Kirloskar Ferrous

Ref No. 3092/24 2 September 2024

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

Dear Sir / Madam,

Subject : Annual Report and Notice of Annual General Meeting

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; we submit the Annual Report of the Company for the financial year 2023-2024 (including the Notice of 33rd Annual General Meeting).

In compliance with provisions of the Companies Act, 2013 ('the Act') and rules thereof read with the General Circular No. 14/2020 dated 8 April 2020, the General Circular No. 17/2020 dated 13 April 2020, the General Circular No. 20/2020 dated 5 May 2020 and the General Circular No. 09/2023 dated 25 September 2023 issued by the Ministry of Corporate Affairs [collectively referred to as 'MCA Circulars'] and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, read with the Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7 October 2023 read with the Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11 July 2023 issued by the SEBI [collectively referred to as 'SEBI Circulars']; the Annual Report (including the Notice of Annual General Meeting) has been sent only by electronic means to all those Members, whose email addresses are registered with the Company / the Registrar and Share Transfer Agent or the Depository Participants.

The Annual Report for the financial year 2023–2024 (including the Notice of Annual General Meeting) is also available at the website of the Company viz. www.kirloskarferrous.com.

You are requested to take the same on record.

Thanking you,

Yours faithfully,
For Kirloskar Ferrous Industries Limited

MAYURESH VINAYAK GHARPURE

Digitally signed by MAYURESH VINAYAK GHARPURE
Date: 2024.09.02 21:41:14 +05'30'

Mayuresh Gharpure
Company Secretary

Encl : a/a

Kirloskar Ferrous

GROWTH

Commitment Towards Greener Tomorrow

Kirloskar Ferrous Industries Limited

A Kirloskar Group Company

Annual Report 2023-24

What's Inside

To view the report online, log on to www. kirloskarferrous.com/ investors/annual-reports

Scan the QR Code to know more about the company

Performance in FY 2023-24

Revenue
₹6,134 Crores

EBITDA
₹862 Crores

PBT (after exceptional items)
₹477 Crores

PAT
₹321 Crores

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 equity and prospective investors). Our endeavour is to present this information in a manner that is also relevant to all the key stakeholders.

This Report also aligns with Following:

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

Scope and Boundary

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

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

Reporting Period

The reporting period for the Annual Report is from 1st April 2023 to 31st March, 2024. However, certain portions of the report provide facts and numbers from prior 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 at:

Email: kfilinvestor@kirloskar.com
Website: www.kirloskarferrous.com

Our Stakeholders

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

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.

Our Capitals

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

Corporate Information

Board of Directors

Mr. Atul Kirloskar
Chairman
DIN - 00007387

Mr. Rahul Kirloskar
Vice Chairman
DIN - 00007319

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

Mr. A. N. Alawani
Non Independent Director
Din - 00036153

Mr. M. R. Chhabria
Non Independent Director
DIN - 00166049

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

Mr. Venkataramani S.
Independent Director
DIN - 00229998

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

Mr. Pravir Kumar Vohra
Independent Director
DIN - 00082545

Dr. Shalini Sarin
Independent Director
DIN - 06604529

Mr. M. S. Srinivasan
Additional Director
(with effect from 16 July 2024)
DIN : 10709097

Mr. Nishikant B. Ektare
Executive Director (Operations)
(with effect from 9 August 2024)
DIN - 02109633

Mr. Pattanasetty Rajashekar
Additional Director
(with effect from 9 August 2024)
DIN : 09514548

Mr. Sourirajan Rajagopalan
Additional Director
(with effect from 10 August 2024)
DIN : 10738323

Company Secretary

Mr. Mayuresh Gharpure

Statutory Auditor

Kirtane & Pandit LLP, Chartered Accountants

Secretarial Auditor

Mr. Mahesh J. Risbud, Practicing Company Secretary

Cost Auditor

Dhananjay V. Joshi & Associates, Cost Accountants

Security Trustee for the Consortium of Banks

IDBI Trusteeship Services Limited

Bankers

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

Registered Office

13, Laxmanrao Kirloskar Road, Khadki, Pune 411003, Maharashtra

Registrar and Share Transfer Agent (RTA)

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

Works

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

Information for the Members of the Company

33rd Annual General Meeting on Tuesday, 24 September 2024 at 11.00 a.m. (IST) through Video Conferencing or Other Audio Visual Means

Our Standalone Financial Performance

₹ in Crore

Sr. No.	Particulars	Ind AS							Indian GAAP		
		2023-24*	2022-23*	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
1	Net sales / revenue from operations	6,133.90	6,398.57	3,614.97	2,038.08	1,849.66	2,159.15	1,765.19	1,276.76	1,113.93	1,365.09
2	Other income	23.16	51.78	11.29	2.83	15.64	5.53	5.16	5.34	2.25	3.11
3	Profit Before Tax	476.83	619.26	542.69	363.19	156.18	146.71	54.42	121.09	85.23	71.85
4	Tax provisions	155.25	179.55	136.59	61.08	43.81	48.60	16.42	33.26	27.49	22.57
5	Profit After Tax	321.58	439.71	406.10	302.11	112.37	98.11	38.00	87.83	57.74	49.28
6	Dividend (%)	110	110	110	100	40	40	25	35	25	25
7	Dividend per equity share (₹)	5.50	5.50	5.50	5.00	2.00	2.00	1.25	1.75	1.25	1.25
8	Dividend Amount**	97.53	76.43	76.30	69.17	27.56	27.53	17.16	24.03	17.16	17.16
9	Earnings per share (₹)	19.60	26.85	29.32	21.89	8.16	7.14	2.77	6.40	4.20	3.59
10	Book Value per share (₹)	196.36	182.64	95.89	72.02	52.09	47.59	43.05	42.43	35.83	33.14
11	Equity Share Capital	82.11	81.93	69.36	69.17	68.91	68.82	68.65	68.65	68.65	68.65
12	Reserves and Surplus	3,142.49	2,910.87	1,260.74	927.20	649.02	586.28	522.39	513.92	423.38	386.38
13	Shareholders' Funds	3,224.60	2,992.80	1,330.10	996.37	717.93	655.10	591.04	582.57	492.03	455.03
14	Long-term Loans	794.79	644.27	515.59	206.77	228.24	53.00	-	-	-	10.00
15	Capital Employed	3,996.44	3,539.23	1,395.00	1,219.64	996.34	795.61	676.76	664.39	572.21	538.09

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

**Note: Includes Dividend paid by the Amalgamating Company

LIMITLESS

As society changes and progresses, we at Kirloskar keep up with the pace by constantly evolving. Our philosophy, which has been the foundation of our organisation for over 135 years, focuses on the progress of humanity.

We encourage our customers to boldly embrace the future by breaking free from convention and living up to their limitless potential.

Guided by our values, we have a vision that propels us towards an exciting future full of endless possibilities. With innovation as our driving force, we engineer solutions for tomorrow, always keeping human progress at the forefront. We strive to see beyond challenges and envision the unlimited potential that the future holds.

Being limitless also means a firm commitment to the values we live by: Innovative Thinking, Empathy, Collaboration, Integrity, Excellence and Value Creation. By designing groundbreaking solutions, we create avenues for innovative services that address problems, generate value for our customers and society, and hope to exceed their expectations. We operate with empathy and a strong commitment to moving forward together with our customers and partners because, together, we are limitless.

At Kirloskar Ferrous Industries Limited (KFIL), we are continuously evolving our manufacturing processes to minimise our carbon footprint. By integrating advanced technologies and innovative practices, we aim to reduce greenhouse gas emissions and energy consumption across every facet of our operations.

GROWTH

Commitment Towards Greener Tomorrow

Our transition to renewable energy sources is central to our commitment to a greener tomorrow. By enhancing energy efficiency, recycling materials and minimising waste, we are not just pursuing operational improvements but are also fostering a more sustainable manufacturing ecosystem. These efforts are crucial in building a future that benefits both our environment and our communities, aligning seamlessly with our vision of a greener, more sustainable tomorrow.

We are committed to driving renewable energy initiatives to ensure enduring sustainability. Our proposed investment is to generate 200 MW of renewable energy — a significant step forward to leverage wind, solar and other renewable energy sources. This underscores our dedication to reducing our reliance on the conventional energy sources. This strategic investment not only aligns with our global sustainability goals, but also positions KFIL as a leader in adopting cleaner energy sources within the manufacturing sector.

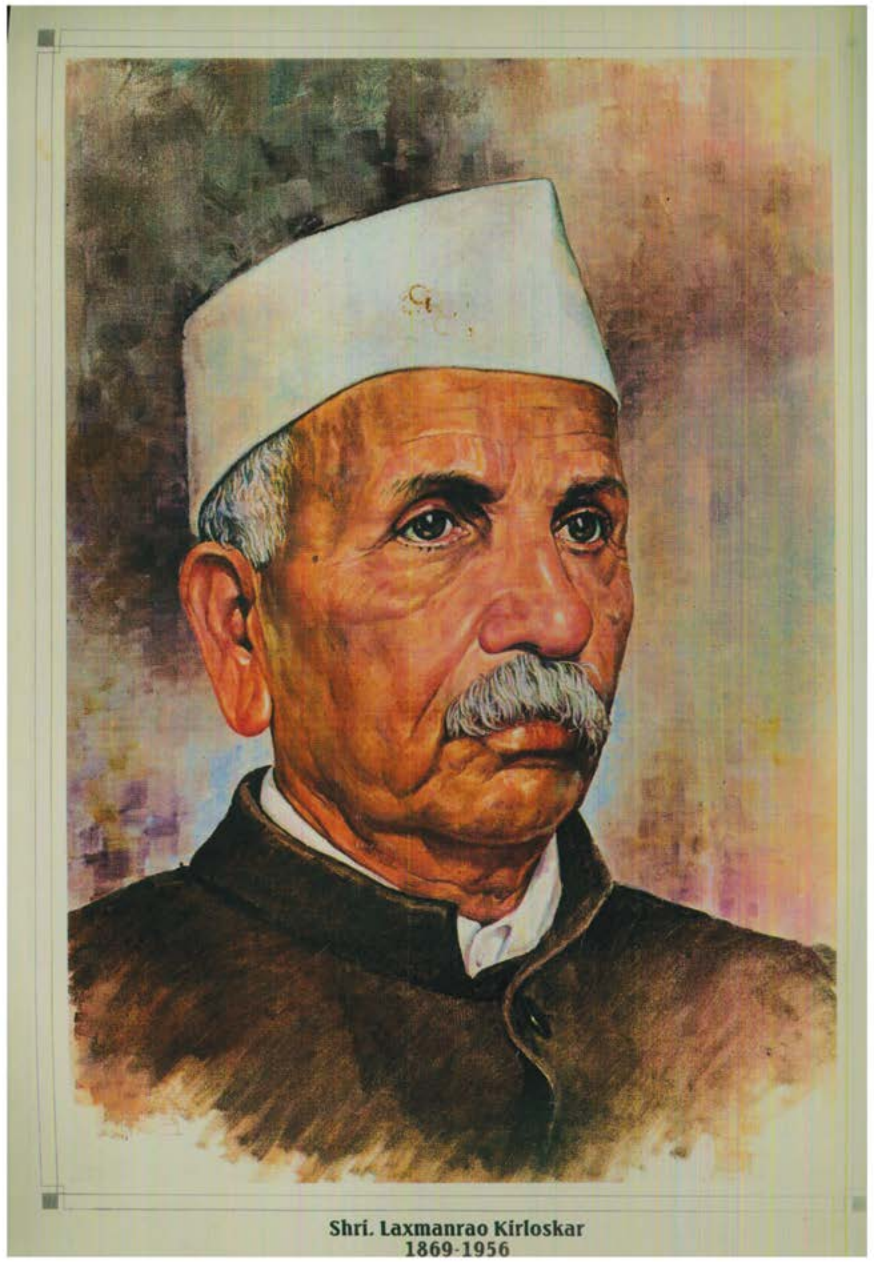
Our customers are at the heart of everything we do. We understand the critical importance of delivering high-quality products that meet the evolving needs of our customers, while also adhering to sustainable practices.

Our commitment to embracing renewable energy translates into tangible benefits for our customers and stakeholders — such as a lower carbon footprint for our products, compliance with regulatory standards, and alignment with global sustainability trends. By prioritising sustainability in all that we do, we enhance our reputation and brand recall, foster customer loyalty and contribute to a healthier planet

About Kirloskar Group

An inspiring beacon of innovation and excellence

Built over decades and powered by a rich legacy, Kirloskar Group has always evolved with a sharp focus on fulfilling the needs of the future through innovation and proactive execution.



The Group's legacy dates back to 1888, pre-independent India when indigenous entrepreneurship and business acumen were largely unheard of. It was in the early 1900s that our first products, the iron plough and chaff cutters were introduced by our founder, Honourable Late Shri Laxmanrao Kirloskar to encourage modernisation in the agricultural and farming sector. This step unveiled a series of engineering innovations in the decades that followed, creating employment opportunities and benefiting millions of people in India and worldwide.

Today, our Group operates across diverse sectors, including agriculture, manufacturing, food and beverage, oil and gas, infrastructure and real estate. However, strong focus on growth, diversification, innovation and sustainability remain the key characteristic of Kirloskar companies.

The saga that began with the vision and initiative of our founder, more than a century ago continues to grow and add exciting new chapters, as the Group expands its horizons and touches more lives.

Kirloskar Group Companies

Kirloskar Pneumatic Company Limited (KPCL)

Kirloskar Pneumatic Company Limited (KPCL)

Kirloskar Oil Engines Limited (KOEL)

Engines, Gensets, Farm mechanization, Pumps and Electric Motors

Kirloskar Ferrous Industries Limited (KFIL)

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

Kirloskar Industries Limited (KIL)

Unregistered Core Investment Company and Real Estate Development

Kirloskar Chillers

Chillers

ARKA Fincap

Financial Services and Lending

Kirloskar Group in Numbers

135+
Years of Excellence

₹45,101 crore
Market Cap**

₹10,830 crore
Combined Shareholders' Funds*

4##
Listed Companies

7,000+
Total Group Employees#

* Listed companies include Kirloskar Ferrous Industries Ltd., Kirloskar Industries Ltd., Kirloskar Oil Engines Ltd., Kirloskar Pneumatic Company Ltd.

**Market cap based on closing market price of 31st May, 2024.

Employees on payroll.

##KFIL and ISMT started operating as a merged entity from 9th August, 2024

About Kirloskar Ferrous

Progressing with a resolute will to transform

Kirloskar Ferrous Industries Limited (KFIL) continues to be at the forefront of India's manufacturing industry, specialising in the production of pig iron and castings. Post the merger with ISMT Limited, the KFIL product portfolio also includes steel and seamless tubes. Globally acclaimed as the only Company in Asia to have an integrated business model — encompassing Mines to machined casting and now mines to steel and seamless tubes — our commitment to transform remains unchanged.

To serve our customers better, we ensure that each product is designed in a way that meets the highest standards of precision and quality. Our offerings serve as integral components across various industries, including steel, tractor manufacturing, commercial vehicles, automobiles and engine production.

True to our legacy of excellence, we continue to move ahead to meet and even exceed customer expectations.

Sales Volume

4,31,902 MT
Pig Iron

69,605 MT
Steel

1,20,018 MT
Casting

1,56,487 MT
Tubes

Financial Performance

₹6,134
Revenue

₹862
EBITDA

₹1,872 crore
Net Worth

11.15%
ROCE

ESG Snapshot

21%
Reduction in Energy Intensity Per crore of Turnover

21%
21% Reduction in Water Intensity Per crore of Turnover

11%
Reduction in Scope 1, Scope 2 Emissions Intensity Per crore of Turnover

OUR VALUES

EXCELLENCE

INTEGRITY

COLLABORATION

EMPATHY

VALUE CREATION

INNOVATIVE THINKING

VISION AND MISSION

Be a sustainable growing organisation creating value to all stakeholders

To become a 2 Billion $ company by 2030

Pig Iron

- To be a lowest cost producer
- Expand in to value added products
- To achieve 0.7 Million Tons of liquid metal by 2022

Casting

- Exceed customer expectation in Product development, Quality & Delivery
- Expand into new segments of casting and value addition by machining.
- To achieve 0.2 Million Tons casting sales by 2025
- Expand into new products beyond iron castings.

Milestone

1991
Year of Inception

1994
Commercial Production of Pig Iron from Mini Blast Furnance-I, Commissioning of Turbine Generator-I

1995
Commercial Production from Mini Blast Furnance-II, Commercial Production of Grey Iron castings

2007
Acquired Solapur Foundry from Kirloskar Oil Engines Ltd., Commissioning of Hot Blast Stove-I

2008
Commissioning of HPML Plant, Solapur

2010
Commissioning of Hot Blast Stove-II, Commissioning of Power Plant-III

2011
Turnaround Year Commissioning of Sinter Plant, Solapur Foundry Operations Turned Profitable

2013
Commissioning of Line II at Koppal Plant

2014
Set up an Administrative Building at Koppal

2016
Upgradation of Mini Blast Furnace

2017
Commissioning of the Machine shop at Koppal

2018
Commissioning of Solar Plant in Solapur

Commissioning of 3D Printing Facility

2019
Commissioning of Railway Siding at Koppal

2020
Commissioning of 2 lakh Metric Tonnes Coke Oven

Started Production of Captive Iron Ore Mines

2021
Turnaround Year Acquisition and Commissioning of Hiriyur Pig Iron Unit

2022 - Sinter Plant Commissioning in Hiriyur,

Line II Core Shop Extension Phase 1, Fettling Shop Extension

2022
Acquisition of ISMT

2023
Turnaround Year ISMT Turned Profitable within a Year of Acquisition

Expansion of Foundry Capacity at Solapur

KFIL - ISMT Merger Proposed Commissioned Second Coke Oven Plant at Koppal

20 MW Waste Heat Recovery Plant Attached to the Second Phase of Coke Oven Commissioned

2024
Acquisition of Oliver Engineering Private Limited

Commissioning of Pulverised Coal Injection at Koppal

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

KFIL–Resilient and Sustainable

Leveraging complementary strengths and synergies

Leveraging the complementary strengths and synergies from KFIL-ISMT merger, we are poised to unlock new opportunities and drive value creation for our stakeholders.

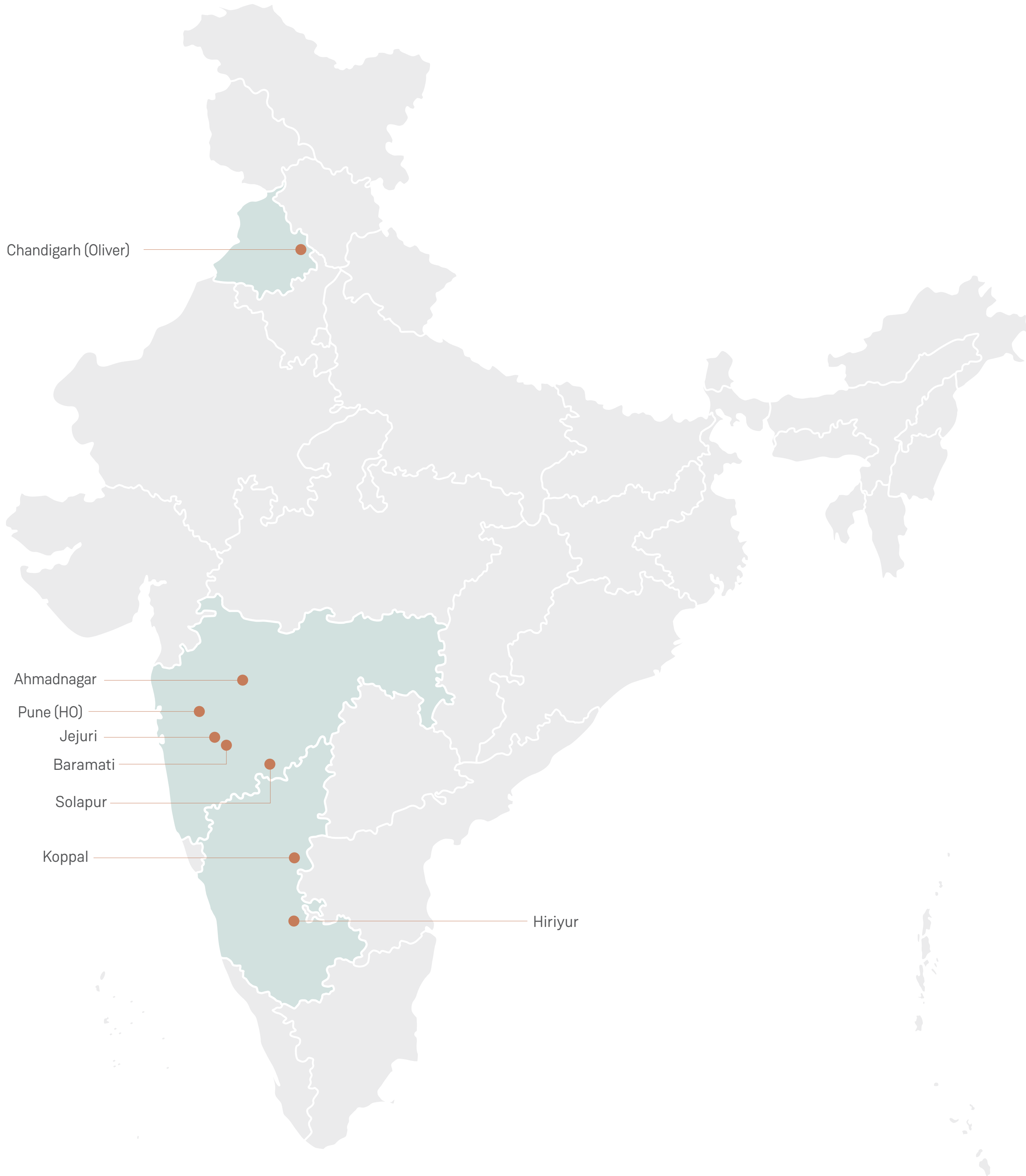
With a legacy spanning decades, KFIL, has established itself as a key player in the Indian iron and steel industry. Our commitment to innovation, quality and sustainability has propelled our growth and fortified our market position.

> Our key focus has always been on delivering what is critical to customers, be it in time delivery, lower rejection rates or products exceeding quality expectations.

Operating state-of-the-art manufacturing facilities, equipped with advanced technologies, we produce a diverse range of iron and steel products. From pig iron and castings to steel and seamless tubes. We cater to various industrial sectors including infrastructure, automotive, construction and engineering.

Driven by a strong emphasis on research and development, we continually strive to enhance our product offerings and processes to meet the evolving needs of our customers. With a focus on sustainability, we adopt eco-friendly practices throughout our operations, ensuring minimal environmental impact.

As responsible corporate citizens, we are dedicated to fostering long-term relationships with our stakeholders, including customers, employees, shareholders and the communities in which we operate. Our commitment to integrity, ethics and corporate governance underscores our reputation as a trusted partner in the industry.



KFIL – ISMT Merger

Joining Forces for a Sustainable and Limitless Future

Pre-merger (FY24)

kirloskar Ferrous

Products

- Pig iron
- Castings

Key Performance Indicator

₹3,769 crore Revenue	₹484 crore EBITDA
₹196 crore Net Profit after Tax	₹3,824 crore Total Assets
0.61 Debt/Equity	

Manufacturing Locations

- Koppal
- Solapur
- Hiriyur

ISMT Limited – Solutions You Can Trust

Products

- Steel
- Tubes

Key Performance Indicator

₹2,632 crore Revenue	₹376 crore EBITDA
₹142 crore Net Profit after Tax	₹2,180 crore Total Assets
0.10 Debt/Equity	

Manufacturing Locations

- Ahmednagar
- Baramati
- Jejuri

Post-merger

kirloskar Ferrous

Products

- Pig Iron
- Castings
- Steel
- Tubes

Key Performance Indicator

₹6,134 crore Revenue	₹862 crore EBITDA
₹322 crore Net Profit	₹5,904 crore Total Assets
0.38 Debt/Equity	

Strategic Benefits

Diversification
Expanded product range and value-added products.

Market Reach
Expanding access to new markets and customer segments to broaden our market presence and attract a diverse customer base.

Operational Efficiency
Enhancing production capabilities and achieving economies of scale to improve efficiency and

Innovation Potential
Increasing our capacity for research and development to drive product innovation and stay ahead in the industry.

Common Vision **Common Mission** **Shared Values**

Chairman's Letter

Building a Stronger Future

> We value our people and will work towards building a culture that fosters collaboration, innovation and mutual growth.

Dear Shareholders,

As we reflect on the financial year 2024, I am delighted to share the numerous achievements and strategic advancements of Kirloskar Ferrous Industries Limited (KFIL). This year has been transformative, marked by significant milestones, including a major development that will shape our future trajectory—the approval of the merger with ISMT Limited by regulatory authorities.

Performance Overview

The fiscal year 2024 has presented a challenging environment, characterised by volatility in input commodity prices and lower realisations in the pig iron market. Despite these headwinds, our focus on strategic initiatives and operational efficiency has enabled us to navigate through these turbulent times effectively.

The first half of the year witnessed a slowdown in the tractor industry, impacting our performance. However, the second half saw a gradual recovery, aligning with our expectations and efforts. Our top line and net profit figures have shown resilience compared to the previous year, a testament to our adaptability and strategic management.

In response to the challenging economic landscape, we have made prudent decisions regarding cost optimisation. Our initiatives, such as the pulverised coal injection project, have significantly contributed to cost savings and efficiency improvements. These efforts have not only helped in managing expenses but also enhanced our overall operational efficiency.

Thus, the revenue from operations for FY 2024 was ₹6,134 crore with net profit of ₹322 crore. These numbers represent the merged entity numbers.

Strategic Focus

I am pleased to announce that the merger between KFIL and ISMT Limited has been approved by the regulatory authorities. This merger is a pivotal moment for both companies, combining our strengths to create a more diversified and resilient entity. The integration of ISMT's seamless tube manufacturing capabilities with KFIL's expertise in pig iron and foundry-grade castings will enhance our product portfolio and market reach. This strategic move will enable us to better serve our customers, optimise operations and drive sustainable growth.

Geographic diversification has been bolstered by the acquisition of Oliver Engineering Private Limited near Chandigarh, bringing us closer to our customers in the north. This acquisition enables us to better serve our clients and expand our market presence in the region.

Commitment to Sustainability

At KFIL, sustainability is not just a goal, it is an integral part of our business strategy. This year, we made substantial investments in renewable energy projects, aligning with our vision to reduce our carbon footprint and promote environmental stewardship. Our plans to install approximately 200MW of renewable energy in the form of solar and wind energy over the next 2-3 years underline this commitment. The first phase of 35 MW is already operational, with another 35 MW set to be commissioned soon.

Innovation and Technological Advancements

Innovation remains a cornerstone of our growth strategy. We have invested in cutting-edge technologies and advanced manufacturing processes to improve efficiency and product quality. Our R&D efforts are focused on developing new alloys and materials that cater to the evolving needs of our customers, ensuring we stay ahead in a competitive market.

Employee Welfare and Community Development

Employee safety remains our utmost priority. We have continued to implement and enhance safety measures to ensure a secure working environment. We have also implemented several programmes aimed at enhancing employee well-being and skill development. Additionally, our community development initiatives continue to make a positive impact on the lives of many, reflecting our commitment to social responsibility.

In the coming year, with the KFIL and ISMT merger being approved by the regulatory authorities, our focus will be on integrating the operations and teams effectively. We value our people and will work towards building a culture that fosters collaboration, innovation and mutual growth.

Outlook for the Future

Looking ahead, we are optimistic about the future of KFIL. Our focus will remain on sustainable practices, innovation and creating value for all our stakeholders.

Conclusion

In conclusion, I would like to extend my heartfelt gratitude to our shareholders, employees, customers and partners for their unwavering support and trust in KFIL. Together, we will continue to build a resilient and sustainable future.

Thank you for your continued support.

Warm regards,

Atul Kirloskar

Chairman
Kirloskar Ferrous Industries Limited

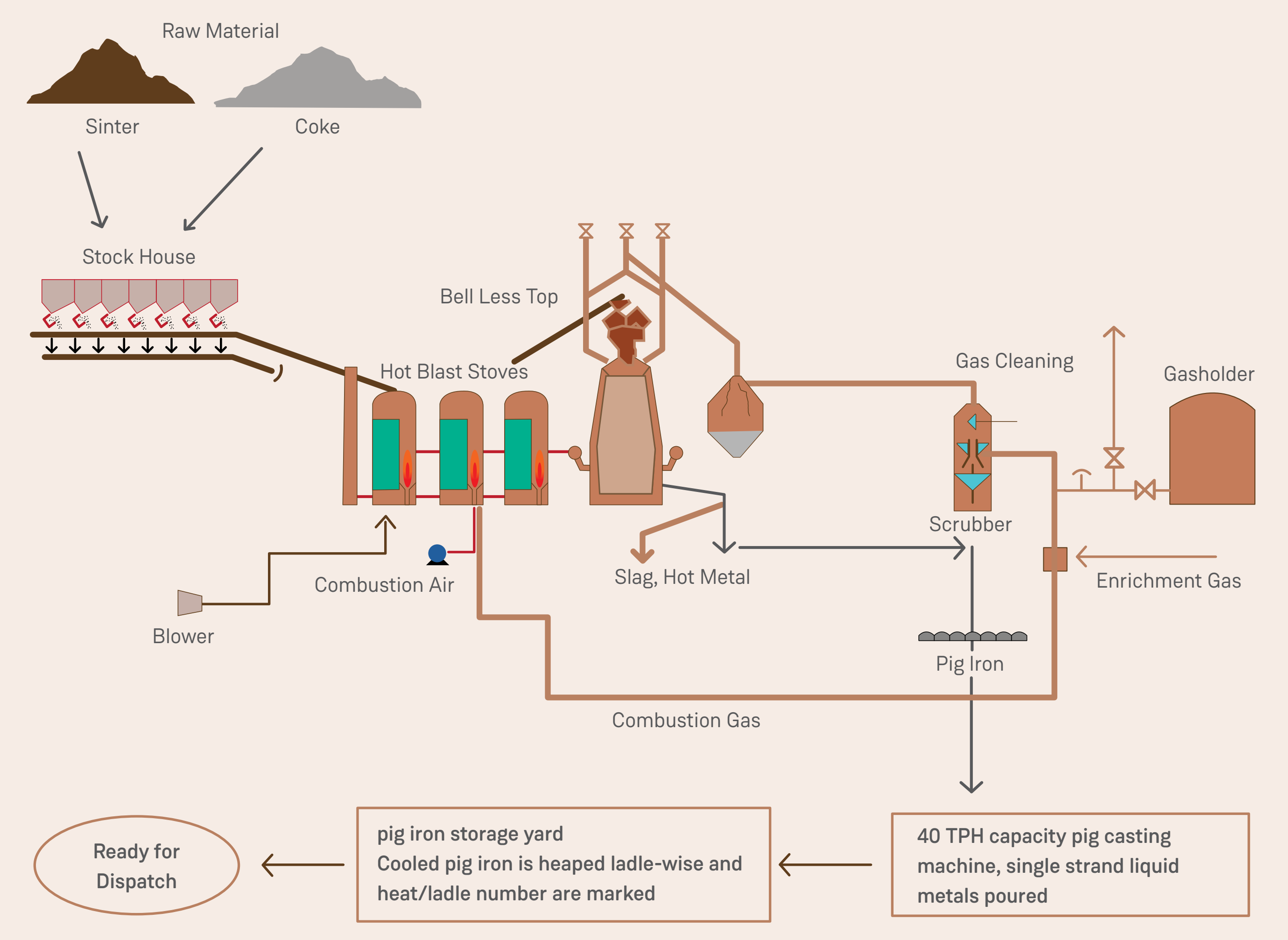
Our Business Segments

Addressing specific client requirements with efficiency

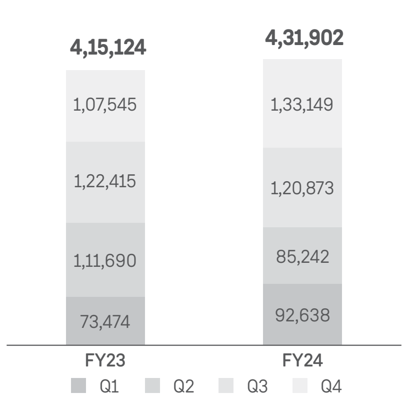
Pig Iron

Our commitment to customer satisfaction drives every aspect of our pig iron manufacturing process. We understand the importance of delivering products that meet the precise specifications of our clients, whether it is weight, size or chemical composition. To ensure utmost efficiency, we provide detailed chemistry reports with each dispatch, streamlining processes and minimising redundancy. Moreover, we track the distribution process to guarantee on-time delivery to our customers. We meticulously stack and load materials based on their heat sensitivity to stay true to our promise of meeting our clients' needs.

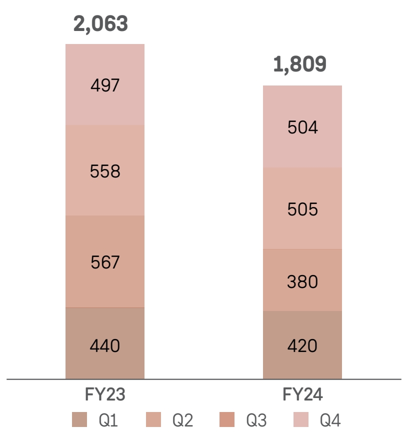
Pig Iron Flow: Raw Material to Finished Pig Iron



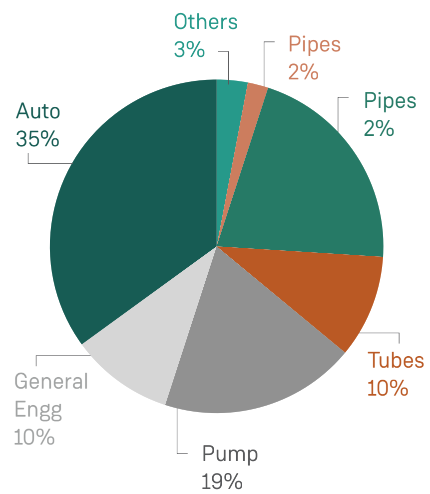
Pig Iron -Sales Volume (MT)



Pig Iron -Sales (₹ crore)



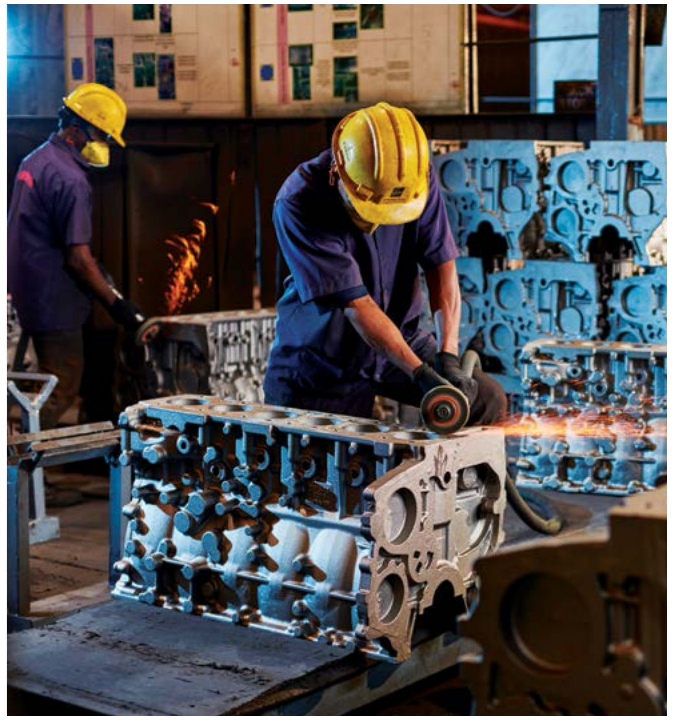
End User Profile



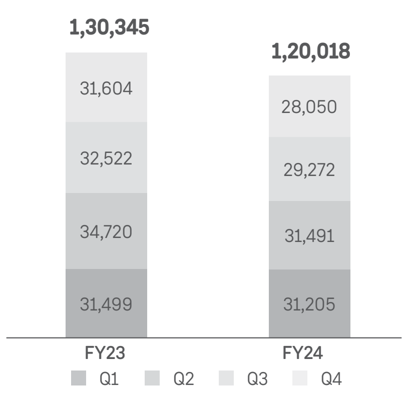
Realisations (₹/MT)	FY 23	FY 24
Q1	59,951	45,358
Q2	50,795	44,559
Q3	45,615	41,754
Q4	46,179	37,874

Castings

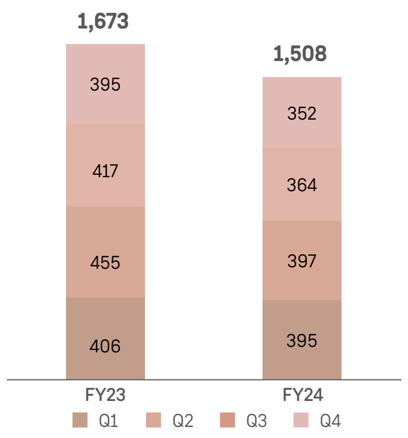
Our expertise in castings enables us to offer tailored products that cater to the exacting demands of original equipment manufacturers (OEMs) and Tier-I suppliers. Following a collaborative approach, we ensure that we work closely with our customers to understand their unique design and specification requirements. Through seamless integration between our business development and new product development teams, we expedite the process of introducing new products while also optimising their operational efficiency.



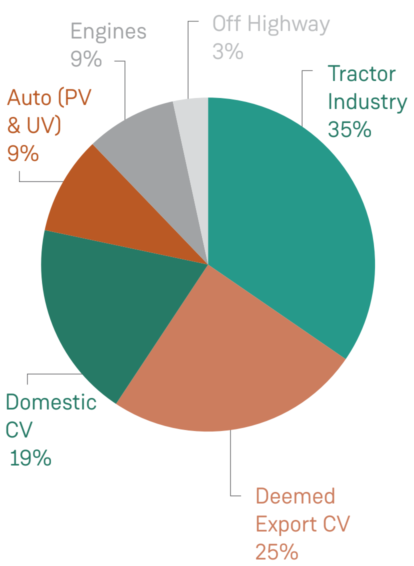
Casting- Sales Volume (MT)



Casting- Sales (₹)

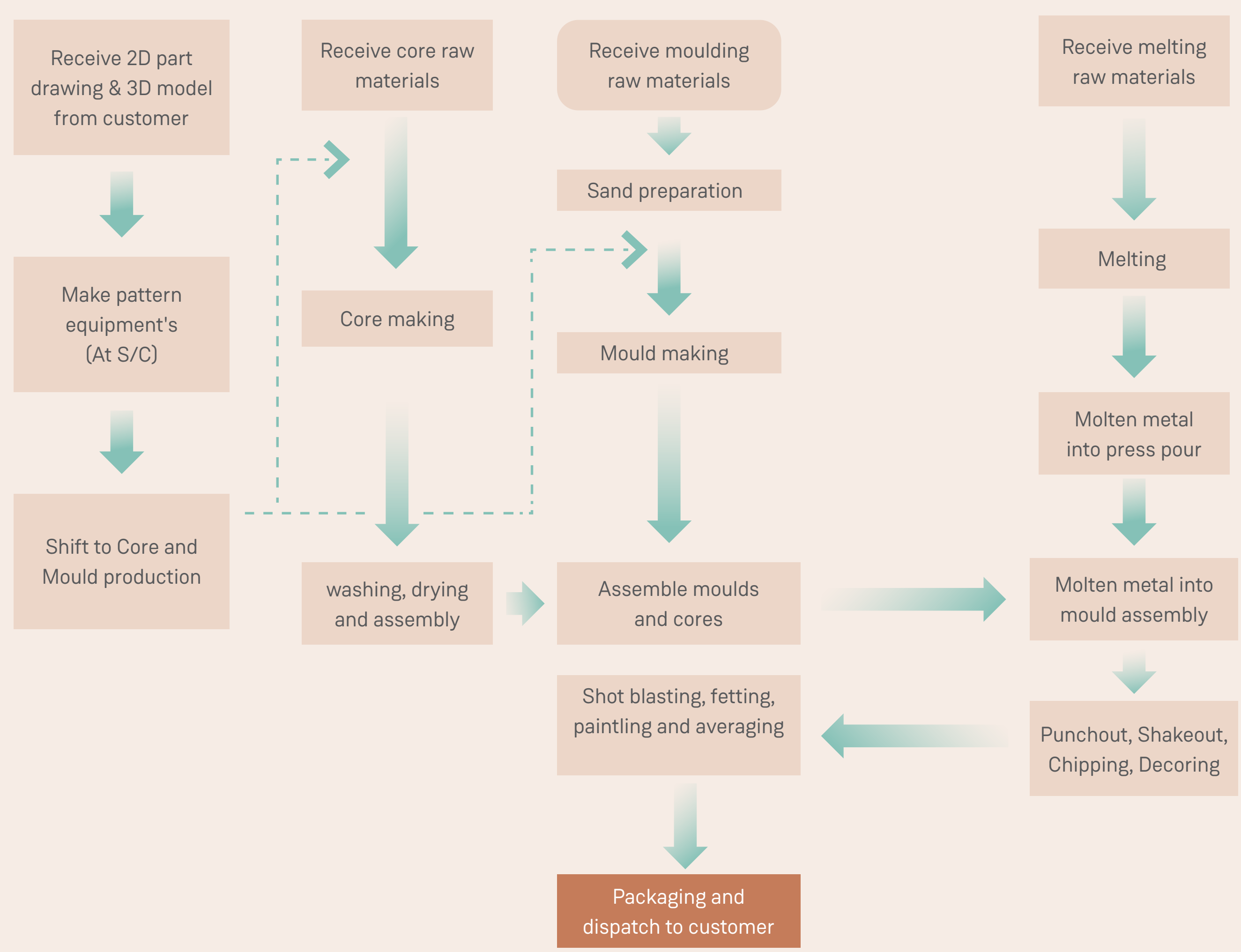


End User Profile



Realisations (₹ /MT)	FY 23	FY 24
Q1	1,29,008	1,26,474
Q2	1,31,130	1,26,094
Q3	1,28,093	1,24,418
Q4	1,24,992	1,25,626

Foundry Process Flow Diagram



Proto-casting

We remain at the forefront of pioneering precision casting solutions, adhering to the highest standards of quality in terms of both prototyping and small-batch production. Carrying forward a rich legacy of innovation and backed by a dedicated team of experts, we deliver bespoke casting services, tailored to the specific requirements of our clients. By collaborating closely with our partners, we leverage cutting-edge technologies and advanced manufacturing processes to ascertain that our solutions are precise and efficient.

