during the year	0.41	0.24
(b) Amount approved by the Board to be spent during the year	0.41	0.24
(c) Amount spent by the Company during the year-		
(i) Construction/Acquisition of any asset	-	-
(ii) On purpose other than (i) above	0.41	0.24
Balance unspent / (Excess) CSR amount at the end of the year	-	-
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 : DISCONTINUED OPERATIONS

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Income		
Revenue from windmill operations #	2.87	3.13
Sundry balances no longer payable	0.04	-
Total Income	**2.91**	**3.13**
Expenses		
Finance costs	0.23	0.21
Employee benefit expenses	0.26	0.46
Depreciation and amortisation expenses	0.02	0.08
Operating and other expenses	1.51	2.19
Total expenses	**2.02**	**2.94**
Profit before tax from discontinuining operations	**0.89**	**0.19**
Tax expense for discontinuining operations		
- Current tax	0.30	0.14
- Deferred tax	(0.06)	0.06
Total tax expenses for discontinuining operations	**0.24**	**0.20**
Profit for the year from discontinuining operations	**0.65**	**(0.01)**

7,122 Renewable Energy Certificates (RECs) sold during the year (Previous year : 152).

NOTE 33 : EXCEPTIONAL ITEMS - (EXPENSE) / INCOME

The reversal of ESAR charge for unvested options of directors on account of retirement/ superannuation of the directors has resulted in exceptional gain and accordingly Exceptional Item of ₹. 6.10 Cr is shown as income.

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 34: INCOME TAXES (INCLUDING DISCONTINUED OPERATIONS)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(i) The major components of income tax expense are:		
(a) Statement of Profit and Loss section		
Current income tax charge	20.30	20.75
Short / (Excess) provision of earlier years	(1.18)	-
Deferred tax	4.13	6.90
Income tax expense reported in the Statement of Profit and Loss	**23.25**	**27.65**
(b) Statement of other comprehensive income		
Deferred tax (expense) / income on fair valuation of equity instruments	(224.38)	(203.15)
Deferred tax (expense) / income on remeasurements of defined benefit plan	(0.06)	(0.10)
Income tax charged to other comprehensive income	**(224.44)**	**(203.25)**
(ii) Reconciliation of tax expense and the accounting profit		
Accounting profit for the Company before income tax	101.57	102.28
Enacted tax rates in India	25.17%	25.17%
Computed tax expense	25.56	25.74
Add / (Less) net adjustment on account of:		
Income from dividend on equity shares exempt from tax	-	-
Deduction under Section 80M	(3.41)	(2.74)
Profit on transfer of Real Estate Business Undertaking at Kothrud	-	-
Disallowances under Income Tax Act, 1961	2.12	2.02
Provision of earlier years	(1.18)	-
Capital gain	1.62	2.30
Other adjustments	(1.47)	0.32
Total	**(2.32)**	**1.90**
Income tax expense	23.25	27.65
Effective tax rate	22.89%	27.03%

Particulars	As at 31 March 2025	As at 31 March 2024
(iii) Movement in current tax asset / current tax liabilities (net)		
Balance at the beginning of the year (current tax asset (net))	14.74	14.25
Provision recognised during the year	(19.12)	(20.75)
Current tax paid for the year	19.39	21.24
Balance at the end of the year	**15.01**	**14.74**
Income tax assets	140.28	170.98
Income tax liabilities	125.27	156.24
Total (Net)	**15.01**	**14.74**

Particulars	Balance Sheet		Statement of Profit and Loss	
	As at 31 March 2025	As at 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024
(iv) Deferred tax relates to the following:				
Deferred tax assets				
Provision for employee benefits	0.73	1.15	(0.42)	0.17
Provision for dismantling obligation	0.73	0.67	0.06	0.05
MAT credit entitlement	0.50	0.50	-	0.00
Optionaly convertible debentures	-	-	-	(7.28)
Other temporary difference	0.19	0.15	0.04	0.15
Gross deferred tax assets	**2.15**	**2.47**	**(0.32)**	**(6.91)**

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 34: INCOME TAXES (INCLUDING DISCONTINUED OPERATIONS) (CONTD..)

Particulars	Balance Sheet		Statement of Profit and Loss	
	As at 31 March 2025	As at 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024
Deferred tax liabilities				
Property, plant and equipment	4.30	1.30	3.00	(0.10)
Fair valuation of financial instruments	1.03	0.46	0.57	(0.10)
Fair valuation of equity financial instruments	501.96	245.66	256.30	203.15
Other temporary difference	-	0.02	(0.02)	(0.01)
Preference shares - Finance income	0.51	0.30	0.21	0.30
Tax impact of sale of equity investment measured through OCI #	-	-	(31.81)	-
Gross deferred tax liabilities	**507.80**	**247.74**	**228.25**	**203.23**
Deferred tax (assets) / liabilities (Net)	**505.65**	**245.27**	**228.57**	**210.15**
Amount recognised in Statement of Profit and Loss			4.13	6.90
Amount recognised in Statement of Other Comprehensive Income			224.44	203.25

The deferred tax liability of ₹ 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.

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 2025	Year ended 31 March 2024
Net profit after tax attributable to equity shareholders of the Company	(A)	77.67	74.64
Discontinuining operations		0.65	(0.01)
Total		78.32	74.63
Weighted average number of equity shares in calculating basic EPS	(B)	1,01,83,094	98,91,942
Effect of dilution:			
Stock options granted during the year		1,32,831	1,99,657
Preferential allotment		-	1,58,107
Total number of diluted equity shares at the end of the year	(C)	1,03,15,925	1,02,49,706
Continuining operations			
Basic earnings per share of face value of 10 each (₹)	(A/B)	76.28	75.45
Diluted earnings per share of face value of 10 each (₹)	(A/C)	75.30	72.82
Discontinuining operations			
Basic earnings per share of face value of 10 each (₹)		0.64	(0.02)
Diluted earnings per share of face value of 10 each (₹)		0.63	(0.02)
Total			
Basic earnings per share of face value of 10 each (₹)		76.92	75.43
Diluted earnings per share of face value of 10 each (₹)		75.93	72.80

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 36: EMPLOYEE BENEFITS EXPENSE

(a) Defined contribution plans :

The Company has contributed ₹ 0.50 Crores (Previous Year: ₹ 0.51 Crores) towards defined contribution plans i.e., Provident Fund and Superannuation Scheme.

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
- Amount recognised in the Statement of Profit and Loss towards contribution to employees Provident Fund and Superannuation Fund	0.50	0.51
Total	**0.50**	**0.51**

(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 2025	Year ended 31 March 2024
Amount recognised in the Statement of Profit and Loss under employee benefit expenses		
Current / Past service cost	0.05	0.13
Interest expenditure on defined benefit liability	0.16	0.21
Amount recognised in Statement of Other Comprehensive Income		
Remeasurements of defined benefit plan (gain) /Loss	0.22	(0.38)

Reconciliation of liability

Particulars	Present value of Obligation	
	Year ended 31 March 2025	Year ended 31 March 2024
Balance at the beginning of the year	**2.80**	**2.85**
Transfer in / (out)	-	-
Current / past service cost	0.05	0.13
Net interest (income) / expense	0.16	0.21
Total amount recognised in Statement of Profit and Loss	**0.20**	**0.34**
Remeasurement during the period due to:		
Return on plan assets excluding amounts included in interest income	-	-
Change in financial assumptions	0.22	(0.38)
Change in experience adjustments	-	-
Total amount recognised in Other Comprehensive Income	**0.22**	**(0.38)**
Employers contributions	-	-
Benefit payments	(1.23)	(0.01)
Balance at the end of the year	**2.00**	**2.80**

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Present value of obligations	2.00	2.80
Fair value of plan assets	NA	NA
Deficit/surplus of plans	(2.00)	(2.80)
Deficit of gratuity plan	**(2.00)**	**(2.80)**

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 36: EMPLOYEE BENEFITS EXPENSE (CONTD..)

The principal assumptions used in determining gratuity obligations for the Company are shown below:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
a. Discount rate	6.70%	7.20%
b. Rate of increase in compensation cost	10.00%	10.00%
c. Expected average remaining working lives of employees (years) *	7.52	6.78
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 2025 and 31 March 2024, 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 2025	31 March 2024
Discount rate			
Decrease by	1%	0.02	0.01
Increase by	1%	(0.02)	(0.01)
Future salary increase			
Decrease by	1%	(0.01)	(0.01)
Increase by	1%	0.02	0.01
Withdrawal rate			
Decrease by	1%	0.00	0.00
Increase by	1%	(0.00)	(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.

The followings are the expected future benefit payments for the defined benefit plan:

Particulars	As at 31 March 2025	As at 31 March 2024
Within the next 12 months (next annual reporting period)	1.76	2.61
Between 2 and 5 years	0.12	0.10
Beyond 5 years	0.10	0.10
Total expected payments	**1.98**	**2.81**

Weighted average duration of defined benefit plan obligation (based on discounted cash flows):

Particulars	31 March 2025	31 March 2024
Weighted average duration of defined benefit plan obligation (years)	6.19	5.78

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

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 inadverse circumstances. Funding the plan removes volatility in Company's financials and also benefit risk through return on the funds made available for the plan.

NOTE 37: CONTINGENT LIABILITIES

Particulars	As at 31 March 2025	As at 31 March 2024
a. Disputed demands		
- Service tax	0.03	0.03
- Income tax *	26.62	26.62
b. Conveyance deed charges in respect of property	0.22	0.22

* Net of ₹ 10.65 crores paid under protest in earlier years, ₹.16.59 Crores relates to double taxation of dividend income and balance ₹.10 crores demands are disputed at various stages of appeals.

NOTE 38: CAPITAL COMMITMENTS

Particulars	As at 31 March 2025	As at 31 March 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-
Total	**-**	**-**

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

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 2025	As at 31 March 2024
Opening balance of provision	2.66	2.45
Provisions for the year	0.23	0.21
Closing balance of provision	**2.89**	**2.66**

* 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.
Expected timing of resulting outflow: Substantial costs will be incurred at the end of useful life of windmills.

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 primarily from wind power generation(Asset held for sale).

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Revenue from contracts with customers	2.87	3.13
Total	**2.87**	**3.13**

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. 17

C. Contract assets reconciliation

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Opening contract assets	0.29	0.38
Revenue recognised during the year	2.91	3.12
Written off during the year	-	-
Revenue realised during the year	3.04	3.21
Closing contract assets	**0.16**	**0.29**

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)

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 41: RELATED PARTY TRANSACTIONS (CONTD..)

(ii) Subsidiaries of Subsidiary

Oliver Engineering Pvt Ltd

ISMT Enterprises SA, Luxembourg

Tridem Port and Power Company Pvt Ltd

Nagapattinam Energy Pvt Ltd

Best Exim Pvt Ltd

Success Power and Infraprojects Pvt Ltd

Marshall Microware Infrastructure Development Company Pvt Ltd

Adicca Energy Solutions Pvt Ltd

Structo Hydraulics AB, Sweden (under liquidation)

ISMT Europe AB, Sweden (under liquidation)

Indian Seamless Inc., USA*

PT ISMT Resources, Indonesia**

*The Company have been liquidated in the F. Y. 2023-2024

** The Company has been sold during the F.Y. 2023-2024

(iii) Key Management Personnel : Note 41: Related party transactions

Name of Key Management Personnel	Designation	Transactions with relatives of Key Management Personnel and relationship
Mahesh Chhabria	Managing Director	None
Aditi Chirmule	Executive Director	None
Anandh Baheti	Chief Financial Officer	None
Ashwini Mali	Company Secretary	None

(B) Summary of transactions with related parties

Nature of transaction	Subsidiaries		Key Management Personnel	
	2024-25	2023-24	2024-25	2023-24
Compensation paid to Key Management Personnel	-	-	15.10	8.44
Loan to subsidiary (Net)	69.20	10.00	-	-
Security deposit received	-	0.01	-	-
Reimbursement of expenses and shared salary received	1.84	2.14	-	-
Dividend received	41.66	43.89	-	-
Interest received	18.17	15.60	-	-
Dividend paid	-	-	0.18	0.14
Licensing fees received	0.16	0.24	-	-
Advance received from step-down subsidiary	-	1.62	-	-
Preference shares	-	25.00	-	-
Dividend provision on cumulative compulsorily redeemable preference shares	2.06	1.20	-	-
Conversion of optionally convertible debentures into equity shares	-	69.11	-	-
Purchase of equity shares of step-down subsidiary	-	120.58	-	-
Security deposit refunded	0.13	-	-	-
Security Deposit Paid	0.26	-	-	-
Licensing fees paid	0.17	-	-	-
Amenities and facilities fees paid	0.30	-	-	-
Reimbursement of expenses paid	0.07	-	-	-
ESAR- Deemed Investment in ASL	10.24	11.54	-	-
ESAR reversal of deemed investment in ASL	17.74	-	-	-

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 41: RELATED PARTY TRANSACTIONS (CONTD..)

Outstanding as at 31 March	Subsidiaries		Key Management Personnel	
	2024-25	2023-24	2024-25	2023-24
Other payable	0.01	-	0.99	2.10
Security deposit Payable	-	0.13	-	-
Loan	265.42	191.45	-	-
Receivable	0.71	0.48	-	-
Deemed investment in equity -ESAR	8.67	16.17	-	-
Preference shares	25.00	25.00	-	-
Dividend provision on cumulative compulsorily redeemable preference shares	2.06	1.20	-	-
Investments	458.25	458.25	-	-

Compensation paid to Key Management Personnel

Particulars	2024-25	2023-24
Short-term employee benefits (compensation)	5.74	6.62
Post - employment gratuity benefits	1.40	0.02
Other long-term employment benefits	0.84	0.31
Share-based payment transactions	7.12	1.49
Total	**15.10**	**8.44**

NOTE 42: STOCK OPTION SCHEME

Equity Stock Appreciation Rights Plan 2019 (KIL ESARP 2019)

The Company had passed Special Resolution through Postal Ballot and approved - 'Kirloskar Industries Limited - Employee Stock Aprreciation 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 fulfilled 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.

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 42: STOCK OPTION SCHEME (CONTD..)