Machining

We provide high-quality machined castings using state-of-the-art CNC machines and robotic systems, to optimise productivity and streamline operations. Our team of engineers and technicians works closely with clients to understand their unique requirements and provide customised solutions. Our Solapur and Koppal plants have advanced machining facilities, specialising in 3 and 4-cylinder blocks and heads. In addition, we have dedicated Horizontal Machining Centres (HMCs), Vertical Machining Centres (VMCs) and Special Purpose Machines (SPMs) for fully machined castings. Further, Coordinate Measuring Machines (CMMs) help in dimensional validation. The NALT Cylinder Block and Bed Plate are assembled at the Solapur plant after machining. We deliver high-quality castings in record time, which makes us a reliable partner in the machining industry.

Steel

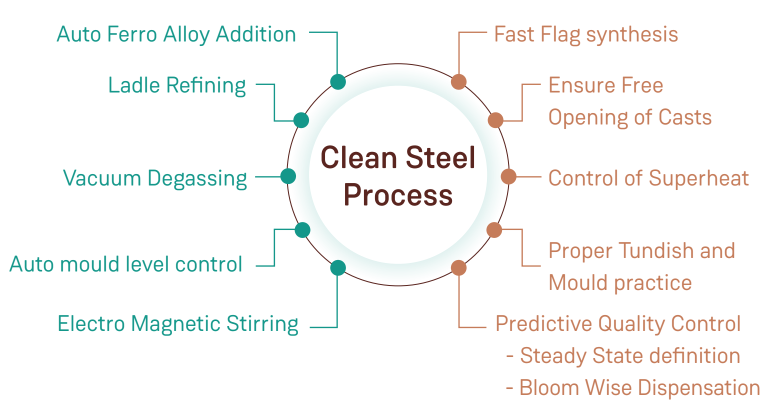
Our core competency lies in producing high-quality steel products tailored to meet the exacting demands of diverse industries. We are a preferred supplier to the automotive, forging, textile machinery, fastener and numerous other sectors. Our ability to deliver customised steel solutions, including challenging free-machining steels, sets us apart.

Our state-of-the-art production process begins with the electric arc furnace where scrap metal is melted to produce molten steel. This molten steel is then subjected to ladle refining to remove impurities and enhance its composition. To further improve the steel's quality, we employ vacuum degassing, which removes dissolved gases. The refined steel is then solidified into a desired shape through continuous casting. Finally, the cast steel undergoes rolling to achieve the desired dimensions and properties. This meticulous production process ensures that our steel consistently meets the highest industry standards. By combining advanced technology with our deep industry expertise, we deliver superior steel products that drive progress and innovation across various applications.

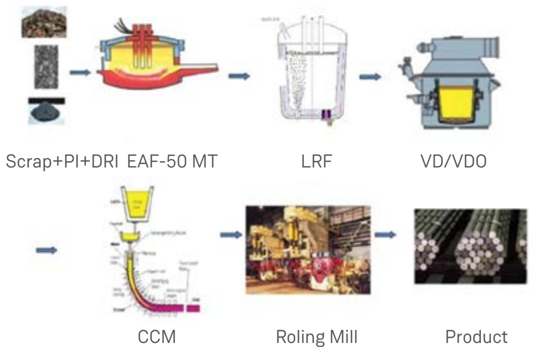
We are one of the leading producers of bearing steels in India, capturing over 40% of the market share.

Equipment

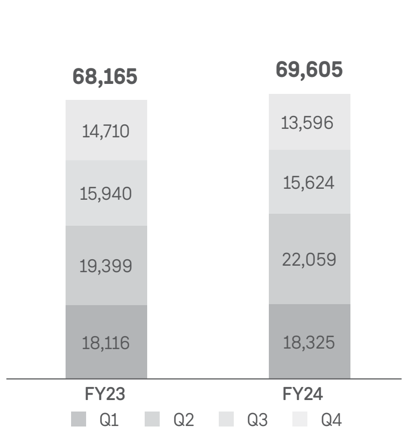
Practices



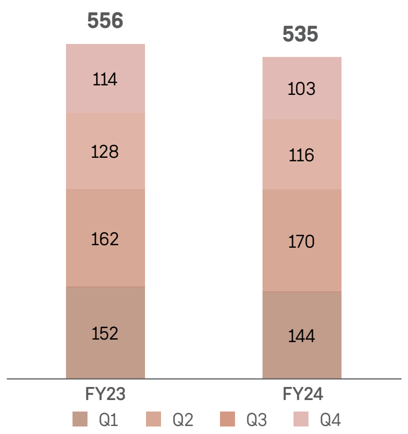
Steel Making Process



Steel- Sales Volume (MT)



Steel- Sales (₹)



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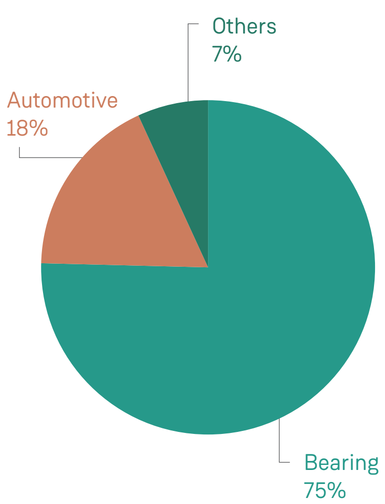
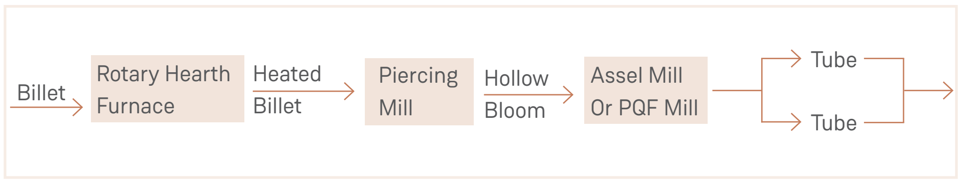


Realisations (₹/MT)	FY 23	FY 24
Q1	83,914	78,767
Q2	83,654	77,201
Q3	80,222	74,538
Q4	77,429	76,066

Seamless Tube

We are a global leader in the manufacturing of precision seamless tubes, boasting an annual production capacity of 4,75,000 metric tonnes. Our state-of-the-art Assel and PQF mills enable us to produce a wide range of both hot-finished and cold-finished seamless tubes, with diameters spanning from 6mm to 273mm. This versatility allows us to serve a diverse clientele across industries such as automotive, oil and gas, power generation, drilling and mining, construction and more.

Beyond our core competency in tube manufacturing, we offer a comprehensive range of value-added products. This includes precision-machined rings for bearings and constant velocity (CV) joints, engineered axles for trucks, steering columns for two-wheelers and ready-to-hone tubes for hydraulic cylinders. Our integrated manufacturing process, which encompasses a captive power plant, ensures complete control over our supply chain, resulting in superior product quality, efficiency and on-time delivery.



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

Hot Finishing Equipment:

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

Cold Finishing Equipment:

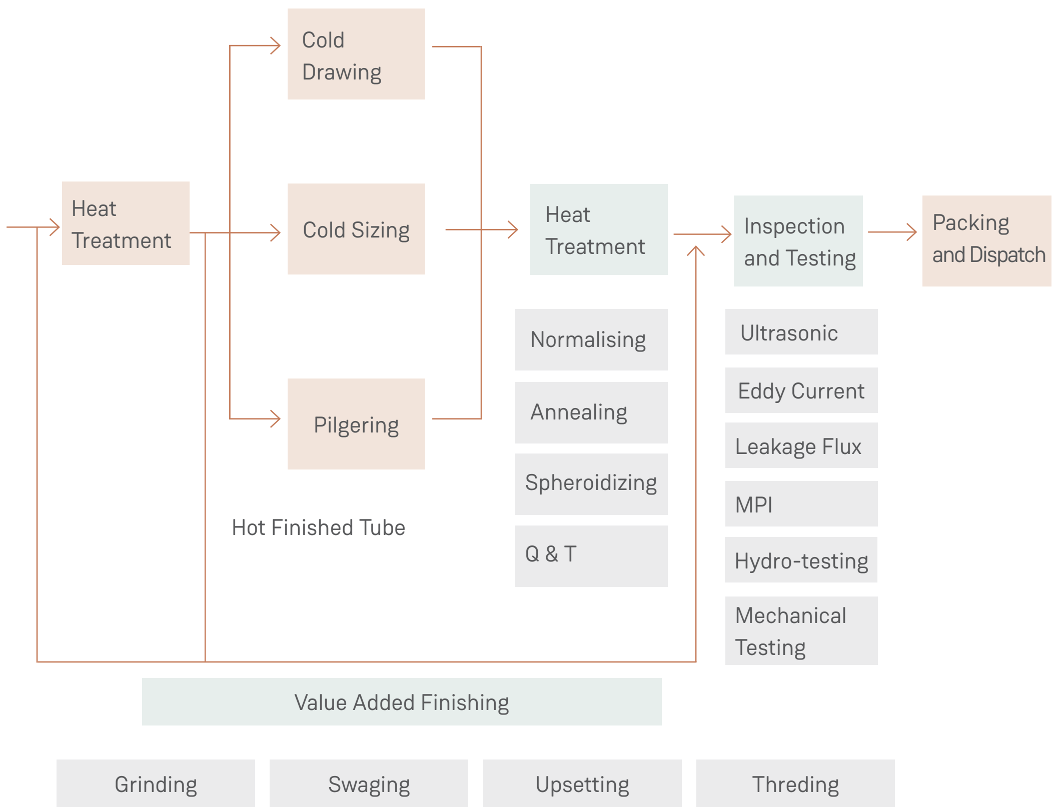
- Cold Pilger Mills
- Cold Draw Benches
- Cold Sizing Mill

Finishing Facilities:

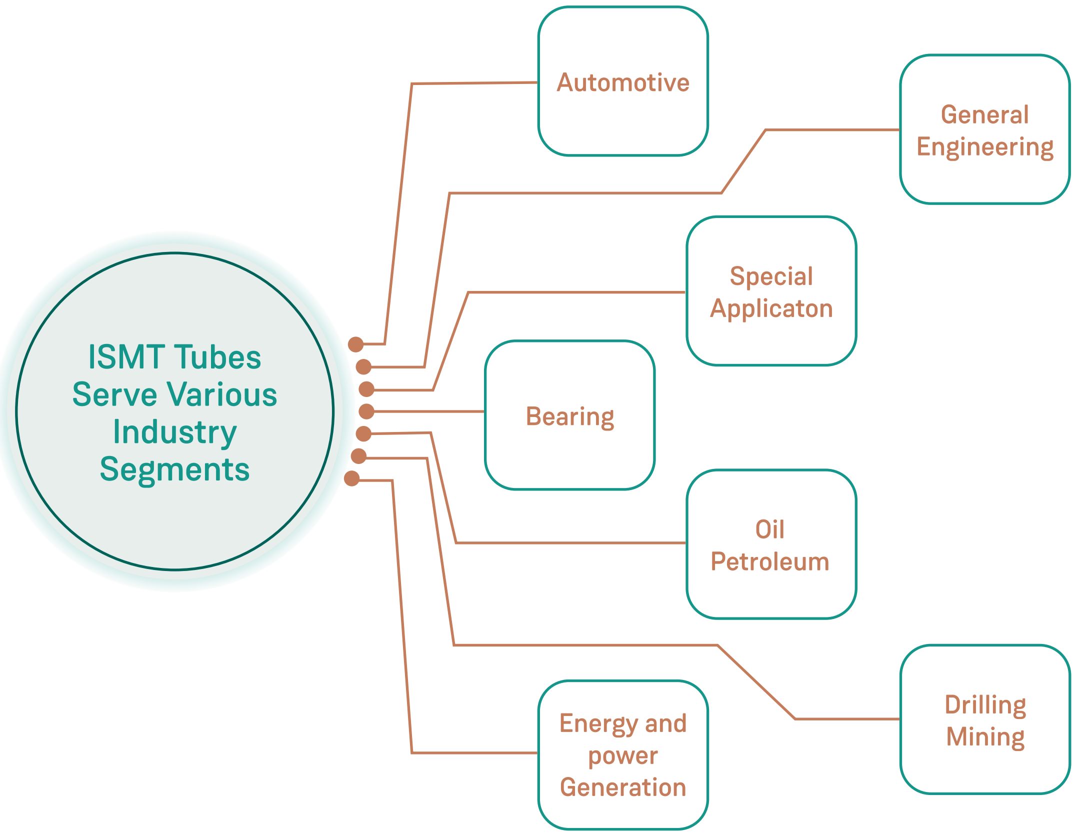
- Heat Treatment Furnaces
- End Finishing
- Cold Ring Rolling
- End Upsetting
- Straightening

Inspection Facilities

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



Segments and Products

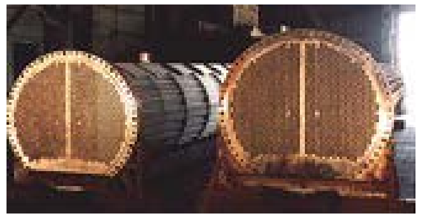



Speed Cut ISMT Hollow Bars


Hydraulic Cylinder Tubes


Perforated Gun Tubes

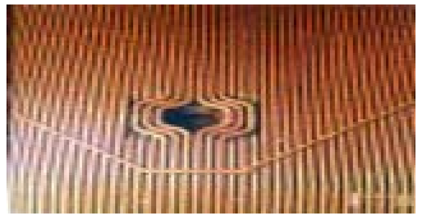
Boiler Application

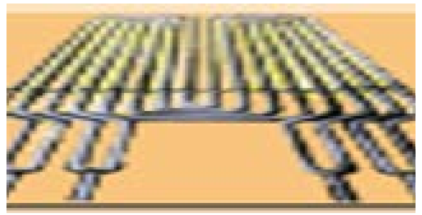

Heat Exchanger


Header Pipes


Condenser Tubes


Multi Rifle Bore Tubes


Water Wall Tubes

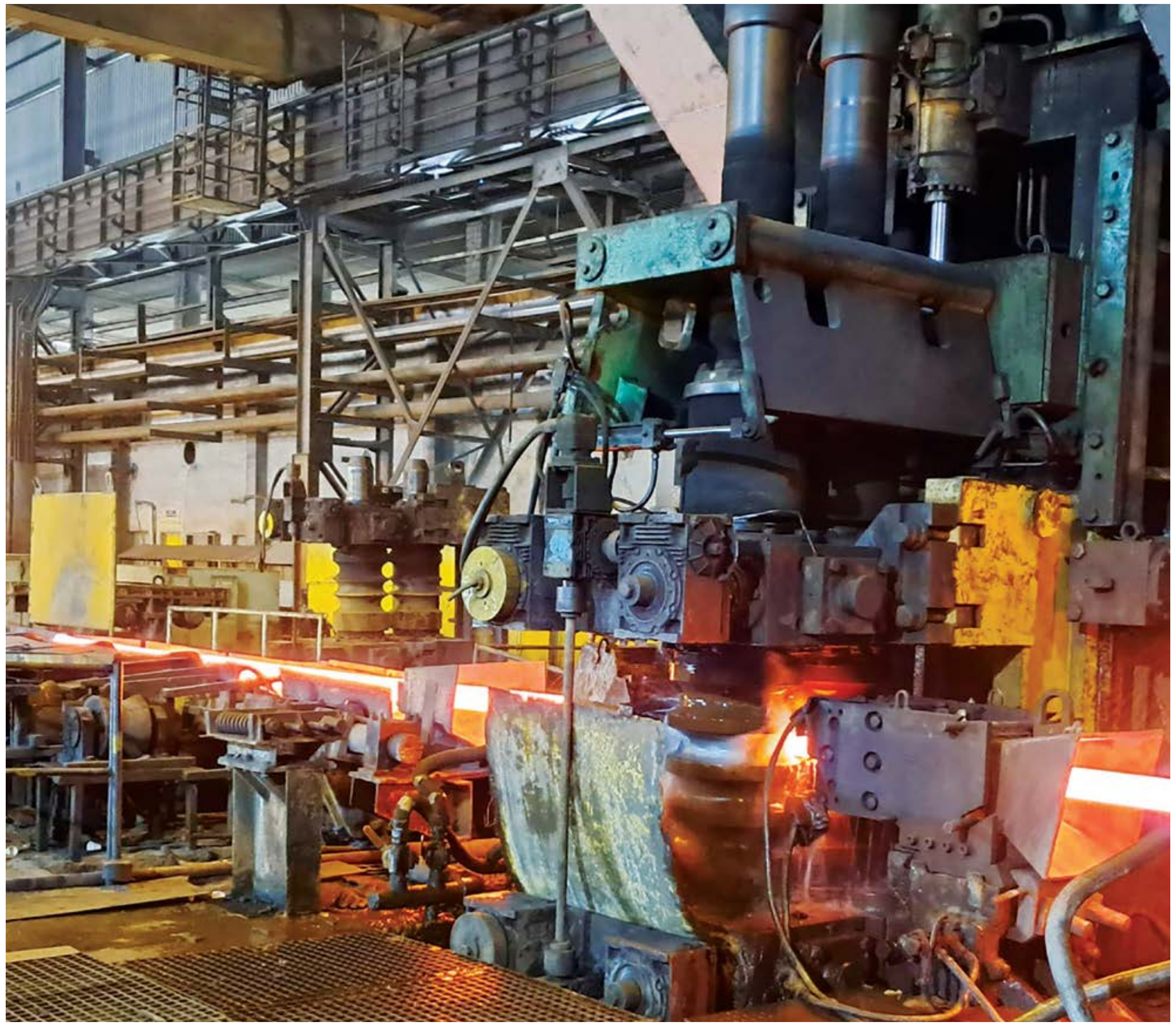

Super Heater Tubes

Automotive Application

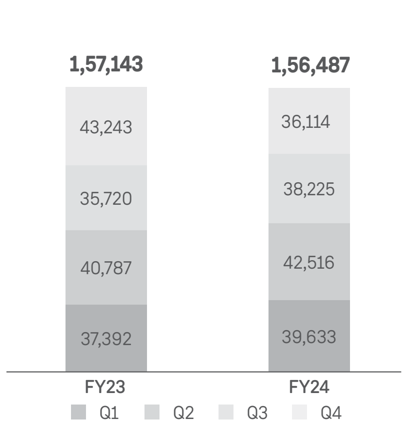

Steering Column Tube


Drive Shaft

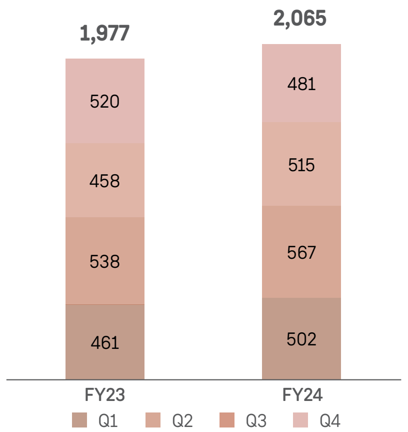

Rocker Arm Shaft



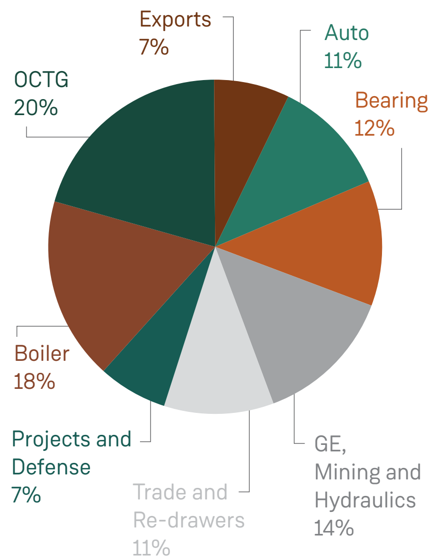
Tubes- Sales Volume (MT)



Tubes- Sales (₹)



End User Profile



Realisations (₹/MT)	FY 23	FY 24
Q1	1,23,258	1,26,599
Q2	1,31,957	1,33,398
Q3	1,28,193	1,34,707
Q4	1,20,354	1,33,196

Business Model

Building a sustainable business model

Input

Financial Capital

₹1,872 crore Net worth
₹862 crore EBITDA
₹795 crore Loan

Manufactured Capital

6 Manufacturing Units
Koppal
Hiriyur
Solapur
Ahmadnagar
Jejuri Baramati

Intellectual Capital

₹5.3 crore spent on Research and Development

Human Capital

3,509 Employees on roll
691 Training and awareness programmes held

Social and Relationship Capital

₹8.3 crore spent on CSR

Natural Capital

12 million GJ Energy consumption
2 million KL Water consumption

Value Creation Process

Vision

Be a sustainable growing organisation creating value to all stakeholders with limitless opportunities

Mission

To become the Largest Alloy Steel manufacturer in India and Global Top 5 in Castings

To become 2 Billion dollar company by 2030

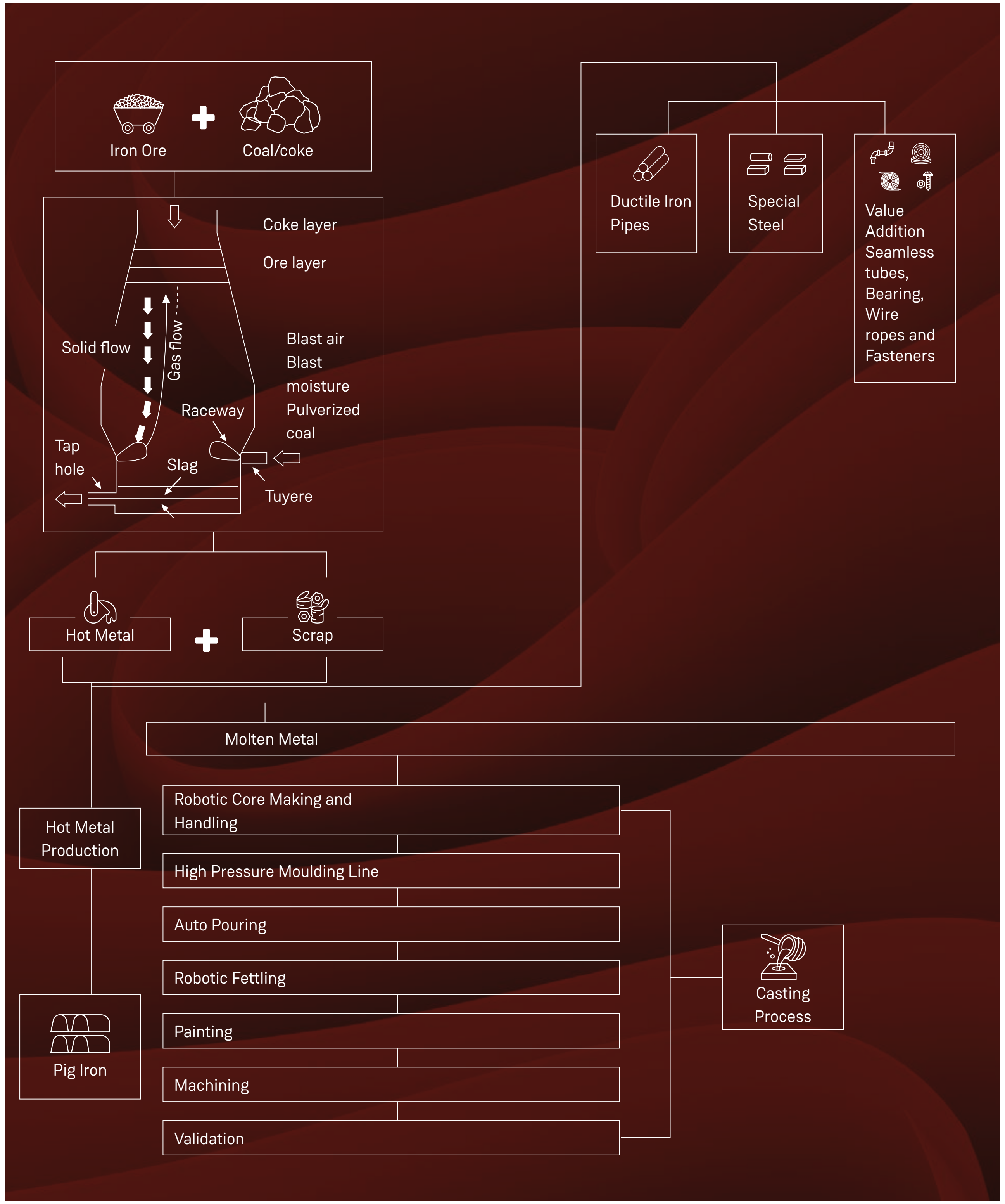
1.4 million Tonne Liquid Metal

1 million Tonne Alloy Steel

0.3 million Tonne Casting

0.3 million Tonne Seamless Tubes

To be a preferred Employer and responsible neighbour through sustainable business practices.



Output

Financial Capital

₹6,134 crore Turnover
11.15% ROCE
₹5.50 Dividend per share
₹9,560 crore Market capitalisation as on May 31, 2024

Manufactured Capital

Revenue by Business Segment
Pig Iron - ₹1,805 crore
Castings - ₹1,508 crore
Tubes - ₹2,065 crore
Steel - ₹535 crore

Intellectual Capital

Reduced development time for products
Reduced cost for proto casting production

Human Capital

1.50 Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) for employees

Zero Fatalities

Social and Relationship Capital

35,000+ People benefited through CSR activities*

Natural Capital

2,67,580 MT Waste Recycled
15,827 MT Waste Re-used
21% Reduction in energy intensity per crore of turnover

SDG linkage

Financial Capital: 8, 9, 12, 17
Manufactured Capital: 6, 7, 9, 11, 12, 13, 15, 17
Intellectual Capital: 8, 9
Human Capital: 3, 5, 8
Social and Relationship Capital: 1, 2, 3, 4, 5, 6, 7, 8, 11, 13, 15, 17
Natural Capital: 6, 7, 9, 11, 12

* Refer to details of beneficiaries of CSR Projects in BRSR report

Macroeconomic Trends

Growing sustainably with a long-term macro outlook

The demand for iron and steel products continue to grow in India. It is emanating from diverse sectors, primarily tractors, commercial vehicles, utility vehicles and diesel engine segments. Even in the infrastructure space, there is a need for such products.

The government's continued emphasis on infrastructure creation and upgradation through budgetary and non-budgetary support, along with focus on 'Make in India' initiative is also acting as a strong tailwind for growth.

At KFIL, we primarily cater to large casting requirements of tractors, commercial vehicles (CV), utility vehicles (UV) as well as diesel engine segment and our market share is growing significantly. Over the years, we have built a loyal customer base and a rich experience of dealing with Original Equipment Manufacturers (OEMs), resulting in repeat orders.

We have also forward integrated into seamless tubes and increased the share of value-added products in our portfolio. ISMT is among the largest seamless tubes manufacturers in India, with a diversified product profile. ISMT has customers in the automobile, bearing, power, oil and gas, boiler, general engineering and hydraulic segments, among others.

Where We Operate

Our Four Product Lines

- Pig Iron
- Castings
- Steel
- Seamless Tubes

Industries We Serve


Automotive Engineering


Infrastructure and Construction


Agriculture


Manufacturing


Textile Mills


Steel Industry

Business Environment

- Economic development and geopolitical dynamics
- Government policies
- Availability and cost of raw materials
- Competition
- Investment in the infrastructure sector, urbanisation and Industrialisation
- Global Trade Dynamics
- Evolving Customer Demands
- Performance of allied industries

Growing Trends

- Evolution in compliance
- Sustainability/ Sustainable practices
- Technological advancements

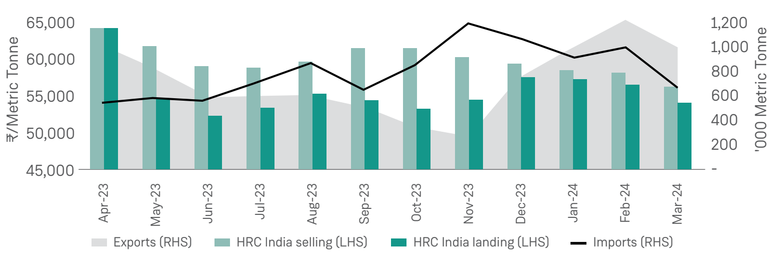
Trend

Economic development and geopolitical dynamics

Despite a global slowdown, India's steel demand remains robust, potentially serving as a counterbalance to the anticipated moderation in China's growth. This strong demand, particularly in sectors such as energy and transportation, could mitigate regional over-capacities and imbalances within the industry

Economic development and geopolitical dynamics

Steel prices and their impact on imports and exports



Source: https://www.crisil.com/content/dam/crisil/our-analysis/views-and-commentaries/sectorvector/2024/06/steel-smarting.pdf

What it means

- Demand Volatility
- Uncertain price realisations
- Variation in demand-supply dynamics in different markets

Our response

In response to the dynamic and increasingly complex global landscape, we are focusing on de-risking our business model through forward integration. This approach will enhance our market position and resilience. Simultaneously, we are committed to operational agility to adapt swiftly to changing market conditions. To capitalise on emerging opportunities, we are expanding our presence in high-growth markets.

Capitals impacted

Financial Capital

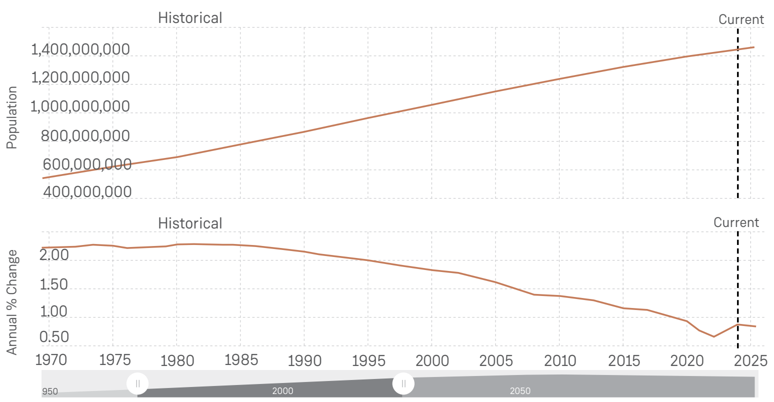
Manufactured Capital

Trend

Demographic and Social Change

Continued population growth, ageing population and the expansion of the global middle class, urbanisation

Demographic and social change



Source: https://www.macrotrends.net/global-metrics/countries/IND/india/population

What it means

- Need to build infrastructure
- Strong demand in the domestic market

Our response

In response to evolving demographic and social trends, we are expanding our product portfolio to cater to diverse customer preferences. To ensure wider market reach and accessibility, we are also expanding our geographical footprint. To support these growth initiatives, we are investing heavily in strengthening our supply chain and marketing network. This comprehensive approach will enable us to effectively meet the evolving needs of our customers.

Capitals impacted

Financial Capital

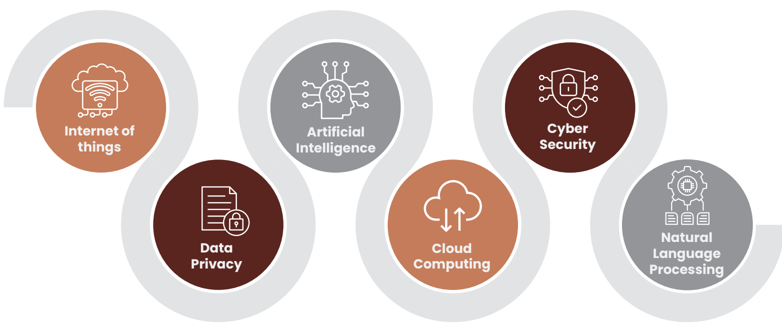
Social and Relationship Capital

Trend

Technological Advancements

Technological advancements, including emerging technologies, manufacturing processes and alternative fuels are paving the way towards a sustainable and green future by enabling process improvements and productivity enhancements.

Technological advancements



Source: https://www.varindia.com/news/the-top-technology-forecast-for-the-year-2024

What it means

- Redesigning the business value chain

Our response

To harness the power of technology, we are prioritising investments in human capital through robust talent management strategies. Simultaneously, we are committed to driving innovation through R&D, reducing resource consumption and promoting recycling. Embracing the potential of AI and ML is central to our strategy as we believe these technologies will be instrumental in optimising operations, enhancing decision-making and creating sustainable solutions.

Capitals impacted

Financial Capital

Manufactured Capital

Intellectual Capital

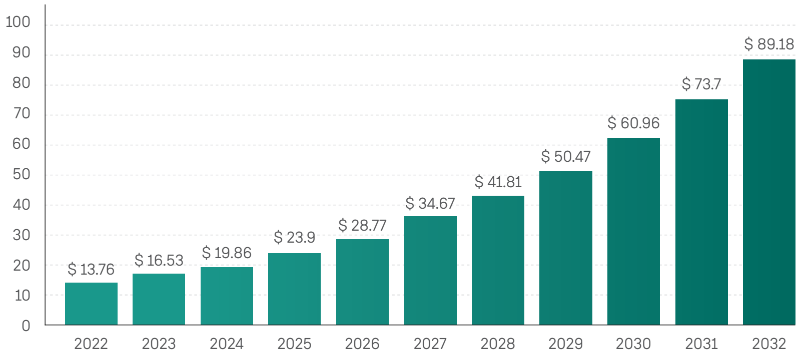
Trend

Sustainable Practices

Growing environmental awareness and stringent regulations are driving a global green transition across all industries. This macrotrend, fuelled by both individual and governmental pressures, demands players across sectors to adopt sustainable practices to minimise their environmental impact and ensure long-term success

Sustainability/Sustainable practices

Green Technology and Sustainability Market Size 2022 to 2032 (US$ billion)



Source: https://www.precedenceresearch.com/green-technology-and-sustainability-market

What it means

- Preferential pricing for low-carbon footprint products
- International regulations like CBAM to drive business decisions for exports or deemed export products

Our response

In response to the growing imperative for sustainable practices, we are committed to investing in green energy sources to power our operations. We are diligently planning and executing a comprehensive carbon reduction strategy across our entire value chain, from product design to end-of-life management. This commitment underscores our dedication to environmental stewardship and building a sustainable future.

Capitals impacted

Social and Relationship Capital

Natural Capital

Stakeholder Engagement

Engaging with our widening stakeholder fraternity

1 Establishment of plan
2 Collection of opinions
3 Internal report
4 improvement activities
5 Monitoring

Stakeholder	Customers	Dealers	Shareholders/ Investors	Suppliers/Sub-contractors	Employees	Government agencies and regulatory bodies	Society
Expectations	• Quality of product New Part Development (NPD) time • Timely delivery • Competitive pricing • After sales service • Surface finish	• Product quality, on-time delivery • Long term business • Timely payments • Ethical practice	• Future business plans • Sustainable top line and profitable bottom-line growth • Financial stability	• Sustainable business growth • Supply chain management • Sharing business plan • Ethical practices	• Career growth opportunities • Favourable working conditions • Fair practice and wages • Skill development and training programmes • Health and safety • Reward and recognition	• Compliance with rules and regulations • Proper reporting	• Environment, health and safety • Livelihood generation • Infrastructure development, education
Mode of engagement	Throughout the year, we engage with our customers using a variety of approaches, including visits to our facilities and their sites, feedback surveys, quality audits and meetings with their suppliers.	Engagement is carried throughout the year and also annually through annual dealers' meets	Engagement is undertaken through annual general meetings, investor meetings, earnings calls and shareholders' grievances	Engagement on a timely basis through suppliers/vendors meet, fettlers and contractors' meetings and suppliers/ vendors audits.	Regular engagement with employees is a priority, with communication channels including annual AOP/LRP messaging, Republic Day, Independence Day and Kannada Rajyotsav celebrations, Sankalp Day gatherings at Solapur and monthly employee engagement surveys. We also conduct brown paper exercises to ensure open communication and collaboration.	Engagement is carried out periodically to comply with rules and regulations as well as applicable laws.	Engagement is carried out on need basis via society perception survey, informal interaction and CSR programme.
Capital Linkage	Manufactured Capital Intellectual Capital Social and Relationship Capital	Manufactured Capital Intellectual Capital Social and Relationship Capital	Financial Capital Social and Relationship Capital	Manufactured Capital Intellectual Capital Social and Relationship Capital	Human Capital Intellectual Capital Social and Relationship Capital	Manufactured Capital Intellectual Capital Social and Relationship Capital	Social and Relationship Capital Natural Capital

Materiality Assessment

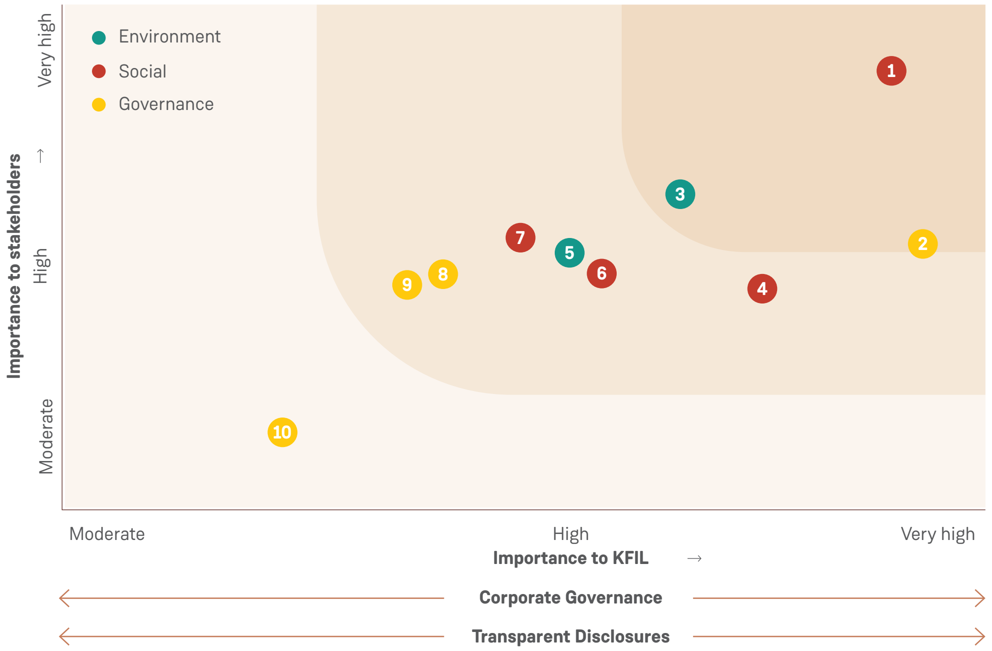
Staying ahead with continuous assessment of material issues

We prioritise the materiality assessment process, recognising its pivotal role in identifying essential topics and their impact on both internal and external stakeholders.

Our approach formulates prudent risk management and capitalises on growth opportunities. Through ongoing, transparent communication with stakeholders, we aim to remain agile and responsive to emerging industry trends, staying ahead of the curve.

Materiality Matrix

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



Framework for ESG Commitments

To create a sustainable and limitless future through innovation, inclusion, and integrity

ESG Focus

Integrating Climate Action and deepening Circular Economy efforts

01 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

02 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 & Inclusion, Human Rights)

Building transparent Governance

03 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

KFIL's alignment for the Target 2030

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

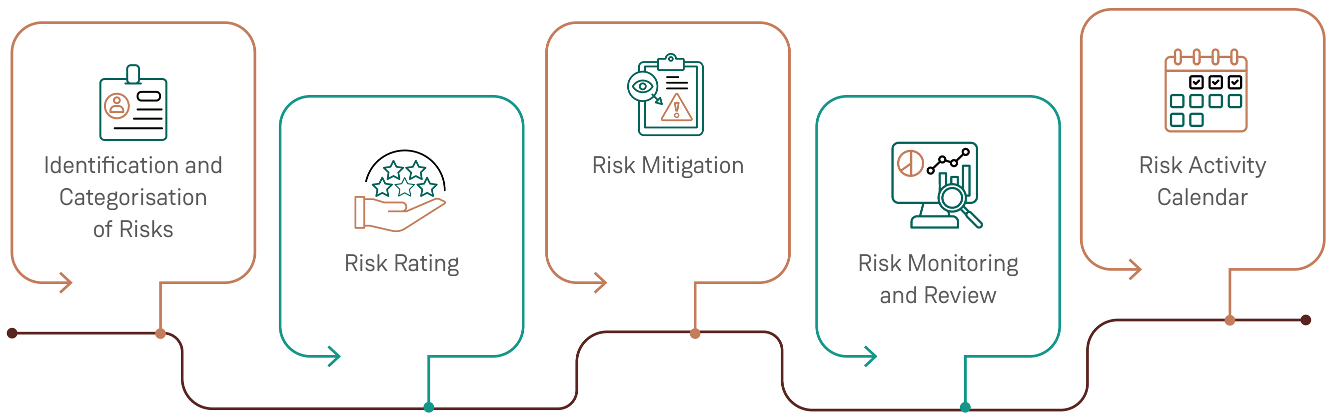
Risk Management

Innovative Risk Management Solutions

Effective risk management is crucial for sustaining and enhancing our organisation's resilience. We focus on identifying assessing, and prioritising potential risks that could impact our operations, financial stability and reputation. By implementing proactive strategies and robust frameworks, we are prepared to navigate uncertainties and capitalise on opportunities.

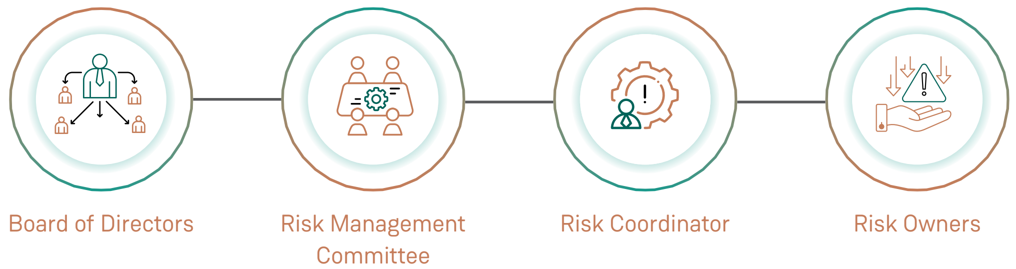
Risk Management Process

We follow a structured risk management process to monitor, identify, assess and mitigate potential risks. This involves systematically identifying potential threats to our business, evaluating their impact and likelihood, implementing strategies to reduce their impact and continuously monitor the risk landscape.