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 2025		Year ended 31 March 2024	
	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	1,80,055	500.00	2,33,334
Outstanding at the beginning of the year	1,800.00	2,41,000	-	-
Granted during the year	-	-	1,800	2,41,000
Exercised during the year	-	(30,000)	-	(53,279)
Forfeited during the year	-	(1,96,640)	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	**500.00**	**1,49,415**	**500.00**	**1,80,055**
Outstanding at the end of the year	**1,800.00**	**45,000**	**1,800.00**	**2,41,000**
Exercisable at the end of the year	-	1,43,575	-	1,73,575
Weighted average share price of options exercised(₹)	5,628.76	-	3,861.40	-
Weighted average remaining contractual life of options outstanding at the end of the year	-	3.19	-	5.38

*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 2025 *(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 202		
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 July 2022			
Vesting dates	**14-Jul-23**	**14-Jul-24**	**14-Jul-25**	**14-Jul-26**
Input variables				
Market price (₹)	1,295.65	1,295.65	1,295.65	1,295.65
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**

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 & to give authority to Board to create, offer & grant it in one or more tranches for the benefit of such persons as mentioned in the scheme.

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 42: STOCK OPTION SCHEME (CONTD..)

IV Additional Allotment under KIL ESARP 2019

Grant: ESARP 2019 Exercise period – 5 years	Date of Grant: 12 August 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 ₹ 17.78 Crores (Previous Year: ₹ 20.05 Crores) out of which ₹ 7.54 Crores (Previous Year: ₹ 8.51 Crores) has been recognised in the Statement of Profit and Loss and ₹ 10.24 Crores (Previous Year : ₹ 11.54 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 2025. During the year ₹ 5.20 Crores compensation has been reversed on account of retirement / superannuation of the directors. These adjustments have resulted in net impact of ₹ 2.34 Crores as reflected in Profit and Loss

NOTE 43: LEASES

(a) Right of Use of Assets

Particulars	As at 31 March 2025	As at 31 March 2024
(I) Gross block		
Balance at the beginning of the year	2.51	1.15
Add : Addition during the year	2.39	2.50
Less : Reduction due to termination of lease agreement during the year	-	(1.14)
Balance at the end of the year	**4.90**	**2.51**
(II) Amortisation		
Balance at the beginning of the year	0.48	0.76
Amortisation for the year :		
- Charged to Statement of Profit and Loss	0.66	0.56
Less : Reduction due to termination of leases	-	(0.84)
Balance at the end of the year	**1.14**	**0.48**
Closing of Right of Use of assets (I-II)	**3.76**	**2.03**
(B) Movement of Leases liability during the year		
Balance as at beginning of the year	2.48	0.35
Additions / Adjustments during the year	2.32	2.56
Finance cost incurred during the year	0.27	0.23
Payment including accured / or due of Lease liability	0.87	0.26
Deletions during the year *	0.00	0.40
Balance as at end of the year	**4.20**	**2.48**
* Indicates amount less than ₹ 50,000/-		
(C) Maturity analysis of Leases		
Payment of Lease liability		
Not later than one year	1.25	0.69
Later than one year but not later than five years	3.75	2.30
Later than five years	-	-
Total	**5.00**	**2.99**

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

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 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**

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 2024

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	12.58	-	-	12.58	12.58
Bank balances other than above	43.08	-	-	43.08	43.08
Receivables					
- Trade receivables	-	-	-	-	-
Loan	191.45	-	-	191.45	191.45
Investments	-	107.97	3,240.32	3,348.29	3,348.29
Other financial assets	0.80	1.20	-	2.01	2.01
Total	**247.91**	**109.17**	**3,240.32**	**3,597.41**	**3,597.41**
Financial liabilities					
Trade payables	-	-	-	-	-
Deposits	13.21	-	-	13.21	13.21
Other financial liabilities	8.13	-	-	8.13	8.13
Total	**21.34**	**-**	**-**	**21.34**	**21.34**

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.

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 44: FAIR VALUE MEASUREMENTS (CONTD..)

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 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 2025 in quoted and unquoted equity securities was ₹ 4,603.18 Crores (Previous Year : ₹ 3,240.32 Crores) and ₹ 122.97 Crores in quoted mutual funds (Previous Year : ₹ 107.97 Crores). The impact of change in equity price risk is as under:

Particulars	31 March 2025		31 March 2024	
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
Impact on Statement of Profit and Loss				
Mutual funds	12.30	(12.30)	10.80	(10.80)
Impact on Statement of Other Comprehensive Income				
Equity shares	460.32	(460.32)	324.03	(324.03)

(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 30 days from the date of invoice.

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 45: FINANCIAL RISK MANAGEMENT (CONTD..)

For ageing analysis of trade receivables / unbilled contract assets refer note no. 17

Movement of provision for Expected Credit Loss:

Particulars	As at 31 March 2025	As at 31 March 2024
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 2025 and 31 March 2024. 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)	0.04	0.02	7.59	-
Other financial liabilities	0.60	5.82	3.75	-
As at 31 March 2025	**0.64**	**5.84**	**11.34**	**-**
Trade payables	-	-	-	-
Deposits (undiscounted)	0.11	13.58	0.04	-
Other financial liabilities	0.61	6.40	2.30	-
As at 31 March 2024	**0.72**	**19.98**	**2.34**	**-**

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.

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

Notes forming part of the Standalone Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

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 2025.

NOTE 50: DIVIDEND

The Board of Directors has proposed Final Dividend of ₹ 13 (i.e. 130%) per equity share for FY 2024-25. (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.

Notes forming part of the Financial Statements: Note No. 1 to 51

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: 20 May 2025

For and on behalf of the Board of Directors

Atul Kirloskar
Chairman
DIN 00007387

Aditi Chirmule
Executive Director
DIN 01138984

Anandh Baheti
Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Date: 20 May 2025

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 ("the Company") and its subsidiaries, (the Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate Financial Statements of the subsidiaries referred to in the Other Matters Section below the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2025, and their Consolidated profit, their Consolidated total comprehensive income, their Consolidated cash flows and their Consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements Section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters Section below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements Section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Financial Statements.

1. **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, 2025.
   - Judgement and estimate required by management in assessing assets meeting the capitalisation criteria set out in Ind AS 16 Property, Plant and Equipment.
   - Judgement involved in determining the eligibility of costs including borrowing cost and other directly attributable costs for capitalisation as per the criteria set out in Ind AS 16 Property, Plant and Equipment.

   Our audit methodology included the following:

   - We obtained an understanding of the Company's capitalisation policy and assessed for compliance with the relevant accounting standards.
   - We obtained understanding, evaluated the design and tested the operating effectiveness of internal controls related to capital expenditure and capitalisation of assets.
   - We performed substantive testing on a sample basis for various elements of capitalised costs and directly attributable cost, including verification of underlying

supporting evidence and understanding nature of the costs capitalised.

- We have tested on sample basis the appropriate classification of asset category and its useful life in accordance with the Schedule II of the Companies Act 2013.

- We have obtained componentisation and Completion reports issued by third party management experts (Project management consultant) for capitalisations carried out during the year, wherever applicable and have assessed appropriateness of basis of componentisation and stages of completion.

- In relation to borrowing costs we obtained the supporting calculations, tested the inputs to the calculation and tested the arithmetical accuracy of the model.

2. Contingent Liability

The Group is involved in direct and indirect tax litigations that are pending with various tax 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 Financial Statements is inherently judgmental and dependent on assumptions and assessments. We placed specific focus on the judgements in respect to these demands against the Company. Determining the amount, if any, to be recognised or disclosed in the Financial Statements , is inherently subjective. Therefore, these litigations amount is considered to be a key audit matter.

Our procedures included, but were not limited to, the following:

- Obtained an understanding from the management with respect to process and controls followed by the Company for identification and monitoring of significant developments in relation to the litigations, including completeness thereof.

- Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations.

- Assessed management's discussions held with their legal consultants and understanding precedents in similar cases;

- Obtained and evaluated the confirmations from the consultants representing the Company before the various authorities and our own dedicated teams of direct tax and indirect tax.

Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the Financial Statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The 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.

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 CONSOLIDATED 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 preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance, Consolidated total comprehensive income, Consolidated changes in equity and Consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the respective company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the 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 Subsidiaries of 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 subsidiaries included in the Consolidated Financial Statements of which we are the independent auditors.

For the other entities and business activities included in the Consolidated Financial Statements , which have been audited by the branch auditors or other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated Financial Statements.

We communicate with those charged with governance of the 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 - Avante Spaces Limited, whose Standalone Financial Statement include total assets of ₹ 502.80 Crore as at March 31, 2025, total income of ₹ 5.18 Crore, total net loss after tax of ₹ 1.89 Crore, total comprehensive loss of ₹ 1.43 Crore and net cash outflow of ₹ 11.75 Crore for the year ended on that date, as considered in the Consolidated Financial Statement. 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 Company for the year ended March 31, 2025 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to 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 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 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 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 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 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 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 whose Financial Statements have been audited under the Act, except for the instances mentioned below, the company, 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 and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company and subsidiaries as per the statutory requirements for record retention.

One of the step down subsidiary company has maintained it's books of Accounts in Excel worksheet and has not used an Accounting software till 30th June 2024, consequently reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, is not applicable till that date. From 1st of July, Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated from 1st July 2024 to 31st March 2025 for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Since the step down subsidiary company had maintained it's books of Accounts in Excel worksheet for the previous year, our comment on preservation of Audit trail is not applicable for the current year.

Accounting software for maintaining books of account in respect of six step down subsidiaries incorporated in India had the feature of recording audit trail (edit log) facility, however, the same was not enabled throughout the year for all relevant transactions recorded in the software. Further, since these subsidiaries did not use the accounting software having audit trail (edit log) feature in previous year, our comment on preservation of Audit trail is not applicable for the current year.

B. With the respect to matters specified in Paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order" / "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the companies included in the Consolidated Financial Statements except as follows:

Sr. No.	Name	CIN	Holding Company / subsidiary	Clause number of the CARO report which is qualified or adverse
1	Kirloskar Ferrous Industries Limited	L27101PN1991PLC063223	Subsidiary Company	iii (c)
2	Kirloskar Ferrous Industries Limited	L27101PN1991PLC063223	Subsidiary Company	vii (a)
3	Kirloskar Ferrous Industries Limited	L27101PN1991PLC063223	Subsidiary Company	xi (a)

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No.: 117309
UDIN: 25117309BMJDIN1876
Pune, May 20, 2025

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”)

OPINION

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2025, we have audited the Internal Financial Controls with reference to Consolidated Financial Statements reporting of Kirloskar Industries Limited (hereinafter referred to as “the Company”) and its subsidiary companies which are companies incorporated in India, as of that date.

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 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, 2025, 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 insofar 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 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 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 system over financial reporting of the Company and its subsidiary companies which are companies incorporated in India.

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: 25117309BMJDIN1876
Pune, May 20, 2025

Consolidated Balance Sheet for the year ended 31 March 2025

(Amounts in Indian Rupees Crores, unless otherwise stated)

Particulars	Note No.	As at 31 March 2025	As at 31 March 2024
ASSETS			
1 Financial Assets			
(a) Cash and cash equivalents	6	51.92	60.27
(b) Bank balances other than (a) above	7	117.88	54.69
(c) Receivables			
(i) Trade receivables	8	1,044.41	912.12
(d) Investments	9	4,729.80	3,392.35
(e) Other financial assets	10	49.39	35.61
		5,993.40	**4,455.04**
2 Non-Financial Assets			
(a) Inventories	11	1,126.71	1,026.82
(b) Current tax assets (net)	12	9.56	26.12
(c) Deferred tWax assets	25, 43	-	2.01
(d) Investment property	13	4.20	16.26
(e) Property, plant and equipment	14	3,565.95	3,239.93
(f) Capital work-in-progress	15	650.59	728.26
(g) Intangible assets	14	26.66	2.99
(h) Intangible assets under development	16	2.00	39.38
(i) Goodwill		0.05	0.05
(j) Other non-financial assets	17	269.23	224.01
		5,654.95	**5,305.83**
(k) Assets classified as Held for Sale	18	2.48	2.61
TOTAL ASSETS		**11,650.83**	**9,763.48**
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
(a) Derivative financial instruments	19	-	-
(b) Trade payables	20		
(i) total outstanding dues of micro enterprises and small enterprises		62.06	34.30
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,014.56	828.33
(c) Borrowings (other than debt securities)	21	1,275.86	1,217.84
(d) Deposits	22	6.78	18.25
(e) Other financial liabilities	23	244.11	316.82
		2,603.37	**2,415.54**
2 Non-Financial Liabilities			
(a) Current tax liability (net)	12	1.02	14.49
(b) Provisions	24	51.85	42.46
(c) Deferred tax liabilities	25, 43	749.81	475.05
(d) Other non-financial liabilities	26	85.91	74.76
		888.59	**606.76**
(e) Total Liabilities associated with Assets classified as Held for Sale	18	3.21	3.00
TOTAL LIABILITIES		**3,495.17**	**3,025.30**
3 EQUITY			
(a) Equity share capital	27	10.41	9.93
(b) Other equity	28	6,284.43	4,981.55
Equity attributable to owners of the Company		**6,294.84**	**4,991.48**
Non-controlling interest		1,860.82	1,746.70
Total Equity		**8,155.66**	**6,738.18**
TOTAL LIABILITIES AND EQUITY		**11,650.83**	**9,763.48**

Notes forming part of the Financial Statements : Note No. 1 to 54

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: 20 May 2025

For and on behalf of the Board of Directors

Atul Kirloskar
Chairman
DIN 00007387

Aditi Chirmule
Executive Director
DIN 01138984

Anandh Baheti
Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Pune: 20 May 2025

Consolidated Statement of Profit and Loss for the year ended 31 March 2025

(Amounts in Indian Rupees Crores, unless otherwise stated)