Risk Management Governance Structure

Our risk governance structure outlines the roles and responsibilities of key stakeholders involved in managing Company risks. This framework guides the risk management process, ensuring systematic identification, evaluation, mitigation and monitoring of potential threats. The structure encompasses various departments and levels within the organisation, each contributing to the overall risk management efforts.



Risk	Description	Mitigation measures	Capital employed
Strategic Risk	Strategic risks arise from both internal and external factors. External uncertainties, such as economic downturns, regulatory shifts or changing customer demands can pose significant threats. Additionally, internal shortcomings like ineffective planning, resource constraints or poor execution can also contribute to strategic risks.	Our mitigation strategy includes continuous monitoring of market trends and government policies, maintaining strong relationships with stakeholders and diversifying our product portfolio to mitigate impacts from competition.	Financial Capital Intellectual Capital Social and Relationship Capital
Operational Risk	Operational risks are potential losses arising from inadequate or failed internal processes, people, systems or external events. These risks disrupt day-to-day business operations. Key areas of operational risk include human resources, information technology, supply chain management and, in our case, mining activities.	Regularly update machinery and equipment to ensure optimal performance. Leverage advanced technologies and automation to improve operational efficiency and reduce human error.	Manufactured Capital Human Capital Natural Capital
Financial Risk	The risk encompasses the potential for financial loss, including reduced profitability or insolvency. This risk arises from factors such as insufficient working capital, ineffective hedging strategies and exposure to foreign exchange fluctuations.	Pursue strategic mergers and acquisitions to strengthen market position and gain access to new technologies, customer bases and markets.	Financial Capital
Compliance Risk	The risk refers to the potential negative consequences of failing to adhere to laws, regulations, industry standards or internal policies. Non-compliance can lead to penalties, legal disputes and reputational damage.	Continuously review and update compliance policies to align with the latest legal and regulatory requirements. Perform regular internal audits to assess adherence to compliance policies and identify potential areas of non-compliance.	Financial Capital Social and Relationship Capital
Reputational Risk	Reputational risk refers to the potential damage to an organisation's reputation, which can lead to financial losses, decreased market share and loss of customer trust. This risk arises from negative publicity, ethical breaches or failure to meet stakeholder expectations.	Innovate and develop products that meet the changing needs and expectations of customers. Ensure product quality and reliability to maintain customer trust and satisfaction.	Intellectual Capital Financial Capital
Sustainability	Risk encompasses the potential negative impacts of environmental, social and governance (ESG) factors on an organisation's operations and financial performance. This includes risks related to climate change, resource scarcity, health and safety and social responsibility.	Continuously innovate and upgrade equipment and processes to improve energy efficiency and minimie waste.	Natural Capital

Governance

Good governance shows the way forward

We prioritise good governance practices at our operations, demonstrating our commitment to transparency, integrity and ethical conduct. Through robust governance practices, we establish frameworks that guide our decision-making processes, ensuring accountability and compliance with regulatory standards. Our dedication to governance not only strengthens the trust of stakeholders but also fosters an environment, which is conducive to sustainable growth and long-term success.

50 %
Minimum attendance in Board meetings as mandated by law

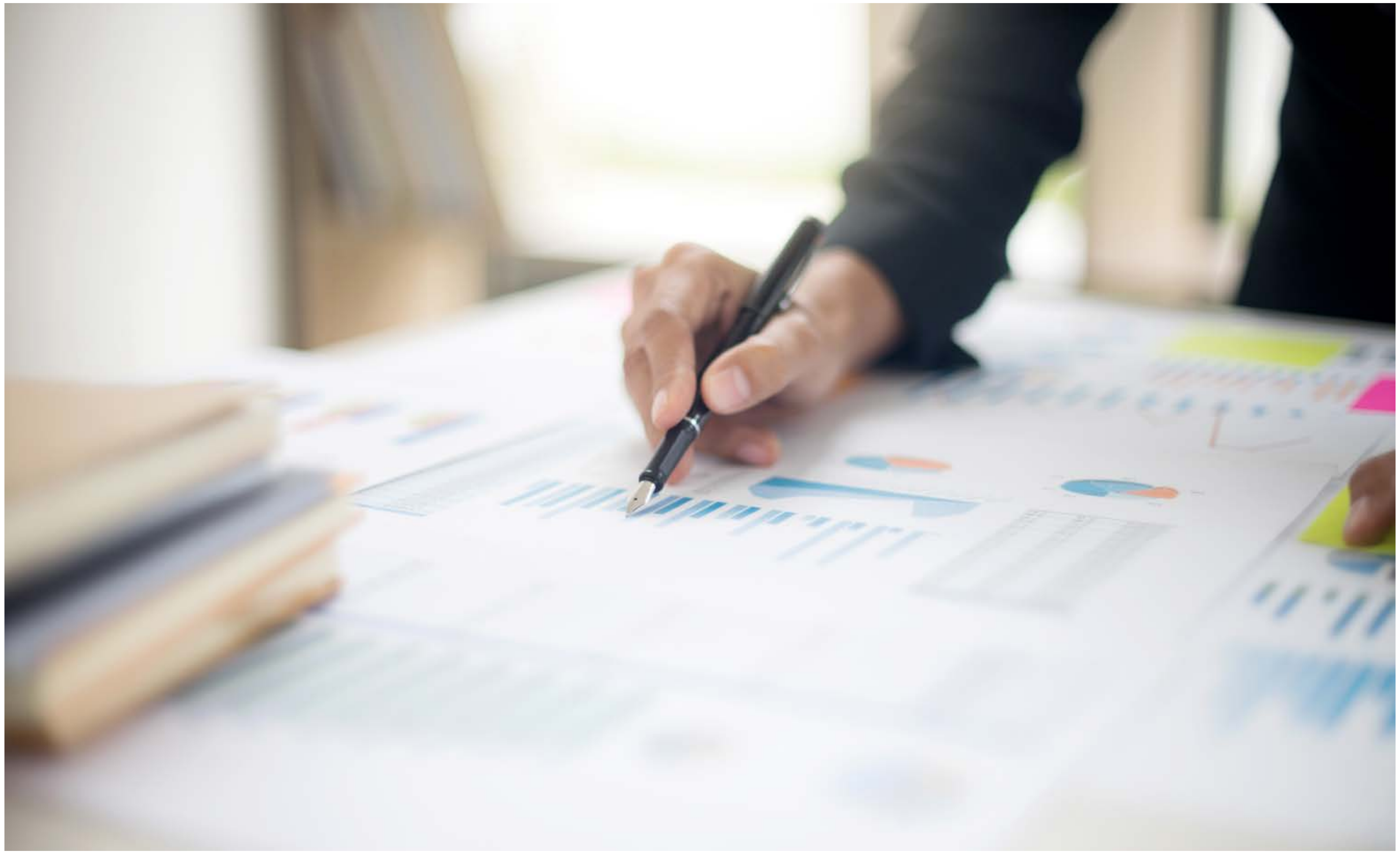
9 Years
Average tenure of the Board-for Independent Directors

65 Years
Average age of Directors

100 %
Average Attendance in Board Meetings

50 %
Independent Board of Directors

1
Women Independent Directors



Ethics and Transparency

Ethical practices and transparency have been integral to our journey, guiding our commitment to responsible business practices. Our adherence to standardised rules and regulations has played a pivotal role in cultivating enduring relationships with our valued shareholders. Through the implementation of robust policies, we build strong corporate governance practices, efficient administration and the cultivation of a supportive work environment.

Code of Conduct

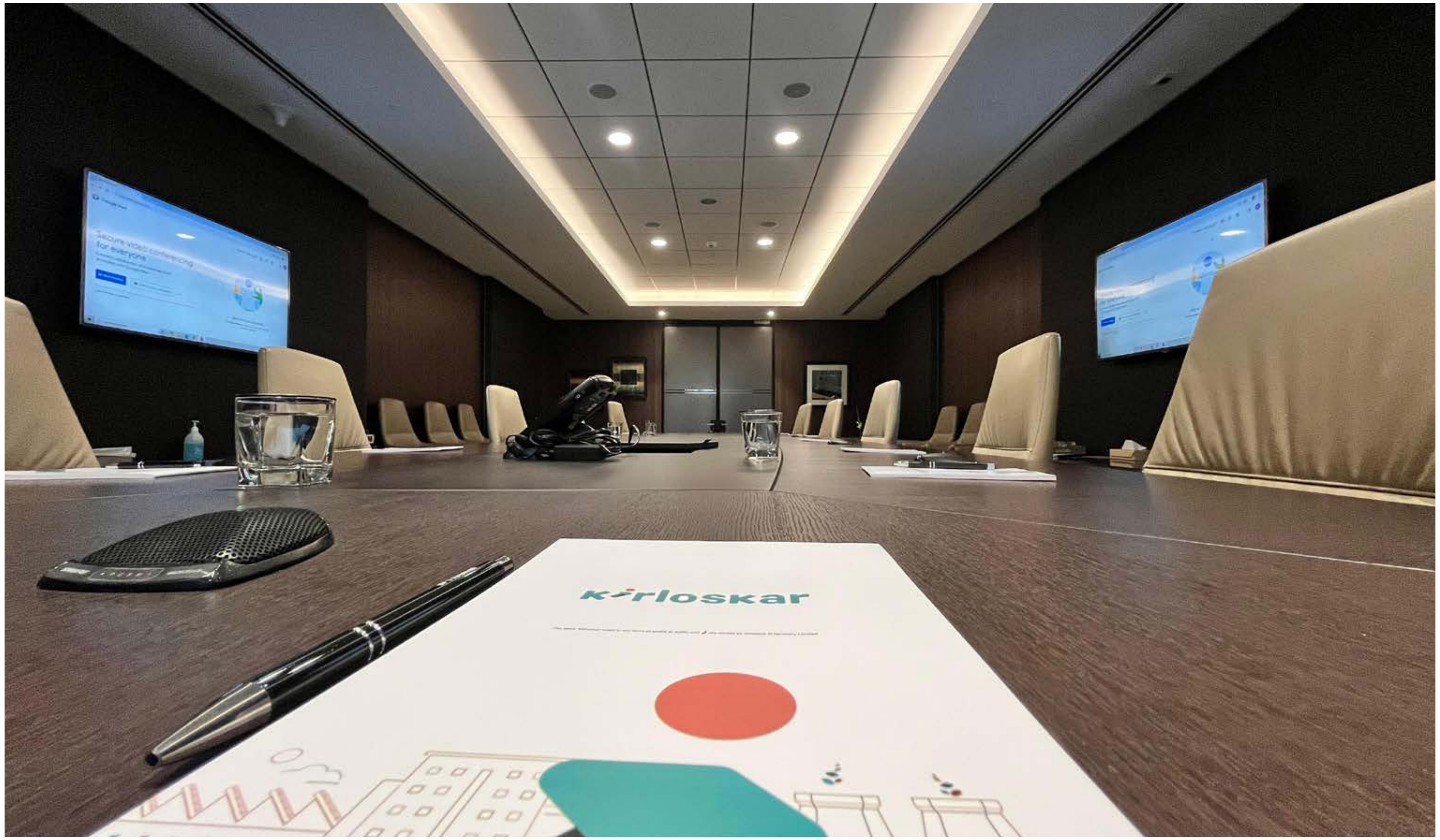
We uphold accountability and transparency through our code of conduct, safeguarding the interests of all stakeholders. Through the implementation of a robust management system, we ensure thorough legal compliance across our organisation. Additionally, our commitment to integrity is demonstrated through regular Board meetings and the promotion of an open dialogue with all stakeholders. Serving as a guiding principle, our Code of Conduct unifies and directs every member of our team, from top-level management to frontline personnel.

Whistle-blower Policy

Recognising the importance of offering a secure and reliable platform, we provide our team members and stakeholders with the opportunity to voice concerns or report instances of misconduct without the fear of reprisal. Our whistle-blower policy ensures the confidential and impartial handling of all complaints, guaranteeing that necessary actions are taken to address reported issues. We prioritise fostering a culture where individuals feel empowered to speak up, confident that their concerns will be promptly addressed and resolved.

Policies

Our policies serve as the bedrock of our organisational framework, guiding our actions and decisions with integrity and accountability. Rooted in transparency and ethical practices, these policies establish the standards by which we operate, ensuring compliance with legal requirements and alignment with our core values.



Board Committees

Our decision-making process is strengthened by the inclusion of several committees, each with clearly defined roles and responsibilities. Among these, the Board Committee holds considerable importance, comprising esteemed and forward-thinking leaders who contribute significantly to shaping the Company's business strategy. This proactive approach propels our long-term growth trajectory and ensures adherence to exemplary standards of corporate governance

Audit Committee

The Committee is responsible for overseeing the Company's financial procedures, internal controls, risk identification and control measures. It is responsible for identifying potential risks and weaknesses and offering recommendations to address them effectively.

Risk Management Committee

The Committee holds responsibility for identifying, evaluating and mitigating risks, ensuring the implementation of thorough risk management practices across all organisational facets.

Nomination and Remuneration Committee

The Committee is responsible for reviewing the Company's remuneration policies, encompassing executive compensation, incentives and benefits. Its aim is to verify that these policies are in harmony with the Company's strategic objectives, industry norms and stakeholder interests.

Corporate Social Responsibility Committee

The Committee's core duty is to evaluate CSR policies, with a particular emphasis on sustainable development, community engagement and ethical practices.

Stakeholders' Relationship Committee

The Committee plays a pivotal role in handling shareholder grievances, nurturing strong stakeholder relationships and acting as a vital bridge between the organisation's objectives, interests, concerns and the expectations of stakeholders.

Board of Directors

Atul C. Kirloskar

Chairman

Atul Chandrakant Kirloskar began his career with the Kirloskar group in the year 1978. In 1984, he was appointed the Executive Vice President of Kirloskar Oil Engines Limited (KOEL). In 1988, he became the Vice Chairman of KOEL and held the position until 25th July 1998 when he was appointed the Chairman of KOEL. He is a former President of the Maharashtra Chamber of Commerce, Industries and Agriculture (MCCIA), Pune and a past Chairman of CII National Committee of Defence.

Rahul C. Kirloskar

Vice Chairman

Rahul Kirloskar has been associated with the Kirloskar Group for more than 34 years. In 1993, he was appointed as the MD of Kirloskar Pneumatic, and in 1998 he took over as Chairman. From 2001 to 2012, he became the Director of Exports for Kirloskar Oil Engines, wherein the major areas were expanding export operations for Kirloskar Oil Engines and the entire Kirloskar Group. He founded Kirloskar Chillers and has also been the Chairman of Confederation of Indian Industry (CII) Pune Council as well as Maharashtra State CII Council.

R. V. Gumaste

Managing Director

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

A. N. Alawani

Non Independent Non Executive Director

Anil Narayan Alawani is a Chartered Accountant by profession and has been associated with the Kirloskar Group of Companies since 1977. Prior to his appointment as a Director in Kirloskar Ferrous Industries Limited, he was the Director (Finance) of Kirloskar Oil Engines Limited. His expertise in corporate tax planning and finance has helped the Company in financial restructuring and taxation matters.

M. R. Chhabria

Non Independent Non Executive Director

Mahesh Ramchand Chhabria holds a Bachelors degree of Commerce from the University of Mumbai and is an Associate Member of the Institute of Chartered Accountants of India. He previously worked at 3i India as a partner in the firm's Growth Capital Group. He was also co-head of investment banking at Enam, one of the leading domestic investment banks in India. He is the Managing Director of Kirloskar Industries Limited and also holds directorships in Kirloskar Oil Engines Limited, Deepak Fertilisers and Petrochemicals Corporation Limited, Kirloskar Proprietary Limited and Enam Asset Management Company Private Limited.

V. M. Varma

Independent Non Executive Director

Mr. Vijaydipak Mukundprasad Varma, aged 69 years, is a Non-Independent Director on the Board of Swaraj Engines Limited since 2009 and the Chairman of Executive Council of Indian Diesel Engine Manufacturers' Association (IDEMA) since 2010. He was Managing Director / President of Kirloskar Proprietary Limited, who owns brands and trademarks used by Kirloskar Group companies and manages, promotes and protects brands and trademarks and licenses these to users. He worked earlier with Kirloskar Oil Engines Limited and held key positions in domestic and export marketing and sales, setting up power plant, heading business to generate and sell power, managing projects in strategy development, process engineering and information technology and was responsible for negotiating, setting up and closing technology transfers and joint ventures and acquisitions of businesses. He graduated in Mechanical Engineering from the College of Engineering (COEP), Pune.

S. Venkataramani

Independent Non Executive Director

Mr. Venkataramani Sathya Moorthy, aged 59 years, is a graduate in science and a fellow chartered accountant by profession. He has been in practice of Indirect taxes for more than 25 years in the areas of advisory, assessments, appeals, representation before the tribunals, enforcement authorities, etc. He was associated with the partnership firm 'Singhvi, Dev & Unni', Chartered Accountants in various capacities such as employee, partner and advisor for around 30 years and is now in independent practice since January 2020. He is associated as a member of various committees constituted by trade bodies, professional associations, chambers of commerce, the Institute of Chartered Accountants of India, etc. He is a regular speaker as well as a faculty in the areas of sales tax, value added tax and GST at the State and National level. He has co-authored few books in the subjects of VAT and GST. He is a Director of Sundial Systems Private Limited.

R. S. Srivatsan

Executive Director (Finance) and CFO

Mr. Raviprakasha Srinivasa Srivatsan, aged 59 years, holds a Bachelors degree of Commerce and is an Associate Member of the Institute of Chartered Accountants of India. He has more than 37 years of experience in the fields of accounting, taxation and corporate finance. He has previously worked as a Senior Manager, Finance, at Vasavadatta Cement (Unit of Kesoram Industries Limited). He has been awarded the Best CFO Award twice in the 'Auto in Small Cap' category during the year 2019 and 2021 by the Dalal Street Investment Journal and once by Yes Bank and BW Businessworld in the year 2017.

M. S. Srinivasan

Independent Non Executive Director

Maruthuvakudi Sankaranarayana Srinivasan, aged 57 years, has completed the Bachelor of Mechanical Engineering from Bharathidasan University, Tamil Nadu in the year 1988. He is accomplished business leader with around 36 years' experience in auto, auto components, engineering and power sectors. He has facilitated companies to grow business, manage profit & loss and cash flows, start new / expand business, startup ventures, develop and coach leaders and drive business and functional excellence. He has worked earlier with companies viz. Crompton Greaves Limited (for around 15 years), Mahindra and Mahindra Limited - auto sector (for around 5 years), Chicago Pneumatic India Limited (for around 5 years) in diverse roles. Presently, he is a Principal Consultant (Business Excellence) at CII Institute of Quality at Bangalore.

Pravir Kumar Vohra

Independent Non Executive Director

Mr. Pravir Kumar Vohra, aged 68 years, is a postgraduate in Economics from St. Stephen's College, University of Delhi and a Certified Associate of the Indian Institute of Bankers. He began his career in banking with State Bank of India where he worked for over 23 years. He held various senior level positions in business as well as technology within the bank, both in India and abroad. In January 2000, Mr. Pravir Kumar Vohra moved to the ICICI Bank group where he headed a number of functions like the Retail Technology Group and Technology Management Group. In these capacities, he oversaw the deployment of technology across ICICI Bank's domestic and international operations and was instrumental in creating a future-ready, platform independent & scalable infrastructure. From the year 2005 to 2012, he was the President and Group CTO at ICICI Bank. Post his retirement from ICICI Bank in the year 2012, he mentored start-ups in the payments space and more recently, completed a two year assignment to set up the Tech and Ops function at New Development Bank, Shanghai. He also continues to serve on the Technology Advisory Committees of organizations like the Bombay Stock Exchange, NCDEX, Indian Clearing Corporation, SEBI, NPCI and Power Exchange India, etc. He is passionate about leveraging the power of available and emerging technologies to solve real life business issues, improve operating efficiency, design new products and processes that would touch the lives of the Indian people. He is a Director on the Board of Directors of Thomas Cook (India) Limited, IDFC First Bank Limited, National Commodities Management Services Limited, Sterling Holiday Resorts Limited and New Age Markets in Electricity Private Limited.

Nishikant Balkrishna Ektare

Executive Director (Operations)

Mr. Nishikant Balkrishna Ektare, aged 63 years, holds a Bachelor's degree in Electrical Engineering from National Institute of Technology, Nagpur. He possesses working experience in tube industry and steel plant before joining initially as the Maintenance In-charge in Koppal plant of Kirloskar Ferrous Industries Limited in the year 1994. Subsequently, he was promoted to SBU Head (pig iron plant) in the year 2001. Having successfully led the pig iron business, he took charge as the Chief Operating Officer (Koppal plant) in the year 2013. He worked as President (Koppal plant) and led various growth initiatives and projects at Koppal plant. After acquisition of majority stake of ISMT Limited by Kirloskar Group, he became the Managing Director of that company from 10 March 2022. He is passionate about innovation and open to new and breakthrough ideas that could disrupt the business positively. He is a native of Indore city and an avid cricket enthusiast.

Dr. Shalini Sarin

Independent Non Executive Director

Dr. Shalini Sarin, aged 57 years, is the former global Senior Vice President HR at Philips Lighting (Signify) & Ex CHRO Schneider Electric Greater India. Her experience ranges from, being a Chief People Officer to leading Sustainable Social business and has worked across India, Europe and US in regional and global roles. Shalini balances her time between the corporate and the development sector through advisory, governance and coaching. She is an investor & chief mentor with an EV charging CPO- Elektromobilitat and serves on a few Corporate boards in India & in Germany. Currently she serves on the boards of Linde India, Meritor Automotive Axles and Kirloskar Oil Engines, ISMT ltd. and on the Global Supervisory board of Nagarro SE, Germany. She is a member of Audit Committee & plays a significant role through committees like Nomination & Compensation (NRC), Risk Management (RMC), Environment, Social & Governance (ESG), & Corporate Social Responsibility Committee (CSR). Shalini is on the advisory committee of a few not for profits like Head Held High, Worldwide Sherors and a Trustee at Plaksha University. She is an advisor with the European Leadership Partners, mentors a few start-ups and is an executive for a few CEOs. Shalini holds a Doctorate in Organization Behaviour & Masters in Sociology & Human Resource Management. She has Executive Certifications from Ross School of Business-University of Michigan, UNC, Motorola University-Chicago, British Psychology Society, INSEAD and Harvard Business School. She has authored many articles and presented at various Indian and International Conferences.

Pattanasetty Rajashekhar

Independent Non Executive Director

Mr. Pattanasetty Rajashekhar, aged 67 years, has completed the Bachelor of Mechanical Engineering from Karnataka University in the year 1981. He is accomplished business leader with around 40 years' experience in the steel industry including roles as Whole Time Director of Neotrex Steel Limited and JSW Vijayanagar Metallics Limited. He has spearheaded groundbreaking projects like the Touch Project, an 18 mtpa endeavor ensuring its completion in a record time frame. His innovative prowess is evident in the development of Corex new technology, which he introduced to the country revolutionizing steel production. From pioneering digitalization projects to optimizing manpower, his leadership has turned challenges into opportunities, setting new standards for the industry.

Sourirajan Rajagopalan

Independent Non Executive Director

Mr. Sourirajan Rajagopalan, aged 70 years, is a graduate in metallurgical Engineering with exposure to management education from the Indian Institute of Management, Ahmedabad. He has rich experience of around fifty years in the field of automotive component manufacturing and foundry operations. He has worked earlier in leading auto ancillary companies and had a stint of entrepreneurship also for a decade. He has spearheaded couple of green field projects before involving in Ashley Alteams and has global exposure too. He has been Chief Executive Officer of Ashley Alteams from the year 2008 to the year 2023. Established the Project in entirety and made it a profitable organisation with robust systems. After retiring in November 2023, he is engaged in the advisory services.

Financial Capital

Driving sustainable revenue growth through prudent deployment of financial capital is at the core of our strategy. We achieve this objective through responsible capital allocation and resolute focus on generating consistent cash flow. This disciplined approach has yielded significant results, making us a more cost-efficient and value-accretive business.

SDGs Linked

8 DECENT WORK AND ECONOMIC GROWTH

Key Performance Highlights

₹6,134 crore
Revenue

₹862 crore
EBITDA

₹477 crore
PBT

₹322 crore
PAT

Capital Interlinkage

Manufactured Capital
To achieve higher operational efficiency and superior product quality, we are focusing on steadily ramping up our capital expenditure.

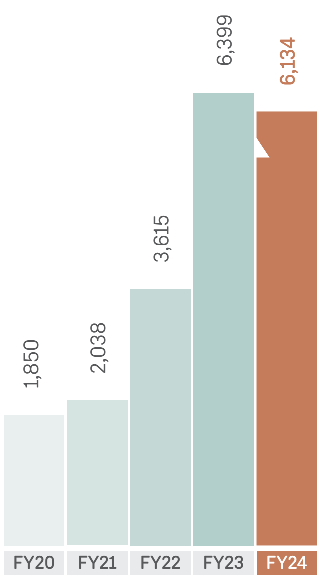
Intellectual Capital
We are continuously investing in the enhancement of our technological infrastructure and digital ecosystem to ensure industry-leading performance.

Human Capital
Upskilling our talent pool facilitates our attainment of operating efficiency, thereby strengthening our balance sheet.

Social and Relationship Capital
Through dedicated social initiatives, we foster lasting relationships with stakeholders and also empower communities.

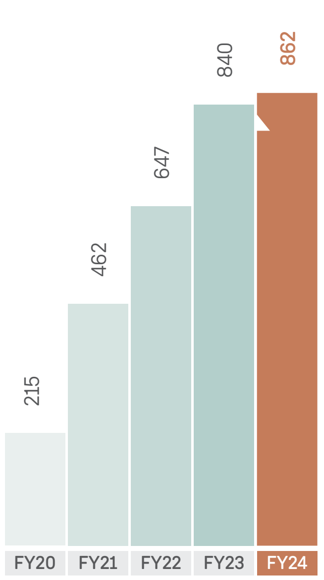
Natural Capital
Investment in sustainable practices and the conservation of natural ecosystems helps to minimise our carbon footprint.

Revenue
(₹ in crore)



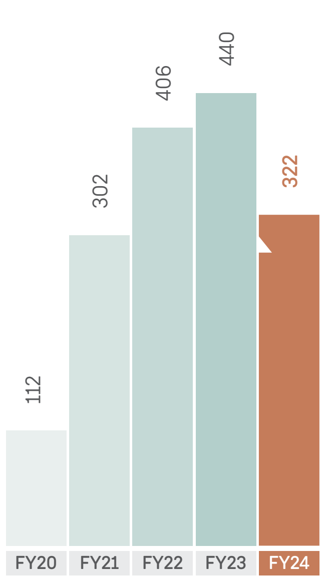
5year CAGR **27%**

EBITDA
(₹ in crore)



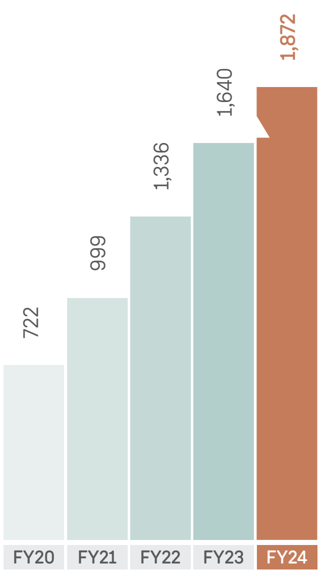
5year CAGR **32%**

Net Profit
(₹ in crore)

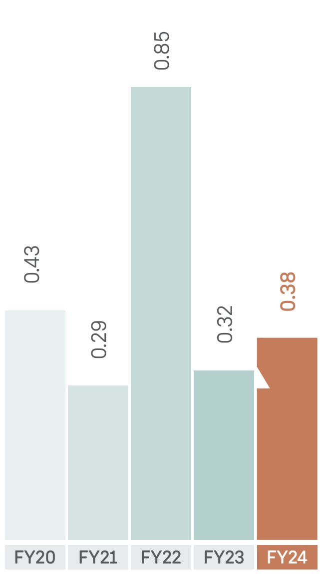


5year CAGR **24%**

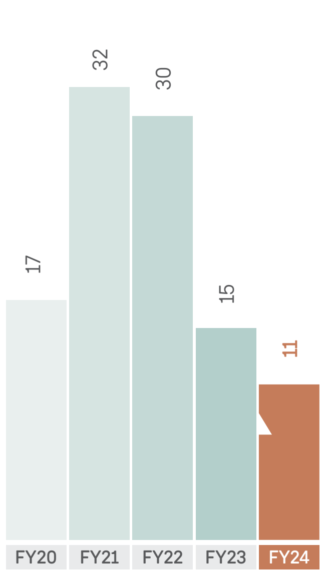
Net Worth
(₹ in crore)



Debt/Equity Ratio
(in times)



ROCE
(%)



Manufactured Capital

We have honed our expertise through the years and are invested in strengthening our manufacturing capabilities. This has allowed us to drive the production of complex and critical engine castings in high volumes. Our focus on quality and performance ensures that every casting we produce meets the requirements of discerning customers.

SDGs Linked

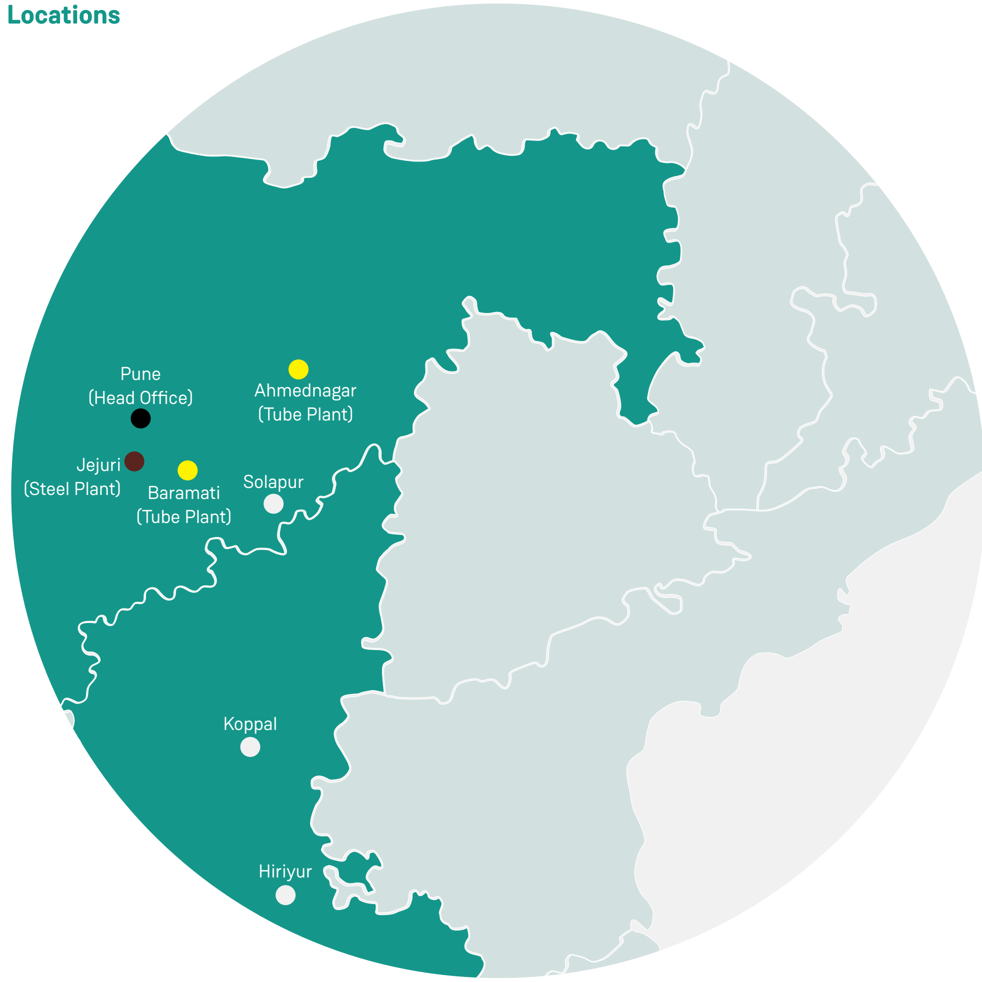
Key Performance Highlights

6
Manufacturing units

Capital Interlinkage

Financial Capital	Intellectual Capital	Human Capital	Social and Relationship Capital	Natural Capital
Streamlining production processes leads to significant cost savings and increases profitability.	A shift towards technologically advanced equipment has transformed our manufacturing processes, resulting in a substantial increase in productivity.	We empower our workforce by equipping them with the knowledge and tools needed to identify and address inefficiencies through comprehensive training on best practices	We regularly engage with clients and offer customised product solutions to address their evolving needs	We prioritise waste reduction and the innovative reuse and repurposing of resources to decrease our environmental impact.

Our Plant Locations



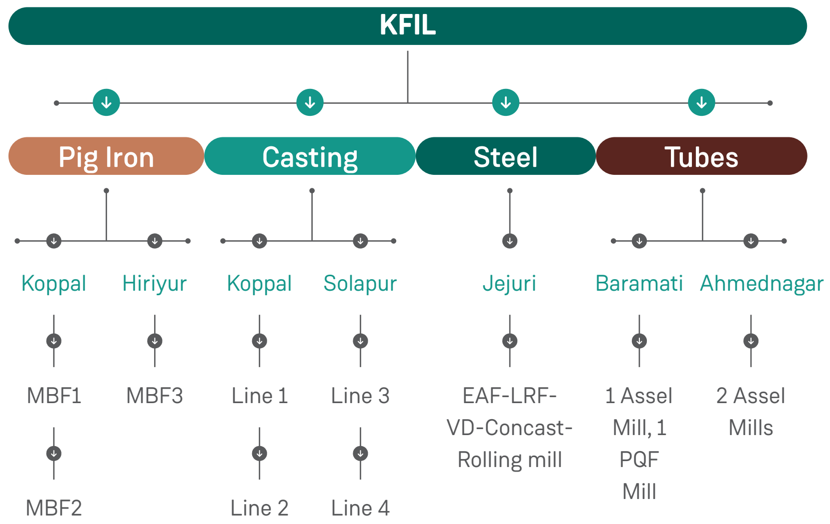
Total Capacity Per Annum

~180,000 metric tonnes
Iron Castings Capacity Per Annum

~700,000 metric tonnes
Pig Iron Capacity Per Annum

~350,000 metric tonnes
Steel Capacity Per Annum*

~370,000 metric tonnes
Seamless Tubes Capacity Per Annum**



*Liquid Metal
** Hot mill rolling

Infrastructural Development

Our Koppal foundry facility is undergoing a significant transformation to enhance operational efficiency, product quality and other capabilities. To achieve this objective, we have added a fourth cooling line to ensure optimal casting temperatures, resulting in higher quality castings. Furthermore, robotic fettling has been introduced for cylinder heads, leading to a more precise and streamlined finishing process.

Our Solapur foundry has achieved a significant milestone with the commissioning of its new KW line. This advanced production line is now fully operational, encompassing both the manufacturing and fettling processes.

We are committed to continuous improvement in our pig iron production at the Kopal facility. We have upgraded our Raw Material Handling System (RMHS) to ensure a more efficient flow of materials throughout the production process.

We have implemented a state-of-the-art preheater system at our Hiriyur Pig Iron Production (PIP) facility that utilises both combustion air and blast furnace gas in the hot blast stoves. This ingenious technology significantly reduces our energy consumption, making our pig iron production more environmentally sustainable.

Acquisition

We have expanded our foundry operations by acquiring Oliver Engineering, solidifying our presence in Northern India. Oliver Engineering currently manufactures transmission parts for tractors. It is equipped to produce engine parts for both tractors and trucks, opening doors to entirely new markets for us. Overall, the acquisition of Oliver Engineering positions KFIL for substantial growth by enhancing customer relationships, boosting competitiveness, broadening our geographic reach and expanding our product offerings.

Capacity expansions

Koppal Foundry

Increased Sand Drying Capacity

We have increased the capacity of our FBDC sand drying system at the Koppal foundry from 130 MT to 180 MT per day. This ensures a steady supply of dry sand, crucial for efficient casting production.

Enhanced In-House Capabilities

We have established an in-house cylinder head fettling line at Koppal. This allows us to maintain greater control over the finishing process and potentially reduce lead times.

Solapur Foundry

Enhanced Capabilities

We have increased Solapur's production capacity by 1200 MT per month, along with the addition of an in-house fettling shop. This expansion allows us to undertake more projects and provide comprehensive finishing services.

Increased Ashok Leyland Block Production

By adding additional fixtures, we have increased the production capacity for Ashok Leyland ZD 30 engine blocks from 600 to 800 units per month at Solapur.

Koppal (Pig Iron Production)

Enhanced Blast Furnace Efficiency

We have modified Blower No. 2 at Koppal, increasing its power from 450 kWh to 580 kWh. This upgrade eliminates an existing constraint and allows the blast furnace to operate without restrictions. This ensures optimal airflow and efficient metal production within the furnace.

Hiriyur (Pig Iron Production)

Increased Coke Storage Capacity

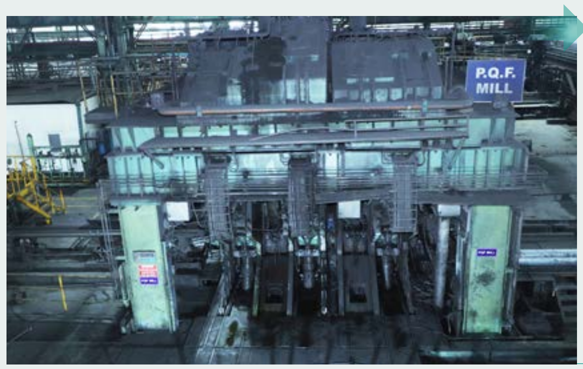
To ensure a reliable supply of coke, a critical fuel source, we have expanded coke storage capacity Hiriyur by adding two new 175 MT coke bunkers.

Ahmednagar Plant

Upgrading Facilities

The Ahmednagar plant is undergoing significant upgrades to its cold draw finishing process. This includes the installation of advanced ultrasonic testing machines procured from GE, which will enhance product quality and reliability. To further optimise the finishing process, we are procuring state-of-the-art equipment such as straightening, cutting, and hydro testing machines.

Baramati Plant



Enhancing Production Efficiency

Our Baramati plant is witnessing two key expansion projects. We are constructing an additional shed dedicated to Hot Finishing Seamless (HFS) finishing, which will improve our finishing capabilities and overall production efficiency.

Quality Improvement through Technology

We introduced robotic operations to eliminate manual interventions, enhance precision and productivity and reduce the risk of errors. We utilise Adstefan simulation software to analyse potential casting defects through various design iterations. We leverage robotic drilling machines for Water Jacket (WJ) and Water Passage (WP) cores, ensuring the removal of critical core gas. We have incorporated XRF (X-Ray Fluorescence) machines at our Koppal and Hiriyur facilities. These machines, equipped with proper calibration, analyse all types of raw materials, ensuring process stability and consistent pig iron quality. Our OES (Optical Emission Spectroscopy) Spectro analyser machines are employed for detailed metal sample analysis, providing valuable data for quality control.

We maintain stringent quality control practices across our facilities to ensure the highest standards in our products.

At our Jejuri facility, we ensure supplier quality by carefully checking raw materials such as flux and ferroalloys. We maintain process quality through continuous online process control. Additionally, product quality is rigorously tested at various stages of production to ensure that our final output adheres to our stringent quality criteria. Our quality control at Baramati involves several key steps- inward inspection of incoming materials, in-process inspections during manufacturing and 100% non-destructive testing (NDT) and visual inspections. This thorough scrutiny guarantees that our products are reliable and meet our quality benchmarks.

Suppliers' Evaluation

We take a meticulous approach to supplier selection across our facilities. Suppliers are rigorously evaluated based on their existing customer base, infrastructure capabilities and quality standards. This comprehensive evaluation allows us to select suppliers who meet our stringent requirements for reliability and excellence. Once suppliers are confirmed, we proceed to negotiate and finalise the technical and commercial terms. Purchase orders (PO) are then issued to the chosen suppliers. To maintain transparency and drive continuous improvement, we quarterly update supplier ratings. This regular feedback helps suppliers understand their performance and encourages them to meet our expectations. We also maintain an approved supplier list, ensuring that only vetted and high-performing suppliers are part of our supply chain network.

Our approach ensures that we adapt to the evolving market and supply chain disruptions by onboarding new suppliers, consolidating or diversifying our base, forming strategic partnerships and leveraging technology to optimise our sourcing strategies. This approach ensures we maintain a reliable and efficient supply chain.

Sustainability in Our Operations

We prioritise recycling and reuse practices to manage waste generated during our operations. Dust from our gas cleaning plant is reused in the sintering process, while blast furnace gas is utilised for heating and power generation. Our coke oven includes a waste heat recovery system, which is used in our power plant. We monitor energy consumption by tracking specific coke consumption annually. By implementing a preheater for hot blast stoves and relining the MBF, we have reduced coke consumption by 16 kg per metric tonne of hot metal. We primarily focus on reducing waste generation to improve yield.

We maintain a
96%
yield by recycling skull generated in the pig casting process

Awards and Recognitions

Foundry Koppal

Won National Sustainability Award from Indian Institute of Metal

Won 1st prize in National level Kaizen competition by IIF

Won 2nd prize in southern region Kaizen competition by IIF

Foundry Solapur

Received Volvo-Eicher - Award for Best Supply Management for the year 2023 in the category Casting and Machining.

Supplier Quality Improvement - Silver Award

Received Vendor Ware Housing Award received for ware house management

Jayaswal Neco Quality Award

Intellectual Capital

Leveraging our Research and Development (R&D) capabilities, technological expertise and digitalisation initiatives, we drive our mission of delivering innovative products and solutions to our clients.

SDGs Linked

8 Decent Work and Economic Growth

9 Industry, Innovation and Infrastructure

Key Performance Highlights

₹5.3 crore
Spent on R&D

Capital Interlinkage

Financial Capital	Manufactured Capital	Human Capital	Social and Relationship Capital	Natural Capital
Our R&D investment encompasses cost-saving measures through the localisation of raw materials to support advanced manufacturing techniques.	We have leveraged digitisation in production and equipment maintenance to integrate automation and minimise errors from manual operations.	We adopt advanced technologies to optimise operational performance and upgrade our workforce's technical capabilities.	Upgrading our customer relationship management tools in order to nurture stronger relationships with existing customers, encouraging repeat business and maximising customer lifetime value.	We have implemented innovative solutions to promote sustainable operations and minimise our environmental footprint.