	Particulars	Note No.	Year ended 31 March 2025	Year ended 31 March 2024
1	**Revenue from operations**			
	(a) Interest income	29	10.62	11.44
	(b) Dividend income		21.20	16.29
	(c) Net gain on fair value changes	30	9.95	10.13
	(d) Revenue from sale of products	31	6,566.29	6,330.53
	Total revenue form operations		**6,608.06**	**6,368.39**
2	**Other income**	32	69.62	43.26
3	**Total income**		**6,677.68**	**6,411.65**
4	**Expenses**			
	(a) Finance costs	33	145.62	122.22
	(b) Cost of material consumed	34	3,780.14	3,494.56
	(c) Purchases of stock-in-trade		-	-
	(d) Changes in inventories of finished goods, work-in-progress and by-product	35	(48.93)	(17.78)
	(e) Employee benefit expenses	36	364.37	358.69
	(f) Depreciation and amortisation expense	37	258.58	242.05
	(g) Operating and other expenses	38	1,743.91	1,592.53
5	**Total expenses**		**6,243.69**	**5,792.27**
6	**Profit before exceptional items and tax from continuing operations**		**433.99**	**619.38**
	Profit before exceptional items and tax from discontinuing operations		**0.89**	**0.19**
	Exceptional items	40	**12.24**	**(63.32)**
7	**Total profit before tax for the period**		**447.12**	**556.25**
8	**Tax expense for continuing operations:**	43		
	- Current tax		117.24	172.71
	- Short / (Excess) provision of earlier years		(2.61)	(0.26)
	- Deferred tax		24.03	22.88
9	**Total tax expenses for continuing operations:**		**138.66**	**195.33**
	Tax expense for discontinuing operations			
	- Current tax		0.30	0.14
	- Short / (Excess) provision of earlier years		-	-
	- Deferred tax		(0.06)	0.06
	Total tax expenses for discontinuing operations		**0.24**	**0.20**
10	**Total tax expenses for the period**		**138.90**	**195.53**
11	**Profit after tax from continuing operations**		**307.57**	**360.73**
12	**Profit after tax from discontinuing operations**		**0.65**	**(0.01)**
13	**Net Profit for the period**		**308.22**	**360.72**
14	**Other Comprehensive Income / (Loss)**			
	Items that will not be reclassified to profit or loss			
	a) Gain / (loss) on remeasurements of defined benefit plan		(13.93)	2.72
	b) Gain / (loss) on fair valuation of investments in equity shares		1,362.86	1,775.79
	c) Income tax reversal / (expenses) relating to items that will not be reclassified to profit or loss		(220.99)	(201.15)
	d) Capital reserve on arising account of business combination		-	-
	Items that will be reclassified to profit or loss			
	Foreign currency translation differences		(0.04)	1.35
15	**Other comprehensive Income / (Loss)**		**1,127.90**	**1,578.71**
16	**Total Comprehensive Income / (Loss) for the year (Comprising profit and other comprehensive Income for the year)**		**1,436.12**	**1,939.43**
	Profit attributable to:			
	- Owners of the Company		149.09	200.40
	- Non-controlling interest		159.12	160.32
	Other comprehensive Income / (loss) attributable to:			
	- Owners of the Company		1,133.71	1,575.50
	- Non-controlling interest		(5.81)	3.21
	Total comprehensive Income / (loss) attributable to:			
	- Owners of the Company		1,282.80	1,775.90
	- Non-controlling interest		153.31	163.53
17	**Earnings per equity share (for continuing operations)**	44		
	[Nominal value of share ₹ 10 (Previous Year ₹ 10)]			
	Basic (₹)		145.77	202.60
	Diluted (₹)		143.13	194.59
	Earnings per equity share (for discontinuing operations)			
	[Nominal value of share ₹ 10 (Previous Year ₹ 10)]			
	Basic (₹)		0.64	(0.02)
	Diluted (₹)		0.63	(0.02)
17	**Earnings per equity share**			
	[Nominal value of share ₹ 10 (Previous Year ₹ 10)]			
	Basic (₹)	44	146.41	202.58
	Diluted (₹)		143.76	194.57

Notes forming part of the Financial Statements : Note No. 1 to 54

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: 20 May 2025

For and on behalf of the Board of Directors

Atul Kirloskar
Chairman
DIN 00007387

Aditi Chirmule
Executive Director
DIN 01138984

Anandh Baheti
Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Pune: 20 May 2025

Consolidated Cash Flow Statement for the year ended 31 March 2025

(Amounts in Indian Rupees Crores, unless otherwise stated)

Particulars	Year ended 31 March 2025		Year ended 31 March 2024	
A. Cash flow from operating activities				
Profit / (Loss) before tax from continuining operations		**446.23**		**556.06**
Profit / (Loss) before tax from discontinuining operations		**0.88**		**0.19**
Adjustments for:				
Depreciation and amortisation expense	258.61		242.14	
Unrealised foreign exchange (Gain) / Loss	1.89		(0.43)	
Stock option expenses / (reversal)	8.29		15.46	
(Gain) / Loss on fair valuation and sale of mutual funds	(10.00)		(10.13)	
Provision for doubtful debts	5.04		1.09	
(Gain) / Loss on sale of property, plant and equipment and investment property (net)	5.59		1.05	
(Gain) / Loss on modification of Leases	-		(0.13)	
Exceptional items	(12.24)		-	
Provision / (Reversal) of impairment on financial assets	-		1.92	
Interest income	(10.62)		(11.44)	
Dividend income	(21.14)		(16.28)	
Income from licensing of properties	(20.73)		(27.16)	
Sundry credit balances appropriated	(1.77)		(0.14)	
Provisions no longer required written back	(28.52)		(4.36)	
Fair value changes in derivative financial instruments	3.33		0.33	
Finance cost	145.85		122.40	
Provision for Impairment in value PPE of Tridem group	-		40.81	
Foreign currency translation reserves	(0.04)		1.35	
Loss on bankruptcy liquidation	-		3.92	
Loss on liquidation of subsidary	-		18.60	
Profit on lease retirement	(0.49)		(0.01)	
Remeasurements of post-employment benefit obligations	(14.14)		(2.92)	
		308.91		**376.07**
Operating profit / (loss) before working capital changes		**756.02**		**932.32**
Changes in working capital:				
(Increase) / Decrease in inventories	(99.88)		90.59	
(Increase) / Decrease in trade receivables	(130.51)		(93.84)	
(Increase) / Decrease in other financial assets	(23.29)		1.48	
(Increase) / Decrease in other non-financial assets	(3.99)		(15.61)	
(Increase) / Decrease in bank balance other than cash and cash equivalent	(18.70)		-	
Increase / (Decrease) in other financial liabilities	(17.73)		3.29	
Increase / (Decrease) in trade payables	227.83		(115.27)	
Increase / (Decrease) in other non-financial liabilities	10.15		(50.57)	
Increase / (Decrease) in provisions	10.30		8.43	
		(45.82)		**(171.50)**
Cash generated from operations		710.20		760.82
Net income tax (paid) / refund		(111.94)		(184.64)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES FROM CONTINUING OPERATIONS		**597.04**		**575.37**
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES FROM DISCONTINUING OPERATIONS		**1.22**		**0.80**
B. Cash flow from investing activities				
Purchase of property, plant and equipment (including capital work in progress)	(509.24)		(499.05)	
Expenses on Real estate project under development	(67.87)		(74.89)	
Proceeds from sale of property, plant and equipment	5.65		6.83	
Maturity proceeds of / (investments in) fixed deposits	(44.82)		59.96	
Decrease / (Increase) in other bank balances	-		1.28	
Sale / (investment) in mutual funds (net)	35.21		(31.05)	
Interest income	9.26		12.81	
Dividend income	21.14		16.28	

Consolidated Cash Flow Statement for the year ended 31 March 2025

(Amounts in Indian Rupees Crores, unless otherwise stated)

Particulars	Year ended 31 March 2025		Year ended 31 March 2024	
Security deposits received / (paid)	(6.00)		0.05	
Income from licensing of properties	20.01		26.03	
Investment in other financial assets	(0.04)		1.95	
Receipt from Investment of Subsidairy	-		0.09	
Purchase of investments	-		(0.00)	
Acquisition of shares of ISMT from Third party	-		(120.58)	
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES FROM CONTINUING OPERATIONS		**(536.70)**		**(600.29)**
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES FROM DISCONTINUING OPERATIONS		-		-
C. Cash flow from financing activities				
Other borrowing costs	-		(1.19)	
Interest paid	(144.07)		(119.49)	
Proceeds from long term borrowings (net)	(116.96)		128.91	
Proceeds / (Repayment) from short term borrowings	174.98		18.56	
Proceeds from issue of equity shares	5.25		4.53	
Proceeds from issue of share warrants- Preferential allotment	75.00		25.00	
Payment of Lease liabilities	(2.47)		(2.47)	
Dividend paid	(61.64)		(57.49)	
Cost of issue of equity shares	-		(0.95)	
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES FROM CONTINUING OPERATIONS		**(69.91)**		**(4.59)**
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES FROM DISCONTINUING OPERATIONS				**-**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(8.35)**		**(28.71)**
Cash and cash equivalents at the beginning of the year		60.27		88.98
Cash and cash equivalents at the end of the year (Refer Note No.:6)		**51.92**		**60.27**

Notes to Cash Flow Statement:

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
Date: 20 May 2025

For and on behalf of the Board of Directors

Atul Kirloskar
Chairman
DIN 00007387

Aditi Chirmule
Executive Director
DIN 01138984

Anandh Baheti
Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Date: 20 May 2025

Consolidated Statement of Changes in Equity for the year ended 31 March 2025

(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 2025		As at 31 March 2024	
	No.	₹ Crores	No.	₹ Crores
As at beginning of the year	99,27,584	9.93	98,83,931	9.88
Add/ (Less): Changes in Equity Share Capital due to prior period errors	-	-	-	-
Add/ (Less): Restated balance at the beginning of the current reporting period	-	-	-	-
Issue of Equity shares under ESAR scheme	29,912	0.03	43,653	0.05
Issue of equity shares against share warrants	4,55,580	0.45	-	-
As at end of the year	**1,04,13,076**	**10.41**	**99,27,584**	**9.93**

B. OTHER EQUITY

Particulars	Reserves and surplus - Attributable to owners of company								Non-controlling interest	Total
	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		
As at 1 April 2023	**107.92**	**344.23**	**567.34**	**-**	**18.75**	**875.98**	**0.31**	**1,328.90**	**1,669.51**	**4,912.94**
Profit for the year	-	-	-	-	-	-	-	200.40	160.32	360.72
Increased during the year	-	-	(114.40)	-	-	-	0.62	-	-	(113.78)
Measurement of investments at FVTOCI (net of taxes)	-	-	-	-	-	1,572.68	-	-	(3.30)	1,569.38
Adjustment on lapse of vested share options	-	-	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the year	**-**	**-**	**(114.40)**	**-**	**-**	**1,572.68**	**0.62**	**200.40**	**157.02**	**1,816.32**
Transfer from share option outstanding account	7.23	-	-	-	-	-	-	-	-	7.23
Stock options expense	(0.95)	-	-	-	22.56	-	-	-	2.86	24.47
Adjustment on lapse of unvested share options	-	-	-	-	(0.06)	-	-	-	-	(0.06)
Remeasurement of defined benefit plans (net of taxes)	-	-	-	-	-	-	-	(2.72)	-	(2.72)
Increase on exercise of ESOPs of subsidiary	-	-	-	-	-	-	-	(0.04)	-	(0.04)
Foreign currency translation reserve	-	-	-	-	-	-	-	-	0.73	0.73
Transfer from ESAR reserve	-	-	-	-	-	-	-	0.06	0.07	0.13
Transferred to Statement of Profit and Loss	-	-	-	-	-	-	-	-	2.69	2.69
Transfer from other comprehensive income	-	-	-	-	-	-	-	-	0.04	0.04
Share in share preminum	-	-	-	-	-	-	-	-	3.70	3.70
Transfer to securities premium	-	-	-	-	(5.33)	-	-	-	(1.48)	(6.81)
Share application money received	-	-	-	-	-	-	-	-	0.36	0.36
Captial redemption reserve	-	-	-	-	-	-	-	-	5.75	5.75
Adjustment due to merger	3.02	1.02	19.58	-	0.17	0.03	0.01	20.11	(44.93)	(0.99)
Money received against share warrants	-	-	-	25.00	-	-	-	-	-	25.00
Appropriations:										
Transfer to general reserve	-	2.38	-	-	-	-	-	(2.38)	(2.69)	(2.69)
Final dividend	-	-	-	-	-	-	-	(10.87)	(46.93)	(57.80)
As at 31 March 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**

Consolidated Statement of Changes in Equity for the year ended 31 March 2025

(Amounts in Indian Rupees Crores, unless otherwise stated)

B. OTHER EQUITY (CONTD..)

Particulars	Reserves and surplus - Attributable to owners of company								Non-controlling interest	Total
	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		
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	-	-	-	-	-	-		149.09	159.12	308.21
Increased during the year	-	-	-	75.00	-	-	(0.01)	-	-	74.99
Measurement of investments at FVTOCI (net of taxes)	-	-	-	-	-	1,112.12	-	-	(5.71)	1,106.41
Total Comprehensive Income / (Loss) for the year	**-**	**-**	**-**	**75.00**	**-**	**1,112.12**	**(0.01)**	**149.09**	**153.42**	**1,489.62**
Share in share preminum	-	-	-	-	-	-	-	-	4.72	4.72
Share Issued during the year	-	-	-	(100.00)	-	-	-	-	-	(100.00)
Adjustment on lapse of vested share options	-	-	-	-	(1.10)	-	-	-	-	(1.10)
Stock options expense	-	-	-	-	23.25	-	-	-	1.79	25.04
Remeasurement of defined benefit plans (net of taxes)	-	-	-	-	-	-	-	(10.19)	-	(10.19)
Transfer from share option outstanding account	4.99	-	-	-	(32.98)	-	-	-	-	(27.99)
Transferred to Statement of Profit and Loss	-	-	-	-	-	31.81	-	(31.81)	2.09	2.09
Transfer to securities premium	-	-	-	-	(1.37)	-	-	-	(0.47)	(1.84)
Foreign currency translation reserve	-	-	-	-	-	-	-	-	(0.02)	(0.02)
Transfer from other comprehensive income	-	-	-	-	-	-	-	-	(0.08)	(0.08)
Transfer from ESAR reserve	-	-	-	-	-	-	-	1.10	0.60	1.70
Transfer from Money received against share warrants	99.55	-	-	-	-	-	-	-	-	99.55
Adjustment due to minority interest	(0.23)	(0.08)	(1.49)	-	(0.02)	-	-	(1.82)	3.64	0.00
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**

Notes forming part of the Financial Statements : Note No. 1 to 54

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: 20 May 2025

For and on behalf of the Board of Directors

Atul Kirloskar
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Aditi Chirmule
Executive Director
DIN 01138984

Anandh Baheti
Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Pune: 20 May 2025

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 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 2025 were authorised for issue by the Board of Directors on 20 May 2025.

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.

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 Statements :

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.

ii. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its 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

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

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 50.

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.

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.

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 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the 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.

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

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:

a) 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.

b) 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.

c) 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.

d) 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.

Name of the company	Country of incorporation	Parent's ultimate holding as on 31.03.2025	Reporting date	Status
Kirloskar Ferrous Industries Limited	India	46.01%	31.03.2025	Subsidiary
Avante Spaces Limited	India	100%	31.03.2025	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.

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.

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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 50)
- Financial instruments (including those carried at amortised cost) (refer Note 50)

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.

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

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Type of assets	Useful lives considered
Office Equipment's	
a) Equipment installed at employee's residence	3 Years
Vehicles	5 years
Windmills	20 years
Subsidiaries of Subsidiary	
a) Building	45 years
b) Equipment's, Tools, Fixtures and Fittings	3-5 years
c) Plant and Machinery and Equipment	3-30 years
d) Computer Hardware	5 years
e) Computer Software	5 years

(ii) Freehold land is not depreciated.

(iii) Dismantling and restoration costs of Windmills are depreciated over remaining useful life of the windmill.

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) For the Company and its wholly owned subsidiary depreciation is recognised in the Statement of Profit and Loss from the month in which the asset is acquired while the depreciation on assets sold during the year is recognised in the Statement of Profit and Loss till the month prior to the month in which the asset is sold.

(vii) 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.

(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 amortized 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.

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.

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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 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 unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from these sales is recognised based on the price specified in the sales order, net of the estimated discounts, rebates, returns and goods and service tax. The company's obligation to provide a refund for defects in the products is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The 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 realization 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.

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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.

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.

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

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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.

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 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 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 and 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 ₹. 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

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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 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 realizable 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 realizable value. Cost comprises of costs incurred for certification of RECs. Net realizable 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 exceed the carrying amount

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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

a) 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 and equipment.

b) Other-employment benefits

(i) 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 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.

(ii) 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

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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.

(iii) 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 fulfilled 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.

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.

a) 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)

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- 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.

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.

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

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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 FVTOCI
- 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.

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.

b) 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

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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.

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.

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.

c) 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, net of outstanding bank overdrafts 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

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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 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) 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.

aa) 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

The Ministry of Corporate Affairs ("MCA") has vide notification dated May 7, 2025 notified Companies (Indian Accounting Standards) Amendment Rules, 2025 (the 'Rules') which amends certain accounting standards, and are effective from 1 April 2025 onwards. The summary of amendments is as follows –

Ind AS 21, The Effects of Changes in Foreign Exchange Rates - These amendments provide guidance on when a currency is considered as exchangeable, application guidance on determining exchangeability and estimating spot rates, disclosure requirements when the currency is not exchangeable and references to matters contained in other Indian Accounting Standards.

Ind AS 101, First-time Adoption of Ind AS - Corresponding amendments are made to Ind AS 101 in line with abovementioned amendments in Ind AS 21 with respect to entity having functional currency that is subject to severe hyperinflation or lacking exchangeability.

Notes forming part of the Consolidated Financial Statements

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NOTE 6: CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2025	As at 31 March 2024
Cash on hand	0.01	0.93
Balances with banks		
- On current accounts	42.95	33.85
- Fixed deposits having original maturity less than 3 months and interest accrued thereon	8.96	25.49
Total	**51.92**	**60.27**

NOTE 7: BANK BALANCES OTHER THAN (6) ABOVE

Particulars	As at 31 March 2025	As at 31 March 2024
Earmarked balances		
Unclaimed dividend accounts	7.93	10.28
Other bank balances		
Margin money deposits	0.29	0.29
Deposits with banks and interest accrued thereon (More than 3 months)	109.66	44.12
Total	**117.88**	**54.69**

NOTE 8: RECEIVABLES

Particulars	As at 31 March 2025	As at 31 March 2024
Trade receivables		
Unsecured		
Undisputed		
- Considered good	1,044.92	919.02
- Receivables which are credit impaired	10.26	5.36
Less : Allowance for bad and doubtful trade receivables (Incl.Expected credit loss)	(10.77)	(12.26)
Total	**1,044.41**	**912.12**
Movement in allowance of bad and doubtful trade receivables		
Balance as the beginning of the year	12.26	45.70
Provided during the year	0.07	0.23
Amount written off	-	-
Amount written back	(1.56)	(33.67)
Balance as the end of the year	**10.77**	**12.26**
Ageing schedule of Trade Receviables		
(i) Undisputed Trade Receivables – considered good		
Not Due	733.94	639.53
Less than 6 months	278.99	253.12
6 months - 1 year	18.12	3.12
1-2 years	2.87	6.24
2-3 years	0.42	11.11
More than 3 years	10.58	0.30
Sub-Total (i)	**1044.92**	**913.42**
Less : Provision for doubtful receivables	(0.50)	(1.30)

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 8: RECEIVABLES (CONTD..)

Particulars	As at 31 March 2025	As at 31 March 2024
(ii) Disputed Trade Receivables – which are credit impaired		
Less than 6 months	0.07	-
6 months - 1 year	0.23	-
1-2 years	-	-
2-3 years	4.59	0.21
More than 3 years	5.36	10.76
Sub-Total (ii)	**10.26**	**10.97**
(iii) Unbilled dues	-	-
Less: Provision for doubtful receivables	(10.27)	(10.96)
	1044.41	**912.13**

NOTE 9: INVESTMENTS

Particulars	Face Value (₹)	As at 31 March 2025 Nos.	As at 31 March 2025 ₹ in Crores	As at 31 March 2024 Nos.	As at 31 March 2024 ₹ 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	759.61	64,22,990	454.78
Kirloskar Brothers Limited	2	1,89,88,038	3,252.08	1,89,88,038	2,079.29
Kirloskar Oil Engines Limited	2	82,10,439	590.95	82,10,439	705.65
Cummins India Limited	2	683	0.21	683	0.21
			4,602.85		**3,239.93**
(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	1.52
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	0.00	1	0.00
		-	1.27	-	1.53
Sub-total (A)			**4,604.12**		**3,241.46**
(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					
Axis Money Market Fund - Direct - Growth		-	19.23	-	28.09
Tata Money Market Fund - Direct -Growth		-	11.97	-	15.03
Bajaj Finserv Money Market Fund - Direct - Growth		-	21.14	-	2.78
Nippon India Money Market Fund - Direct - Growth		-	10.64	-	24.79
HSBC Liquid Fund - Direct - Growth		-	-	-	10.57
Aditya Birla Sun Life Money Manager Fund -Direct - Growth		-	22.03	-	23.62
Kotak Money Market Fund -Direct - Growth		-	-	-	27.11
ICICI Prudential Money Market Fund - Direct -Growth		-	-	-	3.51

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 9: INVESTMENTS (CONTD..)

Particulars	Face Value (₹)	As at 31 March 2025		As at 31 March 2024	
		Nos.	₹ in Crores	Nos.	₹ in Crores
DSP - Saving Fund - Direct - Growth		-	0.71	-	12.38
Axis Money Manager Fund - Direct - Growth		-	0.01	-	-
Bandhan Liquid Fund - Direct - Growth		-	0.40	-	-
UTI Money Market Fund - Direct - Growth		-	7.80	-	-
Mirae Asset Money Market Fund - Direct - Growth		-	16.02	-	-
HDFC Money Market Fund - Direct - Growth		-	1.41	-	-
Bandhan Money Manager Fund - Direct - Growth		-	14.32	-	3.01
Sub-total (C)			**125.68**		**150.89**
Total (A+B+C)			**4,729.80**		**3,392.35**

$ 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	635.81	42.19
Aggregate amount of quoted investments- market value	4,728.53	3,390.82
Aggregate amount of unquoted investments	1.67	1.93
Aggregate provision in diminution in value of investments	0.40	0.40

NOTE 10: OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2025	As at 31 March 2024
Measured at amortised cost		
(Unsecured considered good, unless otherwise stated)		
Contract assets (unbilled receivables)	-	-
Unsecured, credit impaired	-	-
Less: Allowance for impairment loss	-	-
Security deposits	46.92	34.30
Loan to employees	1.52	1.51
Loan to contractors	0.88	0.86
Inter Corporate Loans	-	-
Other receivables	0.07	-
Other advances	-	-
Unsecured, credit impaired	3.86	3.86
Less: Allowance for impairment loss	(3.86)	(4.92)
Total	**49.39**	**35.61**

Notes forming part of the Consolidated Financial Statements

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NOTE 11: INVENTORIES

Particulars	As at 31 March 2025	As at 31 March 2024
Raw material at site	372.15	413.10
Raw material in transit	193.59	87.92
Work-in-progress *	190.58	172.75
Finished goods **	139.39	147.03
Finished goods in transit **	31.14	-
Stores and spares	188.25	202.64
Stores and spares in transit	0.63	-
By-products	10.98	3.38
Total	**1,126.71**	**1,026.82**
*** Details of Work-in-progress**		
a. Castings	62.66	49.45
b. Tube	73.52	76.81
c. Steel	32.00	25.58
d. Others	22.40	20.91
Total	**190.58**	**172.75**
**** Details of Finished Good and Finished Goods in transit**		
a. Castings	11.79	17.06
b. Pig iron	11.72	20.01
c. Tube	105.90	94.83
d. Steel	41.12	15.13
Total	**170.53**	**147.03**

NOTE 12: CURRENT TAX ASSETS (NET)

Particulars	As at 31 March 2025	As at 31 March 2024
Advance Income Tax	9.56	26.12
(Net of provision for Income Tax)		
Total	**9.56**	**26.12**

NOTE 12: CURRENT TAX LIABILITY (NET)

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for tax	1.02	14.49
Total	**1.02**	**14.49**

NOTE 13: INVESTMENT PROPERTY

Particulars	As at 31 March 2025	As at 31 March 2024
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**

Notes forming part of the Consolidated Financial Statements

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NOTE 13: INVESTMENT PROPERTY (CONTD..)

Particulars	As at 31 March 2025	As at 31 March 2024
Building (at cost less depreciation)		
(a) Gross block		
Balance as at the beginning of the year	27.07	27.07
Add: Additions during the year	-	-
Less: Sold during the year	-	-
Less: Transferred to property, plant and equipment	(13.20)	-
Balance as at the end of the year	**13.87**	**27.07**
(b) Accumulated depreciation		
Balance as at the beginning of the year	10.92	10.28
Add: Depreciation for the year	0.50	0.64
Less: On disposals	-	-
Less: Transferred to property, plant and equipment*	(1.64)	-
Balance as at the end of the year	**9.78**	**10.92**
Net Block of building (ii) = (a) - (b)	**4.09**	**16.15**
Total investment property (i)+(ii)	**4.20**	**16.26**
Movement in fair value of investment properties		
Fair value of assets as at the beginning of the year	409.92	392.66
Fair valuation pertaining to property transferred to property, plant and equipment during the year	(15.29)	-
Change in fair value of other properties	20.73	17.26
Fair value of assets as at the end of the year	**415.36**	**409.92**

* During the 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.

** Title deeds held in the name of the Company.

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 the year ended 31 March 2025	For the year ended 31 March 2024
Rental income from investment properties	20.89	27.40
Expenses arising from investment properties that generated rental income during the year	(2.29)	(4.15)
Profit from renting of investment properties	**18.60**	**23.26**

Notes forming part of the Consolidated Financial Statements For The Year Ended 31 March 2025

Amounts in Indian Rupees Crores, unless otherwise stated)