Research and Development

Our dedicated team of research professionals collaborates closely with customers to understand their needs, leading to continuous improvements in product design. Our R&D efforts extend to cost-saving measures through the localisation of raw materials for advanced manufacturing techniques such as 3D printing, contributing to both sustainability and economic efficiency.

Our ongoing innovation efforts include productivity improvement with robotic grippers, weight reduction projects, prototype manufacturing for OEMs, designing castings to reduce fettling, using simulation techniques to minimise rejections and employing scanning techniques to extend tool life.

We have introduced several key developments to enhance our product quality and capabilities. We have implemented a bright annealing furnace to improve the surface quality of tubes used primarily in boilers, heat exchangers, and automotive applications. We have also developed a 22-probe ultrasonic testing machine for detecting defects from multiple angles and a hydrotesting machine with a pressure capability of up to 10,000 pounds per square inch (psi) for pressure-containing tube products. Additionally, we have created bearing tubes specifically for the textile industry. These advancements have substantially reduced customer complaints related to surface quality and improved overall product reliability.

Information Technology

We utilise robust information technology solutions to drive efficiency, enhance productivity and ensure seamless operations across our organisation. Implementing Oracle E-Business Suite as our ERP solution has been instrumental in streamlining processes across multiple locations, aimed at boosting overall efficiency. Regular upgrades and cloud infrastructure drive our strategy foe enhanced scalability. Looking forward, our roadmap includes transitioning our ERP to a cloud SaaS product to leverage cutting-edge technology and facilitate continuous improvements. Additionally, we integrate other applications like in-plant logistics management, IoT-based spectro online application and HRMS with our ERP to ensure smooth data flow.

Business Dashboards

We have built customised dashboards for each business unit, providing crucial key performance indicators data necessary for daily monitoring. These KPIs encompass manufacturing, quality, cost, sales, stocks and profitability, covering both daily and monthly performance. Our dashboards include detailed Variable Cost reports that highlight material consumption across departments, including major and indirect materials, with measurable parameters. This setup enables departments to monitor and manage costs on a daily basis.

Adoption of Cloud Computing

We are implementing cloud computation for our ERP systems and other applications. We are transforming our IT infrastructure to adapt and grow alongside our business. This shift unlocked several benefits such as cost-effectiveness, enhanced uptime and flexibility. Cloud-based solutions minimise reliance on local infrastructure, ensuring uninterrupted operations across all locations. Additionally, it acts as a central hub, connecting branches without the need for complex point-to-point connections, building stronger collaboration and a more agile organisation.

We have integrated cloud-based technology to enhance access to relevant files and details. This upgrade has significantly reduced cycle times and improved inter-departmental communication by enabling seamless data sharing.

Product Lifecycle Management System

Our Product Lifecycle Management System allows us to efficiently assign and monitor workloads. This centralised approach improves efficiency by providing a clear, unified view of tasks and progress. By leveraging cloud technology, our Product Lifecycle Management (PLM) system ensures that the latest data revisions are easily accessible to everyone, reducing the risk of data loss and ensuring timely access to the most current information. This significantly shortens our product development cycle time.

Data Security

We prioritise strengthening our security system through quarterly Vulnerability Assessments and Penetration Testing (VAPT) to identify and address system vulnerabilities. Our Security Operation Centre (SOC) ensures continuous network traffic monitoring, detecting and promptly responding to suspicious activities.

Our monitoring tools protect our network perimeter, preventing unauthorised access and filtering malicious traffic. Additionally, we implement comprehensive endpoint protection measures, including antivirus software and intrusion detection systems, to safeguard all our organisational devices. Our specialised applications for IT Service Management and IT Asset Management have enhanced our capability to monitor and promptly deliver IT services, while also improving accountability.

Human Capital

Our people collectively represent the backbone of our organisation, driving us towards our goals with their skills, dedication and commitment. We believe in fostering an environment where our workforce feels empowered and engaged, knowing that their contributions are vital to our sustainable progress. We recognise that investing in our people is key to achieving excellence across all areas of our operations.

SDGs Linked

Key Performance Highlights

3,509
Total Employees

691
Number of Training and Awareness Programmes Held

Capital Interlinkage

Financial Capital	Manufactured Capital	Intellectual Capital	Social and Relationship Capital	Natural Capital
Continuous training empowers employees and improves efficiency	Leveraging digital learning for employee development	Our robust safety programme ensures a zero-injury workplace	Building trust with stakeholders by empowering communities	Educating and engaging employees in sustainability practices to achieve significant carbon footprint reduction.

Employee Engagement

We acknowledge that our employees are integral to our organisation, representing its core essence. Establishing a more comprehensive and inclusive culture for our employees is an essential step towards enhancing overall employee engagement. We have launched initiatives like 5S implementation to align our team goals with the organisation's objective and empower employees to achieve their full potential.

These efforts focus on practicing 5S with a structured approach, integrating elements from Total Productive Maintenance (TPM). This includes autonomous maintenance, some aspects of planned maintenance and education and training pillars. Each team completes a continuous improvement project using a systematic problem-solving approach and quality control tools. Monthly audits are conducted for departmental heads, top management and external agents, using relevant checklists.

Employee Engagement Survey

We conduct the Employee Engagement Survey (EES) once every two years. In the most recent survey, we have achieved benchmark scores in 15 out of 24 engagement areas. Based on employee feedback, we develop action plans at both company-wide and managerial levels. Additionally, we conduct an internal HR processes dipstick survey every alternate year.

This internal survey collects feedback on HR processes such as recruitment, learning and development, attendance management, canteen facilities, safety and welfare practices. Furthermore, we conducted an HR diagnostic survey across various HR dimensions. This survey utilised feedback gathered through online, offline and telephone modes to provide insights into our HR practices and identify areas for improvement.

99%
Participation Survey

We have attained an engagement score of **80%** among managerial employees, marking an increase from **76%** in the 2019 survey, which is the highest within the Kirloskar group.

Leadership Development

We believe in cultivating a culture of excellence where our leaders serve as role models by embodying our core values in their behaviour and promoting their deployment throughout the organisation. We conduct structured training and leadership development programmes aimed at reinforcing values and ethics among our leaders. In addition to this, we have invested in leadership development through Thomas assessments, ensuring the employees possess the desired behaviours to drive long-term success.

We utilise tools such as PPA (Personal Profile Analysis), 360-degree feedback, emotional intelligence assessments and customer focus programmes facilitated by Thomas International. Evaluation reports from these assessments are shared with senior leaders and customised training interventions are implemented based on individual development plans. We offer the Management Development Programme, an intensive training initiative that incorporates Dale Carnegie lessons and stress management techniques. This programme is designed to enhance leadership capabilities and cultivate essential interpersonal skills among middle-level managers.

Career Development

Our career development plan guides employees in setting realistic expectations for their career growth. It outlines clear timeframes for promotions and identifies areas where employees can enhance their skills to qualify for future career advancements.

We identify high performers and support their career development paths. Our approach to organisational improvement revolves around the 'Start, Stop & Continue' methodology. Our motto, 'Making Iron and Casting is our passion and bringing smiles is our mission,' reflects our dedication to both quality and positive impact.

We encourage the use of Individual Career Development Plans (ICDP) for all team members. We emphasise the importance of employees taking ownership of their career development by creating their ICDPs. This includes defining short-term (1-5 years) and long-term (+5 years) career goals, detailing developmental programmes such as education, training, job assignments, and other developmental activities.

Training and Development

We empower our employees to continuously develop their skills and knowledge, equipping them to excel in their roles and contribute to the Company's success. To achieve this, we provide a comprehensive learning ecosystem such as interactive classroom sessions, on-the-job training and Learning Management System (LMS) in order to create a well-rounded learning environment that empowers employees to continuously grow and contribute to our collective achievements.

To ensure the effectiveness of our training programmes, we utilise the Kirkpatrick Model of Evaluation. This model assesses the impact of training across four key levels:

Reaction

We collect feedback through structured surveys to understand participants' impressions of the training programme, course content and delivery.

Learning

We evaluate knowledge and skill learnt during the course by including a dedicated question in the feedback form to gauge whether the training improved participants' abilities.

Behaviour

We continuously monitor employee performance, post-training in their actual work environment. This allows us to assess if they are applying the newly acquired skills and demonstrating a positive shift in behaviour. Based on these observations, we take corrective actions to address any identified gaps.

Results

Our focus is to determine the tangible impact of training on our business objectives. This involves evaluating whether the training has translated into increased productivity and has contributed to achieving our goals.

Talent Acquisition

Attracting and retaining top talent is crucial for our continued success. We are constantly innovating our talent acquisition process. We have implemented a new, streamlined assessment methodology through our HR information system. This ensures a more efficient and standardised evaluation process for all candidates. We have also optimised the recruitment process flow to create a smoother experience for both candidates and our internal teams. We recruit fresh talent through targeted campus drives at prestigious institutions in Tier-I, II and III cities across various regions, focusing on graduate, diploma, commercial and management trainee roles.

Employee Well-being

Recognising our employees as the foundation for achieving our goal, we prioritise a comprehensive approach to employee wellbeing. We believe that fostering employee health leads to greater happiness, engagement and productivity—benefiting both the company and its workforce. We provide regular medical checkups, with increased frequency for those in hazardous environments. Specialised screenings, like vision tests for drivers and pulmonary function tests for employees exposed to dust, further safeguard employee health. Food handlers undergo regular checkups and specific tests like acrophobia and cerebellar function tests to ensure the safety of employees working at heights. Recognising the importance of mental well-being, we have established a dedicated mental health clinic in partnership with 'Manasa Mental Health Hospital.'

Safety First

We have established a comprehensive safety programme designed to cultivate an injury-free work environment. This programme emphasises continuous learning through regular training on diverse safety topics, emergency procedures and the identification of potential workplace hazards. A meticulously structured annual training calendar ensures everyone has access to the latest information and participates in refresher courses, guaranteeing their continued competence in safe work practices.

We regularly conduct safety audits across the plant ensuring, ongoing assessment and improvement. Additionally, diverse training programmes are offered throughout the year, encompassing high-risk standards training, on-the-job training, induction training for new employees and safety theme-specific training to address emerging concerns.

Following are the specific trainings which are being conducted on regular basis:

- Permit to Work (PTW)
- Working at Height (WAH)
- Personal Protective Equipment (PPES)
- Road Safety (RS)
- Material Handling (MH)
- Lock Out and Tag Out
- Job Safety Analysis (JSA)
- Saksham
- Safety Theme

Social and Relationship Capital

At the heart of our strategy for creating value, lies a commitment to cultivating robust relationships with esteemed customers, communities, suppliers, dealers and CSR partners. This approach not only strengthens our operational foundation but also empowers us to drive forward our transformation. By fostering these meaningful connections, we fuel our journey towards becoming a dependable, efficient and sustainable organisation, poised for enduring success in an ever-evolving landscape.

SDGs Linked

Key Performance Highlights

₹8.4 crore
CSR Expenditure

Capital Interlinkage

Financial Capital	Manufactured Capital	Intellectual Capital	Human Capital	Natural Capital
Fosters community trust, contributing to enhanced operational stability and potentially reduced costs.	By prioritising superior quality, we have secured a position as a trusted supplier, gaining the loyalty of clients and stakeholders alike.	Building strong relationships across different entities fosters a rich knowledge ecosystem, driving innovation.	Participation in community development initiatives contributes to a more motivated and engaged employee base.	Community-oriented environmental sustainability projects contribute to the preservation of vital natural resources.

Customer Engagement

At KFIL, our focus is to enhance customer engagement through regular visits, workshops at our plants and technology days at customer premises. We work closely with customers' engineering teams to provide updates. This deep engagement ensures that our clients are well-informed and connected with our ongoing advancements.

We conduct comprehensive customer relationship management (CRM) training sessions for branch managers and dealers. These programmes are designed to enhance communication skills, deepen understanding of customer needs and maximise the effective utilisation of CRM tools. We regularly conduct customer satisfaction surveys to evaluate perceptions of our products and services. These surveys provide us with invaluable insights into customer preferences and pain points, enabling us to customise our offerings and refine our service delivery strategies accordingly.

Suppliers' Engagement

We have established a robust network comprising distributors, dealers and consignment agents to effectively connect with our suppliers and gain insights into their expectations. Regular and proactive communication with our dealers enables us to stay informed about the latest industry trends and identify emerging opportunities.

Furthermore, we conduct regular interactions and training sessions with our suppliers to foster awareness regarding quality requirements and to educate them about our standard operating procedures. We actively seek their feedback and opinions through annual dealers' meets, bi-annual supplier meetings, supplier visits and on-site audits. These engagements serve as valuable platforms for our suppliers to share their input and insights.

We have deployed a process to seek supplier rating for key products. We address crucial topics raised by vendors, such as quality assurance, cost management and logistics concerns, by implementing stringent quality controls, improving logistics coordination, ensuring transparency and enhancing communication protocols. In the coming year, as KFIL ISMT have begun merged entity operations in August, we plan to further strengthen relationships with suppliers and partners through improved communication channels, joint development programmes, supplier workshops, performance metrics and strategic planning sessions, working through channel partners to drive mutual growth and success.

Uplifting Communities, Empowering Society

During the year, we strived to uplift society through our efforts in education, health and hygiene as well as environment and community development. Through various people-oriented programmes, we have supported rural development and made a positive impact on the communities we serve.

Education

We, in collaboration with Kannada Prabha daily newspaper and Asianet News channel are committed to enhancing education in rural areas. Through our partnership, we provide study materials for secondary school exams in the daily newspaper, benefiting students across Koppal Taluk by making educational resources more accessible. This initiative has played a crucial role in improving academic performance among rural students. Our efforts have been widely appreciated by the Block Education Officer, local school teachers and the district administration for positively impacting educational outcomes in rural areas.

33
School were Provided with Study Material

Health

We have undertaken efforts to address tuberculosis, recognised as the most common and severe communicable disease in India, by distributing a nutritional food kit (supplement) to pulmonary tuberculosis patients at the District TB Centre, Koppal. This initiative aims to improve patient health by providing essential nutrition, vital for boosting immunity in their battle against the disease. The Government of India has implemented several programmes aimed at reducing TB incidence and mortality rates, ensuring free medication is available at all district and taluk hospitals.

350
Patients were Treated

Community Engagement Programmes

Every year, as part of our community development efforts in Koppal and Hosapete, we collaborate with college students to organise the Green College Clean College initiative. This initiative showcases green initiatives undertaken by various colleges in the region. Recently, the event was hosted at PDIT College, Hosapete, with participation from 5 colleges presenting their environmental projects. We engaged in raising awareness on creating a Plastic Free Campus at PDIT College, Hosapete. This initiative brought together students from various colleges, encouraging them to participate in and leverage opportunities aimed at promoting sustainability within their educational environment.

350
Saplings were Planted

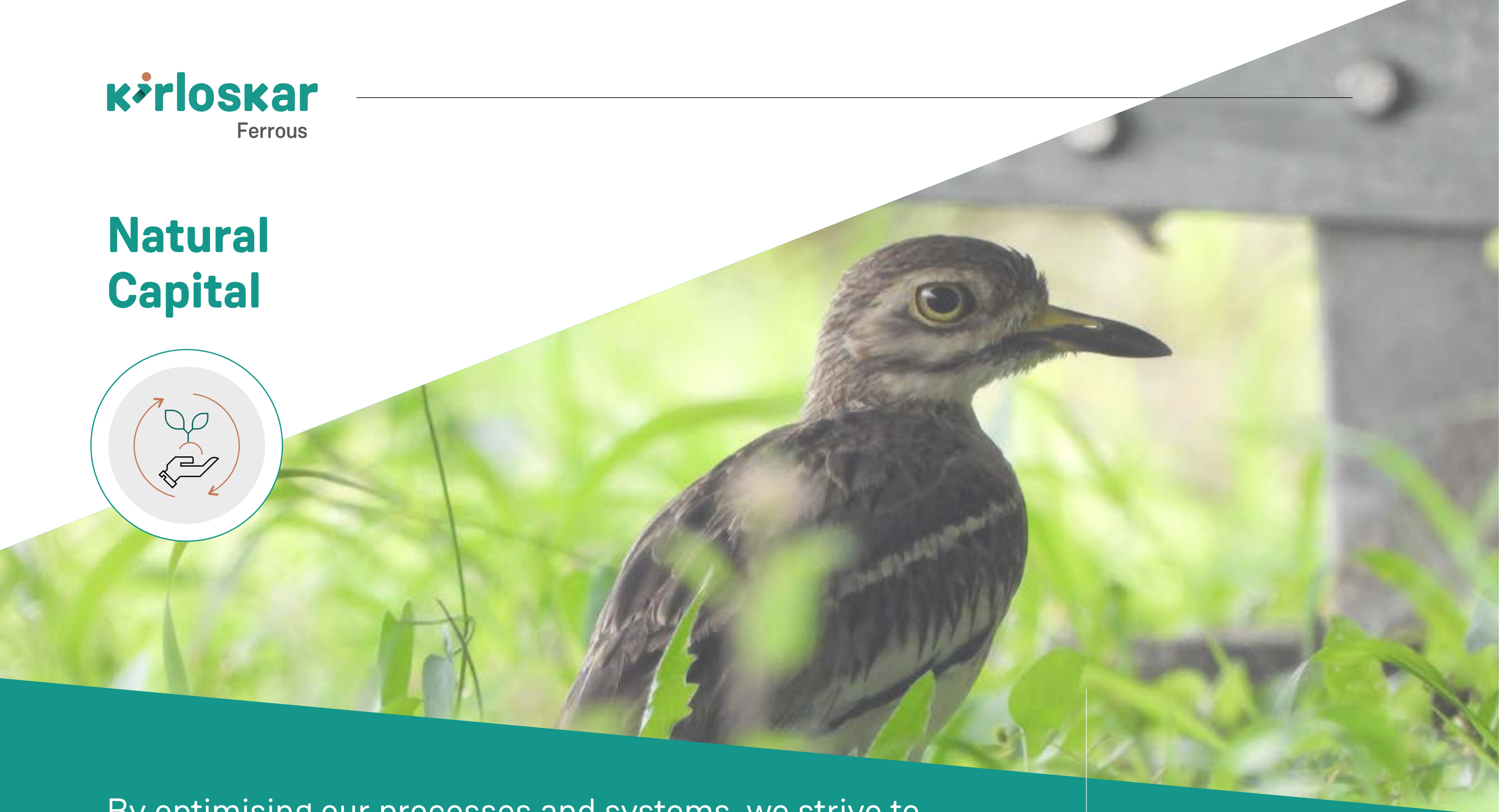
Skill Development

We initiated a comprehensive Personality Development Program aimed at providing personal growth among the residents of Bevinahalli, Lingadalli, Shahapur and Hitnal. This programme enhances essential life skills and interpersonal abilities among students, empowering them to navigate challenges and opportunities effectively. In addition to this initiative, we recognised the importance of enhancing local youth employability. To address this, we facilitated specialised skill development training programmes in collaboration with NTTF Dharwad and Gurukul Skills Hubli. Specifically, we provided intensive training to ITI graduates and degree holders, focusing on equipping them with industry-relevant skills, essential for their professional growth and success.

150
Students Benefited

Women Empowerment

In collaboration with Sarvodaya Integrated Rural Development Society, Koppal, we have implemented a food processing training programme specifically designed for women. Through this initiative, we provide training to women in order to equip them with the necessary skills to make food items. They actively engaged in manufacturing these products and supplying them to local hotels and dhabas, thereby generating a source of income to support themselves and their families. This programme plays a crucial role in empowering women by providing them with vocational training and creating opportunities for economic independence. By engaging in the food processing sector, these women support household finances and gain self-reliance.



Natural Capital

By optimising our processes and systems, we strive to minimise our environmental impact, while maximising resource efficiency. Moreover, in the pursuit of operational excellence, we integrate advanced and more efficient practices into our new ventures. At the core of our environmental strategy lies a dedication to preserving and responsibly utilising natural resources, ensuring harmony between operations and ecological stewardship.

SDGs Linked

6, 7, 12, 13

Key Performance Highlights

21%
Reduction in Energy Intensity Per crore of Turnover

2.67 L MT
Waste Recycled

Capital Interlinkage

Financial Capital	Manufactured Capital	Intellectual Capital	Human Capital	Social and Relationship Capital
Invested in integrating water treatment solutions, renewable energy sources and energy-efficient equipment	We have implemented a network of real-time environmental monitoring stations to track key air quality indicators	Developing innovative solutions to minimise our environmental footprint	Encouraging employee involvement in initiatives that promote environmental stewardship	Promoting community-based initiatives for sustainable resource management and environmental conservation

We have installed online environment monitoring stations for of Sulphur Oxide (Sox), Suspended Particulate Matter (SPM), Carbon Monoxide (CO) and Nitrogen Oxide (NOx) emissions to ensure that they are within the permissible limits.

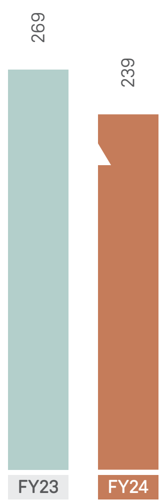
We have initiated tree plantation activities within our plant premises across all three locations and their surrounding areas. This initiative aims to enhance the green cover and contribute to a cleaner environment for the future.

We have made significant strides in reducing emissions at our plants. We have initiated the use of wind energy and are in the process of installing a solar power plant to utilise 72% solar energy. Additionally, we are establishing a comprehensive GHG inventory and monitoring system.

We have successfully reduced both Scope 1 and Scope 2 emissions through optimised fuel consumption and the integration of solar power.

Scope 1 and Scope 2 Emissions Intensity

(MT of CO2 Equivalent per crore of Turnover)



Air Quality

We continuously monitor air quality in the vicinity of our operational units, facilitated by four ambient air quality stations installed in accordance with Karnataka State Pollution Control Board guidelines. We rigorously adhere to National Ambient Air Quality Standards in our assessments.

During operations at our stock house in Hiriyur plant, we identified dust emissions as a concern. To address this, we installed a Dust Extraction System, which has been quite effective. Similarly, to control the emission of silica flakes in the hot metal production area, we have implemented a Fume Extraction System.

To ensure compliance with environmental regulations and safeguard the well-being of our employees and the community, we have implemented rigorous air quality monitoring at all our facility. We conduct regular assessments to measure various air quality parameters. All these parameters are monitored consistently adhering to the stringent National Ambient Air Quality standards.

11%
Reduction in Total Scope 1 and Scope 2 Emissions per crore of Turnover

Energy Management

We have installed Variable Frequency Drives across our manufacturing plants and replaced old motors with energy-efficient models to reduce energy consumption. We have integrated energy-efficient Low Tension (LT) motors, enhancing our commitment to reducing power consumption. These motors effectively convert electrical energy into mechanical energy, significantly improving our overall energy efficiency.

Additionally, the Blast Furnace Top Pressure Recovery Turbine (BLT) installation is projected to reduce coke consumption by approximately 15 kilograms per metric tonne of hot metal (THM). A plant-level energy audit by certified auditors guides our ongoing efforts to optimise energy usage and promote sustainability.

We have made calculated investments in renewable energy sources, specifically focusing on solar power generation, to advance our commitment to green energy and minimise our carbon footprint. Currently, a 10 MW solar plant is operational and plans are underway for an additional 20 MW plant, solidifying our dedication to sustainable energy practices. We have also recently commissioned a 35 MW solar plant at Jalna and another 35 MW will be commissioned soon. This location will cater to energy requirements for the facilities in Maharashtra.

We have modified heating circuit in the heat treatment furnace. It has achieved a 40% energy reduction and will be replicated in other furnaces. We have also replaced traditional lighting with energy-efficient LED lights in the shop floor and installed energy-efficient Low Tension (LT) motors in the pump house to optimise energy consumption.

21%
Reduction Energy Intensity per crore of Turnover in FY24

Waste Management

We focus on minimising waste and maximising resource efficiency through the implementation of circular economy principles. Through our waste management practices, we ensure proper segregation, handling, storage and disposal of all waste types across our facilities. In Solapur, we have a dedicated storage facility for hazardous and non-hazardous waste, guaranteeing safe and compliant handling in compliance with regulations. Furthermore, at our Hiriyur plant, we ensure circularity by utilising scrap generated within our processes back into production. Any surplus scrap, like slag valuable to the cement industry, is then sold as a raw material to other industries.

We have taken steps to conserve water at across our manufacturing facilities. We are recovering water from waste materials like soap sludge to treat it in the effluent treatment plant. We are also working on recovering water from spent acid and controlling water loss from cooling towers.

2.67 lakh MT
Waste Recycled

Water Management

We prioritise efficient water management practices across our plant operations. We have installed electromagnetic flow meters to accurately measure water consumption, promptly notifying user departments of any deviations. Our focus is on minimising process water consumption and maximising water utilisation through wastewater reuse for gardening and yard sprinkling. Furthermore, we have installed air-cooled condensers in our new power plants and substituted treated groundwater for fresh dam water in critical processes, significantly saving water.

21%
Reduction Water Intensity per crore of Turnover in FY24

Rainwater Harvesting

We have increased the pond size, utilising surface water for daily cleaning activity and recycling water rejected from processes for plant cooling. We have implemented dedicated systems for collecting water from rooftops and borewells. This harvested rainwater is stored in a designated lake, ensuring efficient use of natural resources and supporting sustainable practices at our sites.

We are planning to build rainwater harvesting reservoirs. We have already identified suitable locations for these reservoirs based on a recent site survey. The project is scheduled to begin in the financial year 2025-2026. We are currently exploring the possibility of treating sewage water at our Jejuri plant for potential use within the steel production process.

Sewage Treatment Plant

We have adopted a Zero Liquid Discharge (ZLD) approach, ensuring that the water used in our processes is treated and recirculated for maximum utilisation. We have installed a sewage treatment plant to treat and recycle sewage water for dust suppression within the plant.

30 KLD
Sewage Treatment Plant Installed

NOTICE

Notice is hereby given that the 33rd Annual General Meeting ('AGM') of the Members of **Kirloskar Ferrous Industries Limited** ('the Company') will be held on **Tuesday, 24 September 2024 at 11:00 a.m. (IST)** through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') facility, in compliance with provisions of the Companies Act, 2013 ('the Act') and rules thereof read with the General Circular No. 14/2020 dated 8 April 2020, the General Circular No. 17/2020 dated 13 April 2020, the General Circular No. 20/2020 dated 5 May 2020 and the General Circular No. 09/2023 dated 25 September 2023 issued by the Ministry of Corporate Affairs [collectively referred to as 'MCA Circulars'] and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, read with the Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7 October 2023 read with the Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11 July 2023 issued by the SEBI [collectively referred to as 'SEBI Circulars'] to transact the business as given below :

Ordinary Business

Item No. 1

To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the financial year ended 31 March 2024 together with the Reports of the Board of Directors and the Auditors' thereon.

Item No. 2

To confirm the payment of Interim Dividend on equity shares and to declare the Final Dividend on equity shares for the financial year ended 31 March 2024.

Item No. 3

To appoint a Director in the place of Mr. Mahesh Ramchand Chhabria (DIN : 00166049), who retires by rotation and being eligible, offers himself for reappointment.

Item No. 4

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

"**RESOLVED THAT** pursuant to provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules thereof; the vacancy arising out of Mr. Atul Chandrakant Kirloskar (DIN : 00007387), who retires by rotation and has expressed to retire as a Director, be not filled up at this meeting or any adjournment thereof."

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 provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules thereof; the vacancy arising out of Mr. Anil Narayan Alawani (DIN : 00036153), who retires by rotation and has expressed to retire as a Director, be not filled up at this meeting or any adjournment thereof."

Item No. 6

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

"**RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules thereof [including any statutory modification(s) or re-enactment thereof, for the time being force] and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; 'M/s. P G BHAGWAT LLP, Chartered Accountants' (Firm Registration Number 101118W / W100682); who have confirmed their eligibility in terms of provisions of Section 141 of the Companies Act, 2013 and rules thereof; be and are hereby appointed as the statutory auditor to hold office for a term from conclusion of 33rd annual general meeting till conclusion of 38th annual general meeting of the Members of the Company and the Board of Directors of the Company be and is hereby authorised to decide from time to time terms of remuneration as may be mutually agreed with the statutory auditor.

RESOLVED FURTHER THAT M/s. 'P G BHAGWAT LLP, Chartered Accountants' shall conduct the audit of books of account of the Company for the financial years ending 31 March 2025 and 31 March 2026 jointly with M/s. 'Kirtane & Pandit LLP, Chartered Accountants', present statutory auditor."

Special Business

Item No. 7

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

"**RESOLVED THAT** pursuant to provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and rules thereof [including any statutory modification(s) or re-enactment thereof for the time being in force]; the Members of the Company hereby ratify the remuneration of ₹ 1,000,000 plus applicable taxes thereon and reimbursement of out of pocket expenses payable to 'Dhananjay V. Joshi & Associates', Cost Accountants appointed by the Board of Directors as the Cost Auditor of the Company to conduct the audit of cost accounting records for the financial year ending 31 March 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 the provisions of Sections 149, 152, 161 and other applicable provisions of the Companies Act, 2013; the rules thereof and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors; Mr. Nishikant Balkrishna Ektare (DIN : 02109633), who was appointed as an Additional Director and the Executive Director (Operations) by the Board of Directors with effect from 9 August 2024 and who holds the office as an Additional Director upto the date of this annual general meeting and in respect of whom a notice in writing has been received from a Member pursuant to Section 160 of the Companies Act, 2013 proposing his candidature for the office of a director, be and is hereby appointed as a Director of the Company."

Item No. 9

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 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 and the rules thereof and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors and subject to such other approvals as may be necessary; Mr. Nishikant Balkrishna Ektare (DIN : 02109633) be and is hereby appointed as the Executive Director (Operations) for a term from 9 August 2024 to 9 March 2027 on the terms and conditions (including terms of remuneration as given below) as set out in the agreement to be entered into between the Company and him :

(A) Salary

Basic Salary ₹ 9,75,000 per month, with the increment as may be determined by the Board of Directors of the Company from time to time.

(B) Special Allowance ₹ 1,31,250 per month

(C) Perquisites

In addition to the aforesaid salary, he shall be entitled to the perquisites as given below :

- Fully furnished residential accommodation, perquisite valuation of which shall not exceed ₹ 1,00,000 per month. Where no accommodation is provided by the Company, the Company shall pay House Rent Allowance at the rate of ₹ 1,00,000 per month.
- Expenses on soft furnishings not exceeding ₹ 15,000 per month and hard furnishings not exceeding ₹ 15,000 per month shall be borne by the Company. At the end of financial year, any unutilized balance shall be paid subject to deduction of income tax at applicable rates.
- Expenses on gas, electricity, water and other utilities shall be borne by the Company.
- Family Medicare Policy premium under mediclaim insurance policy not exceeding ₹ 15,000 per annum.
- Reimbursement of all medical expenses, including hospitalisation expenses, incurred for self and family, other than expenses claimed under the Family Medicare Policy.
- Leave travel assistance for self and family once in a year not exceeding ₹ 1,20,000 per annum in accordance with the rules of the Company.
- Fees of clubs, subject to a maximum of two clubs, which will include admission fee but will not include life membership fees.
- Personal accident insurance, premium whereof does not exceed ₹ 25,000 per annum.
- A car with driver for official and personal purpose.
- Telephone and Internet facilities at residence and a mobile phone facility for official use.
- Contribution to provident fund or annuity fund as may be decided by the Board of Directors from time to time.
- Gratuity at the rate not exceeding one month's salary for each completed year of service or part thereof (on pro-rata basis) or as per company policy; and
- Leave at the rate of thirty days per calendar year of service. Leave calculation for a part of the calendar year at the date of appointment as 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 completed month of service. Leave accumulated and not availed of may be encashed at the end of the tenure as per the rules of the Company.

"Family" for the above purpose means wife and dependent children below the age of twenty five years.

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

(D) Commission

Commission shall be decided by the Nomination and Remuneration Committee and approved by the Board of Directors based on the net profits of the Company for any financial year, subject to the condition that the aggregate remuneration of the Executive Director shall not exceed the limit as laid down under Sections 197, 198 and Schedule V of the Companies Act, 2013.

(E) Minimum Remuneration

In the event of loss or inadequacy of profits in any financial year during the currency of his tenure as the Executive Director, the remuneration shall be paid in accordance with the ceiling prescribed in Schedule V to the Companies Act, 2013 or any statutory modification thereof.

(F) The Executive Director shall not be paid any sitting fees for attending any meeting of the Board of Directors or any Committees thereof.

(G) The Executive Director shall be eligible to receive stock options of the Company as may be decided by the Board of Directors or its Committee from time to time.

RESOLVED FURTHER THAT Mr. Nishikant Balkrishna Ektare shall be liable to retire by rotation till he continues as the Executive Director and his reappointment as such shall not be deemed to constitute a break in his tenure.

RESOLVED FURTHER THAT for the purpose of giving effect to the resolution, the Board of Directors [including any committee(s) thereof] be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things and also to revise during the tenure the terms of remuneration within the limits prescribed and permitted under Sections 197, 198 and Schedule V of the Companies Act, 2013, the rules thereof and as amended from time to time, without being required to seek any fresh approval of the Members of the Company, but with such other approvals, sanctions or permissions, if any, as may be required for such revision in the remuneration and that the decision of the Board of Directors shall be final and conclusive in this regard."

Item No. 10

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

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

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

Item No. 11

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

"**RESOLVED THAT** pursuant to provisions of Sections 149, 150, 152, 160, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013; rules thereof; the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules and regulations [including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force] and the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors; Mr. Maruthuvakudi Sankaranarayana Srinivasan (DIN : 10709097), who was co-opted by the Board of Directors as an Additional Director in the category of Independent Director with effect from 16 July 2024 and holds the office upto the date of annual general meeting and in respect of whom a notice in writing has been received from a Member pursuant to provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of a director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto 15 July 2029."

Item No. 12

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

"**RESOLVED THAT** pursuant to provisions of Sections 149, 150, 152, 160, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013; rules thereof; the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules and regulations [including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force] and the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors; Mr. Pattanasetty Rajashekhar (DIN : 09514548), who was co-opted by the Board of Directors as an Additional Director in the category of Independent Director with effect from 9 August 2024 and holds the office upto the date of annual general meeting and in respect of whom a notice in writing has been received from a Member pursuant to provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of a director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto 8 August 2029."

Item No. 13

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

"**RESOLVED THAT** pursuant to provisions of Sections 149, 150, 152, 160, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013; rules thereof; the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules and regulations [including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force] and the Articles of Association of the

Company and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors; Mr. Sourirajan Rajagopalan (DIN : 10738323), who was co-opted by the Board of Directors as an Additional Director in the category of Independent Director with effect from 10 August 2024 and holds the office upto the date of annual general meeting and in respect of whom a notice in writing has been received from a Member pursuant to provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of a director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto 31 August 2028."

Item No. 14

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

"**RESOLVED THAT** pursuant to provisions of Sections 149, 150, 152, 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013; rules thereof; the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules and regulations [including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force] and the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors; Mr. Vijaydipak Mukundprasad Varma (DIN : 00011352), who holds office as an Independent Director upto 4 March 2025 and in respect of whom a notice in writing has been received from a Member pursuant to provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of a director, be and is hereby reappointed as an Independent Director of the Company to hold office for another term upto 30 September 2026."

Item No. 15

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

"**RESOLVED THAT** pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules thereof [including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force] and the Articles of Association of the Company; the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time in such manner as deem fit for the purpose of the business operations of the Company any sum or sums of money, which together with the monies borrowed earlier by the Company (apart from temporary loans obtained or to be obtained from the bankers of the Company in the ordinary course of business) may exceed at any time the aggregate of the paid up share capital, the free reserves and the securities premium of the Company by a sum of not more than ₹ 2,000 Crores.

RESOLVED FUTHER THAT for the purpose of giving effect to the resolution, the Board of Directors of the Company [including any committee(s) thereof] be and is hereby authorised to do all such acts, deeds, matters and things and to settle any question, difficulty or doubt that may arise in this regard, as the Board of Directors in its absolute discretion may deem necessary or desirable or expedient."

Item No. 16

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

"**RESOLVED THAT** pursuant to provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and rules thereof; the consent of the Members of the Company be and is hereby accorded to authorise the Board of Directors of the Company to create security from time to time by way of mortgage(s), pledge(s), lien(s), hypothecation(s), charge(s), and/or any other encumbrance(s) in addition to existing pledge(s), lien(s), mortgage(s), hypothecation(s) and/or charge(s) created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board of Directors may determine, on all or any of the assets of the Company (including immovable and/or movable properties of the Company), both present and future, and/or the whole or substantially the whole of the undertaking(s) wheresoever situated, in favour of bank(s) / non-banking financial companies / public financial institution(s) / body corporate(s) / security trustee(s) / debenture trustee(s) / investor(s), to secure the loan(s) and/or the credit facilities and/or the debt(s), availed / to be availed by the Company and/or debenture(s) / bond(s), issued / to be issued, upto a sum of ₹ 3,000 Crores at any point of time.

RESOLVED FURTHER THAT for the purpose of giving effect to the resolution, the Board of Directors of the Company [including any committee(s) thereof and/or any person(s) authorised by the Board to exercise its powers including the powers conferred by this resolution] be and is hereby authorised to finalise terms and conditions of necessary agreements and related documents with chargeholder(s) / security trustee(s) / debenture trustee(s) / bank(s) / non-banking financial companies / public financial institution(s) / body corporate(s) / investor(s) for creation of mortgage(s), pledge(s), lien(s), hypothecation(s), charge(s), and/or any other encumbrance(s) and to do all such acts, deeds, matters and things and to settle any question / difficulty / doubt that may arise in this regard, as the Board in its absolute discretion may deem necessary or desirable or expedient."

Item No. 17

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 Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act read with the rules thereof [including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force]; the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company for :

- giving loans to any person(s) or other body corporate(s),
- giving guarantees or providing security in connection with a loan to any other body corporate(s) or person(s),
- acquiring whether by way of subscription, purchase or otherwise, the securities of any other body corporate(s),

upto a sum, the aggregate outstanding of which shall not exceed at any time by ₹ 2,000 Crores over and above the aggregate of the paid up share capital, the free reserves and the securities premium of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the resolution, the Board of Directors [including any committee(s) thereof] be and is hereby authorised to decide from time to time sums to be invested, loans / guarantees to be given and securities to be provided to any person(s) and / or body corporate(s) within the aforesaid limits; finalize terms and conditions; execute necessary documents, delegate all or any of these powers to any sub-committee(s) / Director(s) / Officer(s) of the Company; to do all such acts, deeds, matters and things and to settle any question, difficulty or doubt that may arise in this regard, as the Board in its absolute discretion may deem necessary or desirable or expedient."

Item No. 18

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 Section 14 and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, ("the Act"), rules made thereunder, or any other law as may be applicable, and subject to such other approval(s) as may be required, the Articles of Association of the Company, be and is hereby altered by inserting the following new Article 87(c) i.e., 'Appointment of Chairman Emeritus of the Company", after the present Article 87(b) of the Articles of Association of the Company, which shall read as given below :

"87(c) - Appointment of Chairman Emeritus of the Company

(i) The Board shall be entitled to appoint any present or former Chairman, who has rendered significant or distinguished services to the Company or to the industry to which the Company's business relates or in the public field, as the Chairman Emeritus of the Company.

(ii) The Chairman Emeritus shall hold office until for life or for such period as may be determined by the Board of Directors.

(iii) The Chairman Emeritus may attend any meetings of the Board or Committees thereof; but shall not have any right to vote or shall not be deemed to be a party to any decision of the Board or any Committee thereof.

(iv) The Chairman Emeritus shall be entitled to receive all notices of the Board meetings or meetings of the Committees thereof, along with all other relevant documents (including the agenda, notes to agenda, etc.), simultaneous to the same being sent to the directors of the Company prior to the convening of the Board meeting or meetings of the Committees thereof.

(v) The Chairman Emeritus shall not be deemed to be a Director or "Officer" for any purposes of the Act or any other statute or rules made thereunder or these Articles of Association, including for the purpose of determining the maximum number of directors which the Company can appoint.

(vi) The Chairman Emeritus may provide guidance, mentorship and support to the Company and its Board of Directors, its Committees and management and generally advise the Company / Board of Directors / management of the Company, from time to time.

(vii) The advice provided by the Chairman Emeritus will not be binding on the Board / Board Committees of the Company.

(viii) Subject to the applicable statutory provisions, the Board may decide to make payments and provide amenities and facilities to the Chairman Emeritus for any services rendered by the Chairman Emeritus towards the Company and

(ix) The Chairman Emeritus of the Company shall be indemnified by the Company out of the funds of the Company to pay all costs, losses and expenses which such Chairman Emeritus, acting in relation to any of the affairs of the Company, may incur or become liable to by reason of any act or deed done by him in discharge of his duties.

RESOLVED FURTHER THAT following Directors / Officers of the Company, viz. Mr. R. V. Gumaste, Managing Director; Mr. R. S. Srivatsan, Executive Director (Finance) and Chief Financial Officer and Mr. Mayuresh Gharpure, Company Secretary be and are hereby authorised severally to file all relevant forms, returns and other necessary documents with the concerned Registrar of Companies, stock exchange(s) and any other authority and take all necessary steps for giving effect to this resolution."

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

Registered Office :
13, Laxmanrao Kirloskar Road,
Khadki, Pune 411003
CIN: L27101PN1991PLC063223
Email : kfilinvestor@kirloskar.com

Date : 28 August 2024
Place : Pune

Mayuresh Gharpure
Company Secretary

Notes :

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

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

   - whose names appear as Beneficial Owners as at the end of the business hours on 13 September 2024 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of equity shares held in electronic form and

   - whose names appear as Members in the Register of Members of the Company after giving effect to valid applications for permissible transfer of equity shares in physical form lodged with the Company / its Registrar and Share Transfer Agent on or before 13 September 2024.

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

4. Dividend related information

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

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

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

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

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

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

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

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

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

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

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

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

6. Corporate Authorisation

   Corporate / Institutional Members intending to attend the AGM through their Authorised Representatives are requested to send scanned copy of the relevant Board Resolution / Authority Letter together with attested specimen signature of duly authorised representative(s) to the Scrutiniser by email to csmsp.office@gmail.com with a copy marked to evoting@nsdl.co.in from the registered email address.

7. Inspection Documents

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

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

8. Members' Queries

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

9. Speaker Registration for the AGM

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

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

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

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

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

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

The Remote e-voting period commences on Saturday, 21 September 2024 at 9:00 a.m. (IST) and ends on Monday, 23 September 2024 at 5:00 p.m. (IST). During this period, the Members of the Company holding shares either in physical form or in electronic form as on the Cut-off date i.e. Tuesday, 17 September 2024 may cast the vote electronically through remote e-voting. The remote e-voting facility shall be disabled by NSDL for voting after 5:00 p.m. (IST) on Monday, 23 September 2024.

Voting rights shall be reckoned on the number of shares registered in the name of the Member as on the Cut-off date, i.e. Tuesday, 17 September 2024.

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

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

Step 1 : Access to NSDL e-voting system

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

Pursuant to the Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020 issued by the SEBI on e-Voting facility provided by Listed Companies, e-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / Depository Participants in order to increase the efficiency of the voting process.

Individual demat accountholders would be able to cast the vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.

Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in electronic form is as given below :

Type of shareholders	Login Method
Individual Shareholders holding securities in electronic form with NSDL	1. If you are already registered for **NSDL IDeAS** facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "**Beneficial Owner**" icon under "**Login**" which is available under "**IDeAS**" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS**" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 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 held 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 options available against company name or **e-Voting service provider - 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. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in electronic form with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and Income Tax PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile number and Email ID as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in electronic form) 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. Once login, you will be able to see e-Voting option. Once you 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 options available against company name or **e-Voting service provider-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.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in electronic form with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-48867000
Individual Shareholders holding securities in electronic form with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800-21-09911.

B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in electronic form and shareholders holding securities in physical form

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 electronic form with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in electronic form 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 EVEN is 130606 and Folio Number is 001*** and then user ID is 130606001***

5. Password details for shareholders other than Individual shareholders 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'?

      - 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'.

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

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

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

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

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

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

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

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

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

Step 2: Cast your vote electronically and join 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 General Meeting".

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

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

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

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

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

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

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

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

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

- In terms of Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020 issued by the SEBI on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in electronic form are allowed to vote through their demat accounts 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.

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

- Procedure for e-voting on the date of the AGM is same as per instructions mentioned above for the remote e-voting.

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

- A Member, who has cast the vote by remote e-voting, may also attend the AGM but shall not be entitled to cast the vote again.

- 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.

General Instructions for e-voting :

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of duly authorized signatory(ies), who are authorized to vote, to the Scrutinizer by e-mail to csmsp.office@gmail.com with a copy marked to evoting@nsdl.co.in

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password.

- In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- Once a Member casts the vote on a resolution, the Member shall not be allowed to change it subsequently.
- In case of any query, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for members available at the 'Downloads section' of www.evoting.nsdl.com

  You can also contact Ms. Pallavi Mhatre, Assistant Manager via e-mail at evoting@nsdl.co.in or call at 022-48867000 / 24997000.
- You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for sending future communication(s).
- Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holds shares as of the Cut-off Date may obtain the login ID and password by sending a request from the registered email ID to evoting@nsdl.co.in

  However, if you are registered earlier with the NSDL for e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" or Physical User Reset Password" option available on www.evoting.nsdl.com or call Toll Free Number 1800 1020 990 and 1800 22 44 30.
- In case of Individual Shareholders holding securities in electronic form, who acquire 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 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
- At the AGM, the Chairman shall, after discussion on the business to be transacted at the AGM, allow voting by use of e-voting facility to all those members, who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- Ms. Manasi Paradkar, Practicing Company Secretary (Membership No. FCS-5447 and CP No. 4385) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- After the conclusion of e-voting at the AGM, the Scrutinizer will unblock the votes cast through remote e-voting / e-voting at the AGM and make, not later than forty eight hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any other Director, who shall countersign the same and declare the result of the voting forthwith.
- The Results declared alongwith the report of the Scrutinizer will be filed with the BSE Limited within stipulated time and will be placed thereafter on the website of the Company viz. www.kirloskarferrous.com and on the website of NSDL after declaration of results by the Chairman or any other Director.

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

Item No. 3 of the Notice

Mr. Mahesh Ramchand Chhabria, aged 60 years, is a Chartered Accountant by profession and is a dedicated, focused and accomplished professional with over 32 years of experience in the financial services industry. In these 32 years, he worked with investment banks, private equity funds and also has been an independent director of several companies.

He has been the Managing Director of Kirloskar Industries Limited since July 2017. Prior to this, he worked as a partner with Actis, where he was responsible for advising Actis Global LLP, a leading private equity fund in the emerging market space, to invest their money in growth capital and buy out businesses in India. He previously worked at 3i India, where he was a partner in the firm's Growth Capital Group and the lead partner globally for the Healthcare sector, heading up and contributing to 3i investments in India and international markets. Before moving to private equity in the year 2006, he was co-head of investment banking at Enam, one of the leading domestic investment banks in India.

He is a regular speaker at various industry forums and occasionally contributes to some Indian business publications. He is a relationship builder with strong communication and interpersonal skills, with an extensive network of contacts, associates and friends at all levels in the financial services sectors, corporates, professional, legal and accounting firms, media and select regulatory bodies.

He was appointed as a Director of the Company on 3 November 2017. He does not hold any committee membership in the Company.

Other Directorships :

Kirloskar Industries Limited	Kirloskar Oil Engines Limited
Kirloskar Pneumatic Company Limited	Shoppers Stop Limited
Arka Fincap Limited	Kirloskar Proprietary Limited
Arka Financial Holdings Private Limited	Kirloskar Management Services Private Limited
ZF Commercial Vehicle Control Systems India Limited	

Other Committee Positions :

Name of the Company	Name of committee and position held
Kirloskar Oil Engines Limited	Audit Committee – Member Nomination and Remuneration Committee – Member
Kirloskar Industries Limited	Risk Management Committee – Member
Kirloskar Pneumatic Company Limited	Nomination and Remuneration Committee – Member
Kirloskar Proprietary Limited	Remuneration Committee – Member
ZF Commercial Vehicle Control Systems India Limited	Audit Committee – Chairman Nomination and Remuneration Committee – Member

Name of the Company	Name of committee and position held
Shoppers Stop Limited	Audit Committee – Chairman Risk Management Committee – Chairman Stakeholders Relationship Committee – Member Corporate Social Responsibility Committee – Member
Arka Fincap Limited	Audit Committee – Member Nomination and Remuneration Committee – Member Risk Management Committee – Member Allotment Committee – Member Asset Liability Committee – Member Credit Committee – Member Stakeholders Relationship Committee – Member IT Strategy Committee – Member
Arka Financial Holdings Private Limited	Audit Committee – Chairman Nomination and Remuneration Committee – Member Risk Management Committee – Member Banking Committee – Member Committee of Director Committee – Member

He is not related to any other Director or Key Managerial Person of the Company.

He does not hold any equity share in the Company.

He attended all meetings of the Board of Directors held during the financial year 2023-2024.

Mr. Mahesh Chhabria and his relatives may be deemed to be concerned or interested, financially or otherwise, in the resolution.

Save and except the above, 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 resolution.

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

Item No. 4 of the Notice

In accordance with provisions of Section 152 of the Companies Act, 2013 and rules thereof, Mr. Atul Chandrakant Kirloskar (DIN : 00007387) retires by rotation at the ensuing annual general meeting of the Company. He has expressed his desire to retire as a Director and hence, he is not seeking reappointment.

He has been on the Board of the Company since 10 August 1992. The Board placed on record its sincere appreciation and recognition of the valuable contribution and services rendered by him during his tenure as a Director of the Company.

The Board of Directors has decided not to fill the vacancy caused due to his retirement at this meeting or any adjournment thereof.

Mr. Atul Chandrakant Kirloskar and his relatives may be deemed to be concerned or interested, financially or otherwise, in the resolution.

Save and except the above, 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 resolution.

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

Item No. 5 of the Notice

In accordance with provisions of Section 152 of the Companies Act, 2013 and rules thereof, Mr. Anil Narayan Alawani (DIN : 00036153) retires by rotation at the ensuing annual general meeting of the Company. He has expressed his desire to retire as a Director and hence, he is not seeking reappointment.

He has been on the Board of the Company since 22 October 2005. The Board placed on record its sincere appreciation and recognition of the valuable contribution and services rendered by him during his tenure as a Director of the Company.

The Board of Directors has decided not to fill the vacancy caused due to his retirement at this meeting or any adjournment thereof.

Mr. Anil Narayan Alawani and his relatives may be deemed to be concerned or interested, financially or otherwise, in the resolution.

Save and except the above, 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 resolution.

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

Item No. 6 of the Notice

The Members of the Company at their annual general meeting held on 27 July 2021 have appointed M/s. Kirtane & Pandit LLP, Chartered Accountants as the statutory auditor to hold office for another term from conclusion of 30th annual general meeting till conclusion of 35th annual general meeting, at terms of remuneration as may be mutually agreed between the Board of Directors and the statutory auditor.

Considering increase in operations of the Company post-merger of ISMT Limited by addition of steel and tubes business and upon the recommendation of the Audit Committee, the Board of Directors at its meeting held on 9 August 2024 has recommended for approval of the Members at the annual general meeting the appointment of M/s. P G BHAGWAT LLP, Chartered Accountants as the statutory auditor to hold office for a term from conclusion of 33rd annual general meeting till conclusion of 38th annual general meeting of the Members of the Company.

Pursuant to the provisions of Regulation 36 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; following details have been provided :

- Proposed remuneration to M/s. P G BHAGWAT LLP for the financial year 2024-2025 is ₹ 3,150,000 [which includes the fees for statutory audit and the limited review reports] plus applicable taxes thereon. Fees for certification work will be additional and out of pocket expenses will be reimbursed. During the term, terms of remuneration will be revised as may be agreed mutually between the Board of Directors and the statutory auditor.
- M/s. P G BHAGWAT LLP are proposed to be appointed to hold office for a term from conclusion of 33rd annual general meeting till conclusion of 38th annual general meeting of the Members of the Company and to conduct the audit of books of account of the Company for the financial years ending 31 March 2025 and 31 March 2026 jointly with M/s. 'Kirtane & Pandit LLP, Chartered Accountants', present statutory auditor.
- Brief profile of M/s. P G BHAGWAT LLP is as given below :
- 'P G BHAGWAT LLP' is a Chartered Accountancy Firm that has been in the profession for over 85 years, providing a wide range of services such as audit and assurance, direct and indirect tax consultancy, management and accounting consultancy and other financial services to a diverse clientele.

M/s. P G BHAGWAT LLP have consented to act as the statutory auditor and have confirmed that if appointed, their appointment will be in accordance with provisions of Section 139 read with Section 141 of the Companies Act, 2013. They have also provided confirmation that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.

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

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

Item No. 7 of the Notice

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

Upon recommendation of the Audit Committee, the Board of Directors at its meeting held on 9 August 2024 has appointed 'Dhananjay V. Joshi & Associates', Cost Accountants as the Cost Auditor of the Company to conduct the audit of cost accounting records for the financial year ending 31 March 2025 and approved the remuneration subject to the ratification of the Members at the ensuing annual general meeting.

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

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

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

Item No. 8 and 9 of the Notice

Pursuant to provisions of Section 161 of the Companies Act, 2013, rules thereof and the Articles of Association of the Company and upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 9 August 2024 has co-opted Mr. Nishikant Balkrishna Ektare (DIN : 02109633) as an Additional Director and further appointed him as the Executive Director (Operations) for a term from 9 August 2024 to 9 March 2027 and decided the terms of remuneration payable to him, subject to approval of the Members of the Company at the ensuing annual general meeting.

Pursuant to provisions of Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 1 January 2022; the listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

The Company has received a notice in writing from a Member pursuant to provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director of the Company at its ensuing annual general meeting.

Mr. Nishikant Balkrishna Ektare is not disqualified from being appointed as a Director in terms of Section 164 of and Schedule V to the Companies Act, 2013 and has given his consent to act as a Director. Further, he has submitted the declaration stating that he has not been debarred or disqualified from holding the office as a Director by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs or any such statutory / regulatory authority.

Brief Profile of Mr. Nishikant Balkrishna Ektare is as given below :

Mr. Nishikant Balkrishna Ektare, aged 63 years, holds a Bachelors degree in Electrical Engineering from the National Institute of Technology, Nagpur. He possesses working experience in tube industry and steel plant before joining initially as the Maintenance In-charge at Koppal plant of Kirloskar Ferrous Industries Limited in the year 1994. Subsequently, he was promoted to the SBU Head (pig iron plant) in the year 2001. Having successfully led the pig iron business, he took charge as the Chief Operating Officer (Koppal plant) in the year 2013. He worked as the President (Koppal plant) and led various growth initiatives and projects at Koppal plant. After acquisition of majority stake of ISMT Limited by the

Company, he became the Managing Director of that company from 10 March 2022. He is passionate about innovation and open to new and breakthrough ideas that could disrupt the business positively. He is a native of Indore city and an avid cricket enthusiast.

He is a Director of Adicca Energy Solutions Private Limited.

He holds 1,17,000 equity shares of ₹ 5 each (0.07 percent) in the Company.

He is not a relative of any other Director or key managerial person of the Company.

He shall be liable to retire by rotation till he continues as the Executive Director and his reappointment as such shall not be deemed to constitute a break in his tenure.

Mr. Nishikant Balkrishna Ektare and his relatives may be deemed to be concerned or interested, financially or otherwise, in the resolutions to the extent of their shareholding.

Save and except the above, 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 resolutions.

The Board recommends the ordinary resolutions as set out at Item No. 8 and 9 of the Notice for approval by the members.

Item No. 10 of the Notice

The Board of Directors of the Company at its meeting held on 9 August 2024 has approved to borrow or raise funds by issuance of non-convertible debentures, in one or more tranches, on private placement basis for general corporate purposes, financing capital expenditure projects and such other purposes as may be decided by the Board of Directors.

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

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

The Board recommends the special resolution as set out at Item No. 10 of the Notice for approval by the members.

Item No. 11 of the Notice

Pursuant to provisions of Section 161 of the Companies Act, 2013, rules thereof and the Articles of Association of the Company and on recommendation of the Nomination and Remuneration Committee; the Board of Directors has co-opted Mr. Maruthuvakudi Sankaranarayana Srinivasan (DIN : 10709097) as an Additional Director in the category of Independent Director with effect from 16 July 2024.

The Nomination and Remuneration Committee has evaluated the balance of skills, knowledge and experience on the Board and was of the view that Mr. M. S. Srinivasan possesses identified capabilities and his role on the Board would be suitable for guidance in operations of the Company.

Pursuant to following provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 1 January 2022 :

- The listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.
- The appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution.

The Company has received a notice in writing from a Member pursuant to provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the appointment as a Director of the Company.

Mr. M. S. Srinivasan is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. Further, he has submitted declarations stating that he meets the criteria of independence as prescribed in Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that he has not been debarred or disqualified from holding the office as a Director by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs or any such statutory / regulatory authority.

In the opinion of the Board of Directors; he possesses integrity, expertise and experience and fulfills the conditions for the appointment as an Independent Director as specified in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and he is independent of the management of the Company. He holds valid registration certificate with the Databank of Independent Directors and has passed the online proficiency self-assessment test of the Indian Institute of Corporate Affairs.

Brief profile of Mr. M. S. Srinivasan is as given below :

He is aged 57 years and has completed the Bachelor of Mechanical Engineering from Bharathidasan University, Tamilnadu in the year 1988.

He is accomplished business leader with around 36 years' experience in auto, auto components, engineering and power sectors.

He has facilitated companies to grow business, manage profit & loss and cash flows, start new / expand business, start up ventures, develop and coach leaders and drive business and functional excellence.

He has worked earlier with companies viz. Crompton Greaves Limited (for around 15 years), Mahindra and Mahindra Limited - auto sector (for around 5 years), Chicago Pneumatic India Limited (for around 5 years) in diverse roles. He was facilitating Operational and Business Excellence as a Principal Consultant as part of CII Institute of Quality at Bangalore for the past 5 years and presently is an Independent Consultant.

He does not hold any directorship in any other company. He is a Member of Corporate Social Responsibility Committee of the Company.

He is not related to any other director or key managerial person of the Company.

He holds 900 equity shares of ₹ 5 each (0.0005 percent) in the Company.

A draft copy of letter of appointment as an Independent Director of the Company setting out terms and conditions of appointment, including remuneration, is available for inspection by the Members at the website of the Company viz. www.kirloskarferrous.com

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

Save and except the above, 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 resolution.

The Board recommends the special resolution as set out at Item No. 11 of the Notice for approval by the members.

Item No. 12 of the Notice

Pursuant to provisions of Section 161 of the Companies Act, 2013, rules thereof and the Articles of Association of the Company and on recommendation of the Nomination and Remuneration Committee; the Board of Directors has co-opted Mr. Pattanasetty Rajashekhar (DIN : 09514548) as an Additional Director in the category of Independent Director with effect from 9 August 2024.

The Nomination and Remuneration Committee has evaluated the balance of skills, knowledge and experience on the Board and was of the view that Mr. P. Rajashekhar possesses identified capabilities and his role on the Board would be suitable for guidance in operations of the Company.

Pursuant to following provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 1 January 2022 :

- The listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.
- The appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution.

The Company has received a notice in writing from a Member pursuant to provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the appointment as a Director of the Company.

Mr. P. Rajashekhar is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. Further, he has submitted declarations stating that he meets the criteria of independence as prescribed in Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that he has not been debarred or disqualified from holding the office as a Director by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs or any such statutory / regulatory authority.

In the opinion of the Board of Directors; he possesses integrity, expertise and experience and fulfills the conditions for the appointment as an Independent Director as specified in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and he is independent of the management of the Company. He holds valid registration certificate with the Databank of Independent Directors.

Brief profile of Mr. P. Rajashekhar is as given below :

Mr. P. Rajashekhar, aged 67 years, has completed the Bachelor of Mechanical Engineering from Karnataka University in the year 1981. He is accomplished business leader with around 40 years' experience in the steel industry including roles as Whole Time Director of Neotrex Steel Limited and JSW Vijayanagar Metallics Limited.

He has spearheaded groundbreaking projects like the Touch Project, an 18 mtpa endeavor ensuring its completion in a record time frame. His innovative prowess is evident in the development of Corex new technology, which he introduced to the country revolutionizing steel production. From pioneering digitalization projects to optimizing manpower, his leadership has turned challenges into opportunities, setting new standards for the industry.

He does not hold any directorship in any other company.

He does not hold any equity share in the Company.

He is not related to any other director or key managerial person of the Company.

A draft copy of letter of appointment as an Independent Director of the Company setting out terms and conditions of appointment, including remuneration, is available for inspection by the Members at the website of the Company viz. www.kirloskarferrous.com

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

Save and except the above, 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 resolution.

The Board recommends the special resolution as set out at Item No. 12 of the Notice for approval by the members.

Item No. 13 of the Notice

Pursuant to provisions of Section 161 of the Companies Act, 2013, rules thereof and the Articles of Association of the Company and on recommendation of the Nomination and Remuneration Committee; the Board of Directors has co-opted Mr. Sourirajan Rajagopalan (DIN : 10738323) as an Additional Director in the category of Independent Director with effect from 10 August 2024.

The Nomination and Remuneration Committee has evaluated the balance of skills, knowledge and experience on the Board and was of the view that Mr. S. Rajagopalan possesses identified capabilities and his role on the Board would be suitable for guidance in operations of the Company.

Pursuant to following provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 1 January 2022 :

- The listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.
- The appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution.

The Company has received a notice in writing from a Member pursuant to provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the appointment as a Director of the Company.

Mr. S. Rajagopalan is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. Further, he has submitted declarations stating that he meets the criteria of independence as prescribed in Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that he has not been debarred or disqualified from holding the office as a Director by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs or any such statutory / regulatory authority.

In the opinion of the Board of Directors; he possesses integrity, expertise and experience and fulfills the conditions for the appointment as an Independent Director as specified in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and he is independent of the management of the Company. He holds valid registration certificate with the Databank of Independent Directors and has passed the online proficiency self-assessment test of the Indian Institute of Corporate Affairs.

Brief profile of Mr. S. Rajagopalan is as given below :

Mr. S. Rajagopalan, aged 70 years, is a graduate in metallurgical Engineering with exposure to management education from the Indian Institute of Management, Ahmedabad. He has rich experience of around fifty years in the field of automotive component manufacturing and foundry operations. He has worked earlier in leading auto ancillary companies and had a stint of entrepreneurship also for a decade. He has spearheaded couple of green field projects before involving in Ashley Alteams and has global exposure too. He has been Chief Executive Officer of Ashley Alteams from the year 2008 to the year 2023, established the project in entirety and made it a profitable organisation with robust systems. After retiring in November 2023, he is engaged in the advisory services.

He does not hold any directorship in any other company.

He does not hold any equity share in the Company.

He is not related to any other director or key managerial person of the Company.

A draft copy of letter of appointment as an Independent Director of the Company setting out terms and conditions of appointment, including remuneration, is available for inspection by the Members at the website of the Company viz. www.kirloskarferrous.com

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

Save and except the above, 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 resolution.

The Board recommends the special resolution as set out at Item No. 13 of the Notice for approval by the members.

Item No. 14 of the Notice

Pursuant to provisions of Section 149 of the Companies Act, 2013 read with rules thereof and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Members of the Company at their annual general meeting held on 11 August 2020 have appointed Mr. Vijaydipak Mukundprasad Varma (DIN : 00011352) as an Independent Director to hold office for a term upto 4 March 2025.

In terms of provisions of Section 149(10) of the Companies Act, 2013 and Regulations 17(1A) and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; Mr. V. M. Varma is eligible for reappointment subject to approval of the Members of the Company by way of a special resolution and disclosure of such appointment in Board's Report.

The Company has received a notice in writing from a Member pursuant to provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director.

He is not disqualified from continuing to act as a Director in terms of Section 164 of the Companies Act, 2013. Further, the Company has received declarations from him stating that he meets the criteria of independence as prescribed in Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that he has not been debarred or disqualified from holding the office as a Director by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs or any such statutory / regulatory authority. He holds valid registration certificate with the Databank of Independent Directors.

In the opinion of the Board of Directors; he possesses integrity, expertise, experience and knowledge so as to enable the Board to discharge its functions and duties effectively. He also fulfills the conditions specified in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and he is independent of the management of the Company.

The Board considers that his experience and expertise would be of immense benefit to the Company and it is desirable to avail his service as an Independent Director for another term.

Upon recommendation of the Nomination and Remuneration Committee and the Board of Directors, the approval of the Members has been sought for reappointment of Mr. V. M. Varma as an Independent Director to hold office for another term upto 30 September 2026.

A draft copy of letter of appointment as an Independent Director of the Company setting out terms and conditions of appointment, including remuneration, is available for inspection by the Members at the website of the Company viz. www.kirloskarferrous.com

Brief profile of Mr. V. M. Varma is as given below :

Mr. V. M. Varma, aged 72 years, graduated in Mechanical Engineering from the College of Engineering (COEP), Pune. He worked earlier with Kirloskar Oil Engines Limited and held key positions in domestic and export marketing and sales, setting up power plant, heading business to generate and sell power, managing projects in strategy development, process engineering and information technology and was responsible for negotiating, setting up and closing technology transfers and joint ventures and acquisitions of businesses.

He was Managing Director / President of Kirloskar Proprietary Limited, who owns brands and trademarks used by Kirloskar Group companies and manages, promotes and protects brands and trademarks and licenses these to permitted users.

He is a Member of the Audit Committee and the Stakeholders Relationship Committee and the Chairman of Risk Management Committee of the Company.

He is an Independent Director of Kirloskar Industries Limited and a Member of the Audit Committee and the Stakeholders Relationship Committee of that company.

He does not hold any equity share in the Company.

He is not related to any other director or key managerial person of the Company.

He attended all meetings of the Board of Directors of the Company held during the financial year 2023-2024.

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

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

The Board recommends the special resolution as set out at Item No. 14 of the Notice for approval by the members.

Item No. 15 of the Notice

The Members of the Company at their extra ordinary general meeting held on 21 December 2021 have authorised the Board of Directors to borrow from time to time for the purpose of the business of the Company any sum or sums of money, which together with the monies borrowed earlier by the Company (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) may exceed at any time, the aggregate of the paid-up share capital, the free reserves and the securities premium of the Company by a sum not exceeding ₹ 1,000 Crores.

Considering increase in operations of the Company post-merger of ISMT Limited by addition of steel and tubes business and financing requirements for proposed expansion plans and capital expenditure projects, it is proposed to seek the approval of the Members by way of the special resolution pursuant to provisions of Section 180(1)(c) of the Companies Act, 2013 for enhancing the borrowing limits on long term basis.

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

The Board recommends the special resolution as set out at Item No. 15 of the Notice for approval by the members.

Item No. 16 of the Notice

Pursuant to provisions of Section 180(1)(a) of the Companies Act, 2013 and rules thereof, the Members of the Company have passed the special resolution by way of postal ballot on 16 October 2022 to authorise the Board of Directors to to create security from time to time by way of mortgage(s), pledge(s), lien(s), hypothecation(s), charge(s), and/or any other encumbrance(s) in addition to existing pledge(s), lien(s), mortgage(s), hypothecation(s) and/or charge(s) created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board of Directors may determine, on all or any of the assets of the Company (including immovable and/or movable properties of the Company), both present and future, and/or the whole or substantially the whole of the undertaking(s) wheresoever situated, in favour of bank(s) / non-banking financial companies / public financial institution(s) / body corporate(s) / security trustee(s) / debenture trustee(s) / investor(s), to secure the loan(s) and/or the credit facilities and/or the debt(s), availed / to be availed by the Company and/or debenture(s) / bond(s), issued / to be issued, upto a sum of ₹ 2,000 Crores at any point of time.

Considering increase in operations of the Company post-merger of ISMT Limited by addition of steel and tubes business and borrowings plans for capital expenditure projects and general corporate purposes, it is proposed to seek the approval of the Members by way of the special resolution pursuant to provisions of Section 180(1)(a) of the Companies Act, 2013 for enhancing the limits.

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

The Board recommends the special resolution as set out at Item No. 16 of the Notice for approval by the members.

Item No. 17 of the Notice

Pursuant to the provisions of Section 186 of the Companies Act, 2013, and rules thereof, the Members of the Company at their extra ordinary general meeting held on 21 December 2021 has authorised the Board of Directors of the Company to give loans / guarantees, provide securities or make investment in securities, upto a sum the aggregate outstanding of which shall not exceed at any time by ₹ 1,000 Crores over and above the aggregate of free reserves and securities premium account.

Considering increase in operations of the Company post-merger of ISMT Limited by addition of steel and tubes business and for achieving greater financial flexibility, it is proposed to seek the approval of the Members by way of the special resolution for enhancing the limits pursuant to provisions of Section 186 of the Companies Act, 2013 and rules thereof.

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

The Board recommends the special resolution as set out at Item No. 17 of the Notice for approval by the members.

Item No. 18 of the Notice

Pursuant to the provisions of Section 14 of the Companies Act, 2013 ("the Act") and rules thereunder, the Board of Directors of a company cannot without the consent of the members in a general meeting by a special resolution, amend its Articles of Association.

It is proposed to insert a new Article 87(c) in the Articles of Association of the Company, after the present Article 87(b), to include provisions relating to the appointment of any present or former Chairman of the Company, who has rendered significant or distinguished services to the Company or to the industry to which the Company's business relates or in the public field, as the Chairman Emeritus of the Company on the terms and conditions mentioned therein.

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

The Board recommends the special resolution as set out at Item No. 18 of the Notice for approval by the members.

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

Registered Office :
13, Laxmanrao Kirloskar Road,
Khadki, Pune 411003
CIN: L27101PN1991PLC063223
Email : kfilinvestor@kirloskar.com

Date : 28 August 2024
Place : Pune

Mayuresh Gharpure
Company Secretary

Directors' Report

To the Members

The Directors are pleased to present the 33rd Annual Report including the Audited Financial Statements (standalone and consolidated) for the financial year ended 31 March 2024 of Kirloskar Ferrous Industries Limited ('Company').

Financial Summary (Standalone)

(₹ in Crores)

Particulars	2023-2024	2022-2023
Total Income	6,157.06	6,450.35
Profit before tax	476.83	619.26
Tax Expenses	155.25	179.55
Profit for the year	321.58	439.71
Other Comprehensive Income for the year	(6.07)	(0.26)
Total Comprehensive Income for the year	315.51	439.45
Profit brought forward from previous year	1,275.61	985.11
Final Dividend paid on equity shares	(41.70)	(41.65)
Interim Dividend paid on equity shares	(41.80)	(34.73)
Payment of Interim Dividend by ISMT Limited	(7.32)	-
Transfer to General Reserves	(5.00)	(5.00)
Balance carried to Surplus in Statement of Profit and Loss	1,495.36	1,275.61

Dividend

The Board of Directors at its meeting held on 7 March 2024 declared an Interim Dividend of ₹ 3 per equity share of ₹ 5 each (i.e. 60 percent). The date of payment of the Interim Dividend was 28 March 2024.

The Board of Directors at its meeting held on 9 August 2024 has recommended a Final Dividend of ₹ 2.50 per equity share of ₹ 5 each (i.e. 50 percent) for approval of the Members at the ensuing annual general meeting.

Accordingly, total dividend payout for the financial year 2023-2024 aggregates to ₹ 5.50 per equity share of ₹ 5 each (i.e. 110 percent).

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

Company Performance

The Company achieved Net Sales of ₹ 6,133.90 Crores as compared to ₹ 6,398.57 Crores in the previous year.

Profit before Tax for the year stood at ₹ 476.83 Crores as compared to ₹ 619.26 Crores for the previous year.

Sale of products

Castings :

The Company continued to maintain the market leadership position in the domestic casting business. The Company sold 1,20,018 MT of castings aggregating to ₹ 1,508.32 Crores during the financial year 2023–2024 as compared to 1,30,345 MT castings aggregating to ₹ 1,673.26 Crores in the previous financial year. During the year, reduction in sales volume of 7.92 percent with respect to previous year, mainly on account of drop in tractor demand which in turn affected the company sales to this segment.

Pig Iron :

During the year 2023-2024, there was a reduction in the sale realization of pig iron due to the market dynamics. The average realisation of pig iron for the year was around ₹ 43,100 per MT as against ₹ 49,500 per MT in the previous year. There is a marginal increase in volume of 0.84 percent over the previous year. The Company made sales 4,31,902 MT of pig iron valued at ₹1,805.25 Crores during the financial year 2023–2024 as compared to 4,15,124 MT of pig iron valued at ₹ 2,036.86 Crores in the previous financial year.

Tubes :

The Company in the year entered new premium connections market resulting in increase in sales to oil and gas and projects sectors which in turn resulted in higher sales realization of seamless tubes. The share of sales to OCTG and Projects sectors has been increased to 29 percent from 9 percent over a span of last 2 financial years. The Company made sales of 1,56,487 MT of Tubes valued at ₹ 2,064.80 Crores the financial year 2023–2024 as compared to 1,57,143 MT of Tubes valued at ₹ 1,976.72 Crores in the previous financial year.

Steel :

The Company sold 69,605 MT of Steel valued at ₹ 534.52 Crores in the financial year 2023–2024 as compared to 68,165 MT of Steel valued at ₹ 556.07 Crores in the previous financial year. During the year, fall in the scrap prices impacted the sales realization of Steel.

Operational performance

Pig Iron :

During the year under review, the average price of iron ore fluctuated between ₹ 5,700 per MT to ₹ 7,000 per MT for lumps and ₹ 5,000 per MT to ₹ 6400 per MT with respect to fines. Though the prices of coal were not volatile in the first half of the financial year, the second half faced increasing trend. The blended average coal price was in the range of USD 210 to USD 285 during the year.

Upgradation of MBF-1 and Commissioning of Pulverised Coal Injection (PCI) :

The upgradation of MBF-1 along with commissioning of PCI plant during the year under review, helped in improving the productivity and reduction in coke consumption thereby reducing the overall production cost.

Castings :

During the year under review, the production of castings decreased by 4.71% when compared to the previous year. The Company continuously worked on developing new products, reduction in operational cost and also increasing the machining and proto business at both locations.

Finance costs

During the year, the company has borrowed term loans at competitive rate for financing the capex requirements. The Secured Overnight Financing Rate (SOFR) rose from 4.87 percent to 5.34 percent, despite these challenges, the Company focused on optimizing finance cost by securing credit facilities at competitive rates and efficiently managing working capital to control cost of finance. By closely monitoring the exchange rate movement and taking forward cover appropriately, the impact of the exchange fluctuation risk is minimised.

Update on customers

During the year under review, the Company was successful in increasing the share of business from current customers and developed new products to meet the requirement of customers. The Company also increased the supply of machined castings and also successful in obtaining new orders in machined condition. Further, the Company is in discussion with new potential customers for catering to their casting needs.

The Company retained most tube customers and increased sales in the bearing and auto segments. Sales in the OCTG segment grew by 30 percent due to setting up of new heat treatment capacities and tender major orders from oil industry. The Company continue to strengthen relationships with existing customers and add new ones with tailored products.

Update on Projects :

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

- Pulverised coal injection at both mini blast furnaces at Koppal plant.
- After temporary shutdown for relining work, blast furnace at Hiriyur resumed operations.
- Preheaters for mini blast furnace at Hiriyur were successfully connected.
- Mini blast furnace I with bell less top commissioned.
- Direct feeding of coke with truck tipper was commissioned at mini blast furnace at Hiriyur.
- Machine shop expansion at Koppal and Solapur plants.
- Layer saw machine and inlet outlet system for furnace at Baramati plant.
- 40 MVA transformer at Jejuri plant.
- De-bottlenecking projects.

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

- 3000 Nm3/Hr oxygen plant for both mini blast furnaces at Koppal for oxygen enrichment.
- Expanding machining capacity based on customer requirements.
- New moulding line (phase II) at Solapur plant for enhancing castings capacity by additional 20,000 MT per annum.
- Phase I installation of solar power plant with capacity 70 MW DC.
- De-bottlenecking projects.

Changes to the Equity Share Capital

During the financial year; 363,244 equity shares of ₹ 5 each were allotted upon exercise of stock options pursuant to 'KFIL Employee Stock Option Schemes'. As at the end of the financial year, the issued, subscribed and paid-up share capital of the Company was ₹ 696,607,295 consisting of 139,321,459 equity shares of ₹ 5 each fully paid. Pursuant to allotment of equity shares in accordance with 'KFIL Employee Stock Option Schemes'; the issued, subscribed and paid-up share capital of the Company increased to ₹ 697,315,870 consisting of 139,463,174 equity shares of ₹ 5 each fully paid as of 8 August 2024.

On 8 August 2024, the Scheme of Arrangement and Merger of ISMT Limited ("Transferor Company") with Kirloskar Ferrous Industries Limited ("Transferee Company") and their respective shareholders pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 became operative effective from 1 April 2023. Consequently, the Authorized Share Capital of the Company stands at ₹ 3,805,000,000 divided into 527,000,000 equity shares of ₹ 5 each and 117,000,000 preference shares of ₹ 10 each.

Consequent upon the Scheme become operative, the Board of Directors at its meeting held on 9 August 2024 has allotted 24,904,259 equity shares of ₹ 5 each as per the share exchange ratio to those equity shareholders of ISMT Limited as of the Record Date of 6 August 2024 and the issued, subscribed and paid-up share capital of the Company stands increased to ₹ 821,837,165 comprising of 164,367,433 equity shares of ₹ 5 each.

Redemption of Non-Convertible Debentures

2,500 quantity of rated, listed, unsecured, redeemable Non-Convertible Debentures (NCDs) with the face value of ₹ 10 lakh each aggregating to ₹ 250 Crores were redeemed on 10 March 2024. During the year under review, the Company has not issued or allotted Non-Convertible Debentures.

Directors

a) Changes in Directors and Key Managerial Personnel

Pursuant to provisions of Section 152 of the Companies Act, 2013 and rules thereof, Mr. Atul Chandrakant Kirloskar (DIN: 00007387) and Mr. Anil Narayan Alawani (DIN : 00036153) retire by rotation at the ensuing annual general meeting. Both Directors have expressed their desire to retire as Directors and hence, they are not seeking reappointment.

The Board placed on record its sincere appreciation and recognition of the valuable contribution and services rendered by both Directors during their tenure. The Board of Directors has decided not to fill the vacancies caused due to their retirement at the ensuing annual general meeting or any adjournment thereof.

Mr. Mahesh Ramchand Chhabria (DIN : 00166049) retires by rotation at the ensuing annual general meeting and being eligible, offers himself for reappointment.

Upon recommendation of the Nomination and Remuneration Committee; the Board of Directors has sought the approval of the Members for the appointment of Mr. Maruthuvakudi Sankaranarayana Srinivasan (DIN : 10709097) as an Independent Director to hold office for a term upto 15 July 2029. In the opinion of the Board of Directors; he possesses integrity, expertise and experience and holds the valid registration with the databank of Independent Directors pursuant to provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Upon recommendation of the Nomination and Remuneration Committee; the Board of Directors has sought the approval of the Members for the appointment of Mr. Pattanasetty Rajashekhar (DIN : 09514548) as an Independent Director to hold office for a term upto 8 August 2029. In the opinion of the Board of Directors; he possesses integrity, expertise and experience and holds the valid registration with the databank of Independent Directors pursuant to provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Upon recommendation of the Nomination and Remuneration Committee; the Board of Directors has sought the approval of the Members for the appointment of Mr. Sourirajan Rajagopalan (DIN : 10738323) as an Independent Director to hold office for a term upto 31 August 2028. In the opinion of the Board of Directors; he possesses integrity, expertise and experience and holds the valid registration with the databank of Independent Directors pursuant to provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Upon recommendation of the Nomination and Remuneration Committee; the Board of Directors at its meeting held on 9 August 2024 has recommended reappointment of Mr. Vijaydipak Mukundprasad Varma (DIN : 00011352) as an Independent Director for another term to hold office upto 30 September 2026 for approval of the Members at the ensuing annual general meeting. In the opinion of the Board of Directors; he possesses integrity, expertise and experience and holds the valid registration with the databank of Independent Directors pursuant to provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 9 August 2024 has co-opted Mr. Nishikant Balkrishna Ektare (DIN : 02109633) as an Additional Director of the Company and appointed him as the Executive Director (Operations) for a term from 9 August 2024 to 9 March 2027, subject to approval of the Members at the ensuing annual general meeting.

Changes in Directors during the financial year 2023-2024 :

The Board of Directors at its meeting held on 12 May 2023 co-opted Dr. Shalini Sarin as an Additional Director in the category of Independent Director with effect from 13 May 2023. The Members of the Company at their annual general meeting held on 3 August 2023 have appointed her as an Independent Director of the Company to hold office for a term upto 12 May 2028.

Mr. M. V. Kotwal, Independent Director retired on 10 October 2023 pursuant to the resolution passed by the Members of the Company at their annual general meeting held on 11 August 2020. The Board placed on record its sincere appreciation and recognition of the valuable contribution and services rendered by him.

Changes in Key Managerial Personnel (KMP) during the financial year 2023-2024 :

There was no change in the Key Managerial Personnel during the financial year 2023-2024.

b) Statement on declarations by Independent Directors

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

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

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

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

c) **Board Evaluation**

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

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

d) **Nomination and Remuneration Policy :**

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

e) **Number of meetings of the Board :**

During the financial year 2023-2024, six meetings of the Board of Directors were convened and held, details of which are provided in the Report on Corporate Governance.

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

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

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

The Company has granted loans aggregating to ₹ 113.23 Crores during the year ended 31 March 2024. These primarily consist of the loan of ₹ 111.74 Crores to Oliver Engineering Private Limited (wholly owned subsidiary), loans to employees in accordance with the policies of the Company and loans to contractors in the normal course of business of the Company. Closing balances of these loans are disclosed under the schedule of Loans and Advances in the Financial Statements.

During the financial year 2023-2024, the Company has not given any loan or guarantee or acquired any security exceeding the limit prescribed pursuant to provisions of Section 186(2) of the Companies Act, 2013.

Transactions with related parties

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

Pursuant to provisions of Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014; the material transactions with related party are disclosed in Form AOC-2 annexed herewith as Annexure A.

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

General

During the financial year 2023-2024;

- Pursuant to provisions of Section 148 of the Companies Act, 2013 and rules thereof; maintenance of cost records has been mandatory for the Company and such accounts and records relating to utilisation of materials, labour and other items of cost have been prepared and maintained.
- Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013 have been complied with.
- The Company has not accepted any public deposit pursuant to provisions of the Companies Act, 2013 and rules thereof.
- There has been no change in the nature of business of the Company.
- To the best of our knowledge, the Company has not received any such order from regulators, courts or tribunals, which may impact the going concern status or the operations of the Company in future.
- No case of 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.
- Neither any application has been made nor any proceeding has been pending against the Company under the Insolvency and Bankruptcy Code, 2016.
- There was no incidence of settlement in respect of any loan availed from any bank or financial institution.

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

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

For the financial year 2023-2024, Mr. R. V. Gumaste, Managing Director is entitled for the remuneration of ₹ 3,000,000 as the commission and ₹ 660,000 as the sitting fees from ISMT Limited (subsidiary company). He has not received any remuneration from Kirloskar Industries Limited (holding company).

Mr. R. S. Srivatsan, Executive Director (Finance) and Chief Financial Officer was appointed as the Chief Financial Officer of ISMT Limited with effect from 5 February 2024. He has received ₹ 150,000 as remuneration from ISMT Limited (subsidiary company) for the financial year 2023-2024. He has not received any remuneration from Kirloskar Industries Limited (holding company).

Subsidiary Companies and Consolidated Financial Statements

Consolidated Financial Statements of the Company and its subsidiaries for the year ended 31 March 2024 form part of this annual report. A statement containing salient features of the financial statements of the subsidiaries / associate companies / joint venture companies for the year ended 31 March 2024 has been annexed to the Financial Statements of the Company in Form AOC-1.

ISMT Limited

Honourable National Company Law Tribunal (NCLT), 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 Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. After filing the certified true copy of the aforesaid Order alongwith a copy of the Scheme with the Registrar of Companies, Pune, the Ministry of Corporate Affairs, Government of India on 8 August 2024, the Scheme has become operative effective from 1 April 2023 ('Appointed Date'). In terms of the Scheme, ISMT Limited stands merged into and with the Company and dissolved without being wound up on and from the Effective Date of 8 August 2024.

Oliver Engineering Private Limited

During the financial year 2023–2024, the Company acquired 100 percent of the paid-up equity share capital and the sole management control of Oliver Engineering Private Limited ('OEPL') in terms of the Order passed by the Honourable National Company Law Tribunal, New Delhi and OEPL has become wholly owned subsidiary of KFIL with effect from 29 September 2023.