NOTE 14: PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Particulars	Tangible assets (A)															Intangible assets (B)			Total (B)
	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	
			Owned *	Right of Use of assets	Plant and equipments	Plant and equipments under lease	Windmill generator ***	Right of Use of assets											
Gross Block																			
Balance as at 1 April 2023	**343.36**	**242.11**	**547.65**	**7.00**	**3,857.23**	**0.07**	**27.14**	**8.19**	**10.98**	**14.64**	**26.07**	**6.26**	**0.62**	**0.80**	**5,092.12**	**0.11**	**14.82**	**0.36**	**15.29**
- Additions	26.67	-	60.97	2.50	306.82	-	-	-	0.22	0.47	0.34	0.50	-	0.63	399.12	-	0.08	-	0.08
- Additions due to business combination	20.14	-	55.49	-	264.43	-	-	-	0.57	5.22	7.62	0.79	-	-	354.26	-	-	-	-
- (Disposals)	(0.16)	-	(28.34)	(0.30)	(102.91)	-	-	-	(0.24)	(2.30)	(7.05)	(1.15)	(0.09)	(0.80)	(143.34)	-	(2.04)	-	(2.04)
- Foreign currency translation reserve	-	-	(0.50)	-	(1.47)	-	-	-	-	-	-	-	-	-	(1.97)	-	-	-	-
- Adjustments	-	0.89	-	(1.14)	0.05	-	-	-	-	-	(0.05)	-	-	-	(0.25)	-	-	-	-
Balance as at 31 March 2024	**390.01**	**243.00**	**635.27**	**8.06**	**4,324.15**	**0.07**	**27.14**	**8.19**	**11.53**	**18.03**	**26.93**	**6.40**	**0.53**	**0.63**	**5,699.94**	**0.11**	**12.86**	**0.36**	**13.33**
- Additions	6.07	1.14	126.12	0.02	421.82	-	-	-	18.13	3.28	6.67	1.46	-	-	584.72	25.09	0.28	-	25.37
- Additions due to business combination	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- (Disposals)	(0.35)	-	(2.88)	(5.55)	(22.61)	-	-	-	-	(0.48)	(0.69)	(0.11)	-	-	(32.67)	-	-	-	-
- Foreign currency translation reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Adjustments #	-	-	13.20	-	-	-	-	-	-	-	-	-	-	-	13.20	-	-	-	-
Balance as at 31 March 2025	**395.73**	**244.14**	**771.71**	**2.53**	**4,723.36**	**0.07**	**27.14**	**8.19**	**29.66**	**20.83**	**32.91**	**7.75**	**0.53**	**0.63**	**6,265.19**	**25.20**	**13.14**	**0.36**	**38.70**
Accumulated Depreciation																			
Balance as at 1 April 2023	**-**	**27.90**	**210.34**	**2.16**	**1,692.70**	**0.04**	**25.09**	**4.00**	**8.26**	**6.64**	**21.23**	**4.49**	**0.30**	**0.49**	**2,003.64**	**0.11**	**11.41**	**-**	**11.52**
- Depreciation charge for the year	-	3.56	22.81	1.74	204.33	0.00	0.04	1.16	0.62	2.40	2.90	0.90	0.05	0.11	240.62	-	0.85	0.02	0.87
- Additions due to business combination	-	-	22.22	-	249.80	-	-	-	0.20	-	0.22	0.38	-	-	272.81	-	-	-	-
- (Disposals)	-	-	(17.84)	(1.09)	(88.80)	-	-	-	(0.14)	(1.51)	(6.64)	(1.15)	(0.03)	(0.59)	(117.79)	-	(2.04)	-	(2.04)
- Foreign currency translation reserve	-	-	(0.31)	-	(1.25)	-	-	-	-	-	-	-	-	-	(1.56)	-	-	-	-
- Adjustments	-	0.89	-	-	(0.19)	-	-	-	-	-	0.19	-	-	-	0.89	-	-	-	-
Balance as at 31 March 2024	**-**	**32.35**	**237.22**	**2.81**	**2,056.59**	**0.04**	**25.13**	**5.16**	**8.94**	**7.53**	**17.90**	**4.62**	**0.32**	**0.01**	**2,398.62**	**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	0.89	0.05	0.15	256.40	0.95	0.72	0.02	1.69
- Additions due to business combination	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- (Disposals)	-	-	(2.38)	(2.90)	(12.32)	-	-	-	-	(0.43)	(0.70)	(0.07)	-	-	(18.81)	-	-	-	-
- Foreign currency translation reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Adjustments#	-	-	1.64	-	-	-	-	-	-	-	-	-	-	-	1.64	-	-	-	-
Balance as at 31 March 2025	**-**	**35.96**	**264.24**	**0.98**	**2,258.02**	**0.05**	**25.13**	**6.38**	**9.67**	**10.04**	**21.42**	**5.44**	**0.37**	**0.16**	**2,637.85**	**1.06**	**10.94**	**0.04**	**12.04**
Impairment																			-
Balance as at 31 March 2024	**57.46**	**(0.00)**	**0.78**	**-**	**1.14**	**-**	**-**	**-**	**0.00**	**-**	**0.00**	**-**	**-**	**-**	**59.38**	**-**	**-**	**-**	**-**
impairment during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2025	**57.46**	**(0.00)**	**0.78**	**-**	**1.14**	**-**	**-**	**-**	**0.00**	**-**	**0.00**	**-**	**-**	**-**	**59.38**	**-**	**-**	**-**	**-**
Net Block																			
Balance as at 31 March 2024	**332.55**	**210.65**	**397.27**	**5.25**	**2,266.42**	**0.03**	**2.01**	**3.03**	**2.59**	**10.50**	**9.03**	**1.78**	**0.21**	**0.62**	**3,241.94**	**-**	**2.64**	**0.34**	**2.98**
Balance as at 31 March 2025	**338.27**	**208.18**	**506.69**	**1.55**	**2,464.20**	**0.02**	**2.01**	**1.81**	**19.99**	**10.79**	**11.49**	**2.31**	**0.16**	**0.47**	**3,567.96**	**24.14**	**2.20**	**0.32**	**26.66**

* Title deeds held in the name of the Company.

** The land has been registered in the name of the subsidiary company in Mar- 2023

***PPE relating to asset held for sale.

#During the year ended 31st 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 Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 15: CAPITAL WORK-IN-PROGRESS

Particulars	As at 31 March 2025	As at 31 March 2024
Balance as at the beginning of the year	728.26	387.50
Additions during the year#	3.35	421.78
Additions due to business combination at cost	-	-
Disposal during the year	-	(81.02)
Capitalised during the year	(69.43)	-
Less: ESAR reversal	(11.59)	-
Balance as at the end of the year	**650.59**	**728.26**

#Borrowing Cost of ₹ 18.19 Cr (previous year ₹ 18.58 Cr) has been included in Capital work in progress as per Ind AS 23, "Borrowing Costs."

Ageing schedule of capital work- in-progress

Less than 1 year	368.72	452.65
1-2 years	69.73	76.48
2-3 years	92.30	119.20
more than 3 years	119.84	79.93
Total	**650.59**	**728.26**

*There is no cost and time over-run for the project

** There are no projects under capital work-in-progress where activities has been suspended as at 31 March 2025

NOTE 16: INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at 31 March 2025	As at 31 March 2024
Balance as at the beginning of the year	39.38	35.16
Additions during the year	(37.38)	4.22
Disposal during the year	-	-
Capitalised during the year	-	-
Balance as at the end of the year	**2.00**	**39.38**

NOTE 17: OTHER NON-FINANCIAL ASSETS

Particulars	As at 31 March 2025	As at 31 March 2024
(Unsecured considered good, unless otherwise stated)		
Capital advances	99.65	47.18
Advance to suppliers	55.57	93.40
Prepaid expenses	17.83	13.93
Claims receivable and Other Refunds	1.17	0.60
Unsecured, credit impaired	0.44	0.44
Less : Allowance for impairment	(0.44)	(0.44)
Balances with government authorities#	80.02	51.45
Advance Income Tax (Previous Years) Net of Provision	14.86	14.25
Others	0.13	3.20
Total	**269.23**	**224.01**

#The Balances with government authorities also includes an amount of Rs.13.96 Crores (Previous Year : Rs. 2.19 Crores) receivable on account of incentive as per Industrial Policies.

NOTE 18: ASSETS CLASSIFIED AS HELD FOR SALE

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.

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 18: ASSETS CLASSIFIED AS HELD FOR SALE (CONTD..)

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 2025	As at 31 March 2024
Financial Assets		
Receivables		
- Trade Receivables	-	-
Other Financial Assets		
- Security Deposit	0.03	0.03
- Contract Assets	0.16	0.29
	0.19	**0.32**
Non Financial Assets		
Inventories $	0.03	0.02
Property, Plant and Equipment	2.01	2.01
Other non-financial assets		
- Advance to Creditors *	0.00	0.00
- Prepaid Expenses	0.09	0.09
- Deposits	0.17	0.17
	2.30	**2.29**
	2.48	**2.61**

* Indicates amount less than ₹ 50,000/-

TOTAL LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

Particulars	As at 31 March 2025	As at 31 March 2024
Financial Liabilities		
Other Financial Liabilities		
- Creditors	0.32	0.34
- Advance Received	-	-
	0.32	**0.34**
Non-Financial Liabilities		
Provisions (Refer Note No. 48)	2.89	2.66
	2.89	**2.66**
	3.21	**3.00**

$ Renewable Energy Certificates (RECs) and RECs under certification

[Total REC units 22,507 (Previous Year: 20,000); of which certified units are 20,123 (Previous Year:18,465)]

NOTE 19: DERIVATIVE FINANCIAL INSTRUMENTS

Particulars	As at 31 March 2025	As at 31 March 2024
Derivative liabilities		
Foreign currency forward contract	-	-
Total	**-**	**-**

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 20: TRADE PAYABLES

Particulars	As at 31 March 2025	As at 31 March 2024
Trade payables		
(i) Due to micro,small and medium enterprises	62.06	34.30
Total (i)	**62.06**	**34.30**
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	319.12	551.38
Others	695.44	276.95
Total (ii)	**1,014.56**	**828.33**
Ageing schedule of Trade payables		
(i) MSME		
Not Due	59.09	31.73
Less than 1 year	2.97	2.44
1-2 years	-	0.12
2-3 years	-	0.01
More than 3 years	-	-
	62.06	**34.30**
(ii) Others		
Unbilled	96.88	55.41
Not Due	790.03	728.82
Less than 1 year	125.12	40.10
1-2 years	1.17	1.91
2-3 years	0.45	0.12
More than 3 years	0.91	1.64
	1,014.56	**828.00**
(ii) Disputed dues - Others		
Not Due	-	-
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	0.33
	-	**0.33**
	1,076.62	**862.63**

Dues of small enterprises and micro enterprises

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at March 31, 2025 and 2024 is as under:

Particulars	As at 31 March 2025	As at 31 March 2024
Dues remaining unpaid to any supplier		
-Principal	8.11	2.08
-Interest on the above	0.06	-
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	-	2.66
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	0.40	0.15
Amount of interest accrued and remaining unpaid	0.46	0.15
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	1.60	1.14

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 21: BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at 31 March 2025	As at 31 March 2024
Measured at amortised cost		
From Bank		
Short term borrowings		
Secured		
- Term loans	65.00	192.00
- Cash credit	-	-
- Non Convertible Debenture	-	-
Unsecured		-
- Working capital facility	-	-
- Term loans	70.00	30.00
- Commerical Paper	344.73	96.86
- Vendor bill discount	112.55	98.44
- Others	-	-
- Association	5.75	5.75
Long term borrowings		-
- Term Loan	677.83	794.79
Total	**1,275.86**	**1,217.84**

Security for Secured Loans :

Working capital facilities with Consortium Banks (fund based and non fund based) aggregating to ₹ 840 crores (Previous year: ₹ 840 Crores) are secured by first charge by way of hypothecation on the current assets both present and future, in favour of IDBI Trusteeship Services Limited, as Security Trustees, for the benefit of consortium banks.

Commercial Papers :

During FY 2024-25, the following Commercial Papers have been issued :

a. On 20th June, 2024 ₹ 120 Crores issued at a discounted rate of 7.40% p.a. paid on 18th September, 2024

b. On 29th August, 2024 ₹ 125 Crores issued at a discounted rate of 7.52% p.a. paid on 27th December, 2024

c. On 13th September, 2024 ₹ 100 Crores issued at a discounted rate of 7.38% p.a. paid on 12th December, 2024

d. On 08th October, 2024 ₹ 100 Crores issued at a discounted rate of 7.55% p.a. paid on 13th March, 2025

e. On 27th December, 2024 ₹ 100 Crores issued at a discounted rate of 7.40% p.a. paid on 27th March, 2025

f. On 30th December, 2024 ₹ 125 Crores issued at a discounted rate of 7.72% p.a. payable on 05th June, 2025

g. On 13th March, 2025 ₹ 100 Crores issued at a discounted rate of 7.68% p.a. payable on 11th June, 2025

h. On 21st March, 2025 ₹ 125 Crores issued at a discounted rate of 7.70% p.a. payable on 19th June, 2025

During FY 2023-24, the following Commercial Papers have been issued :

a. On 27th July, 2023 ₹ 100 Crores issued at a discounted rate of 7.65% p.a. paid on 27th March, 2024

b. On 11th August, 2023 ₹ 100 Crores issued at a discounted rate of 7.25% p.a. paid on 09th November, 2023

c. On 08th November, 2023 ₹ 100 Crores issued at a discounted rate of 7.40% p.a. paid on 29th December, 2023

d. On 29th December, 2023 ₹ 100 Crores issued at a discounted rate of 7.60% p.a. paid on 28th March, 2024

e. On 6th March, 2024 ₹ 100 Crores issued at a discounted rate of 7.80% p.a. payable on 30th August, 2024

Net debt position

Particulars	As at 31 March 2025	As at 31 March 2024
Cash and Bank Balance		
Cash and cash equivalents	51.92	60.27
Borrowings	(1,275.86)	(1,217.84)
Net debt	**(1,223.94)**	**(1,157.57)**

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 21: BORROWINGS (OTHER THAN DEBT SECURITIES) (CONTD..)

Net debt reconciliation

Particulars	Cash and bank balance	Borrowings	Total
Net debt as at 1 April 2023	**88.98**	**(963.88)**	**(874.90)**
Cash flows	(28.71)	-	(28.71)
On account of acquisition	-	(106.49)	(106.49)
Foreign exchange adjustment	-	-	-
Interest accrued but not due as on 1st April, 2023	-	1.02	1.02
Interest accrued but not due as on 31st March, 2024	-	(0.01)	(0.01)
Interest expense	-	118.11	118.11
Interest paid	-	(119.13)	(119.13)
(Borrowing) / repayment (net) - long term	-	(128.90)	(128.90)
(Borrowing) / repayment (net) - short term	-	(18.56)	(18.56)
Net debt as at 31 March 2024	**60.27**	**(1,217.84)**	**(1,157.57)**
Cash flows	(8.35)	-	(8.35)
On account of acquisition of step down subsidiary	-	-	-
Foreign exchange adjustment	-	-	-
Interest accrued but not due as on 1 April 2024	-	0.01	0.01
Interest accrued but not due as on 31 March 2025	-	-	-
Interest expense	-	18.29	18.29
Interest paid	-	(18.30)	(18.30)
(Borrowings) / Repayment (net)- short term	-	116.96	116.96
(Borrowings) / Repayment (net)- long term	-	(174.98)	(174.98)
Net debt as at 31 March 2025	**51.92**	**(1,275.86)**	**(1,223.94)**

Details of unsecured term loan from banks

Name of bank	Loan availed (₹. in Crores)	Interest rate per annum payable monthly	Tenure	Principal Repayment
Kotak Mahindra Bank Ltd.	60	7.80%	48 Months	Repayment in 39 monthly equal installments of ₹ 1.53 Crores Put and call option at the end of every 12 months from the date of first draw down of the facility i.e., 1st July 2021.
Kotak Mahindra Bank Ltd.	40	8.10%	48 Months	Repayment in 31 monthly equal installments of ₹ 1.29 Crores. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e., 1st July 2021.
Kotak Mahindra Bank Ltd.	200	8.20%	36 months	Repayment in 3 equal annual installments of ₹ 66.67 Crores. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e., 19th March 2024.
Axis Bank Ltd.	125	7.80%	48 months	Repayment in 42 monthly equal installments of ₹ 2.98 Crores. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e., 30th Sep 2023.
Axis Bank Ltd.	125	7.60%	48 months	Repayment in 42 monthly equal installments of ₹ 2.98 Crores. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e., 28th Feb 2023.
Axis Bank Ltd.	125	7.65%	48 months	Repayment in 39 monthly equal installments of ₹ 3.21 Crores. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e., 30th Sep 2023.

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 21: BORROWINGS (OTHER THAN DEBT SECURITIES) (CONTD..)

Name of bank	Loan availed (₹. in Crores)	Interest rate per annum payable monthly	Tenure	Principal Repayment
HDFC Bank Ltd.	125	7.40%	48 months	Repayment in 42 monthly equal installments of ₹ 2.98 Crores. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e., 20th March 2024.
Indusind Bank	190	7.80%	60 months	Quarterly repayment. Interest Rate Swap has been taken for 12 months. Put and call option at the end of every 12 months from the date of first draw down of the facility ie. 5th March 2025.

The amount repayable within 12 months from the reporting date, i.e.₹ 260.71 Crores (PY ₹ 273.89 Crores) has been reflected in Note 21 Short Term Borrowings.

NOTE 22: DEPOSITS

Particulars	As at 31 March 2025	As at 31 March 2024
Measured at amortised cost		
Others		
- Security deposits	6.78	18.25
Total	**6.78**	**18.25**

NOTE 23: OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2025	As at 31 March 2024
Measured at amortised cost		
Investors education and protection fund will be credited by the following amounts, as and when due:		
- Unclaimed equity dividend $	8.39	10.60
Creditors for capital goods	109.02	162.52
Employee benefits	50.06	52.69
Expenses and other payable	28.36	22.39
Commission payable to directors	0.94	0.83
Lease liability	4.42	8.15
Derivative Liability	3.34	0.33
Other liability	11.02	12.22
Creditor for expenses CWIP	28.56	47.09
Total	**244.11**	**316.82**

$ Unclaimed equity dividend includes ₹ 12,912 (Previous Year: ₹ 12,509); 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 Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 24: PROVISIONS

Particulars	As at 31 March 2025	As at 31 March 2024
Gratuity	16.57	11.22
Compensated absences	30.10	25.49
Expected sales return	4.91	5.75
Contribution to Superanuation Fund	0.27	-
Total	**51.85**	**42.46**

NOTE 25: DEFERRED TAX ASSETS / LIABILITIES

Particulars	As at 31 March 2025	As at 31 March 2024
(Refer Note No. 43)		
Deferred Tax Asset	-	2.01
Total	**-**	**2.01**
Deferred tax liability	749.81	475.05
Total	**749.81**	**475.05**

NOTE 26: OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31 March 2025	As at 31 March 2024
Statutory dues payable	23.25	24.24
Advances from customers	61.57	50.06
Other liability	-	-
License fees received in advance	1.09	0.46
Total	**85.91**	**74.76**

NOTE 27: EQUITY SHARE CAPITAL

(a) Authorised, issued, subscribed and paid-up share capital and par value per share:

Particulars	As at 31 March 2025		As at 31 March 2024	
	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	1,04,13,076	10.41	99,27,584	9.93
CALLED UP AND PAID UP				
Equity Shares of ₹ 10/- each fully paid up	1,04,13,045	10.41	99,27,553	9.93
SHARE CAPITAL SUSPENSE ACCOUNT *	31	0.00	31	0.00
Equity Shares of ₹ 10/- each fully paid up				
Total	**1,04,13,076**	**10.41**	**99,27,584**	**9.93**

* 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 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 27: EQUITY SHARE CAPITAL

(b) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number	₹ in Crores	Number	₹ in Crores
Shares outstanding at the beginning of the year	99,27,584	9.93	98,83,931	9.88
Add: Issue of equity shares under ESAR scheme	29,912	0.03	43,653	0.05
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	**1,04,13,076**	**10.41**	**99,27,584**	**9.93**

(c) Equity shares in the Company held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31 March 2025		As at 31 March 2024	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Atul Chandrakant Kirloskar #	15,11,352	14.51	12,83,562	12.93
Rahul Chandrakant Kirloskar ##	18,49,478	17.76	16,21,688	16.34
Jyotsna Gautam Kulkarni	11,78,592	11.32	11,78,592	11.87
Alpana Rahul Kirloskar	7,09,648	6.81	7,09,648	7.15
Nihal Gautam Kulkarni	5,89,296	5.66	5,89,296	5.94
Ambar Gautam Kulkarni	5,89,296	5.66	5,89,296	5.94
Gauri Atul Kirloskar	5,27,608	5.07	5,27,608	5.31

Out of these, 15,11,327 (Previous Year: 12,83,537) equity shares are held in the individual capacity and 25 (Previous Year: 25) equity shares held as a Trustee of C.S. Kirloskar Testamentary Trust.

Out of these,18,49,249 (Previous Year: 16,21,459) equity shares are held in the individual capacity and 229 (Previous Year: 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)				
	2024-25	2023-24	2022-23	2021-22	2020-21
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 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 27: EQUITY SHARE CAPITAL(CONTD..)

(f) Details of shareholding pattern of Promoters:

Promoter Name	% of Holding			% of Holding		
	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	14.51	1.58	12,83,537	12.93	(0.06)
Atul Chandrakant Kirloskar as a Trustee of C S Kirloskar Testamentary Trust	25	-	-	25	-	-
Rahul Chandrakant Kirloskar	18,49,249	17.76	1.43	16,21,459	16.33	(0.08)
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	0.03	-	2,362	0.03	-
Sanjay Chandrakant Kirloskar	250	-	-	250	-	-
Sanjay Chandrakant Kirloskar as a Karta of Sanjay Kirloskar HUF	14	-	-	14	-	-
Jyotsna Gautam Kulkarni	11,78,592	11.32	(0.55)	11,78,592	11.87	(0.05)
Geetajali Vikram Kirloskar	2,125	0.02	-	2,125	0.02	0.02
Mrinalini Shreekant Kirloskar	-	-	-	-	-	(0.04)
Mrinalini Shreekant Kirloskar as a Karta of Shreekant S. Kirloskar HUF	-	-	-	-	-	(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	0.04
Arti Atul Kirloskar	3,57,909	3.44	(0.17)	3,57,909	3.61	(0.01)
Alpana Rahul Kirloskar	7,09,648	6.81	(0.34)	7,09,648	7.15	(0.03)
Nihal Gautam Kulkarni	5,89,296	5.66	(0.28)	5,89,296	5.94	(0.02)
Ambar Gautam Kulkarni	5,89,296	5.66	(0.28)	5,89,296	5.94	(0.02)
Aditi Atul Kirloskar	1,75,869	1.69	(0.08)	1,75,869	1.77	(0.01)
Gauri Atul Kirloskar	5,27,608	5.07	(0.24)	5,27,608	5.31	(0.03)
Total	**75,01,052**	**72.04**		**70,45,472**	**70.97**	
Corporate Bodies						
Kirloskar Pneumatic Co. Ltd.	200	-	-	200	-	-
Navsai Investments Private Limited	3,854	0.04	-	3,854	0.04	0.01
Alpak Investments Private Limited	3,854	0.04	-	3,854	0.04	0.01
Achyut and Neeta Holdings and Finance Private Limited	100	-	-	100	-	-
Kirloskar Chillers Private Limited	46,144	0.44	(0.02)	46,144	0.46	(0.01)
Total	**54,152**	**0.52**		**54,152**	**0.54**	
Grand Total	**75,55,204**	**72.56**		**70,99,624**	**71.51**	

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 28: OTHER EQUITY

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Securities Premium		
Balance as at the beginning of the year	117.22	107.92
Add: Transfer from share option outstanding account	4.99	7.23
Add: Transfer from Money received against share warrants	99.55	-
Less: Share issue costs	-	(0.95)
Add: Adjustment due to merger	-	3.02
Less: Adjustment due to change in Minority Interest	(0.23)	-
Balance as at the end of the year	**221.53**	**117.22**
(b) General Reserve :		
Balance as at the beginning of the year	347.63	344.23
Add: Transfer from surplus of profit and loss	2.30	2.38
Add: Adjustment due to merger	-	1.02
Less: Adjustment due to change in Minority Interest	(0.08)	-
Balance as at the end of the year	**349.85**	**347.63**
(c) Capital Reserve:		
Balance as at the beginning of the year	472.52	567.34
Add : Increase / (decrease) during the year	-	(114.40)
Add: Adjustment due to merger	-	19.58
Less: Adjustment due to change in Minority Interest	(1.49)	-
Balance as at the end of the year	**471.03**	**472.52**
(d) Share options outstanding account :		
Balance as at the beginning of the year	36.09	18.75
Add : Stock options expense	23.25	22.56
Less: Transfer to securities premium	(1.37)	(5.33)
Less: Transfer to profit and loss on account of lapse of employee stock options	(1.10)	(0.06)
Less : Adjustment on lapse of unvested share options transferred to Retained earnings	(32.98)	-
Add: Adjustment due to merger	-	0.17
Less: Adjustment due to change in Minority Interest	(0.02)	-
Balance as at the end of the year	**23.87**	**36.09**
(e) Equity instruments through other comprehensive income :		
Balance as at the beginning of the year	2,448.69	875.98
Measurement of investments at FVTOCI (net of taxes)	1,112.12	1,572.68
Add/Less: Transferred to Statement of Profit and Loss on account of sale of shares of Swaraj Engines Limited #	31.81	-
Add: Adjustment due to merger	-	0.03
Balance as at the end of the year	**3,592.62**	**2,448.69**
(f) Surplus/ (Deficit) in the Statement of Profit and Loss :		
Balance as at the beginning of the year	1,533.46	1,328.90
Add/(Less): Net Profit transferred from the Statement of Profit and Loss	149.09	200.40
Add/(Less): Remeasurement of defined benefit plans (net of taxes)	(10.19)	(2.72)
Add/(Less) : Increase on exercise of ESOPs of subsidiary	-	(0.04)
Add/(Less): Transfer from Other Comprehensive Income on account of sale of shares of Swaraj Engines Limited #	(31.81)	-
Add/(Less): Capital redemption reserve	-	-
Add/(Less): Reduction in non controlling interest due to acquisition of equity shares in step-down subsidiary	-	-
Add/(Less): Transferred to general reserve	-	-
Add/(Less) :Foreign Currency Translation Reserve	-	-
Add/(Less): Transfer to profit and loss on account of lapse of employee stock options	1.10	0.06
Add: Adjustment due to merger	-	20.11
Less: Adjustment due to change in Minority Interest	(1.82)	-
Amount available for appropriation	**1,639.83**	**1,546.71**

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 28: OTHER EQUITY (CONTD..)

Particulars	As at 31 March 2025	As at 31 March 2024
Less: Appropriations:		
Transfer to general reserve	2.30	2.38
Final Dividend for F.Y. 2023-24 (2022-23)	12.93	10.87
Net surplus in the Statement of Profit and Loss	**1,624.60**	**1,533.46**
(g) Foreign currency translation reserve		
Opening balance	0.94	0.31
Addition during the year	(0.01)	0.62
Add: Adjustment due to merger	-	0.01
	0.93	**0.94**
(h) Money Received against Share Warrents		
Balance as at the beginning of the year	25.00	-
Received During the year	75.00	25.00
Less : Share Issued during the year	(100.00)	-
Balance as at the end of the year	**-**	**25.00**
(i) Share application money*	0.00	0.00
Total	**6,284.43**	**4,981.55**

*indicates amount less than ₹50,000

During the year, 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 year 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 comprise 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. ₹.) 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.

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 28: OTHER EQUITY (CONTD..)

7) 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.

8) Capital reserve arising out of Merger :

This represents capital reserve on business combination which arises on transfer of business between entities under common control.

NOTE 29: INTEREST INCOME

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
- On financial assets measured at amortised cost		
- Interest on deposits with banks	6.37	8.10
- Interest on other financial assets	3.83	2.77
- Other interest	0.42	0.57
Total	**10.62**	**11.44**

NOTE 30: NET GAIN ON FAIR VALUE CHANGES

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
- On financial instruments measured at fair value through profit and loss		
Investments in mutual funds		
Unrealised	4.11	2.55
Realised	5.84	7.58
Total	**9.95**	**10.13**

NOTE 31: REVENUE FROM SALE OF PRODUCTS

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Sale of products		
Pig Iron	2,075.85	1,805.20
Castings	1,653.69	1,508.32
By-products	95.13	101.35
Tube	2,103.19	2,077.09
Steel	540.89	534.52
Sale of Commercial Office Spaces	-	184.24
Total (a)	**6,468.75**	**6,210.72**
Other operating income		
Export incentive	23.69	29.33
Amenities and Facilities Fees	2.06	-
Scrap / Coke/ Miscellaneous sales (b)	71.79	90.48
Total (b)	**97.54**	**119.81**
Total (a)+ (b)	**6,566.29**	**6,330.53**

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 32: OTHER INCOME

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Property licensing fees	20.85	27.16
Incentives as per industrial policies	12.83	-
Gain on Sale of Fixed Assets	0.01	1.14
Sale of Scrap	0.27	0.12
Insurance claim received	0.30	0.08
Sundry credit balances approriated	0.29	0.14
Provisions no longer required written back	27.14	4.37
Rental Income and equipment leasing charges	0.26	0.25
Miscellaneous income	7.67	10.00
Total	**69.62**	**43.26**

NOTE 33: FINANCE COSTS

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
-On financial liabilities measured at amortised cost		
Interest expenses	56.39	51.27
Interest on working capital loan	20.44	7.79
Interest on term loan	64.38	59.05
Unwinding of interest on security deposit	0.74	1.19
Lease liability	0.20	0.23
Other borrowing costs	3.23	2.23
Other	-	0.03
On provisions		
Net Interest on net defined benefit liability	0.24	0.43
Total	**145.62**	**122.22**

NOTE 34: COST OF MATERIAL CONSUMED

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Stock at the beginning of the year	501.03	646.76
Add : Purchases	3,844.85	3,302.63
Add : Project expenses incurred during the year	-	46.20
Less : Stock at the end of the year	565.74	501.03
Total	**3,780.14**	**3,494.56**

NOTE 35: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND BY-PRODUCT

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Inventory at the end of the year		
Finished goods	170.53	150.76
By-Products	10.98	3.38
Work-in-progress	190.57	172.75
Total	**372.08**	**326.89**
Inventory at the beginning of the year		
Finished goods	147.03	123.43
By-Products	3.38	1.42
Work-in-progress	172.74	184.26
Total	**323.15**	**309.11**
(Increase)/Decrease	**(48.93)**	**(17.78)**

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 36: EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Salaries and incentives	305.36	294.91
Contributions to provident fund and other funds	13.53	18.73
Employees stock option expense	8.29	15.46
Gratuity	5.43	2.08
Staff welfare expenses	28.72	27.26
Others	3.04	0.25
Total	**364.37**	**358.69**