OEPL has the manufacturing facility with a capacity of 28,000 MT per annum situated at village Sandharsi, Tehsil Rajpura, Patiala, Punjab 140417. In order to finance the cost of setting up manufacturing unit, OEPL had availed the term loans from the lenders in the past. However, due to downturn or recession in economy leading to low level of sales and losses, OEPL faced severe liquidity constraints to meet its financial obligations and eventually the account of OEPL was classified to NPA category by the lenders.

Consequently, the Corporate Insolvency Resolution Process (CIRP) was initiated against OEPL by the order of the National Company Law Tribunal, New Delhi passed on 26 April 2022 under Section 7 of the Insolvency and Bankruptcy Code, 2016. The Resolution Plan submitted by the Company was approved by the Committee of Creditors of OEPL and subsequently approved by the National Company Law Tribunal, New Delhi vide its order dated 12 September 2023.

As the operations of the plant were suspended since last two years, refurbishment work of the equipment is in progress. The refurbishment work is expected to be completed by first half of the financial year 2024-2025. Castings to be produced from that plant will help in catering to the raising demand from northern India and the presence of the company products PAN India. This will facilitate expansion of geographical reach in the castings business and cater to the growing needs of customers in Northern India.

Risk Management Framework

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

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

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

Internal Financial Controls

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

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

Vigil Mechanism / Whistle Blower Policy

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

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

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

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

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

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

Pursuant to provisions of Section 134 read with Section 92(3) of the Companies Act, 2013; copies of annual returns filed with the MCA are available at the website of the Company viz. www.kirloskarferrous.com and the Annual Return for the financial year 2023-2024 will be uploaded on the website after filing with the MCA.

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

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

Corporate Social Responsibility (CSR)

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

The composition of CSR Committee and the Report on CSR activities during the financial year is annexed herewith as Annexure C.

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

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

Employee Stock Options Schemes (ESOS)

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

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

During the financial year, the Nomination and Remuneration Committee at its meeting held on 3 November 2023 has granted 16,000 stock options pursuant to 'KFIL ESOS 2021'.

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

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

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

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

Auditors

a) Statutory Auditor

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

The report given by the statutory auditor on the standalone and consolidated financial statements of the Company for the financial year 2023-2024 forms part of this Annual report. There is no qualification / reservation / adverse remark in the report given by the statutory auditor.

Pursuant to provisions of Section 139 of the Companies Act 2013 read with the rules thereof and upon the recommendation of the Audit Committee and considering increase in operations of the Company post-merger of ISMT Limited by addition of steel and tubes business, the Board of Directors has recommended for the approval of the Members of the Company at the ensuing annual general meeting, the appointment of 'P G BHAGWAT LLP', Chartered Accountants as the Statutory Auditor of the Company to hold office for a term from conclusion of 33rd annual general meeting till conclusion of 38th annual general meeting and to conduct the audit of the books of account of the Company for the financial years ending 31 March 2025 and 31 March 2026 jointly with 'Kirtane & Pandit LLP', the present statutory auditor.

'P G BHAGWAT LLP', Chartered Accountants have provided a written consent to the proposed appointment and a certificate that the appointment, if made, shall be in accordance with provisions of Sections 139 and 141 of the Companies Act, 2013 and rules thereof.

b) Secretarial Audit

Pursuant to provisions of Section 204 of the Companies Act, 2013 and rules thereof; Mr. Mahesh J. Risbud, Practicing Company Secretary has been appointed to conduct the Secretarial Audit of the Company for the financial year 2023-2024. The Secretarial Audit Report issued by him is annexed herewith as Annexure F. There is no qualification / reservation / adverse remark in the Secretarial Audit Report.

Pursuant to the SEBI Circular CIR/CFD/CMD1/27/2019 dated 8 February 2019; and SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11 July 2023, Mr. Mahesh J. Risbud, Practicing Company Secretary has also issued the Secretarial Compliance Report for the financial year 2023–2024.

c) Cost Auditor

Pursuant to provisions of Section 148 of the Companies Act, 2013 and rules thereof, the Board of Directors has appointed 'Dhananjay V. Joshi & Associates', Cost Accountants as the Cost Auditor to conduct the audit of cost accounting records for the financial year 2024–2025.

Report on Management Discussion and Analysis

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

Report on Corporate Governance

The Company conforms to norms of the corporate governance as envisaged in the Listing Agreement executed with the stock exchange. Pursuant to provisions of Regulation 34(3) of the SEBI (LODR) Regulations, 2015; the Report on Corporate Governance forms part of this Annual Report.

A certificate from the statutory auditor, regarding compliance with conditions of corporate governance as required pursuant to provisions of the SEBI (LODR) Regulations, 2015 has been annexed to the Report on Corporate Governance.

Business Responsibility and Sustainability Report

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

Directors' Responsibility Statement

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

a) in the preparation of the annual accounts; the applicable accounting standards have been followed and there were no material departures;

b) accounting policies as mentioned in the Notes forming part of the Financial Statements have been selected and applied consistently. Further, judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2024 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 Companies Act, 2013 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 laid down and such internal financial controls were adequate and were operating effectively and

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

Cautionary Statement

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

Appreciation

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

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

Atul Kirloskar
Chairman
(DIN : 00007387)

Date : 9 August 2024
Place :Pune

Annexure A

Form No. AOC-2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts / arrangements / transactions not at arm's length basis : None

2. Details of material contracts / arrangement / transactions at arm's length basis during the financial year 2023–2024 :

a	Name of related party and nature of relationship	ISMT Limited Subsidiary Company
b	Nature of contracts/ arrangements/ transactions	• Sale of pig iron, castings and other products. • Purchase of tubes and other products. • Purchase and/or sale of other products and services • Grant of unsecured loan(s). • Issue of corporate guarantee(s), comfort letter(s) and/or support for financial obligations. • Any other transaction as may be decided from time to time by the Audit Committee and/or the Board of Directors.
c	Duration of contracts/ arrangements / transactions	No specific duration. These transactions are of a recurring nature
d	Salient terms of contracts/ arrangements/ transactions including the value, if any	• Sale of pig iron ₹ 315.58 Crores • Purchase of seamless pipes ₹ 0.42 Crores
e	Date of approval by the Board, if any	None
f	Amount paid as advances, if any	None

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

Atul Kirloskar
Chairman
(DIN : 00007387)

Date : 9 August 2024
Place :Pune

Annexure B

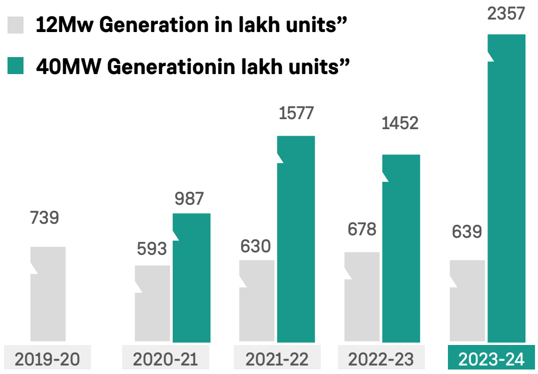
Details on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014

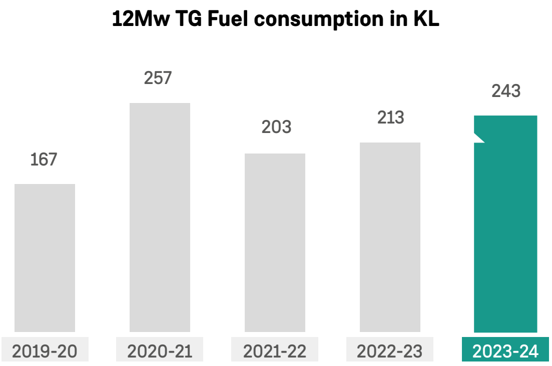
A. Conservation of energy

a) Energy conservation measures taken during the financial year 2023-2024:

- Installation of pulverized coal into blast furnace to reduce coke consumption.
- Installation of Bell less top for MBF I to reduce coke consumption.
- Automation of induction furnaces to reduce power consumption at Koppal plant.
- Energy conservation assessment done and preparation of roadmap for implementation of findings in relation thereto.
- Installation of air preheater for stoves to increase hot blast temperature and reduce coke consumption at Hiriyur plant.
- Installation of truck tippler for unloading of coke and other raw materials to reduce multiple handling and fines generation at Hiriyur plant.
- Installation of variable frequency drive for 1200 kW Main ID fan at Hiriyur plant.
- Various variable frequency drives installation as per energy audit report at both Koppal and Solapur plants.
- Purchase of renewable energy (RE) power at both Koppal and Hiriyur plants.
- Replacement of conventional lights with LED light fittings at Koppal, Hiriyur and Solapur Plants.
- Measures at Ahmednagar tube plant :
    - o Roller Hearth Furnace 2 charging method improved for accommodating more batch weight
    - o Thermic fluid lines insulation improved.
    - o IR compressors. (3 no's) total 270 Kw replaced by screw compressor 160 Kw
    - o Mill 2 raw water pump 2 no total 60 Kw replaced by 1 no 45 Kw.
    - o Assel mill, Piercing mill & RTHF main motor cooling blower dual starter replaced by AC drive.
    - o Mill 1 Piercing mill both DC motor Kirloskar make DC drive replaced by ABB DC drive for energy saving.
    - o Cold pilger 90(B) & (C) work stand tandem arrangement modified with single pair chock arrangement for spares.
    - o RTHF combustion system automated to maintain air fuel ratio and avoid excess air to reduce fuel consumption.
- Measures at Baramati tube plant :
    - o Replacement of Layer saw hydraulic motor of existing 55kw by 11kw.
    - o Replaced LSHS to PNG in rotary hearth furnace, use of PNG in new tempering furnace and replaced LPG to PNG in canteen.
    - o Being use of PNG in furnace least carbon foot print.
    - o To avoid heat loss in walking beam furnace, timer setting developed.
    - o Replaced 250 W HPSV remaining shed light by LED Lights.
- Measures at Jejuri steel plant
    - o Improvement of overall power factor of the plant from 0.93 to 0.94.
    - o Installation of LED flood light fittings at rolling mill, finishing and dispatch area.
    - o BHF 5 revamping with modified heating coil and thermal insulation for power saving and to enhance HT capacity.
    - o Replacement of VVVF drives for 90 T main hoist drives with squirrel cage motor to save power.
    - o Replacement of energy efficient pumps at RCPH (Recirculating pump House).

Figures of Power generation and Fuel Consumption:





Note :

The planned shutdown of MBF-I for BLT installation and commissioning has resulted in lower availability of BF gas for power generation in 12MW power unit and led to increase in fuel consumption in the financial year 2023–2024.

b) Proposals for the financial year 2024-2025 :

- Plant level energy and pumps audit by third party and implementation of audit findings thereto.
- Installation and commissioning of oxygen enrichment into blast furnace to reduce coke consumption.
- Installation of variable frequency drives for 1,600 kW Main ID fan motor at Koppal plant.
- Replacement of line 1 FO fired ovens with energy efficient electrical fired oven at Koppal plant
- Coke bunkers heating to reduce coke consumption at Hiriyur plant.
- Power factor improvement on 66KV line at Hiriyur plant.
- Automation of induction furnaces to reduce power consumption at Solapur plant.
- Various variable frequency drives installation as per energy audit report at plant locations.
- Purchase of renewable energy (RE) power at plant locations.

c) Impact of the above measures:

- Reduction in energy consumption.
- Reduction in coke consumption.
- Conservation of non-renewable energy resources.
- Improvement in operational efficiency and widening the scope for energy conservation.

B. Technology Absorption

Following projects are under implementation :

- Mini blast furnace
  - o 3000 Nm3/Hr. VPSA (Vacuum pressure swing adsorption) technology adopted and is in implantation stage
  - o ASU (Air Separation Unit) Technology based O2 plant for oxygen enrichment in blast furnace.
- Fume Extraction
  - o Melt Shop - Improvement in indoor air quality.
  - o Casting cooling line - Improvement in indoor air quality.
- Green sand reclamation plant.
- Rotary cleaning drum for runner and riser cleaning.
- Stress relieving furnace for cylinder head castings.
- Ahmednagar Tube Plant
  - o Development of tempering heat treatment cycle for T91 grade. Surface quality & productivity improved also resulted energy saving.
  - o Development of New steel Grade 15B36M for drive shaft application.
  - o Development of New product with new steel Grade C35E Mod for extrusion application.
  - o Development of new rifled tube size 63.5 x 8 mm CP & CD route.
  - o Development of New product with new steel Grade 16MnCr5 Mod.
  - o In-house EDM notch making machine purchase is initiated for accurate and online notch making.
  - o Purchase of bright annealing furnace to improve surface quality of tubes for boiler, heat exchanger, automotive, mining applications.
  - o Installation of separate screw compressor for PTD to avoid transmission losses and energy saving.

- Baramati Tube Plant
  - o Rotary hearth furnace revamping done with latest technology castable on hearth, will help to reduce hearth expansion and life of furnace.
  - o New pre-heating induction furnace installed and given in service at the inlet of existing WBF furnace, resulting increase in production.
  - o Reduction of PQF route cycle time by 6.0 seconds.
  - o Implemented detailed engineering design of length measuring stopper for layer saw machine and manufactured it indigenously having cutting accuracy of +/- 5mm which resulted in saving of yield loss.
  - o Successfully commissioned slewing beam arrangement 10 Ton D.G EOT crane which have resulted in efficient movement of tubes and ease of production.
- Jejuri Steel Plant
  - o Use of AC drives for EMS application at continuous casting machine to improve up-time and reduce re-varnishing cost of EMS coils.
  - o EAF VCB (Vacuum Circuit Breaker) replaced to save downtime.
  - o Installation of Emergency brake system for SMS area cranes 90T, 80T and 55T Main hoist for human and equipment safety.
  - o SCADA & PLC system upgraded at Descaler in Rolling Mill.
  - o Installation of online DRI, Lime, Dolo conveyor handling system for smooth and effective operation of EAF. It will also avoid the lime spillage and wastage problem in existing condition.

C. Foreign Exchange Earnings and Outgo

	(₹ in Crores)
Earnings	230.31
Outgo	1,505.99

D. Research and Development (R&D)

The Company focuses in the area of new process and product development in the field of foundry and also working for development and progress in achieving improved processes for manufacture of pig iron and thereby reduce the cost of manufacture of pig iron.

1. Specific areas in which R & D carried out by the Company:
   - Development of 3CB and 3CH.
   - Development and product ionisation of 4 cylinder head.
   - Development of 6 cylinder block casting.
   - Joint design and development of cylinder block and housings for new technology.
   - Proto part manufacturing of 4 Cylinder blocks and 6 cylinder head for engines
   - New development of transmission housing for tractors.
2. Benefits derived as result of the above R & D.
   - Customer appreciation for supply of proto parts for engine validation and vehicle launch in time.
   - Reduced cost for proto casting production.
3. Future plans of action
   - Lost Foam casting Process feasibility study and adaptation.
   - Adapting 3D printing core Making process for mass production through indigenization of raw materials and high speed machines
   - Value engineering solution to Original Equipment Manufacturers.
   - Continuous improvements to make the processes more efficient
   - Compacted Graphite Iron Development.
4. Expenditure on R & D

(₹ in Crores)

Particulars	2023-2024	2022-2023
Capital	0.73	0.46
Recurring	4.56	4.52
Total R & D expenditure	**5.29**	**4.98**

Annexure C

Annual Report on CSR Activities

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

1. Brief Outline on CSR Policy of the Company

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

2. Composition of CSR Committee

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

During the financial year 2023-2024, one meeting of the CSR Committee was held on 12 May 2023.

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

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

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

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

5.

(a)	Average Net Profit of the Company as per Section 135(5) of the Companies Act, 2013 for the financial years 2020-2021, 2021-2022 and 2022-2023	₹ 4,593,021,654
(b)	Two percent of average net profit of the company as per Section 135(5)	₹ 91,860,433
(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
(d)	Amount required to be set off for the financial year, if any	₹ 11,500,000
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	₹ 80,360,433

6.

(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹ 83,974,278
(b)	Amount spent in Administrative Overheads	Nil
(c)	Amount spent on Impact Assessment, if applicable	Nil
(d)	Total amount spent for the financial year [(a)+(b)+(c)]	₹ 83,974,278

(e) CSR amount spent or unspent for the financial year :

Total amount spent for the financial year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
83,974,278	Nil	-	-	Nil	-

(f) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per Section 135(5)	91,860,433
(ii)	Total amount spent for the financial year (Refer Note below)	95,474,278
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3,613,845
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3,613,845

Note :

It includes the amount spent towards CSR activities during the financial year and the set off availed from excess amount spent for the financial year 2020-2021 as per clause 5 above.

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

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to unspent CSR account under section 135(6) (in ₹)	Balance Amount in unspent CSR account under section 135(6) (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY 2020-2021	Nil	-	-	-	-	-	-
2	FY 2021-2022	Nil	-	-	-	-	-	-
3	FY 2022-2023	Nil	-	-	-	-	-	-

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

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

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year :

SI No	Short particulars ofthe property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if Applicable	Name	Registered Office
1	2	3	4	5	6		
-	-	-	-	-	-	-	-

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

For Kirloskar Ferrous Industries Limited

Rahul Kirloskar
Chairman of the Committee
(DIN : 00007319)

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

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

Date : 9 August 2024

Annexure D

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

Sl. No.	Information required	Particulars
1	The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year	Kindly refer to Table D-1
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Kindly refer to Table D-2
3	The percentage increase in the median remuneration of employees in the financial year	5.96 percent
4	The number of permanent employees on the rolls of company	1,407
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out, if there are any exceptional circumstances for increase in the managerial remuneration	Percentage increase in salaries of managerial personnel at 50th percentile : -6.50 percent Percentage increase in salaries of Non-managerial personnel at 50th percentile : 9.04 percent (Note : Percentage increase in salaries of Non-managerial personnel is in the range 2 percent to 72 percent.) The salary increases are a function of various factors like individual performance vis-á-vis individual KPIs, industry trends, economic situation, future growth prospects, etc. besides the performance of the Company. There are no exceptional circumstances for increase in the managerial remuneration.
6	Affirmation that the remuneration is as per the remuneration policy of the company.	Payment of remuneration to Directors is accordance with the Nomination and Remuneration Policy of the Company.
7	Statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee, who- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees; (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month; (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.	Kindly refer to Table D-3

Table D-1 :

Sl. No.	Name of the Director	Ratio of remuneration of each director to the median remuneration of the employees of the Company
1	Mr. Atul Kirloskar	6.75
2	Mr. Rahul Kirloskar	6.46
3	Mr. R. V. Gumaste (MD)	259.31
4	Mr. A. N. Alawani	8.39
5	Mrs. Nalini Venkatesh	2.26
6	Mr. Y. S. Bhave	2.23
7	Mr. M. R. Chhabria	6.38
8	Mr. V. M. Varma	3.93
9	Mr. S. Venkataramani	2.93
10	Mr. R. S. Srivatsan	97.95
11	Mr. Pravir Kumar Vohra	2.56
12	Dr. Shalini Sarin (Refer Note 1)	Not applicable
13	Mr. M. V. Kotwal (Refer Note 2)	Not applicable

Table D-2 :

Sl. No.	Name of the Director / KMP	Designation	Percentage increase / (decrease) in the remuneration
1	Mr. Atul Kirloskar	Director	(24.18) %
2	Mr. Rahul Kirloskar	Director	(4.14) %
3	Mr. R. V. Gumaste	Managing Director and KMP	(33.47) %
4	Mr. A. N. Alawani	Director	(32.74) %
5	Mrs. Nalini Venkatesh	Independent Director	(18.03) %
6	Mr. Y. S. Bhave	Independent Director	(13.33) %
7	Mr. M. R. Chhabria	Director	(2.33) %
8	Mr. V. M. Varma	Independent Director	5.66 %
9	Mr. S. Venkataramani	Independent Director	268.10 %
10	Mr. R. S. Srivatsan	Executive Director (Finance) CFO and KMP	(27.76) %
11	Mr. Pravir Kumar Vohra	Independent Director	50.72 %
12	Mr. Mayuresh Gharpure	CS and KMP	12.26 %
13	Dr. Shalini Sarin (Refer Note 1)	Independent Director	Not applicable
14	Mr. M. V. Kotwal (Refer Note 2)	Independent Director	Not applicable

Notes :

1. Dr. Shalini Sarin was co-opted as an Additional Director in the category of Independent Director with effect from 13 May 2023.
2. Mr. M. V. Kotwal retired as an Independent Director on 10 October 2023.
3. Pursuant to KFIL Employee Stock Options Schemes, stock options were exercised during the financial year and have been considered for calculating the increase in remuneration.

Table D-3 :

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

Sl. No.	Name of the Employee and Designation	Remuneration (₹)	Qualifications	Experience (Years)	Date of start of employment	Age (Years)	Details of last employment	Percentage of equity shares held
1	Mr. R. V. Gumaste Managing Director	112,550,147	B. Tech (Metallurgy)	42	08/11/2001	66	Chief Executive (Works) Indian Seamless Metal Tubes Limited	0.63
2	Mr. N. B. Ektare (earlier Managing Director of ISMT Limited)	57,331,571	B. Tech. (Electrical)	37	10/03/2022	63	Kirloskar Ferrous Industries Limited	0.08
3	Mr. R. S. Srivatsan Executive Director (Finance) & CFO	47,528,219	B.Com.,CA	40	12/01/1998	61	Sr.Manager-Finance Vasavadatta Cement (Unit of Kesoram Industries Limited)	0.11
4	Mr. C. Ramesh President	17,319,857	B.E (Mech.)	30	26/09/1994	53	Not applicable	0.05
5	Mr. P. Narayana EVP-HR	16,439,129	B.Com.,PG-Dip-HRM, LLB	36	09/06/2016	61	DGM - JSW Steels Limited	0.05
6	Mr. Pradeep Madulkar VP - Foundry	15,830,068	B.E(Metallurgy)	33	03/05/2007	54	Magna Industries	0.02
7	Mr. Kishor Bharambe President (Tube operations)	14,544,255	B.E (Mech.), PGDBA	33	27/03/2022	59	The Indian Seamless Metal Tubes Limited	-
8	Mr. Santosh Gumaste VP (Foundry)	12,712,832	B.E.(Production)	30	19/12/2006	52	Rico Auto Industries Limited	0.03
9	Mr. M. G. Nagaraj EVP-PIP	10,995,161	B.E (Metallurgy)	31	01/10/1993	55	Not applicable	0.06
10	Mr. Inturi Chandra Sekhar EVP – R & D	10,954,946	B.E (Mech.) & MBA-Mktg.	36	16/10/2013	60	GM – Design & Development Neosym Industry Limited	0.05

Note :

The Managing Director, the Executive Director and employees mentioned above at serial numbers from 3 to 10 are not relative of any Director on the Board of Directors of the Company.

Annexure E

Employee Stock Option Scheme (ESOS)

Disclosures for the financial year ended 31 March 2024 pursuant to Regulation 14 read with Schedule I of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

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

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

₹ 19.60 per equity share

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

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

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

ii) Method used to account for ESOS :

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

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

iv) Options movement during the year : As on 31 March 2023

Number of options outstanding at the beginning of year	741,589
Number of options granted during the year	-
Number of options forfeited / lapsed during the year	84,500
Number of options vested during the year	-
Number of options exercised during the year	180,694
Number of shares arising as a result of exercise of options	115,819
Money realized by exercise of options (₹)	7,676,652
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	476,395
Number of options exercisable at the end of the year	211,395

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

Weighted average exercise price : ₹ 74.36

Weighted average fair value : ₹ 59.03

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

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

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

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

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

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

(a) The model inputs for options granted during the year ended 31 March 2022 included :

Not applicable

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

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

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

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

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

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

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

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

ii) Method used to account for ESOS :

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

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

iv) Options movement during the year :

Number of options outstanding at the beginning of year	1,670,000
Number of options granted during the year	16,000
Number of options forfeited / lapsed during the year	134,500
Number of options vested during the year	-
Number of options exercised during the year	199,673
Number of shares arising as a result of exercise of options	198,260
Money realized by exercise of options (₹)	31,126,820
Loan repaid by the Trust during the year from exercise price received	-
Number of options outstanding at the end of the year	1,351,827
Number of options exercisable at the end of the year	134,500

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

Weighted average exercise price : ₹ 157.00

Weighted average fair value : ₹ 99.66

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

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

Sl. No.	Name of Employee	Designation	Number of stock options	Exercise Price per stock option (in ₹)
1	Hemalkumar Sambandamurthy	General Manager	8,000	357
2	Shrikant Kenchanagouda Nadgir	General Manager	8,000	357
		Total	16,000	

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

Sl. No.	Name of Employee	Designation	Number of stock options	Exercise Price per stock option (in ₹)
1	Hemalkumar Sambandamurthy	General Manager	8,000	357
2	Shrikant Kenchanagouda Nadgir	General Manager	8,000	357

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

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

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

(a) The model inputs for options granted during the year ended 31 March 2024 included :

Particulars	3 Nov 2024	3 Nov 2025	3 Nov 2026	3 Nov 2027
Share price (₹)	475.90	475.90	475.90	475.90
Exercise Price (₹)	157.00	157.00	157.00	157.00
Expected Volatility (standard deviation)	42.52%	43.88%	44.42%	42.66%
Expected option life (in years)	2.50	3.50	4.50	5.50
Expected dividend yield	1.98%	1.98%	1.98%	1.98%
Risk free interest rate	7.31%	7.31%	7.31%	7.31%
Any other inputs to the model	Nil	Nil	Nil	Nil

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

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

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

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

Annexure F

Secretarial Audit Report

for the financial year ended 31st March, 2024

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

To,
The Members of
KIRLOSKAR FERROUS INDUSTRIES LIMITED,
13, Laxmanrao Kirloskar Road, Khadki,
Pune - 411003.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KIRLOSKAR FERROUS INDUSTRIES LIMITED, (CIN : L27101PN1991PLC063223)** (hereinafter called '**the Company**'). Secretarial Audit was conducted in a manner that provided me with a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31 March 2024** 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 2024** according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; [No incidence during the audit period, hence not applicable]

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

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

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

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

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

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

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

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

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

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

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

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

I further report that,

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except whenever meetings were called at a shorter notice in compliance with provisions of the Act, rules thereof and the Secretarial Standard 1) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions in the meetings of the Board and committees thereof were approved with requisite majority during the audit period. None of the Directors on the Board have recorded any dissent during any of the meetings.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the audit period:

(a) The Members of the Company at the Annual General meeting held on 3 August 2023 have passed the special resolution to authorise the Board of Directors of the Company to borrow not exceeding ₹ 750 Crores by way of Non-convertible Debentures.

(b) The shareholders of the Company and that of ISMT Limited, (a subsidiary of the Company), at their respective meetings held on 14 March 2024 have considered and approved the Scheme of Arrangement and Merger of ISMT Limited with the Company and their respective shareholders pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") along with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("Merger Rules") and other applicable rules under the Act. The Scheme is subject to final hearing and receipt of necessary approval / the Order from the Hon'ble National Company Law Tribunal, Mumbai.

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.

Signature:

Sd/-
Mahesh J. Risbud
Practicing Company Secretary
FCS No. 810
C. P. No.: 185
UCN – S1981MH000400
UDIN: F000810F000389154

Date: 17 May 2024
Place: Pune
PR – 1089/2021

To,
The Members of
KIRLOSKAR FERROUS INDUSTRIES LIMITED,
13, Laxmanrao Kirloskar Road, Khadki,
Pune - 411 003.

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

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

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

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

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

5. Where ever 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.

Signature:

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

Date: 17 May 2024
Place: Pune

Report on Management Discussion and Analysis

(A) Economy Overview and Outlook

Global Economy:

According to the chief economist of International Monetary Fund ('IMF'), "The clouds are beginning to part. The global economy begins the final descent toward a soft landing, with inflation declining steadily and growth holding up. But the pace of expansion remains slow, and turbulence may lie ahead." This is a succinct summary of the global economy. While things seem to be looking up from period of gloom, uncertainties like geopolitical tension and wars continue to cloud the horizon. IMF's latest outlook suggests that global growth is projected at 3.1 percent in 2024, same as in 2023 and 3.2 percent in 2025, with the 2024 forecast 0.2 percent higher than that in the report of October 2023. The forecast for 2024–2025 is, however, below the historical (2000–2019) average of 3.8 percent. Elevated central bank policy rates to fight inflation and a withdrawal of fiscal support amid high debt are weighing on the economic activity. Overall inflation continues its downward trend. Core inflation may persist as commodity and supply disruptions could occur, following renewed geopolitical tensions.

As per IMF, the growth in the euro area is projected to recover from its low rate of an estimated 0.5 percent in 2023, which reflected relatively high exposure to the war in Ukraine, to 0.9 percent in 2024 and 1.7 percent in 2025. Stronger household consumption as the effects of the shock to energy prices subside and the inflation falls, supporting real income growth, is expected to drive the recovery.

India has been a bright spot in the gloomy global space for the last few years growing by 7.2 percent in 2022, 6.7 percent in 2023 and expected to grow by 6.5 percent in the next couple of years. The growth story of India is likely to sustain to become a standout economy.

The last few years have seen a focus on infrastructure building in India in sectors like railways, roads, defense and energy. The growth was focused on few key sectors as the private sector lagged on capex. It is starting to invest again on a significant scale as the state of corporate and banking balancesheets are in good health. The Production Linked Incentive ('PLI') schemes in various sectors are expected to provide a flip to this trend.

Some caveats are in order when the story of India is considered. Given the tensions in West Asia, oil prices need to be watched. The India story at an oil price of US $ 80-85 per barrel is remarkably different from at > US $ 100 per barrel. As the Chinese economy recovers to pre pandemic levels, commodity prices could increase. Inflation remains a concern and the Reserve Bank of India is cautious on rate cuts but given the steady levels of fiscal deficit, the softening trend in interest rates should continue. Importantly, India's forex reserves remain at US $ 600 Billion plus levels and can cushion the economy against the kind of external shocks that affected many emerging countries in the last couple of years. The key concern is the fear of a K shaped economic recovery with consumption growth in lower income categories lagging others. The improvement in rural incomes seen in calendar year 2023 augurs well on this count.

Indian Economy:

In previous 10 years, India has moved from the 10th largest economy of the world to the 5th largest economy of the world. In these years, India is seen as a country with immense potential which is backed by impressive performance. India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10 to 15 years, backed by its robust democracy and strong partnerships. Strong economic growth in the first quarter of financial year 23 helped India overcome the UK to become the fifth-largest economy and showed a strong recovery from the COVID-19 pandemic shock. 2023 marked a landmark year for India as it assumed presidency of the world's highest profile global economic assembly, the G20, and showcased its economic prowess and diplomatic finesse to the world.

Indian economy remained resilient with robust 8.2 percent growth rate of GDP in financial year 2023-2024 when compared to 7.2 percent growth rate in financial year 2022-2023. India has been a key growth engine for the world, contributing 16 percent to the global growth in 2023. As per the economic survey released, India's GDP growth forecast to grow between 6.5 to 7 percent in financial year 2024-2025.

In an increasingly integrated global economy, India's growth outlook is not only a function of its domestic performance but also a reflection of the spillover effects of global developments. Increased geo economic fragmentation and the slowdown of hyper-globalization are likely to result in further friend shoring and on shoring, which are already having repercussions on global trade and subsequently, on global growth.

The Indian Government's fiscal policy for financial year 2024-2025 is to strengthen the domestic economy while maintaining macroeconomic stability in the face of global challenges. Emphasizing on inclusivity and sustainability, this policy aims to better equip the economy to deal with unforeseen challenges. A significant portion of resources is allocated for capital investment to maintain the momentum of infrastructure development, with a collaborative approach to fiscal federalism to assist state-level initiatives in this area. Innovative resource allocation mechanisms are being introduced to improve cash management, demonstrating the Government's commitment to strengthening the Indian economy and promoting comprehensive development across all sectors.

Interestingly, next seven financial years (2025 - 2031) may see the Indian economy crossing the USD 5 Trillion mark and inching closer to USD 7 Trillion. A projected average expansion of 6.7 percent in this period will make India the third-largest economy in the world and lift per capita income to the upper middle-income category by the year 2031.

There may be near and medium term challenges posed by geopolitics, slowing potential growth from an uneven global recovery, climate change and technological disruptions. The Indian economy may take support from domestic structural reforms and cyclical levers and can retain perhaps even improve its growth prospects by continuing to build infrastructure both digital and physical and undertaking growth-enhancing reforms aimed at improving the ease of doing business. Amid global risks, this can also allow India to grasp opportunities from diversifying global supply chains.

By all estimates, India's growth is expected to remain strong, supported by macroeconomic and financial stability. Presently, growth in financial year 2024 stands at 8.2 percent and the headline inflation is expected to gradually decline to the target. Resilient service exports and lower oil import costs have resulted in lowering India's current account deficit to 1 percent of GDP in the first half of financial year 2024. This positive growth outlook is anchored primarily by the digital revolution, a facilitating regulatory environment supportive of entrepreneurship, measures targeted at economic upliftment of the most vulnerable sections of the society, developing niche and complex manufacturing sectors while building the supporting physical infrastructure, and efforts directed at diversifying its export basket and moving toward higher value-added products. There are good reasons to believe that India's economic and financial cycles have become longer and stronger. Consequently, India is poised for sustained brisk growth in the coming years. At the level of sub-national governments, reforms that would unleash the productive potential of India's MSMEs with streamlined regulatory and compliance obligations and sensitive enforcement, ensure land availability at reasonable prices and measures that would meet the energy needs of the growing economy will guarantee a further acceleration of economic growth.

International crude oil prices continue to rise as well, with the price of the Indian crude oil basket reaching US $ 85.41 in the month of March 2024. India's fuel demand rose by nearly 5 percent in the financial year 2023-2024. The basket price crossed US $ 93.72 per barrel in September 2023. The movement in oil prices is expected to dominate inflationary trends in the coming months. The government has been taking steps to diversify import sources, which includes buying crude oil from Russia at economical prices and diversifying energy sources beyond traditional hydrocarbons to mitigate the adverse effects of the high prices.

India's foreign exchange reserves stood at US $ 646 Billion as of 31 March 2024 an increase of US $ 68 Billion over the end of March 2023. The management of foreign exchange reserves, which provide a cushion against exchange rate volatility, was prudent throughout the year.

The repo rate remained unchanged at 6.50 percent throughout the financial year 2023-2024.

Indian Rupee opened at a level of ₹ 82.18 against US Dollar on 1 April 2023 and closed at ₹ 83.24 on 31 March 2024.

(B) Industry Overview and Outlook

Steel Industry:

India is witnessing the strongest pace of steel demand growth post the global financial crises. For financial year 2024 domestic steel demand growth revised upwards to 9-10 percent (from the earlier estimate of 7-8 percent). While Chinese steel production grew by a modest 2.5 percent in January-July of calendar year 2023, Chinese steel exports grew by a much sharper 27.9 percent in the same period. This points to subdued demand in the world's largest steel market because of the ongoing stress in the property sector.

Prudent inflation management and the government's focus on infrastructure development are the key for financial year 2024. Steel-intensive sectors, including construction, real estate, capital goods, automotive and consumer durables, are expected to maintain a healthy growth momentum. Affordable housing projects, urban demand, PLI schemes, private investment, investment in renewable energy and sustained private consumption will continue to back all the sectors mentioned above.

Automobile Sector :

The Indian light vehicles market has grown by ~ 23 percent over calendar year 2022. The market witnessed launch of new models of vehicles due to the demand for all new models being strong.

Most agencies have estimated positive forecasts for the Indian passenger vehicle market. Increased focus on mid SUV segment, timely facelifts of existing models, and the availability of a wide range of variants across the price spectrum, along with higher finance penetration, have enabled positive demand sentiment in the light vehicle segment. The long-term picture for the car market remains healthy, given the current low ownership levels and as per capita income continues to grow, it will increase the Indian household's ability to afford a car. IHS global, expects the Indian light vehicles to grow at a CAGR of 4.8 percent over a period of 2023-2028 which will mean new highs every year for annual production.

Electric Vehicles (EVs) were still less than 1% of overall market in calendar year 2023 and are expected to increase to 4-5 percent by calendar year 2025. It is expected EV penetration to increase in the next few quarters, supported by increase in charging stations, lower cost of acquisition and newer model launches from OEMs.

In respect of Medium & Heavy Commercial Vehicles (MHCV), IHS has forecasted that in calendar year 2024 MHCV production in India would grow by 2 percent and for the longer term, it is estimated to grow at a conservative rate of 5.1 percent CAGR over calendar year 2023- 2028.

Tractor Industry:

Tractor production in India has shown a slight decline of ~2% in calendar year 2023. However, calendar year 2021 and calendar year 2022 were very good years for tractors when, for the first time, production crossed 1million units in consecutive years.

Domestic tractor sales were affected year-on-year on account of erratic monsoon (6 percent below normal south-west monsoon). The trend of erratic monsoon has been seen for the last couple of years. Lower reservoir levels and anticipated decline in rabi acreage are expected to contribute towards a decline in tractor sales. Another key reason was the fading out of the pent-up replacement demand after the pandemic. This may moderate the growth in the next couple of years.

On the other hand, the level of farm mechanization in India is still sub optimal and there is large scope for growth. It is projected that domestic tractor sales to expand at 3-5 percent compound annual growth rate (CAGR) between financial year 2023-2028. Tractor sales are cyclical and a few years of erratic monsoon during the period are to be factored in.

Seamless Tubes Industry:

India is one of the established manufacturers of steel pipes globally, which is one of the most important sub-industries of the Indian steel sector. Construction, railways, oil and gas, agriculture, real estate are some of the key consumers of steel pipes and tubes.

The production of steel tubes and pipes grew at a CAGR of about 10 percent in the past five years from financial year 2019-23. Of these years, the industry has witnessed a decline only in financial year 2021 due to the outbreak of Covid-19. During financial year 2023, the production increased by 27.3 percent year-on-year backed by healthy domestic demand.

Seamless Steel Tubes Market Size was valued at US $ 45.5 Billion in 2022 and is estimated to reach US $ 84.9 Billion by 2032, growing at a CAGR of 6.3 percent from 2023 to 2032.

Special Bar Steel:

Global SBQ (special bar quality) steel market size was evaluated at US $11.2 Billion in 2022 and is slated to hit US $15.3 billion by the end of 2030 with a CAGR of nearly 7.6 percent between 2023 and 2030. Special bar quality steel is a class of long steel products that are engineered for tough apps including gears, bearings, drill-string parts, and crankshafts. These products are developed for high-stress and challenging applications. This steel type is different from a variety of other steel grades and is used in high-speed machine applications. Furthermore, large-scale use of the product in high-stress applications, metallurgy, and applications requiring high tensile strength will boost product demand. Furthermore, special bar-quality steels are provided by stainless steel bars and steel round bar producers. Reportedly, SBQ is utilized for manufacturing gears, bearings, and high-speed shafts.

In India, Special Bar Quality finds extensive application in specialized segments like automotive, engineering, defence, aerospace, etc. and is closely linked with the manufacturing output. The demand for SBQ is expected to grow at a CAGR of 5.5 percent (2022- 2032) and is expected to reach 10,700 KT. The high demand will create a gap of 1,400 KT and thus brings opportunity for market expansion in the next decade. The capacity addition till 2032 is expected to be around 4,000 KT in India, while the production is estimated to be 9,300 KT. The average utilization is expected to be ~70 percent with few companies like ISMT, SAIL – VISL, Mahindra Ugine (formerly known as MUSCO) operating below industry average.

Iron Ore :

India's iron ore mining sector grew by 7.5 percent in financial year 2023-2024 with production of iron ore recording high growth during the year. Production of iron ore was at 277 Million Metric Tonnes (MMT) in 2023-2024 against 258 MMT in 2022-2023 registering a growth of 7.4 percent.

The surge in Indian iron ore fines exports to China was driven by robust pre-Chinese New Year restocking and encouraging economic signals in China. Additionally, the elevated costs associated with high-grade iron ore imports from alternative sources, coupled with narrow profit margins for Chinese mills, raised the demand for India's competitively priced lower-grade ore.

Coal and Coke:

India has the second largest blast furnace capacity in the world (behind China) with 122 Million Tonnes per annum in completion and under development. India is still dependent on imported coking coal and will continue to do so. Major imports of coal are from Australia.

India’s coking coal imports are at a 10-year high with shipments of 58 million tonnes during financial year 2023-2024, driven by high demand from steel mills.

Australian coking coal imports rose 7 percent year-on-year from 54.3 Million Tonnes in financial year 2022-2023, and while Australia continued to be the largest supplier of coking coal, accounting for 59 percent of overall shipments.

Australia's total coking coal exports are expected to increase by 14 percent from 2023 levels to 171.9 Million Tonnes in 2025. The world's second largest supplier Mongolia is forecast to boost exports only by 2.3 Million Tonnes or 3 percent, during that period while Russian exports are on the decline.

Iron ore Mines:

Karnataka has good reserves of Iron ore in India and accounts to 14 percent of the total production of Iron ore in the country and has been keen in bringing the potential iron ore blocks into e-auction. The Government of Karnataka has so far conducted 6 phases of e-auction. Recently the Government of Karnataka has identified 5 more iron ore blocks, for which notification has to be issued in accordance with mineral evidence and content rules.

In April 2013, the Supreme Court directed the Karnataka Government to cancel 51 C-category mining leases. Out of the 51 C-category mines, 32 have been put up for auction so far. Of these, 29 mines were successfully auctioned, while the remaining 3 received no bids, resulting in the annulment of their auctions. Of the 29 mines auctioned, 11 have received all necessary permissions to resume operations. The remaining 18 are in the process of obtaining various government clearances. The other 19 mines have yet to be auctioned.

For A and B category mines, successful bidders will be permitted to operate the mines after receiving operational permission from the Director of Mines and Geology and upon payment of the Net Present Value and transfer fee to the Government. In addition to captive consumers of iron ore, traders can also participate in the auctions. Successful bidders will be provided with a two-year period to obtain the necessary approvals for transferring the licenses to their names from various government authorities.

Currently, iron ore produced by merchant mines in Karnataka is sold through an e-auction mechanism and direct sale contract agreements. Iron ore requirements for iron and steel producers are being met through sourcing from e-auctions and agreements with merchant mines.

Outlook for the current financial year:

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

- Participate in the e-auction of iron ore mines as and when the mines are put up for e- auction.
- Commence operations at M/s Kirloskar Bharat Mines after obtaining all statutory clearances.