NOTE 37: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
On property, plant and equipment (Refer Note No. 14)	256.03	239.98
On investment property (Refer Note No. 13)	0.50	0.64
On Right of Use of asset (Refer Note No. 14)	0.35	0.56
On intangible assets (Refer Note No. 14)	1.70	0.87
Total	**258.58**	**242.05**

NOTE 38: OPERATING AND OTHER EXPENSES

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
A. Operating expenses		
Consumption of stores, spares and consumables	593.86	533.97
Power, fuel and water	526.78	538.09
Fettling and other manufacturing expenses	43.35	35.66
Repairs and maintenance		
- Machinery	46.93	39.67
- Buildings	2.91	5.58
Machinery hire charges	11.28	6.05
Other processing expenses	111.75	61.41
Other direct expenses	44.50	41.70
Sub Total	**1,381.36**	**1,262.13**
B. Selling expenses		
Freight and forwarding expenses (net)	179.88	169.14
Sales commission and incentive	0.42	0.78
Royalty	9.37	8.73
Advertisement	0.48	0.12
Other selling expenses	32.91	12.38
Sub Total	**223.06**	**191.15**
C. Other expenses		
Communication expenses	1.00	1.74
Facilitation charges	0.04	0.25
Loss on sale / demolition / scrap of assets	5.61	0.01
Net loss on foreign currency transactions	3.04	5.13
Security expenses	2.99	3.86
Repairs and maintenance :		
- Property	0.37	0.53
- Other assets	8.00	5.08
Garden and site maintenance	0.27	0.56
Rent, rates and taxes	6.69	7.37
Legal and professional fees	40.10	32.07

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 38: OPERATING AND OTHER EXPENSES

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Commission to directors	1.96	2.63
Director sitting fees	1.72	2.12
Acquisition related cost in business combination	-	-
Travelling expenses	7.33	7.49
Insurance charges	5.62	5.74
Provision for impairment and other	-	1.92
Miscellaneous expenses	42.32	38.35
Corporate social responsibility expense	11.01	22.96
Payment to auditors :		
(a) for audit	1.19	1.40
(b) for taxation audit	0.10	0.02
(c) for other services	0.07	0.02
(d) for Auditors Reimbursement of Expenses	0.06	-
Sub Total	**139.49**	**139.25**
Total	**1,743.91**	**1,592.53**

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 2025	Year ended 31 March 2024
a. Revenue expenses		
Cost of materials / consumables / spares	0.44	0.41
Employee related expense	5.14	3.78
Other expense	0.70	0.37
Total	**6.28**	**4.56**
b. Capital expenditure		
Plant and machinery	0.53	0.73
Computers	0.05	-
Total	**0.58**	**0.73**

NOTE 40: EXCEPTIONAL ITEMS

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Provision for Impairment in value of Plant, Property and Equipment (Refer Note No. 40.1)	-	(40.81)
Loss on Bankruptcy Liquidation (Refer Note No. 40.2)	-	(20.57)
Loss on liquidation of Subsidary (Refer Note No. 40.3)	-	(1.25)
Reclassification of FCTR on subsidaries	-	(0.70)
Gain on Sale of investment	-	0.01
Gain on reversal of ESAR charges*	12.24	-
Total	**12.24**	**(63.32)**

*The reversal of ESAR charge for unvested options of directors on account of retirement / superannuation of the directors has resulted in exceptional gain and accordingly Exceptional Item of ₹. 12.24 Cr is shown as income.

40.1) Tridem Port and Power Company Private Limited (TPPCPL), a wholly owned subsidiary of the Parent Company, along with its subsidiaries had proposed to set up a thermal power project and captive port in Tamil Nadu. TPPCPL had obtained the approvals for the projects including acquisition of land, but no construction activity had commenced. The Government of Tamil Nadu had granted various permissions to TPPCPL for setting up the aforesaid port and power project. Subsequently, the Government had withdrawn permissions so given in earlier years which was challenged by the company in high court by way of writ petitions.

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 40: EXCEPTIONAL ITEMS (CONTD..)

The Hon'ble Madras High Court had dismissed all of the said Writ Petitions filed by TPPCPL and its subsidiaries. TPPCPL had challenged the above-mentioned Order by filing Writ Petitions before the Division Bench of the High Court, Madras on 06th October 2023. On further hearings, the bench had directed the government to file the reply.

The Group after assessing the opportunities / business plan, after legal consultation, decided not to pursue the project. Therefore, during the year withdrawn the above-mentioned writ petition filed in High Court.

However based on the current facts, TPPCL along with its subsidiaries has conservatively provided for impairment in the value of property , plant and equipment amounting to ₹ 40.81 crores during the year March 31, 2024 is as per Ind AS 36 "Impairment of Assets

40.2) ISMT Limited and through its Subsidiary Company, ISMT Enterprises S.A., Luxembourg has invested ₹ 48.43 Crores in Structo Hydraulics AB, Sweden (SHAB). The Group has received approval from regulatory authorities for conversion into equity of an amount of ₹ 33.33 Crores (USD 5 Million) due from SHAB, out of which ₹ 16.75 Crores had been converted into equity. Further SHAB has invested ₹ 6.30 Crores in ISMT Europe S.A.

SHAB's business was facing significant challenges due to the Eurozone crisis and ongoing slowdown in the European market, leading to a working capital crisis. After exploring various options including sale, revival, or liquidation, the management has decided to file bankruptcy liquidation for both SHAB and ISMT EUROPE. Accordingly, Liquidators were appointed on 12th February 2024 and 5th March 2024 respectively, following multiple rounds of internal and external discussions.

Based on bankruptcy liquidation filed by the company, the management has provided ₹ 20.57 Crores towards net assets due to loss of control during the year ended March 31, 2024 and disclosed as an exceptional item.

40.3) Indian Seamless Inc. (IS Inc), was initially established to facilitate trading activities in the USA market. However, due to commencement of direct exports of tubes in USA. Market, the requirement of having intermediary entity was not required. Accordingly, business activities in IS Inc. were ceased.

During the year, the management of the Group company evaluated prospects of all of its subsidiaries including IS Inc., considering the cessation of scope and other business aspects, management decided to liquidate the company. Consequently, voluntary liquidation was filed during the quarter ended March 24 and final closer was achieved on February 29, 2024.

Pursuant to the voluntary liquidation of IS Inc., The group has provided an amount of ₹ 1.95 Crores in IS Inc. towards liquidation of its subsidiary IS Inc. during the year ended March 31, 2024.

NOTE 41: EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Balance unspent CSR amount at the beginning of the year	-	-
(a) Gross amount required to be spent by the Company during the year	10.85	23.66
(b) Amount spent by the Company during the year-		
(i) Construction/Acquisition of any asset	-	-
(ii) On purpose other than (i) above	11.01	22.96
(c Excess spent of earlier year	0.09	0.79
Balance unspent /(Excess) CSR amount at the end of the year	**(0.25)**	**(0.09)**
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

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.

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 43: INCOME TAXES

(i) The major components of income tax expense are:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(i) The major components of income tax expense are:		
(a) Statement of Profit and Loss Section		
Current income tax charge	117.54	172.85
Short / (Excess) provision of earlier years	(2.61)	(0.26)
Deferred tax:		
Deferred tax	23.97	22.94
Income tax expense reported in the Statement of Profit and Loss	**138.90**	**195.53**
OCI Section: Deferred tax related to items recognised in OCI during in the year:		
(b) Statement of Other Comprehensive Income (OCI)		
Deferred tax related to items recognised in OCI during the year		
Current income tax:		
Income tax expense / (income) on actuarial gains and losses	-	-
	-	**-**
Deferred tax:		
Deferred tax (expense) / income on fair valuation of equity instruments	(224.34)	(203.17)
Deferred tax (expense) / income on remeasurements of defined benefit plan	3.34	2.02
Income tax charged to Other Comprehensive Income	**(221.00)**	**(201.15)**

(ii) Reconciliation of tax expense and the accounting profit

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(ii) Reconciliation of tax expense and the accounting profit		
Accounting profit for the Group before income tax	447.12	556.25
Enacted tax rates in India	25.17%	25.17%
Computed tax expense	112.58	140.00
Add / (Less) net adjustment on account of:		
Deduction under Section 80M	(3.41)	(2.74)
Disallowances under Income Tax Act, 1961	2.12	12.88
Provision of earlier years	(2.62)	(0.26)
Tax effect of pre-acquisition period on account of business acquisition	-	-
On account of business combination and consolidation adjustments	(0.51)	12.72
Other Items which are not deductible (taxable) in calculating taxable income	5.18	32.97
Capital gain	1.62	1.34
Dividend of subsidiary eliminated in Accounting profit for the Group but taxable	10.48	11.05
Loss of wholly owned subsidiary ineligible for set-off for tax computation at Group Level	-	(1.32)
Other adjustments	13.46	(11.11)
Total adjustments	**26.32**	**55.53**
Income tax expense	138.90	195.53
Effective tax rate	31.06%	35.15%

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(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 2025	As at 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024
Deferred tax assets				
Provision for employee benefits	2.34	1.57	0.77	0.26
Provision for Expected Credit Loss	-	1.41	(1.41)	0.06
Provision for dismantling obligation	0.73	0.67	0.06	0.05
MAT credit entitlement	0.50	0.50	-	-
Disallowances under Section 43B of Income tax Act, 1961	20.42	16.97	3.45	(4.03)
Provision for Impairment in Value of Project - Capital work in progress	50.31	50.27	0.04	13.89
Other temporary difference	0.98	1.81	(0.83)	1.97
Gross deferred tax assets	**75.28**	**73.20**	**2.08**	**12.20**
Deferred tax liabilities				
Property, plant and equipment	322.07	299.44	22.63	33.33
Fair valuation of financial instruments	1.03	0.65	0.38	0.08
Fair valuation of Equity financial instruments	501.96	245.66	256.30	203.15
Other temporary difference	(0.48)	0.09	(0.57)	0.27
Preference Shares- Finance Income	0.51	0.40	0.11	-
Tax impact of sale of equity investment measured through OCI#	-	-	(31.81)	-
Gross deferred tax liabilities	**825.09**	**546.23**	**247.04**	**236.29**
Cumulative deferred tax impact due to Ind AS	-	-	-	-
Deferred tax (assets) / liabilities (net)	**749.81**	**473.04**	**244.96**	**224.09**

Breakup of movement in Deferred Tax (assets)/Liabilities (Net)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Amount recognised in Statement of Profit and Loss	23.97	22.94
Amount recognised in Statement of Other Comprehensive Income	220.99	201.15
Deferred Tax adjustment through Profit and Loss Accounts	**244.96**	**224.09**
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	**244.96**	**224.09**

#The deferred tax liability of ₹ 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 2025 *(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 2025	Year ended 31 March 2024
Net profit after tax as per Statement of Profit and Loss -continuing opetation		307.57	360.73
Less: Non-controlling interest		159.12	160.32
Net profit attributable to the owners of the Company -continuing operation		148.45	200.41
Net profit after tax as per Statement of Profit and Loss -discontinuing opetation		0.65	(0.01)
Less: Non-controlling interest		-	-
Net profit attributable to the owners of the Company -discontinuing operation		0.65	(0.01)
Net profit after tax as per Statement of Profit and Loss -Total		308.22	360.72
Less: Non-controlling interest		159.12	160.32
Net profit attributable to the owners of the Company - Total	(A)	149.09	200.40
Weighted average number of equity shares in calculating basic EPS	(B)	1,01,83,094	98,91,942.00
Effect of dilution:			
Stock options granted under ESOP		1,32,831	1,99,657
Preferential allotment		-	1,58,107
Total number of diluted equity shares at the end of the year	(C)	1,03,15,925	1,02,49,706
Adjustment to numerator on account of ESOP issued by subsidiary	(D)	(0.78)	(0.97)
Net profit after tax and non-controlling interest for computing diluted EPS	(E) = (A) + (D)	148.32	199.43
Basic earnings per share of face value of ₹ 10 each (in ₹)	(A/B)	146.41	202.58
Diluted earnings per share of face value of ₹ 10 each (in ₹)	(E/C)	143.76	194.57

NOTE 45: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

a. Contingent liabilities

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
a. Disputed demands		
- Central excise and customs	31.57	35.33
- Service tax	2.47	0.03
- Goods and Service tax	1.50	1.50
- Income tax *	68.65	59.17
- Sales tax	-	-
- Others	10.19	23.32
b. Provident fund matters	-	0.67
c. Conveyance deed charges in respect of property	0.22	0.22
d. Labour matters to the extent quantifiable	0.43	0.40
e. License fees - Tamilnadu Maritime Board (TPPCL)	-	-
e. Bank guarantee	184.51	101.62

*Net of ₹ 10.65 crores paid under protest in earlier years, ₹ 16.59 Crores relates to double taxation of dividend income and balance ₹ 10 crores demands are disputed at various stages of appeals.

Note

In the opinion of the management the above legal matters, under claims against Company not acknowledged as debt, when ultimately concluded will not have material effect on the results of the operations or the financial position of the Group.

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 45: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS (CONTD..)

b. Capital commitments

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
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)	408.91	486.54
Forest Development Fee Matter	271.47	213.54
Total	**681.59**	**701.29**

NOTE 46: BORROWING COST CAPITALISED

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Capitalised during the year	0.03	0.92
Total	**0.03**	**0.92**

NOTE 47: SEGMENT REPORTING

Segment information based on Consolidated Financial Statements, as required by the Indian Accounting Standard 108 "Operating Segments" as prescribed under Section 133 of Companies Act, 2013, is as follows:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Segment revenue		
- Investments (Securities & Properties)	56.70	58.31
- Real Estate	4.17	187.57
- Iron Casting	4,081.14	3,681.24
- Tube	2,190.42	2,181.24
- Steel	1,675.84	1,652.26
- Unallocable	148.07	139.30
Total	**8,156.34**	**7,899.92**
Less: Inter segment revenue	1,478.66	1,488.27
Add : Discontinuing Operation	2.91	3.13
Total income	**6,680.59**	**6,414.78**
Segment results		
Profit (+) / Loss (-) before tax and interest from each segment		
- Investments (Securities & Properties)	33.51	29.13
- Real Estate	(5.51)	76.13
- Iron Casting	348.85	348.08
- Tube	119.21	245.19
- Steel	59.63	42.59
- Unallocable	23.92	(62.84)
Total Profit / (Loss) before interest and tax from continuing operations	**579.61**	**678.28**
- Finance cost for continuing operations	(145.62)	(122.22)
- Other Unallocable income / (expenditure) net off unallocable income / (expenditure)	-	-
- Exceptional items	12.24	-
Total Profit / (Loss) before tax from continuing operations	**446.23**	**556.06**
Tax expense for continuing operations :		
- Current tax	117.24	172.71
- Short / (Excess) provision of earlier years	(2.61)	(0.26)
- Deferred tax	24.03	22.88
Total tax expenses from continuing operations	**138.66**	**195.33**
Total Profit / (Loss) after tax from continuing operations	**307.57**	**360.73**

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 47: SEGMENT REPORTING (CONTD..)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Total Profit / (Loss) before interest and tax from discontinuing operations	0.89	0.19
Tax expense for discontinuing operations :		
- Current tax	0.30	0.14
- Short / (Excess) provision of earlier years	-	-
- Deferred tax	(0.06)	0.06
Total tax expenses from discontinuing operations	**0.24**	**0.20**
Total Profit / (Loss) after tax from discontinuing operations	**0.65**	**(0.01)**
Total Profit / (Loss) after tax for the period	**308.22**	**360.72**
Segment Assets		
- Investments (Securities and Properties)	4,834.23	3,427.12
- Real Estate	455.05	401.23
- Iron Casting	3,582.75	3,314.28
- Tube	1,724.29	1,782.94
- Steel	980.54	755.25
- Other un-allocated assets	71.49	80.05
- Asset held for sale	2.48	2.61
Total Segment Assets	**11,650.83**	**9,763.48**
Segment Liabilities		
- Investments (Securities and Properties)	13.75	26.24
- Real Estate	54.06	74.28
- Iron Casting	1,800.95	1,956.98
- Tube	244.87	218.35
- Steel	198.09	82.57
- Other un-allocated liabilities	1,180.24	663.88
- Liabilities classified as held for sale	3.21	3.00
Total Segment Liabilities	**3,495.17**	**3,025.30**
Capital Employed		
(Segment assets - Segment liabilities)		
- Investments (Securities and Properties)	4,820.48	3,400.87
- Real Estate	400.99	326.96
- Iron Casting	1,781.80	1,357.30
- Tube	1,479.42	1,564.59
- Steel	782.45	672.68
- Unallocable corporate assets less liabilities	(1,108.75)	(583.83)
- Net assets held for sale	(0.73)	(0.39)
Total capital employed	**8,155.66**	**6,738.18**

* Indicates amount less than ₹ 50,000/-

Other disclosures :

(i) The Group derives its entire income from India (i.e. the country of domicile) and all assets of the Group are located in India

(ii) There is no inter-segment revenue during the year (Previous Year : Nil)

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

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 2023	1.51	2.45
Provisions for the year	5.75	0.21
Amounts used during the year	1.51	-
Closing balance as on 31 March 2024	5.75	2.66
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

$ 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.

Expected timing of resulting outflow: Substantial costs will be incurred at the end of useful life of windmills.

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. Mahesh Chhabria	Managing Director	None
Ms. Aditi Chirmule	Executive Director	None
Mr. Anandh Baheti	Chief Financial Officer	None
Mrs. Ashwini Mali	Company Secretary	None
Avante Spaces Limited		
Mr. Vinesh Kumar Jairath (till 31 December 2024)	Managing Director	None
Mr. Deepak Porayath (w.e.f. 03 February, 2025)	Chief Executive Officer	None
Mr. Anandh Baheti (w.e.f. 30 June, 2023)	Chief financial officer	None
Ms. Pratiksha Kadam (w.e.f. 30 June, 2023)	Company Secretary	None
Kirloskar Ferrous Industries Limited		
Mr. R.V. Gumaste	Managing Director	None
Mr. R.S. Srivatsan	Executive Director (Finance) and Chief Financial Officer	None
Mr. N. B. Ektare (w.e.f. 09 August, 2024)	Executive Director (Operation)	None
Mr. Mayuresh Gharpure	Company Secretary	None

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 49: RELATED PARTY TRANSACTIONS (CONTD..)

(b) Related party transactions

Nature of transaction	Year	Key Management Personnel
Expenses rendering of services	2024-25	45.72
	2023-24	36.64
Dividend paid	2024-25	0.18
	2023-24	0.14
Outstanding as at 31 March		
Payable	2025	8.89
	2024	16.24
Receivable	2025	-
	2024	-

Note

(i) Outstanding amount carried in Balance Sheet does not include liability in respect of gratuity and leave encashment which is provided on actuarial basis for the Company as a whole.

(ii) Company has not made any Loans / Advances / Investments during the year to the Ultimate Holding Company.

(iii) Transactions with related parties are at arms length price and the balances receivable / payable are un-secured.

(iv) The terms of payment are generally similar to those of other non-related parties.

Compensation of Key Management Personnel of the Group

Particulars	For the year ended 31 March	
	2025	2024
Short term employee benefits	25.62	29.19
Post employment benefits	2.84	0.50
Other long term benefits	1.87	0.46
Share based payments	14.91	6.79
Total	**45.23**	**36.94**

NOTE 50: 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 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	51.92	-	-	51.92	51.92
Bank balances other than above	117.88	-	-	117.88	117.88
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	1,076.62	-	-	1,076.62	1,076.62
Borrowings (other than debt securities)	1,275.86	-	-	1,275.86	1,275.86
Deposits	6.78	-	-	6.78	6.78
Other financial liabilities	240.78	-	-	240.78	240.78
Total	**2,600.04**	**3.33**	**-**	**2,603.37**	**2,603.37**

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 50: FAIR VALUE MEASUREMENTS (CONTD..)

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 2024

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	60.27	-	-	60.27	60.27
Bank balances other than above	54.69	-	-	54.69	54.69
Receivables					
(i) Trade receivables	912.12	-	-	912.12	912.12
Investments	-	150.89	3,241.46	3,392.35	3,392.35
Other financial assets	35.61	-	-	35.61	35.61
Total	**1,062.69**	**150.89**	**3,241.46**	**4,455.04**	**4,455.04**
Financial liabilities					
Derivative financial instruments	-	0.33	-	0.33	0.33
Trade payables	862.63	-	-	862.63	862.63
Borrowings (other than debt securities)	1,217.84	-	-	1,217.84	1,217.84
Deposits	18.25	-	-	18.25	18.25
Other financial liabilities	316.49	-	-	316.49	316.49
Total	**2,415.21**	**0.33**	**-**	**2,415.54**	**2,415.54**

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 2025	4,728.54	-	1.26
As at 31 March 2024	3,390.83	-	1.52

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.

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 51: 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 entity 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.
Market risk - Foreign exchange	Recognised payables denominated in foreign currency, receivables denominated in foreign currency, firm commitments in foreign currency.	Forward foreign exchange contract.
Market risk - Interest rate risk	Borrowings on account of working capital.	Entity continuously monitors interest rates on working capital borrowings at regular intervals and economises the transactions at the best possible rates drawn at the time of monitoring on the basis of comparative rates with various banks / institutions.
	Borrowings on account of Term Loans.	Long term borrowings are at fixed as well as variable rate of interest. Interest rate swaps are entered for variable rate borrowings.
Market risk - Commodity price risk Subsidiary company	Coke / coal, Iron ore, Pig Iron, Steel scrap and Steel	Every month entity monitors and reviews the price trend of the materials, demand and supply position and market intelligence report and strategy is adopted before finalising the next consignment / quantities for subsequent months. The Commodity Price Risk is managed without any hedging of commodities by the Company.

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 51: FINANCIAL RISK MANAGEMENT (CONTD..)

(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 availiability 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 availiability 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.

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	52.54	1,070.29	-	-
Borrowings (other than debt securities)	-	858.74	376.08	258.69
Deposits	-	5.22	-	5.13
Other financial liabilities	0.60	199.60	5.33	-
As at 31 March 2025	**53.14**	**2,133.85**	**381.41**	**263.82**
Trade payables	52.54	857.18	-	-
Borrowings (other than debt securities)	-	696.94	520.90	217.65
Deposits	0.11	18.26	0.04	5.13
Other financial liabilities	0.61	257.95	2.30	-
As at 31 March 2024	**53.26**	**1,830.33**	**523.24**	**222.78**

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 51: FINANCIAL RISK MANAGEMENT (CONTD..)

(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, 2025. 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:

(currency in Crores)

Particulars	Currency	Amount in foreign currency	Equivalent Indian currency	Maturity Profile
As at 31st March, 2025				
Payables				
	USD	2.41	209.61	Within 6 Months
As at 31st March, 2024				
Payables	USD	4.31	360.08	Within 6 Months
	EURO	0.08	7.07	
	YEN	8.01	4.62	

Details of foreign currency exposures that are not hedged by derivative instruments or otherwise:

(currency in Crores)

Particulars	Currency	Amount in foreign currency	Amount Equivalent Indian currency
Secured Loans			
As at 31st March, 2025	USD	-	-
As at 31st March, 2024	USD	0.16	13.24
Receivables			
As at 31st March, 2025	USD	0.14	11.61
As at 31st March, 2024	USD	0.18	14.68
As at 31st March, 2025	EURO	0.00	0.00
As at 31st March, 2024	EURO	0.07	5.82
Payables			
As at 31st March, 2025	USD	1.12	95.71
As at 31st March, 2024	USD	1.58	131.34
As at 31st March, 2025	EURO	0.01	1.14
As at 31st March, 2024	EURO	0.05	4.06
As at 31st March, 2025	SEK	0.00	0.02
As at 31st March, 2024	SEK	0.00	0.02

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 51: FINANCIAL RISK MANAGEMENT (CONTD..)

Foreign currency sensitivity on unhedged exposure

Particulars	Foreign currency	Change in foreign currency rates	Effect on profit before tax (₹ in crores)	Effect on pre-tax equity (₹ in crores)
For 31st March, 2025	USD	+5%	4.20	4.20
		-5%	(4.20)	(4.20)
	SEK	+5%	(0.00)	(0.00)
		-5%	0.00	0.00
	EURO	+5%	0.06	0.06
		-5%	(0.06)	(0.06)
For 31 March 2024	USD	+5%	(6.50)	(6.50)
		-5%	6.50	6.50
	SEK	+5%	(0.00)	(0.00)
		-5%	0.00	0.00
	EURO	+5%	0.09	0.09
		-5%	(0.09)	(0.09)

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	(₹ in Crores)	
	As at 31 March 2025	As at 31 March 2024
Fixed rate borrowings		
Commercial Papers	344.73	96.86
	344.73	**96.86**
Variable rate borrowings		
Term loan from banks	677.83	794.79
Loans repayable on demand	247.55	320.44
Less: Interest rate swaps (principal amount hedged)	190.00	-
Total variable rate borrowings	**735.38**	**1,115.23**

Particulars	(₹ in Crores)	
	As at 31 March 2025	As at 31 March 2024
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

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 51: FINANCIAL RISK MANAGEMENT (CONTD..)

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 exposes 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 2025 in quoted and unquoted equity securities was ₹ 4,604.12 Crores (Previous Year : ₹ 3,241.46 Crores quoted & unquoted equity shares) and ₹ 125.68 Crores in quoted mutual funds (Previous Year : ₹ 150.88 Crores in quoted mutual funds). The impact of change in equity price risk is as under:

Particulars	31 March 2025		31 March 2024	
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
Impact on Statement of Profit and Loss				
Mutual funds	12.57	(12.57)	15.09	(15.09)
Impact on Statement of Comprehensive Income				
Equity shares	460.41	(460.41)	324.15	(324.15)

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.

NOTE 52: 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

Notes forming part of the Consolidated Financial Statements

For The Year Ended 31 March 2025 *(Amounts in Indian Rupees Crores, unless otherwise stated)*

NOTE 53: STATEMENT OF NET ASSETS, PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS AND NON CONTROLLING INTEREST AS ON 31 MARCH 2025

Particulars	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 profit / loss	Amount	As % of Consolidated profit / loss	Amount
Parent - Kirloskar Industries Limited	61.87%	5,045.76	4.46%	13.73	100.91%	1,138.20	80.21%	1,151.94
Indian subsidiary - Avante Spaces Limited	0.35%	28.51	(0.26%)	(0.82)	0.04%	0.47	(0.02%)	(0.35)
Indian subsidiary - Kirloskar Ferrous Industries Limited	14.97%	1,220.57	44.18%	136.17	(0.44%)	(4.95)	9.14%	131.22
Non controlling interest	22.82%	1,860.82	51.63%	159.13	(0.52%)	(5.81)	10.68%	153.32
Total	**100%**	**8,155.66**	**100%**	**308.22**	**100%**	**1,127.90**	**100%**	**1,436.12**

NOTE 54

Previous year's figures have been regrouped wherever considered necessary to make them comparable with those of the current year.

Notes forming part of the Financial Statements : Note No. 1 to 54

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: 20 May 2025

For and on behalf of the Board of Directors

Atul Kirloskar
Chairman
DIN 00007387

Aditi Chirmule
Executive Director
DIN 01138984

Anandh Baheti
Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Date: 20 May 2025

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	82.31	10.23
6	Reserves & Surplus	3,352.86	144.44
7	Total Assets	6,348.72	502.80
8	Total Liabilities	2,913.56	348.13
9	Investments	0.94	2.71
10	Turnover (Revenue from operations)	6,564.23	3.19
11	Profit Before taxation (incl.exceptional items	408.49	(0.18)
12	Provision for Taxation	114.45	1.71
13	Profit after taxation	294.04	(1.89)
14	Proposed Dividend (Per share)	2.50	-
15	% of Shareholding	46.01%	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
Date: 20 May 2025

For and on behalf of the Board of Directors

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DIN 00007387

Aditi Chirmule
Executive Director
DIN 01138984

Anandh Baheti
Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Date: 20 May 2025

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 2025, 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
Date: 20 May 2025

For and on behalf of the Board of Directors

Atul Kirloskar
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Chief Financial Officer

Ashwini Mali
Company Secretary
ACS 19944
Date: 20 May 2025

Kirloskar Industries

Registered Office:

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CIN: L70100PN1978PLC088972

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