(C) Risks and concerns:

Demand for the auto and tractors have a direct impact on the performance of your Company and any adverse market condition for these sectors will result into reduced capacity utilisation and profitability.

Fluctuation in the price of raw materials such as coke, coal and steel scrap, availability of quality iron ore supply in domestic market and fluctuation in the power and fuel prices will have impact on production cost and consequently on profit.

Further, depreciation of Rupee vis-á-vis US dollar can lead to an increase in price of coal, scrap and in the price of crude oil, resulting in increased input costs, thereby putting pressure on profitability.

(D) Cost Control:

Your Company adopted following measures to reduce cost :

- Strategically sourced raw material and consumables.
- Pulverised coal injection system for both mini blast furnaces to reduce the coke consumption.
- Installation of Bell Less Top for MBF1.
- Improvement projects through Total Productivity Management (TPM), Kaizens, involvement of cross functional teams to bring cost reductions.
- Improved operational efficiencies and cost control measures at all plants have resulted in reduced consumption of consumables, stores and spares.
- Improved power generation using mini blast furnace gas and thereby reducing the power cost.
- Roller hearth furnace 2 charging method improved for accommodating more batch weight resulted in power saving at ISMT.
- RTHF combustion system automated to maintain air fuel ratio and avoid excess air to reduce fuel consumption at Ahmednagar Tube Plant.
- Improvement of overall power factor of the plant resulted in additional saving at Jejuri steel plant.

(E) Outlook for the current financial year:

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

- Strategical planning to acquire mining assets in the upcoming iron ore mines auction as and when declared by the Government. This aligns with the company's vision.
- Commence operations at M/s Kirloskar Bharat Mines after obtaining all statutory clearances.
- Increasing the supply of castings in machined condition to increase the value of sales. Machine shop expansions are planned and will be expanded progressively in a phased manner based on order positions.
- Foundry expansion project at Solapur plant is in progress and expected to complete in the financial year 2024-2025.
- Commence the operations of 70MW solar plant to reduce the power cost.
- Invest in in-house machining of proprietary threading for casing and tubing to increase the premium connection business.
- Demand for all of its products is expected to be good.

(F) Internal Control Systems and their adequacy:

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

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

(G) Safety, Health and Environment:

Safety:

The Company recognizes safety is the foremost priority and is dedicated to safeguard the environment and providing a secure and outstanding workplace for all employees and contractors. Our objective is to achieve 'ZERO HARM' by continually advancing our environmental, occupational health, and safety performance. This commitment extends to all areas of our operations, including routine, non-routine and outsourced activities.

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

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

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

To maintain a safe workplace and meet these standards, a strategic approach has been implemented that involves training all employees, conducting gap assessments across the site in line with standard guidelines, developing action plans for implementation and initiating audit processes. This includes 1st and 2nd party audits, with plans to incorporate 3rd party audits in the future.

As part of our ongoing safety initiatives, proactive safety tools have been deployed to foster a robust safety culture. This includes special programs such as the SAHYOG suggestion scheme, safety action meetings and the Saksham process, all designed to prevent accidents and continually enhance safety practices.

A Monthly Safety Theme program has been introduced, designed to create optimal conditions for employees to excel in safety each day. This program enhances safety awareness, increases employee engagement, helps eliminate unsafe conditions, unsafe acts and ensures a safer workplace.

We have established systems to verify the effectiveness of our health and safety programs and procedures. This includes leadership demonstration and review systems, internal and external audits / assessments, legal compliance checks and continual improvement through the PDCA (Plan-Do-Check-Act) approach.

Health:

Occupational Health Centre (OHC) has been provided with full-time medical officer and qualified medical staff to conduct pre-employment and periodic health check-ups at all three locations. The Company believes that ‘Nothing feels as good as being healthy’. In the financial year 2023-2024, OHC staffs have conducted periodic medical evaluation for 1,576 employees and over 10,780 out patients have been benefited.

The Company has adopted pro-active measures like expert talks, health awareness talks, free vaccinations for Hep-B, periodic medical and eye check-ups, cardiac screening, NCD / ICTC, bone density screening and reactive approaches like weight reduction plans for employees with high BMI and reward for achieving healthy weight loss to ensure health of all stakeholders. Total 4,126 people got benefitted by these approaches in the year 2023-2024 and that includes identification of early cardiac diagnosis need for some employees. Health initiatives, viz. organising various health camps, specialised doctor visits, health seminars, weight reduction challenges, screening camps for NCD and Communicable diseases. Total haematology screening for all employees on subsidise price in association with “referral labs Bangalore. In association with specialized hospital expert, screened around 656 employees for causes blindness like Cataract, Glaucoma, Corneal opacities and Infective causes. MoU has been signed with certain hospitals for subsidised treatment of all kinds of medical emergencies.

Environment Management:

The Company deeply committed to driving innovation while prioritizing environmental sustainability. Our dedication is reflected in our substantial investments in research and development aimed at pioneering advanced technologies and eco-friendly practices. These efforts are designed to minimize our carbon footprint, conserve resources, and provide sustainable solutions to our clients. We uphold responsible manufacturing practices that emphasize environmental stewardship and contribute positively to the communities we serve. Our environmental strategy is centred on optimizing current processes and proactively adopting more efficient methods for new operations.

To address air emissions, a range of initiatives have been introduced. The effectiveness of these measures is evaluated by the National Accreditation Board for Testing and Calibration Laboratories (NABL). Real-time environmental monitoring stations have been set-up to track Sulphur Oxide (SOx), Suspended Particulate Matter (SPM), Carbon Monoxide (CO), and Nitrogen Oxide (NOx) emissions, ensuring they stay within permissible limits. Our facilities are equipped with advanced filtration systems, including bag filters, fume extraction systems, electrostatic precipitators, and dry-fog systems, across our power plants, raw material handling systems, sinter plant, foundry, and coke oven areas to control emissions. These technologies help us limit pollutants released into the atmosphere and demonstrate our commitment to managing air quality responsibly.

Air quality monitoring is crucial for enhancing air quality, safeguarding employee and public health, and ensuring regulatory compliance. It also aids in identifying pollution sources, monitoring climate change, and supporting further research and development to improve environmental conditions. Further, a full-fledged Environment Management Department has been established with qualified personnel, who are working towards prevention of pollution through innovative and strategic engineering ideas.

The air quality around our premises is rigorously monitored by an expert environmental agency accredited by both NABL and the Ministry of Environment, Forest and Climate Change (MoEF & CC). Our monitored levels of dust. Sulphur Oxide (SOx) and Nitrogen Oxide (NOx) consistently fall within the limits set by the Karnataka State Pollution Control Board, underscoring our commitment to fostering a cleaner, greener future.

Awareness and Plantation Initiatives:

- Vasundhara Eco Rangers "Green College, Clean College" Competition conducted at Hosapete. Various colleges participated and demonstrated the environmental initiatives implemented in their college.
- Carried out Mass Tree Planation of around 250 trees at Government Higher Primary School, Shahpur on the occasion of International Women's Day 2024.
- Awareness session conducted on current environmental issues and challenges at an Engineering College, Hosapete.
- Completed Surveillance Audit of Environment Management System ISO 14001:2015 with zero Non Conformities. Audit conducted by IRQS - Indian Register Quality Systems.
- Planted around 5000 trees in and around the plant during the financial year.

(H) Social Responsibility

In order to align with the Mission of your company viz. "To be a preferred Employer and responsible neighbor", the Company has taken various measures as a part of its Corporate Social Responsibility. The CSR activities focus on Education, Health and Hygiene, Environment and Rural Development in the vicinity of plants and office locations. Major CSR activities undertaken during the financial year 2023–2024 are as given below:

- **Education**
  - Financial assistance for higher education relating to professional and degree courses to people in neighbouring villages of plant locations.
  - Provided educational equipment and facilities to nearby various schools, degree and engineering colleges of plant locations.
  - Provided assistance for conducting workshops, seminars, skill up-gradation, sports, assisting and exploring new technologies and other educational up-gradation activities.
  - Provided Scholarship assistance for the meritorious students of 10th, PUC, Diploma, Engineering, MBBS, MD, MS, Veterinary Science and Horticulture / Agriculture.
  - Provided benches / desks to Government Higher Primary schools.
  - Provided infrastructure up-lift facilities like school buildings, urinals and toilet buildings, playground facility, etc.
- **Health and Hygiene**
  - Organized health camps in the neighboring villages and Government schools. Medical services were provided by specialist like Orthopedic, Gynaecology, Heart Specialist, Dentist and pediatric.
  - Organized adolescence and menstrual hygiene awareness for high school and college girl students.
  - Financial assistance to neighboring community for undergoing medical treatment in chronic medical cases / major health issues at reputed hospitals.
  - Conducted health and hygiene awareness programs.
  - Provided medical equipment and necessary infrastructure to health care centers.
  - Conducted various vaccination camps, cancer screening camps etc. for people in surrounding area of plant locations.
  - Organized mega blood donation camps in association with Red cross, Koppal and Chiranjeevi Blood bank, Hospet. On that occasion, Red cross society, Koppal facilitated the management of the Company as a "Single largest doner" with an appreciation letter and memento.
  - Distributed nutritional food kits (supplement) to 350 pulmonary tuberculosis patients at District TB Centre, Koppal and same being given every year.
  - Organized "Free Health Check-up Camps" at various Government Higher Primary Schools of three panchayats. This initiative was well appreciated by Government officials and villagers.
  - Screened 200 students from Government School, Shahapur village and distributed glass for refractive error correction.

- Screened village people for refractive error and cataract and sponsored surgery to correct the cataract for about 32 villagers.

◆ **Rural Development**

- Activities conducted in relation to waste management and provided necessary equipment for handling waste and cleaning of roads.
- Workshops conducted for skills development like tailoring, food processing, beautician in nearby villages.
- Organised ten months skill up-gradation program for unemployed youths having ITI / BCom. / BBA / BBM qualification in association with NTTF, Dharwad and Deshpande Foundation, Hubli.
- Construction of lakes and water reservoirs, storm water drain and concrete roads in nearby villages.
- Financial assistance and participation in Jatra Festival of nearby villages.
- Provided tri-cycles for physically handicap persons.
- Construction of new rural panchayat building.

◆ **Environment**

- Organized Kirloskar Vasundhara International Film Festival (KVIFF) with global participation.
- Green belt development, planted avenue plants in surrounding village.
- Organized “Swachh Bharat Abhiyan” at Amaravati and Rajeevnagar Public Park, Hospet in association with KFIL Officers’ Club, KFIL Officers’ Ladies Club and residents of Rajeevnagar, Hospet. All the members and the general public enthusiastically participated in cleaning the park internally and peripherals. Lot of waste segregated and shifted to designated place.
- Maintaining park by the Company in association with city municipal corporation.

(I) Developments in Human Resource / Industrial Relations

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

During the financial year 2023-2024, the Company has taken following initiatives:

- To develop future leaders, Management Development Programmes (MDP) were organized on various topics.
- SAMANVAY - Safety Action Meeting (SAM) Reward & Recognition Policy, aim to encourage, acknowledge & reward employees for their participation in Safety Action Meeting to bring out their ideas and creative potential to improve Safety, work environment, Sustainable development, belongingness & togetherness at work place.
- Training programmes on behavioural and technical skills were organized on a continuous basis by engaging internal and external faculties to enhance competencies and skills of employees.
- New standards guiding our safety behaviour were framed and intensive training to all relevant employees were given on safety Interaction, incident management, work at height, lock out and tag out, personal protective equipment and permit to work standards, etc.
- Training programmes on behavioural and technical skills were organized on a continuous basis by engaging internal and external faculties to enhance competencies and skills of employees their by achieved 3.9 training man-days against the target of 4 days.
- Talented employees are continuously recognized and are motivated through rewards and recognitions including awarding Lambhe Awards for the employees, who have completed twenty-five years of long service.
- Conducted skill development programmes for apprentices and earn and learn trainees as per their trade.
- Training programmes on ‘5’S and Total Productivity Management were organized on regular basis.

Recognitions / Awards received by the Company during the year under review are as given below:

- Won the Genentech International EHS Awards-2023 in Best EHS practices category.
- Award from Volvo Eicher for outstanding Contribution in casting and machining.
- Kirloskar ICON Award-2023 under “Value Creation”
- Won Greentech HR Award-2023 – for Employee Engagement and Learning and Development.
- Awarded with “Uttama Suraksha Puraskara” for Koppal Plant from National Safety Council.
- “Uttama Suraksha Puraskara” for Hiriyur plant from National Safety Council.
- “Best Supply Chain Management” award for the year 2023 (in the category of castings and machining) felicitated at VECV Annual Supplier Conference.
- IIM National Sustainability Award.
- Kirloskar ICON Award-2024 to Solapur Plant under “Collaboration”

- Kirloskar ICON Award-2024 for premium connection business under Collaboration.
- Safety professional were awarded Safe India Hero Plus awards by Joint Director, Industrial Safety and Health.

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

(K) Details relating to Key Financial Ratios

Sr. No.	Particulars	Ratio as of 31 March 2024	Ratio as of 31 March 2023	% Change	Explanations, if any
1	Debtors' Turnover	7.08	7.69	-8.03%	-
2	Inventory Turnover	3.21	3.59	-10.63%	-
3	Interest Coverage Ratio	4.97	7.52	-33.90%	-
4	Current Ratio	1.11	1.13	-1.96%	-
5	Debt Equity Ratio	0.38	0.32	17.45%	-
6	Operating Profit Margin (%)	13.13	13.00	1.01%	-
7	Net Profit Margin (%)	5.25	6.87	-23.61%	-

Note : Reduction in realization of pig iron business and drop in volume in casting Business led to the drop in profitability thereby impacting the ratios.

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

Sr. No.	Particulars	Ratio as of 31 March 2024	Ratio as of 31 March 2023	% Change	Explanations
1	Return on Net worth	17.20	26.81	-35.85%	-

Report on Corporate Governance

[Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the SEBI LODR Regulations')]

1. Company's philosophy on Code of Governance

Corporate Governance contains a set of principles, process and systems to be followed by Directors, Management and Employees of the Company for increasing the shareholders' value, keeping in view interest of other stakeholders. While adhering to the above, the Company is committed to integrity, accountability, transparency and compliance with laws and in dealings with the Government, customers, suppliers, employees and other stakeholders.

2. Board of Directors

(a) Composition of the Board

The Board of Directors comprised of twelve Directors as on 31 March 2024. Out of these, there is one Managing Director, one Executive Director, four Non Independent Directors and six Independent Directors (including two Woman Directors).

The Board of Directors is duly constituted pursuant to the provisions of Section 149 of the Companies Act, 2013 and Regulation 17(1) of the SEBI LODR Regulations.

(b) Number of Board meetings

During the financial year 2023-2024, six meetings of the Board of Directors were held on 12 May 2023, 2 August 2023, 28 September 2023, 3 November 2023, 2 February 2024 and 7 March 2024.

(c) Directors' attendance record

Details on composition and category of Directors, attendance of each Director at the meeting of the Board of Directors, number of other Board of Directors or Committees in which a Director is a member or chairperson are as given below :

Category of Directors and Name of Director	Financial Year 2023-2024		Number of Directorships in other public limited companies incorporated in India	Committee positions held in other public limited companies	
	Board Meetings held	Board Meetings attended		Member	Chairman
Promoter Directors (Non Executive)					
Mr. Atul Kirloskar - Chairman	6	6	4	Nil	Nil
Mr. Rahul Kirloskar - Vice Chairman	6	6	5	3	Nil
Mr. R. V. Gumaste Managing Director	6	6	1	Nil	Nil
Mr. R. S. Srivatsan Executive Director (Finance) and CFO	6	6	Nil	Nil	Nil
Non Independent Director (Non Executive)					
Mr. A. N. Alawani	6	6	1	1	1
Mr. M. R. Chhabria	6	6	7	4	2
Independent Directors (Non Executive)					
Mrs. Nalini Venkatesh	6	6	1	Nil	Nil
Mr. Y. S. Bhave	6	6	3	Nil	Nil
Mr. V. M. Varma	6	6	1	2	Nil
Mr. S. Venkataramani	6	6	1	1	1
Mr. Pravir Kumar Vohra	6	6	5	6	1
Dr. Shalini Sarin	5	5	3	2	Nil

Notes :

- Directorships held in foreign companies, private limited companies, one person companies and companies under Section 25 of the Companies Act, 1956 / under Section 8 of the Companies Act, 2013 have not been considered.
- For the purpose of reckoning the limit on committee positions, chairmanship / membership of the Audit Committee and the Stakeholders Relationship Committee are considered.
- None of Directors on the Board is a Director of more than seven listed companies.
- Dr. Shalini Sarin has been an Independent Director with effect from 13 May 2023.
- Thirteen directors were present at the annual general meeting held on 3 August 2023.

Name of other listed companies, where a Director holds directorship and the category of directorship are as given below :

Name of the Director	Name of the listed entities in which Director holds Directorship	Category of Directorship
Mr. Atul Kirloskar	Kirloskar Oil Engines Limited	Chairman
	Kirloskar Industries Limited	Non Independent Director
	Kirloskar Pneumatic Company Limited	Non Independent Director
Mr. Rahul Kirloskar	Kirloskar Pneumatic Company Limited	Executive Chairman
	Kirloskar Oil Engines Limited	Non Independent Director
	ISMT Limited	Chairman
Mr. R. V. Gumaste	ISMT Limited	Vice Chairman
Mr. A. N. Alawani	Kirloskar Industries Limited	Non Independent Director
Mrs. Nalini Venkatesh	Kirloskar Pneumatic Company Limited	Independent Director
Mr. Y. S. Bhave	Nil	-
Mr. M. R. Chhabria	Kirloskar Industries Limited	Managing Director
	Kirloskar Oil Engines Limited	Non Independent Director
	Kirloskar Pneumatic Company Limited	Non Independent Director
	ZF Commercial Vehicle Control Systems India Limited (earlier known as Wabco India Limited)	Independent Director
	Shoppers Stop Limited	Independent Director
Mr. V. M. Varma	Kirloskar Industries Limited	Independent Director
Mr. S. Venkataramani	ISMT Limited	Independent Director
Mr. Pravir Kumar Vohra	Kirloskar Pneumatic Company Limited	Independent Director
	Thomas Cook (India) Limited	Independent Director
	IDFC First Bank Limited	Independent Director
Mr. R. S. Srivatsan	Nil	-
Dr. Shalini Sarin	ISMT Limited	Independent Director
	Kirloskar Oil Engines Limited	Independent Director
	Linde India Limited	Independent Director
	Automotive Axles Limited	Independent Director

Mr. Atul Kirloskar and Mr. Rahul Kirloskar, being brothers, are related to each other.

No other Director is related to any other Director of the Company within the meaning of Section 2(77) of the Companies Act, 2013 and rules thereof.

Statement showing number of equity shares of the Company held by the Directors as on 31 March 2024 :

Name of Director	Equity Shares of ₹ 5 each
Mr. Atul Kirloskar	989,726
Mr. Rahul Kirloskar	1,425,279
Mr. R. V. Gumaste	887,521
Mr. A. N. Alawani	35,000
Mrs. Nalini Venkatesh	59,367
Mr. Y. S. Bhave	Nil
Mr. M. R. Chhabria	Nil
Mr. V. M. Varma	Nil
Mr. S. Venkataramani	Nil
Mr. Pravir Kumar Vohra	Nil
Mr. R. S. Srivatsan	150,000
Dr. Shalini Sarin	Nil

Meeting of Independent Directors :

A meeting of Independent Directors of the Company was held on 28 December 2023 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 Executive Director and Non Executive Directors;

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

All six Independent Directors attended the meeting.

Criteria for performance evaluation of Directors has been specified in the section 'Nomination and Remuneration Committee' given below at Item No. 4.

Statement of Declaration by the Independent Directors

All the Independent Directors have given declarations that they meet the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 and Regulation

16(1)(b) of the SEBI LODR Regulations and also confirmed that they have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

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

After due assessment of veracity (to the extent possible) of declarations received from Independent Directors, the Board of Directors took on record declarations and confirmations submitted by the Independent Directors pursuant to Regulation 25(8) of the SEBI LODR Regulations.

The Board of Directors is of the view that the Independent Directors fulfill conditions specified in the SEBI LODR Regulations and that they are independent of the management.

Familiarization programme for Independent Directors:

Independent Directors of the Company are made aware of their role, rights and responsibilities at the time of their appointment, through a formal letter of appointment, which also stipulates various terms and conditions of the engagement. All Board Members are made aware of from time to time, latest applicable legal, regulatory and business developments / updates, by way of presentations where Directors have an opportunity to interact with Key Management Personnel. Presentations include, inter-alia, quarterly and annual results, budgets, review of internal audit report, details relating to business operations and performance, financial parameters, changes in senior management, major litigations, compliances, risk management and regulatory scenarios and related matters as may arise from time to time.

The Company has conducted various familiarization programmes and presentations for Independent Directors. Details of familiarisation programmes and presentations have been disclosed at the website of the Company, viz. www.kirloskarferrous.com

Skills matrix for the Directors

The Board of Directors of the Company comprises members, who bring in the required skills and expertise for effective functioning of the Company, the Board and its Committees.

Skill	Skill definitions
Strategy and Strategic planning	Ability to identify and critically assess strategic opportunities and threats to the Company vis-à-vis the Company's objectives and develop strategies for the Company's long term growth and sustainability.
Corporate Governance	Ability to maintain management accountability and formulate policies to safeguard interests of the Company and shareholders; understanding of control environments and ability to ensure adherence to highest standards of corporate governance.
Business Acumen	Ability to drive success in the market and formulate policies for enhancing market share; ability to understand business environment and economic and regulatory conditions impacting market.
Leadership	Understanding of operations and organizational processes; ability to develop talent and ensure succession planning; ability to bring about organizational change and improvement; ability to manage crisis.
Industry knowledge	Experience and knowledge with respect to pig iron and foundry industry.
Financial Skills	Expertise in financial management, capital allocation, financial reporting requirements; ability to evaluate proposals relating to merger / acquisition and execute the same effectively, including integration of operations.
ESG	Ability to develop and drive leading practices in ESG creating meaningful impact on environment, society and enriching overall governance quotient of the organization
Technology	Ability to anticipate changes in technology, drive product and process innovation.
Legal and Regulatory knowledge	Understanding of regulatory and legal frameworks

Table given below summarizes key skills and expertise possessed by the Board of Directors :

Skill	Skills								
	Strategy & Strategic Planning	Corporate Governance	Business Acumen	Leadership	Industry Knowledge	Financial Skills	ESG	Technology	Legal & Regulatory Knowledge
Atul Kirloskar	√	√	√	√	√	√	√	√	√
Rahul Kirloskar	√	√	√	√	√	√	√	√	√
R. V. Gumaste	√	√	√	√	√	√	√	√	√
A. N. Alawani	√	√	√	√	√	√	√		√
Nalini Venkatesh	√	√	√			√	√		√
Y. S. Bhave	√	√	√	√		√	√		√
M. R. Chhabria	√	√	√	√	√	√	√		√
V. M. Varma	√	√	√	√	√	√	√		√
S. Venkataramani	√	√	√	√	√	√	√		√
R S. Srivatsan	√	√	√	√	√	√	√	√	√
Pravir Kumar Vohra	√	√	√	√		√			√
Shalini Sarin	√	√	√	√		√	√		√

3. Audit Committee

(a) Composition

The Audit Committee comprises of four Directors, out of which three are Independent Directors.

Mr. S. Venkataramani, an Independent Director is the Chairman of the Audit Committee. Other Members of the Committee are Mr. A. N. Alawani, Mr. V. M. Varma and Mr. Pravir Kumar Vohra.

The Company Secretary acts as the Secretary to the Committee.

During the financial year 2023-2024, six meetings of the Audit Committee were held on 11 May 2023, 2 August 2023, 8 September 2023, 28 September 2023, 3 November 2023 and 2 February 2024.

Details of attendance by committee members are as given below :

Name of Director	Category	Number of meetings held	Number of meetings attended
Mr. S. Venkataramani	Independent and Non - Executive	6	6
Mr. A. N. Alawani	Non-Independent and Non-Executive	6	6
Mr. V. M. Varma	Independent and Non - Executive	6	6
Mr. Pravir Kumar Vohra	Independent and Non - Executive	6	6
Mr. M. V. Kotwal	Independent and Non - Executive	4	4

Note :

Mr. M. V. Kotwal retired as Independent Director and ceased to be the Chairman of the Committee with effect from 10 October 2023.

The Executive Director (Finance) and CFO attended all meetings of the Audit Committee as the Invitee. Representatives of the Statutory Auditor, the Internal Auditor and the Cost Auditor were invited and attended meetings of the Audit Committee.

Mr. M. V. Kotwal, erstwhile Chairman of the Audit Committee, was present at the 32nd Annual General Meeting of the Members of the Company held on 3 August 2023.

The Audit Committee acts as a link between the Management, the Statutory Auditor, the Internal Auditor and the Board of Directors.

The Audit Committee has been vested with following powers :

- To investigate any activity within its terms of its reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

(b) Terms of Reference

The terms of reference of the Audit committee include the matters specified in Part C of Schedule II of the SEBI LODR Regulations as well as those specified in Section 177 of the Companies Act, 2013 and inter-alia, includes following :

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Examination of the financial statement and the auditor's report thereon.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the Management, the annual financial statements and auditors' report thereon before submission to the Board, for approval, with particular reference to :

  a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.

  b) Changes, if any, in accounting policies and practices and reasons for the same.

  c) Major accounting entries involving estimates based on the exercise of judgment by management.

  d) Significant adjustments made in the financial statements arising out of audit findings.

  e) Compliance with listing and other legal requirements relating to financial statements.

  f) Disclosure of any related party transactions.

  g) Modified opinions in the draft audit report.

- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses / applications of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture-holders, shareholders (in case of non payment of declared dividends) and creditors.
- To review the functioning of the whistle blower mechanism.
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
- Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10 percent of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc., on the Company and its shareholders.
- Reviewing the following information :
    a. Management discussion and analysis of financial condition and results of operations;
    b. Statement of significant related party transactions 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 and
    e. The appointment, removal and terms of remuneration of the Chief Internal Auditor.
    f. Statement of deviations :
        - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
        - Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).
- Reviewing with the compliance of provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems of internal control are adequate and are operating effectively.
- Carrying out any other function as mentioned in terms of reference of the Audit Committee and as amended from time to time by the Companies Act, 2013; rules thereof and the SEBI LODR Regulations.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of three Directors, out of which two Directors are Independent Directors.

Dr. Shalini Sarin, Independent Director is the Chairperson of the Nomination and Remuneration Committee. Other Members of the Committee are Mr. Atul Kirloskar and Mr. Y. S. Bhave.

The Company Secretary acts as the Secretary to the Committee.

During the financial year 2023-2024, two meetings of the Nomination and Remuneration Committee were held on 11 May 2023 and 3 November 2023.

Details of attendance by committee members are as given below :

Name of Director	Category	Number of meetings held	Number of meetings attended
Dr. Shalini Sarin	Independent and Non - Executive	1	1
Mr. Atul Kirloskar	Non - Independent and Non - Executive	2	2
Mr. Y. S. Bhave	Independent and Non - Executive	2	2
Mr. M. V. Kotwal	Independent and Non - Executive	1	1

Note :

Mr. M. V. Kotwal retired as Independent Director and ceased to be the Chairman of the Committee with effect from 10 October 2023.

Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors has adopted the Nomination and Remuneration Policy for selection and appointment of Directors, Senior Management and their remuneration. The copy of the policy is available at the website of the Company viz. www.kirloskarferrous.com

Terms of reference of the Nomination and Remuneration Committee are as given below :

- Identify persons, who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down.
- Recommend to the Board appointment and/or removal of Directors and senior management.
- Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- For every appointment of an independent director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director and recommend to the Board for appointment as an Independent Director.
- Formulation of criteria for evaluation of performance of independent directors and the board of directors.
- Devising a policy on diversity of board of directors.
- Identifying persons, who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- Perform such functions as may be assigned by the Board of Directors from time to time and
- Carrying out any other function as mentioned in terms of reference of the Nomination and Remuneration Committee and as amended from time to time by the Companies Act, 2013; rules thereof and the SEBI LODR Regulations.

Criteria for performance evaluation of Directors

Performance evaluation of each Director was carried out based on the criteria as laid down by the Nomination and Remuneration Committee.

Criteria for performance evaluation included aspects such as attendance at the meetings, participation and independence during the meetings, interaction with management, role and accountability, knowledge and proficiency. Further, performance evaluation of the Managing Director was also based on business achievements of the Company.

5. Stakeholders Relationship Committee

The Company has the Stakeholders Relationship Committee, which comprises of three Directors, viz. Mr. Atul Kirloskar, Mr. A. N. Alawani and Mr. V. M. Varma.

Mr. Atul Kirloskar acts as the Chairman of the Committee.

During the financial year 2023-2024, three meetings of the Stakeholders Relationship Committee were held on 20 April 2023, 22 June 2023 and 25 September 2023.

Details of attendance by the committee members are as given below :

Name of Director	Category	Number of meetings held	Number of meetings attended
Mr. Atul Kirloskar	Non-Independent and Non-Executive	3	3
Mr. A. N. Alawani	Non-Independent and Non-Executive	3	3
Mr. V. M. Varma	Independent and Non - Executive	3	3

Terms of reference of the Stakeholders Relationship Committee are as given below :

- Resolving the grievances of the securityholders of the listed entity including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company.

Mr. Mayuresh Gharpure, Company Secretary and the Compliance Officer has been authorised by the Board of Directors to consider and approve applications for transfer, transmission, name deletions and related matters and to look into the investor complaints.

Contact details of the Compliance Officer are as given below :
Mr. Mayuresh Gharpure, Company Secretary
Kirloskar Ferrous Industries Limited
13, Laxmanrao Kirloskar Road, Khadki, Pune 411003, Maharashtra
Telephone No. (020) 66084664
Fax No. (020) 25813208 / 25810209

The Company has designated an exclusive email ID kfilinvestor@kirloskar.com for investors to register grievances, if any. The said email ID has been displayed at the website of the Company.

No investor complaint was pending as on 31 March 2023. Fifty three investor complaints were received and fifty one investor complains were redressed during the financial year 2023-2024. Two complaints were pending as on 31 March 2024.

6. Risk Management Committee

The Board of Directors at its meeting held on 26 July 2021 has constituted the Risk Management Committee and assigned terms of reference to it. It comprises of four Directors, out of which two Directors are Independent Directors.

Mr. V. M. Varma, Independent Director is the Chairman of the Risk Management Committee. Other Members of the Committee are Mr. R. V. Gumaste, Mr. A. N. Alawani and Mr. Pravir Kumar Vohra.

The Company Secretary acts as the Secretary to the Committee.

During the financial year 2023-2024, two meetings of the Risk Management Committee were held on 26 April 2023 and 18 October 2023.

Details of attendance by the committee members are as given below :

Name of Director	Category	Number of meetings held	Number of meetings attended
Mr. V. M. Varma	Independent and Non - Executive	2	2
Mr. A. N. Alawani	Non-Independent and Non-Executive	2	2
Mr. R. V. Gumaste	Managing Director	2	2
Mr. Pravir Kumar Vohra	Independent and Non - Executive	1	1
Mr. M. V. Kotwal	Independent and Non - Executive	1	1

Note :

Mr. M. V. Kotwal retired as Independent Director and ceased to be the Member of the Committee with effect from 10 October 2023.

Role and powers of the Risk Management Committee are as given below :

- To formulate a detailed risk management policy which shall include :
  - a. A framework for identification of internal and external risks specifically faced by the company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the committee.
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
- Coordination of its activities with other committees of the Board, wherever required.
- To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
- Such other role / powers as may be assigned by the SEBI LODR Regulations and the Board of Directors from time to time.

7. Remuneration to Directors

a) Remuneration to Managing Director

The Company pays remuneration by way of salary, perquisites, allowances and commission to the Managing Director. The commission to the Managing Director is decided by the Nomination and Remuneration Committee on determination of the profits for the financial year and approved by the Board of Directors. The remuneration to the Managing Director is in accordance with the provisions of the Companies Act, 2013; rules thereof and within the ceiling prescribed thereunder.

The Members of the Company at their thirty second annual general meeting held on 3 August 2023 approved the re-appointment and the terms of remuneration of Mr. R. V. Gumaste as the Managing Director for a period of 5 years with effect from 1 July 2023. The Company has entered into an agreement with the Managing Director for a period of five years. No notice period and severance fees have been prescribed in the agreement.

Details of remuneration, by payment and provision, to Mr. R. V. Gumaste, Managing Director for the financial year 2023-2024 are as given below :

Particulars	Amount (₹)
Basic Salary	14,550,000
Special Allowance	2,332,500
House Rent Allowance	1,200,000
Leave Travel Assistance	200,000
Contribution to Provident Fund	1,746,000
Contribution to Superannuation Fund	-
Perquisites	1,012,964
Perquisite value for stock options	39,591,300
Gratuity	1,475,524
Leave Encashment	441,859
Commission	50,000,000
Total	**112,550,147**

Salary includes basic salary, special allowance and house rent allowance. Perquisites include reimbursement of medical expenses, personal accident insurance and mediclaim insurance premium.

Pursuant to 'KFIL Employee Stock Option Scheme 2017'; the Nomination and Remuneration Committee at its meeting held on 3 November 2017 has granted to Mr. R. V. Gumaste, Managing Director 500,000 stock options at an exercise price of ₹ 50 per stock option. As of 31 March 2024; 487,500 stock options were vested in him and he has exercised 487,500 stock options out of vested stock options.

Pursuant to 'KFIL Employee Stock Option Scheme 2021'; the Nomination and Remuneration Committee at its meeting held on 19 May 2022 has granted to him 500,000 stock options at an exercise price of ₹ 157 per stock option. These stock options would be vested over a period of four years subject to fulfillment of vesting conditions. As of 31 March 2024; 125,000 stock options were vested in him and he has exercised 125,000 stock options out of vested stock options.

b) Remuneration to Executive Director

The Company pays remuneration by way of salary, perquisites, allowances and commission to the Executive Director. The commission to the Executive Director is decided by the Nomination and Remuneration Committee on determination of the profits for the financial year and approved by the Board of Directors. The remuneration to the Executive Director is in accordance with the provisions of the

Companies Act, 2013; rules thereof and within the ceiling prescribed thereunder.

The Members of the Company at their annual general meeting held on 1 August 2022 approved the appointment and the terms of remuneration of Mr. R. S. Srivatsan as the Executive Director for a period of five years with effect from 17 May 2022. The Company had entered into an agreement with the Executive Director for a period of five years. No notice period and severance fees have been prescribed in the agreement.

Details of remuneration, by payment and provision, to Mr. R. S. Srivatsan, Executive Director for the financial year 2023-2024 are as given below :

Particulars	Amount (₹)
Basic Salary	10,500,000
Special Allowance	1,440,000
House Rent Allowance	1,200,000
Leave Travel Assistance	120,000
Contribution to Provident Fund	1,260,000
Contribution to Superannuation Fund	-
Perquisites	448,552
Perquisite value for stock options	10,822,500
Gratuity	1,494,550
Leave Encashment	242,617
Commission	20,000,000
Total	**47,528,219**

Salary includes basic salary, special allowance and house rent allowance. Perquisites include reimbursement of medical expenses, personal accident insurance and mediclaim insurance premium.

Pursuant to the resolution passed by the Members of the Company at their annual general meeting held on 1 August 2022 and upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 12 May 2023 has approved the increment in basic salary payable to him from ₹ 800,000 per month to ₹ 875,000 per month with effect from 1 April 2023.

Pursuant to KFIL Employee Stock Option Scheme 2021; the Nomination and Remuneration Committee at its meeting held on 19 May 2022 has granted to Mr. R. S. Srivatsan, Executive Director 200,000 stock options at an exercise price of ₹ 157 per stock option and these stock options would be vested over a period of four years subject to fulfillment of vesting conditions. As of 31 March 2024; 50,000 stock options were vested in him and he has exercised 33,000 stock options out of vested stock options.

c) Remuneration to Non Executive Directors

Section 197 of the Companies Act, 2013 and rules thereof state that, except with the approval of the members in the general meeting by a special resolution, the remuneration payable to Directors, who are neither Managing Directors nor Whole Time Directors, shall not exceed one percent of the net profits of the Company, if there is a Managing Director.

Upon the recommendation of the Nomination and Remuneration Committee and based on the performance of the Company, the Board of Directors decides the remuneration by way of commission to Non Executive Directors.

Details of commission payable to Non Executive Directors for the financial year 2023-2024 are as given below :

Name of Director	Amount (₹)
Mr. Atul Kirloskar	2,600,000
Mr. Rahul Kirloskar	2,600,000
Mr. A. N. Alawani	2,500,000
Mrs. Nalini Venkatesh	600,000
Mr. Y. S. Bhave	600,000
Mr. M. R. Chhabria	3,600,000
Mr. V. M. Varma	1,500,000
Mr. S. Venkataramani	2,500,000
Mr. Pravir Kumar Vohra	1,500,000
Dr. Shalini Sarin	1,000,000
Mr. M. V. Kotwal	1,400,000
Total	**20,400,000**

There are no pecuniary relationships or transactions of Non Executive Directors vis-a-vis the Company.

Payment of sitting fees to Non Executive Directors

The Board of Directors at its meeting held on 5 August 2022 has increased the sum of sitting fees payable to a Non Executive Director from ₹ 50,000 to ₹ 1,00,000 for attending a meeting of the Board of Directors, from ₹ 50,000 to ₹ 75,000 for attending a meeting of Audit Committee and ₹ 50,000 for attending a meeting of any other Committee as may be decided by the Board of Directors from time to time.

Details of Sitting Fees paid to Non Executive Directors during financial year 2023-2024 are as given below :

Name of Director	Amount (₹)
Mr. Atul Kirloskar	850,000
Mr. Rahul Kirloskar	650,000
Mr. A. N. Alawani	1,300,000
Mrs. Nalini Venkatesh	650,000
Mr. Y. S. Bhave	700,000
Mr. M. R. Chhabria	600,000
Mr. V. M. Varma	1,300,000
Mr. S. Venkataramani	1,050,000
Mr. Pravir Kumar Vohra	1,100,000
Dr. Shalini Sarin	550,000
Mr. M. V. Kotwal	700,000
Total	**9,450,000**

General Body Meetings

Details of previous three annual general meetings held are as given below :

30th Annual General Meeting on 27 July 2021 at 11.30 a.m. (IST)

The Annual General Meeting was held through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') facility.

Two special resolutions were passed :

- Authority to the Board of Directors of the Company pursuant to provisions of Section 180(1)(c) of the Companies Act, 2013 to borrow any sum or sums of money, which together with the monies borrowed earlier by the Company, may exceed at any time the aggregate of the paid-up share capital, the free reserves and the securities premium of the Company by a sum not more than ₹ 200 Crores.
- Approval to the introduction and implementation of 'KFIL Employee Stock Options Scheme 2021' and grant of not exceeding 25,00,000 stock options to eligible Directors and specified senior management employees of the Company.

31st Annual General Meeting on 1 August 2022 at 11.00 a.m. (IST)

The Annual General Meeting was held through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') facility.

One special resolution was passed :

Appointment of Mr. Y. S. Bhave as an Independent Director of the Company to hold office for another term upto 15 July 2024.

32nd Annual General Meeting on 3 August 2023 at 11.00 a.m. (IST)

The Annual General Meeting was held through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') facility.

Three special resolutions were passed :

- Re-appointment of Mr. Ravindranath Venkatesh Gumaste (DIN : 00082829) as the Managing Director for a term of five years with effect from 1 July 2023 (notwithstanding his completion of the age of seventy years during the proposed tenure) and approval to the terms of remuneration.
- Authority to the Board of Directors of the Company for borrowing or raising of funds not exceeding ₹ 750 Crores by issuance of Non Convertible Debentures in one or more tranches on private placement basis.
- Appointment of Dr. Shalin Sarin (DIN 06604529) as an Independent Director of the Company to hold office for a term upto 12 May 2028.

Details of meeting of equity shareholders convened in accordance with the order issued by Honourable National Company Law Tribunal, Mumbai Bench held are as given below :

Meeting of equity shareholders of the Company was held on 14 March 2024 at 3:00 p.m. (IST) through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') facility.

Details of the resolution :

To approve the proposed Scheme of Arrangement and Merger of ISMT Limited ("ISMT / Transferor Company") with and into Kirloskar Ferrous Industries Limited and their respective shareholders ("Scheme") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") along with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("Merger Rules") and other applicable rules under the Act.

No resolution was passed by way of postal ballot during the financial year 2023-2024.

8. Means of Communication

In compliance with requirements of the SEBI LODR Regulations; the financial results are filed at regular intervals with the BSE Limited, immediately after approval by the Board of Directors. The financial results of the Company are available at the website of BSE Limited viz, www.bseindia.com and that of the Company viz. www.kirloskarferrous.com

Presentations to investors / analysts and official news releases are also available at the website of the Company, viz, www.kirloskarferrous.com

Extract of financial results are published in national and local dailies such as Financial Express (English language newspaper) and Loksatta (Marathi language newspaper) having wide circulation. Since the financial results are available at the websites of BSE Limited and the Company and extract of the same are also published in national and regional newspapers, they are not sent individually to each member.

9. General Shareholders' Information

Corporate Identification Number (CIN)	L27101PN1991PLC063223
Day, Date and Time	Tuesday, 24 September 2024 at 11:00 a.m. (IST)
Venue	Through Video Conferencing or Other Audio Visual Means (VC / OAVM)
Record Date for payment of dividend	Friday, 13 September 2024
Financial Year	For the financial year from 1 April 2023 to 31 March 2024; financial results were announced as given below : First Quarter 2 August 2023 Second Quarter 3 November 2023 Third Quarter 2 February 2024 Annual 17 May 2024
ISIN	INE884B01025
Dividend payment date	On or before 22 October 2024
Listing on stock exchange	BSE Limited (scrip code : 500245)

The annual listing fees till date has been paid to BSE Limited.

National Stock Exchange of India Limited (NSE) vide its Circular Reference No. 0960/2019 dated 8 November 2019 has informed its Members that the equity shares of Kirloskar Ferrous Industries Limited are permitted to trade and admitted to dealings in Capital Market segment (Symbol : KIRLFER) with effect from 13 November 2019.

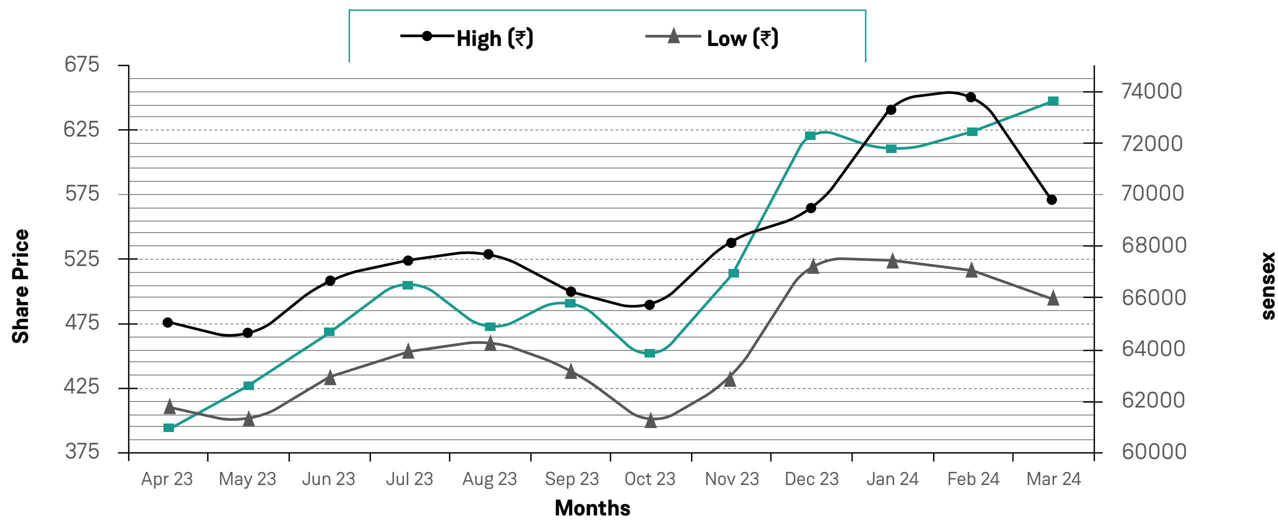
NSE published its Circular bearing reference No. 1287/2023 dated 25 September 2023 titled 'Withdrawal of Dealings in securities under Permitted to Trade category' ("Circular"). Under the said Circular, NSE has withdrawn securities of the Company from dealing with effect from 26 October 2023 (i.e. with effect from closing hours of trading on 25 October 2023), for trading under permitted to trade category.

Market Price Data

Monthly high / low prices of equity share on the BSE Limited during the financial year 2023-2024 are as given below :

Year	Month	High (₹)	Low (₹)
2023	April	477.00	411.00
	May	468.00	400.80
	June	508.50	434.00
	July	525.75	453.05
	August	533.50	462.25
	September	501.80	441.60
	October	489.35	400.00
	November	538.50	433.00
	December	564.25	524.00
2024	January	640.00	525.00
	February	650.00	515.55
	March	570.00	496.10

Performance of Company's Scrip On BSE as compared to BSE Sensex (April 2023 to March 2024)



Registrar and Share Transfer Agent (RTA)

Link Intime India Private Limited (a SEBI Registered Registrar and Share Transfer Agent) has been maintaining activities in relation to the share transfer facility.

Contact details of the RTA are as given below :
Link Intime India Private Limited
Akshay Complex, Block No 202, Second Floor, Off Dhole Patil Road,
Near Ganesh Temple, Pune 411001, Maharashtra
Telephone No. (020) 46014473 / 26161629 Fax No. (020) 26163503
Email : pune@linkintime.co.in

Share Transfer System

Pursuant to proviso to Regulation 40 of the SEBI LODR Regulations read with the Circular dated 7 September 2020 issued by the SEBI; transfer of securities should take place in electronic form with effect from 1 April 2019. However, applications for transfer of securities like change of name, name deletion, transmission and transposition are permitted for securities held in physical form.

Applications for transfer of equity shares held in physical form are processed by the RTA of the Company, approved at regular intervals and are returned after the registration of transfers within fifteen days from the date of receipt, subject to the validity of all documents lodged with the Company. The applications for transfer of shares under objection are returned within a week from the date of receipt.

Shareholding Pattern as on 31 March 2024

Category	Number of shares	Percentage of shareholding
Promoters and Promoters Group	78,685,421	56.48
Mutual Funds	16,591,475	11.91
Domestic Companies	5,042,485	3.62
Investor Education and Protection Fund (IEPF)	2,055,806	1.48
Alternate Investments Funds	803,556	0.58
Foreign Institutional Investors	28,500	0.02
Foreign Portfolio Investors	2,565,189	1.84
Financial Institutions / Banks	500	0.00
NBFCs registered with RBI	26,055	0.01
Non Resident Indians	1,668,150	1.20
Directors and their relatives	1,131,888	0.74
Employees	636,551	0.46
Hindu Undivided Families (HUF)	1,533,576	1.10
Clearing Members	1,450	0.00
Trusts	24,657	0.01
Limited Liability Partnerships (LLP)	230,733	0.17
General Public	28,295,467	20.38
Total	**139,321,459**	**100.00**

Distribution of Shareholding as on 31 March 2024

Nominal Value of Shares (₹)		Shareholders		Shares	
From	To	Number	Percentage to Total	Number	Percentage to Total
1	5,000	63,077	95.48	8,285,462	5.95
5,001	10,000	1,255	1.90	1,898,392	1.36
10,001	20,000	757	1.15	2,204,788	1.58
20,001	30,000	325	0.49	1,632,899	1.17
30,001	40,000	128	0.19	900,025	0.65
40,001	50,000	115	0.17	1,077,181	0.77
50,001	100,000	176	0.27	2,512,952	1.80
100,001 and above		229	0.35	120,809,760	86.72
	Total	**66,062**	**100.00**	**139,321,459**	**100.00**

Equity Shares in electronic form

As on 31 March 2024, 98.13 percent of paid-up equity share capital of the Company was held in electronic form.

Outstanding Global Depository Receipts / American Depository Receipts / Warrants or any convertible instruments, conversion date and impact on equity

There was no convertible instrument outstanding as on 31 March 2024 for conversion into equity shares.

Commodity price risk or foreign exchange risk and hedging activities

Commodity Price Risk

Commodity price risk is a financial risk on the Company's financial performance, which is affected by the fluctuating prices on account of global and regional supply / demand. Fluctuations in the prices of commodities mainly depend on market conditions.

The Company has a risk management framework for identifying, monitoring and mitigating such risks, which has been evolved over the period.

On output side – Market forces generally significantly influence the prices of pig iron sold by the Company. These prices are generally influenced by factors such as competition, supply and demand, production costs (including the costs of raw material inputs) and availability of alternate materials such as steel scrap, etc. Changes in any of these factors may have impact on the revenue of the Company. To make the prices of pig iron more competitive, preferences are given to the zones, which provides higher contribution and thus the Company endeavors to manage the price risk.

Castings are made to order and the prices are determined based on the specifications provided by the customers. Price fluctuations in the input materials are adjusted based on the input price movement with respect to the base price of the castings.

On Input side – The procurement prices of metallurgical coke, coking coal and iron ore, which are the major input materials for production of pig iron, are also subject to market fluctuations. The Company procures these materials in open market at prevailing prices. However, the Company has elaborate system and monitoring mechanism to mitigate the input price risk with the help of inventory control, materials planning and adoption of operational measures. For further details, kindly refer to the Notes forming part of the Standalone Financial Statements.

Foreign exchange risk and hedging activities

During the financial year 2023-2024, the Company has managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against imports. Details of foreign currency exposures are disclosed in the Notes forming part of the Standalone Financial Statements.

Plant Locations

- Bevinahalli Village, P.O. Hitnal, Taluka and District Koppal 583234, Karnataka
- Hotgi Road, Shivashahi, Solapur 413224, Maharashtra
- Paramenahally Village, Taluka Hiriyur, District Chitradurga 577598, Karnataka

Address for correspondence

Kirloskar Ferrous Industries Limited
13, Laxmanrao Kirloskar Road,
Khadki, Pune 411003
Telephone No. (020) 66084645
Fax No. (020) 25813208 / 25810209
Email : kfilinvestor@kirloskar.com

Link Intime India Private Limited
Akshay Complex, Block No 202,
Second Floor, Off Dhole Patil Road,
Near Ganesh Temple,
Pune 411001
Telephone No. (020) 46014473 / 26161629
Fax No. (020) 26163503
Email : pune@linkintime.co.in

List of credit ratings obtained :

- ICRA Limited vide its rating rationale dated 29 December 2023 has reaffirmed the long-term rating of 'ICRA AA with stable outlook' for issue of Debentures by the Company. The Company has not borrowed any sum by issue of debentures during the financial year 2023-2024.
- ICRA Limited vide its letter dated 22 December 2023 has assigned the short-term rating of 'ICRA A1+' for issue of commercial papers upto ₹ 550 Crores. The sum of ₹ 500 Crores was raised by issue of commercial papers during the financial year 2023-2024.

10. Other Disclosures

a) Related Party Transactions

During the financial year 2023-2024, there were no materially significant transactions with the related parties. The Board of Directors has adopted the policy on related party transactions. The copy of the policy is available at the website of the Company, viz. www.kirloskarferrous.com

Details of transactions of the Company with any person or entity belonging to the Promoter / Promoter Group(s), which hold(s) ten percent or more shareholding in the Company are as given below :

Name of the promoter / promoter group(s)	Nature of relationship	Nature of transactions	2023-2024		2022-2023	
			Transaction value	Outstanding amount carried in balance sheet	Transaction value	Outstanding amount carried in balance sheet
Kirloskar Industries Limited	Promoter Group	Dividend	42.38	-	38.85	-
		Building rent paid	0.07	-	0.06	-
		Rent deposit receivable	-	0.03	-	0.03

b) There has been no instance of non-compliance by the Company on any matter related to capital markets during previous three financial years. Neither any penalty nor any stricture has been imposed on the Company by the SEBI, the stock exchange or any other regulatory authority on any matter related to capital markets.

c) Vigil Mechanism / Whistle Blower Policy

The Board of Directors has adopted the Vigil Mechanism / Whistle Blower Policy. The policy has provided a mechanism for Directors, Employees and other persons dealing with the Company to report to the Chairman of the Audit Committee, any instance of unethical behaviour, actual or suspected fraud or violation of the Code of Conduct for Board of Directors and Senior Management (the Code) or ethics policy or leakage of Unpublished Price Sensitive Information (UPSI), by any person, who is in possession of UPSI, to any other person in any manner whatsoever, except as otherwise permitted under the SEBI (Prohibition of Insider Trading) Regulations or any other instance. The policy has been uploaded at the website of the Company, viz. www.kirloskarferrous.com No person has been denied access to the Audit Committee.

d) Details regarding adoption of non-mandatory requirements as specified in Regulation 27(1) read with Schedule II of the SEBI LODR Regulations are as given below :

- The Board :
- Mr. Atul Kirloskar is Non Executive Chairman of the Company. The Company does not incur any expenses for maintaining the office of the Chairman.
- Shareholder Rights :
- Since financial results are available at websites of BSE Limited and the Company and extract of the same are published in national and regional newspapers, the financial results are not sent individually to each member.
- Modified opinion(s) in audit report :
- Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended 31 March 2024 have unmodified audit opinion.
- Separate posts of the Chairman and the Managing Director :
- The Company has separate persons to the post of the Chairman and the Managing Director. The Chairman is a Non-Executive Director and is not related to the Managing Director as per definition of the term 'Relative' defined under the Companies Act, 2013.
- Reporting of Internal Auditor :
- Internal Auditor reports to the Audit Committee and has direct access to the Audit Committee.

e) The Board of Directors at its meeting held on 17 May 2022 has adopted the 'policy on determination of material subsidiaries'. The policy has been uploaded at the website of the Company, viz. www.kirloskarferrous.com

f) The Company has not raised any funds through preferential allotment or qualified institutions during the year under review. Hence, no disclosure is required pursuant to Regulation 32(7A) of the SEBI LODR Regulations.

g) Certificate from Practicing Company Secretary

Mr. Mahesh J. Risbud, Practicing Company Secretary has issued a certificate confirming that 'None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI or the Ministry of Corporate Affairs or any such statutory authority.'

h) During the year under review, all recommendations given by the committees of the Board (which are mandatorily required) have been accepted by the Board.

i) Details of payment of fees for statutory audit, taxation, certification and related matters and reimbursement of out of pocket expenses to the statutory auditor for the financial year under review have been disclosed in the Notes forming part of the Standalone Financial Statements.

j) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are as given below :

Number of complaints pending at the beginning of financial year	Nil
Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending at the end of financial year	Nil

k) Details of the Cost Auditor

With reference to the General Circular No. 15/2011-52/5/CAB-2011 dated 11 April 2011 issued by the Government of India, Ministry of Corporate Affairs, Cost Audit Branch, New Delhi, following are the details of Cost Auditor and filing of cost audit report with the Central Government :

M/s. Dhananjay V. Joshi & Associates, Cost Accountants (Firm Registration No. 000030)
CMA Pride, Ground Floor, Plot No. 6, S. No. 16/6, Erandawana Housing Society, Erandawana, Pune 411004, Maharashtra
Email ID: dvjasso@dvjasso.com

The Cost Audit Report for the financial year ended 31 March 2023 has been filed with the Central Government on 31 August 2023.

l) During the year under review, the Company has not given any loan and advance to any firm or company, in which any Director of the Company is interested.

m) Details about the material subsidiary

Name of material subsidiary	ISMT Limited
Date of Incorporation	1 September 1999
Place of Incorporation	Pune
Name of the statutory auditor	P. G. Bhagwat LLP
Date of appointment of the statutory auditor	29 July 2022

n) Pursuant to the Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated 26 November 2018 issued by the SEBI with respect to "Fund raising by issuance of Debt Securities by Large Entities", the Company was a Large Corporate as of 31 March 2022 and 31 March 2023 and was required to raise minimum ₹ 191.25 Crores (i.e. 25 percent of incremental borrowings during FY 2023 and FY 2024) by way of issuance of debt securities till 31 March 2025. However, considering procedural requirements, turnaround time and the borrowing and incidental costs, the borrowings from banks have been availed instead of that by way of issuance of debt securities.

o) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI LODR Regulations.

p) Report on Management Discussion and Analysis forms part of the Annual Report and is in accordance with requirements specified in Schedule V of the SEBI LODR Regulations.

CEO / CFO Certification

A certificate signed by the Managing Director and the Executive Director (Finance) and CFO confirming compliance of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the meeting of the Board of Directors held on 17 May 2024.

Registration of details of bank account for payment of dividend by electronic means

As per Regulation 12 of the SEBI LODR Regulations, the Company shall use electronic modes of payment such as electronic clearing services, direct credit, real time gross settlement, national electronic funds transfer, etc. for making payment of dividend.

Accordingly, Members holding shares in electronic form and in physical form are requested to register necessary details of bank account with the Depository Participants and the Registrar and Share Transfer Agent, viz. Link Intime India Private Limited, respectively.

Transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)

Pursuant to provisions of Section 124(5) of the Companies Act, 2013 and rules thereof; any money transferred to the Unpaid Dividend Account of a company, which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF).

After transfer of unpaid dividend to the IEPF, any person claiming to be entitled to such amount may apply to the IEPF Authority in accordance with provisions of Section 125 of the Companies Act, 2013 and rules thereof.

A Member, who has not yet encashed dividend warrant(s), is requested to make claim without any delay to the Registrar and Share Transfer Agent of the Company, i.e. Link Intime India Private Limited.

Due dates for transfer of unclaimed dividend to the IEPF :

Financial Year	Dividend percent	Date of Declaration (DD/MM/YYYY)	Date of Payment (DD/MM/YYYY)	Date on which dividend will become part of IEPF (DD/MM/YYYY)	Unclaimed Sum as on 31 March 2024 (₹)
2017-2018	25	25/07/2018	27/07/2018	29/08/2025	34,57,903.25
2018-2019 (Interim)	20	30/01/2019	27/02/2019	04/03/2026	27,03,826.00
2018-2019 (Final)	20	23/07/2019	30/07/2019	28/08/2026	26,07,494.00
2019-2020 (Interim)	40	05/03/2020	20/03/2020	11/04/2027	69,10,200.00
2020-2021 (Interim)	40	02/03/2021	25/03/2021	08/04/2028	44,09,362.00
2020-2021 (Final)	60	27/07/2021	10/08/2021	02/09/2028	61,29,514.00
2021-2022 (Interim)	50	24/01/2022	18/02/2022	02/03/2029	48,03,671.50
2021-2022 (Final)	60	01/08/2022	19/08/2022	07/09/2029	57,81,915.00
2022-2023 (Interim)	50	07/02/2023	03/03/2023	16/03/2030	45,57,541.00
2022-2023 (Final)	60	03/08/2023	04/08/2023	17/08/2030	54,93,403.00
2023-2024 (Interim)	60	07/03/2024	28/03/2024	02/02/2031	48,90,647.00

Pursuant to provisions of Rule 5 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, details of amounts relating to unclaimed dividends as on the date of Annual General Meeting (i.e. 3 August 2023) have been filed in Form No. IEPF-2 with the Ministry of Corporate Affairs and uploaded at the website of the Company, viz. www.kirloskarferrous.com

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

Pursuant to provisions of Section 124(6) of the Companies Act, 2013 and rules thereof as amended from time to time, all shares, in respect of which dividend has not been claimed for a period of seven years from the date of such transfer shall be transferred by the company in the name of Investor Education and Protection Fund (IEPF) alongwith a statement containing such details as may be prescribed. Accordingly, 112,276 equity shares of ₹ 5 each have been transferred to the Investor Education and Protection Fund (IEPF) by way of corporate action.

Procedure for dealing with unclaimed shares

Pursuant to Regulation 39(4) of the SEBI LODR Regulations, the Company had sent reminder letters to those shareholders, whose share certificates have returned undelivered by the postal authorities due to insufficient / incorrect information and are lying with the Company. These share certificates will be sent to eligible shareholders upon submission of necessary documents to the Company.

Declaration of compliance with the Code of Conduct

To the Members of Kirloskar Ferrous Industries Limited,

Pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'), I hereby declare that all Board members and senior management personnel are aware of the provisions of the Code of Conduct laid down by the Board and made effective from 1 December 2015.

All Board members and senior management personnel have affirmed compliance with the Code of Conduct.

For Kirloskar Ferrous Industries Limited

R. V. Gumaste
Managing Director
DIN : 00082829

Date : 17 May 2024
Place : Pune

Independent Auditors' certificate on corporate governance

The Members of
Kirloskar Ferrous Industries Limited,
13, Laxmanrao Kirloskar Road, Khadki,
Pune 411003

1. We have examined the compliance of conditions of corporate governance by Kirloskar Ferrous Industries Limited ('the Company') for the year ended 31 March 2024 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 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

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 (Revised 2016) issued by the ICAI.

6. Based on our examination of the relevant records and according to the best of our information and explanations provided to us, we certify that the Company has complied with the conditions of regulations of Corporate Governance as stipulated in the above mentioned Listing Regulations.

7. We further 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.

8. The certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and may not be suitable for any other purpose.

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

Parag Pansare
Partner
Membership No. 117309
UDIN : 24117309BKCBHW6726

Date : 17 May 2024
Place : Pune

Section A	General Disclosures
Section B	Management and Process Disclosures
Section C	Principle wise Performance Disclosures
Principle 1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe
Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chains
Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect and make efforts to protect and restore the environment
Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
Principle 8	Businesses should promote inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner

Business Responsibility and Sustainability Report (BRSR)

Section A: General Disclosures

I. Details of the listed entity

Kirloskar Ferrous Industries Limited ('KFIL') is a public limited company incorporated in the year 1991. Equity shares of KFIL are listed with BSE Limited. It manufactures pig iron and grey iron castings by strongly focusing on innovation and customer centricity. Our products are produced with utmost precision and quality by adopting the industrial best standards. We cater to the requirements of diversified industries which include automobile, infrastructure & construction, agriculture, manufacturing, textile mills and steel sectors.

Post-merger of ISMT Limited with KFIL with the Appointed Date of 1 April 2023, it has 8 manufacturing facilities located at Koppal & Hiriyur (Karnataka), Solapur, Jejuri, Baramati and Ahmednagar (Maharashtra) and the registered office is located at Khadki, Pune (Maharashtra). Our 3 manufacturing facilities specialized in production of pig iron and grey iron castings has around 7 lakh metric tonnes of pig iron and 1.8 lakh metric tonnes of iron castings production capacity along with 56 MW captive power plant. Our main casting products comprises of cylinder blocks, cylinder heads and housings which are widely used in steel, tractor, commercial vehicle, automobile and engine manufacturing industries. Our 5 manufacturing facilities specialized in steel and seamless steel tubes manufacturing has production capacity of around 3.5 lakh metric tonnes per annum.

Note : Honorable National Company Law Tribunal (NCLT), Mumbai vide its Order dated 24 July 2024 has sanctioned the Scheme of Arrangement and Merger of ISMT Limited with Kirloskar Ferrous Industries Limited and their respective shareholders pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with effect from the Appointed Date of 1 April 2023. Accordingly, figures for the financial year 2023-2024 are inclusive of details relating to ISMT Limited before merger and are not comparable with those figures for the financial year 2022-2023.

1.	Corporate Identity Number (CIN) of the Company	L27101PN1991PLC063223
2.	Name of the Company	**Kirloskar Ferrous Industries Limited (KFIL)**
3.	Year of Incorporation	1991
4.	Registered office address	13, Laxmanrao Kirloskar Road, Khadki, Pune 411003, Maharashtra, India
5.	Corporate office address	13, Laxmanrao Kirloskar Road, Khadki, Pune 411003, Maharashtra, India
6.	E-mail	kfilinvestor@kirloskar.com
7.	Telephone	+ 91 20 66084645 / 66084664
8.	Website	http://www.kirloskarferrous.com/
9.	Financial year for which reporting is being done	FY 2023-24
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited
11.	Paid-up Capital	₹ 82.11 Crores
12.	Name and contact details (telephone, email address) of the person for BRSR Reporting	Mr. Umesh Chincholikar General Manager Manufacturing Excellence & ESG Email: umesh.chincholikar@kirloskar.com Contact Number: 9823535957
13.	Reporting boundary	Disclosures made in this report are on a standalone basis and pertains only to KFIL.
14.	Name of assurance provider	Not Applicable
15.	Type of assurance obtained	Not Applicable

II. Products/Services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Pig Iron	Manufacturing & supply of quality Pig iron	29.43 %
2	Grey Iron Castings	Manufacturing & supply of complex and critical grey iron castings	24.59 %
3	Steel	Manufacture & supply of steel	8.71 %
4	Seamless Steel Tubes	Manufacture & supply of seamless steel tubes	33.66 %
5	Other byproducts	Revenue generation through sale of other byproducts	1.65 %
6	Other operating income	Revenue generation through other operating income	1.95 %

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Services	NIC Code	% of total turnover contributed
1	Pig Iron	24101	29.43 %
2	Grey Iron Castings	24319	24.59 %
3	Steel	242	8.71 %
4	Seamless Steel Tubes	241	33.66 %
5	Other byproducts	-	1.65 %
6	Other operating income	-	1.95 %

III. Operations

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

S. No.	Location	Number of plants	Number of offices	Total
1.	National	8	10	18
2.	International	Nil	Nil	Nil

Note: Registered office of KFIL is located at Khadki, Pune (Maharashtra)

19. Markets served by the entity

a. Number of locations

S. No.	Locations	Number
1.	National (Number of states)	26
2.	International (Number of countries)	11

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Our products are exported to 11 countries. Out of total turnover ₹ 6133.9 Crores on standalone basis, the percentage of revenue from exports contribute to 4.87% (₹ 298.96 Crores).

c. A brief on types of customers

KFIL manufactures pig iron and grey iron casting products as per the requirement of wide range of customers from various sectors. We manufacture and supply custom grey iron castings with specific design and specification requirements of original equipment manufacturers (OEMs) and Tier-1 suppliers. The customers for grey iron castings are companies in automobile sector, tractor manufacturers, infrastructure, construction equipment and industrial engine manufacturers. The pig iron manufactured in various grades is used by companies in the automobile, textile sector, pump manufacturers, diesel engine and pipe manufacturers.

Our high quality and cost-effective steel and seamless steel tubes caters to the requirements of automobile & bearing, general engineering, Oil Country Tubular Goods (OCTG) & projects, construction and other Original Equipment Manufacturers (OEMs).

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	3,275	3,250	99.24	25	0.76
2.	Other than Permanent (E)	234	205	87.61	29	12.39
3.	**Total employees (D + E)**	**3,509**	**3,455**	**98.46**	**54**	**1.54**
	WORKERS					
4.	Permanent (F)	4	4	100	Nil	NA
5.	Other than Permanent (G)	3,490	3,420	97.99	70	2.01
6.	**Total workers (F+G)**	**3,494**	**3,424**	**98.00**	**70**	**2.00**

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	Differently abled Employees					
1.	Permanent (D)	7	7	100	Nil	NA
2.	Other than Permanent (E)	NA	NA	NA	NA	NA
3.	**Total Differently abled employees (D+E)**	**7**	**7**	**100**	**Nil**	**NA**
	Differently abled Workers					
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	5	5	100	Nil	NA
6.	**Total Differently abled workers (F+G)**	**5**	**5**	**100**	**Nil**	**NA**

21. Participation/Inclusion/Representation of women

	Total	No. and percentage of Females	
	No. (A)	No. (B)	% (B/A)
Board of Directors	12	2	16.66%
Key Management Personnel	3	Nil	NA

22. Turnover rate for permanent employees and workers

Category	FY 2024			FY 2023			FY 2022		
	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)	Total (%)
Permanent employees	5.60	14.47	5.86	14.80	20.00	14.86	13.08	Nil	13.00
Permanent workers	Nil	Nil	Nil	NA	NA	NA	NA	NA	NA

V. Holding, Subsidiary and Associate Companies (including Joint ventures)

23. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures	Is it a holding/ Subsidiary/ Associate/ Joint Venture	% Of shares held by listed entity	Does the entity participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Kirloskar Industries Limited	Holding	46.12	Yes
2	Oliver Engineering Private Limited	Subsidiary	100	No
3	Adicca Energy Solutions Private Limited	Subsidiary	100	Yes
4	Tridem Port and Power Company Private Limited	Subsidiary	100	Yes
5	Nagapattinam Energy Private Limited	Subsidiary	100	Yes
6	Best Exim Private Limited	Subsidiary	100	Yes

S. No.	Name of the holding / subsidiary / associate companies / joint ventures	Is it a holding/ Subsidiary/ Associate/ Joint Venture	% Of shares held by listed entity	Does the entity participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
7	Success Power and Infraprojects Private Limited	Subsidiary	100	Yes
8	Marshal Microware Infrastructure Development Company Private Limited	Subsidiary	100	Yes
9	ISMT Enterprises SA, Luxembourg	Subsidiary	99.62	Yes
10	Structo Hydraulics AB, Sweden	Subsidiary	99.98	Yes
11	ISMT Europe AB, Sweden	Subsidiary	99.98	Yes

*During the year under review, bankruptcy liquidation has been filed for Structo Hydraulics AB, Sweden and ISMT Europe AB, Sweden.

VI. CSR details

24.

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

ii. **If yes, Turnover –** (in ₹) 6133.90 Crores

iii. **Net worth -** (in ₹) 1,872.56 Crores

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGBRC):

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)*	FY 2024			FY 2023		
		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	Nil	NA	NA	Nil	NA	NA
Investors	Yes	53	2	Nil	24	Nil	Nil
Shareholders	Yes	63	7	Nil	55	Nil	Nil
Employees and workers	Yes	Nil	NA	NA	Nil	NA	NA
Customers	Yes	Nil	NA	NA	Nil	NA	NA
Value Chain Partners	Yes	Nil	NA	NA	Nil	NA	NA
Other (please specify)	Yes	Nil	NA	NA	Nil	NA	NA

* We have a whistle blower policy to redress grievances/ concerns of all stakeholders and the policy is available at weblink https://www.kirloskarferrous.com/documents/174991/37c1304f-2893-5323-2ca2-ac03fc782df8

**The Stakeholders' relationship committee is responsible for timely monitoring and resolving of shareholder grievances.

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Employee, Health & Safety	Risk	• Health & safety plays a crucial role in ensuring wellbeing of employees & workers, maintaining productivity and ensuring the compliance with the regulatory standards of steel sector. • Health & safety is considered as risk, as the operations involve working with heavy machinery & equipment and may also be prone to high temperatures, chemical hazards and physical hazards.	• Mitigation of health & safety related risks identified through risk assessment and hazard identification process across all areas of operations and business units. • Implementation of Barrier Health Management and Process Safety Management System. • Conduct health & safety training and awareness programs to employees and workers. • Regular health checkup of employees and workers for diagnosis and treatment of occupational diseases and other ill health conditions. • Ensure safety through usage of Personal Protective Equipment (PPE) by all employees and workers.	**Negative –** · Any health & safety related incident / accident within the factory premises may put employees / workers life in danger and also affects the reputation and brand value of the company.
2.	Business Ethics	Opportunity	• Ensuring utmost transparency and integrity by following good governance practices helps in achieving long term success and growth of the company in a sustainable manner.	• Implementation Code of Conduct and ensure ethical decision making in all activities. • Compliance with all applicable laws, regulations and guidelines.	**Positive –** • Transparency in business operations brings success and reputation to the company.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			• Aligning with the core business values and running the operations in an ethical and transparent manner in compliance with the local laws brings enhanced reputation, brand value, customer loyalty & trust and creates positive impact on the society and environment.	• Conduct due diligence on ethics and compliance aspects.	
3.	Circular Economy (Waste & Water Management)	Opportunity	**Waste:** • Optimization of resources through recovery and recycling of various waste materials reduce the dependency on natural resources. • Promoting recycling & reuse of waste within operations reduces waste disposal costs and improves operational efficiency. • Implementation of 4R waste management hierarchy (Reduce, Reuse, Recycle, Recover) conserves resources, energy and also reduces greenhouse gas emissions associated with extraction and processing of raw materials. **Water:** • Efficient water management practices such as treatment and reuse of wastewater reduces water consumption.	**Waste:** • Transform to circular economy by optimization of raw material consumption, recycling and reuse of waste byproducts. • Conduct Life Cycle Assessment (LCA) to evaluate and identify opportunities for recycling of waste generated across entire life cycle of products and processes. **Water:** • Optimization of water intensive processes such as cooling systems, cleaning activities etc. • Deployment of water efficient technologies.	**Positive –** **Waste:** • Utilization of waste for industrial applications conserves resources, saves costs and also generates additional revenue to the company. **Water:** • Reducing the freshwater consumption helps in reducing the water procurement costs, mitigate water related risks and disposal costs of treated waste water.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			• Improvement of water utilization efficiency conserve energy and minimizes water withdrawal and procurement costs. • Reduces the dependency on freshwater resources and mitigates the water related risks.	• Conduct water audits and assessments to identify areas for water conservation and prevent water leakages if any. • Practice rainwater harvesting wherever possible.	
4.	Talent Management	Opportunity	• Skill upgradation and talent management helps for companies to foster innovation, improve productivity, and achieve sustainable growth. • Attraction and retention of talented employees with required skills, knowledge and experience improves performance and drives the organization success. • Succession planning helps to identify future leaders within the organization.	• Adopt robust hiring system to hire talented employees with desired skill set. • Identify gaps through skill assessment and tailor training & learning programs to address skill gaps. • Improve operational skills on manufacturing process, equipment operation, safety protocols and quality standards. • Develop leadership skills such as communication, team management facilitating the career progression of employees and workers.	**Positive –** • Improves the efficiency, productivity and overall performance of the company. • Innovation of new products helps in business development and additional revenue generation. • Delivering exceptional services improves customer satisfaction and builds strong relationship with customers.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Climate Action	Risk and opportunity	**Risk:** • The production processes in steel manufacturing are carbon & energy intensive and reliance on fossil fuels results in generation of substantial greenhouse gas (GHG) emission. • Climate change poses significant physical and transition risks to the steel production facilities. • Global steel market shift towards low carbon economy and sustainability. **Opportunity:** • Innovation, deployment of cleaner technologies conserves energy & resources, lowers operational costs and helps in producing sustainable steel products. • Rise in demand for low carbon products create competitive advantages in increasing market share and generating more revenue. • Access to green finance and sustainability focused funds.	• Deployment of low carbon and eco-friendly technologies and processes, transition to renewable energy, clean fuels, energy conservation & waste heat recovery. • Promote circular economy by using recycled scrap & byproducts to reduce the carbon emission. • Greenhouse gas emission monitoring and identify opportunities to reduce the emission intensity. • Identify and mitigate the vulnerabilities and potential impacts of climate change on operations, infrastructure and supply chains.	**Negative –** • Disruption of operations due to physical risks and extreme weather events. • Non-compliance to stringent emission standards may lead to imposition of fines & penalties which in turn causes reputational damage. **Positive:** • Implementation of sustainability helps in improving of operational efficiency, energy & resource conservation and cost reduction. • Demand for sustainable products may lead to increase in the market share and generates more revenue to the company. • Access to green finance and sustainability focused funds.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7.	Human Rights	Risk	• Violation of human rights policy and guidelines can lead to scrutiny by law enforcement agencies leading to loss of customer trust, investor confidence and negatively affects the brand reputation. • Non-compliance to human rights laws can disrupt the operations and supply chain due to protests and strikes.	• Adopt & implement human rights policies and guidelines aligning with the requirements of Universal Declaration of Human Rights and UN Guiding Principles on Business and Human Rights. • Conduct human rights due diligence to mitigate the potential human rights related risks and associated impact on business of the company. • Conduct training programs on human rights principles, policies & guidelines. • Ensure fair employment practices. • Establish grievance redressal mechanism, prompt investigation and appropriate remedial action to address human rights related violations.	**Negative –** • Violation of human rights leads to ethical, legal, operational challenges and also affects the reputation of the company. • Non-compliance to human rights laws, policies and guidelines may lead to disruption of operations due to protests and negatively impact financial performance of the company.
8.	Responsible Supply Chain	Opportunity	• Ethical sourcing of raw materials, labor rights protection and environmental sustainability enhances the brand value and reputation of the company. • Adopting sustainable practices in supply chain promotes circular economy, conserves resources, and lowers the production costs.		

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			• Embracing responsible supply chain practices facilitates long term sustainability by reducing environmental risks, protecting human rights and enhances stakeholder trust and confidence.	• Ensure all suppliers adhere to supplier code of conduct prepared in alignment with company's values and responsible business practices. • Adopting of Business continuity plan and risk management plan addresses risks related to supply chain. • Conduct supplier assessment and due diligence on sustainability and responsible business practices. • Track and monitor the performance of suppliers on ESG Key Performance Indicators (KPIs). • Prioritize the sourcing of materials from suppliers with better performance on ESG parameters.	**Positive –** • Builds supply chain resilience by mitigating the risks associated with the supply chain. • Enhance operational efficiency, promote environmental stewardship and gain trust and confidence of the stakeholders.
10.	Data Privacy	Risk	• Data breaches and loss of confidential information may lead to significant financial losses, legal consequences and reputational damage for the company. • Cyber-attacks may lead to disruption of operations, leading to downtime, operational disruptions & productivity losses and negatively impact the financial performance of the company.		

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			• Inadequate prevention, detection, and remediation of data security threats can damage the Company's reputation and thus influence customer acquisition and retention resulting in decreased market share and lower demand for the Company's products.	• Conduct data privacy audits and assessments to identify & mitigate the data privacy vulnerabilities, risks and compliance related gaps. • Adopt data minimization principles through collection of only required information and retaining data for necessary period and safe disposal thereafter. • Implementation of multiple controls to ensure data security and privacy including user awareness and training programs, end point and N/W security controls. • Proactive monitoring and analysis of any new vulnerabilities and threats ensuring all third parties have adequate data protection measures and procedures in place.	**Negative:** Data breaches and loss of confidential information leads to disruption of operations, financial and legal risks. It affects the trust gained by the stakeholders of the company.
11.	Corporate Governance	Risk	• Deficiencies in the corporate governance structure may negatively impact the trust of stakeholders, overall business and financial performance of the company. • Inadequate independence may hamper the effective oversight of management and strategic initiatives.	• Robust corporate governance mechanism which ensures responsible business conduct and regulatory compliance. • Adequate Independent Director representation to protect stakeholders' interests. • Robust enterprise risk management framework and consideration of ESG related risks. • Implement appropriate systems and measures to prevent corruption and noncompliance.	**Negative**: Non-compliance with statutory & regulatory requirements may lead to legal action by law enforcement agencies which in turn negatively affect the brand value and reputation of the company.

Section C: 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

S. 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

	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)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1.(b)	Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1.(c)	Web Link of the Policies, if available	Vigil Mechanism / Whistle Blower Policy - https://www.kirloskarferrous.com/documents/174991/37c1304f-2893-5323-2ca2-ac03fc782df8 Dividend Distribution Policy - https://www.kirloskarferrous.com/documents/174991/b5334486-ea2b-a8b1-cbf3-abbb1d586371 Policy on Related Party Transactions - https://www.kirloskarferrous.com/documents/174991/8c6364dd-f2d4-926c-34f2-85b74f5e3fa6 Policy for Determination of Material Events or Information - https://www.kirloskarferrous.com/documents/174991/5588ff7c-ab0a-a84b-d39e-ee08210e735c Nomination and Remuneration Policy - https://www.kirloskarferrous.com/documents/174991/fedd1cc9-e304-ef7a-4d13-1af866cd1272 Corporate Social Responsibility (CSR) Policy - https://www.kirloskarferrous.com/documents/174991/3c6ddf58-b733-949c-65d9-7686d3987db8 Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of Kirloskar Ferrous Industries Limited - https://www.kirloskarferrous.com/documents/174991/7cf1f039-adf2-6d17-d9e3-a0fac1f5a436 Code for the Board Of Directors and Senior Management - https://www.kirloskarferrous.com/documents/174991/d9ca13d2-e666-74cc-0f83-3e0189ab56c8 Archival Policy - https://www.kirloskarferrous.com/documents/174991/4249a19b-4535-4e40-7709-68bb7979c2c2								

	Points	P1	P2	P3	P4	P5	P6	P7	P8	P9
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4.	Name of the national and international codes / certifications / labels / standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	KFIL has adopted Integrated Management System (IMS policy) that covers all national, international standards including IATF 16949:2016 (Quality Management System), ISO -14001: 2015 (Environment Management System) and ISO 45001:2018 (Safety Management System) certifications.								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	KFIL has completed materiality assessment and identified relevant material topics for the company. KFIL's Environmental Social Governance (ESG) Roadmap with specific commitments, goals and targets is in progress.								
6.	Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	KFIL's Environmental Social Governance (ESG) Roadmap with specific commitments, goals and targets is in progress. It will be published after getting approval from the ESG committee of the Board and monitoring of ESG roadmap implementation will be carried out on an annual basis.								
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)	We are committed to run the business in a sustainable manner being environmentally conscious, socially responsible maintaining high ethical standards across the operations and value chain of the company. We have identified key material issues under ESG pillars through materiality assessment and aligned ESG goals, targets and commitments with the business strategy of the company. As a responsible corporate to reduce environmental footprint of the company, several measures have been taken by the company such as increasing the share of renewable energy in the energy consumption, deployment of energy efficient equipment, waste heat recovery, installation of air-cooled condensers and implementation of zero liquid discharge. We have made a significant investment aimed at reducing our carbon footprint, conserving resources, and delivering sustainable products to our customers. We remain committed to responsible manufacturing practices which prioritizes environmental stewardship and contribute to the well-being of the communities where we operate. We ensure well-being of our employees and workers by practicing industrial best health & safety systems & practices and ensuring zero harm at workplace. At KFIL, we strive to ensure utmost transparency and business integrity through our good governance practices. Our unwavering commitment to uphold our core values and principles guides our business operations fostering responsible growth. This approach underscores our dedication to ethical business practices.								
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. R V Gumaste Managing Director								
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, KFIL has set up an ESG Committee for decision making on the sustainability related initiatives and to oversee the implementation of ESG related goals, targets and commitments.								

10. Details of Review of NGRBCs by the Company

	Subject of Review	a. Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									b. Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P8	P 9	P 1	P 2	P 3	P4	P 5	P 6	P 7	P 8	P 9
1	Performance against above policies and follow up action	Periodical basis																	
2	Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

11.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The Company conducts periodic review of the charters, policies internally by the Senior Management and Board Committees. Independent assessment / evaluation of the working of its policies by an external agency will be done on need basis.								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Section C: Principle-wise performance disclosure

1 PRINCIPLE

Business should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

We are committed to integrity, ethics, transparency and accountability across all business operations of the company by ensuring the strict governance and compliance measures. Our ethical business practices foster trust and credibility, protecting the interests of our stakeholders and promoting brand value & reputation of the company.

KFIL adopts good governance practices in the board's policies, procedures and business strategy of the company. All employees of the company should strictly follow the code of conduct, policies and guidelines of the company. An open dialogue is conducted with all stakeholders on business practices and nurture our relations with them ensuring long-term growth and success of the company. To achieve business resilience and long-term success, sustainability is embedded in the business strategy across all operations of the company. We prioritize our actions by addressing the ESG related material issues and mitigating the associated risks.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the principles during the FY 2024

Segment	Total number of training & awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	5	Business ethics, risk management, regulatory affairs, health & safety practices and sustainable business practices	100%
Key Managerial Personnel	3	Leadership Safety Efforts, Leader Standard Workshop, Personal Profile Assessment, Trait Emotional Intelligence Quote, 360 Degree Feedback, Team Audit business, regulatory, safety, ESG matters	100%
Employees other than BoD and KMPs	696	EOHS, DSS Standards, MDP, HR Policies Principles Covered: P1, P2 & P3	100%
Workers	993	Safety Induction Safety hazards	100%

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 FY 2024

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

Non – Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ Judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or nonmonetary action has been appealed

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

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.

We have a vigil mechanism/ whistle blower policy which covers the anti-corruption and anti-bribery aspects. We do not tolerate acts involving acceptance of bribes or any other form of corruption. An individual employee, director, channel partner, supplier, business associate, a customer, contractor or agency staff of the organization; if founds any corruption or bribery related activity can make a protected disclosure to the ombudsman. After thorough investigation by the ombudsman, an appropriate action can be taken on the completion of or during the investigation proceedings, including but not limited to a warning, imposition of fine, suspension from official duties or any such action, as deemed fit, considering the gravity of the matter. The vigil mechanism/ whistle blower policy is available at the weblink https://www.kirloskarferrous.com/documents/174991/37c1304f-2893-5323-2ca2-ac03fc782df8

5. Number of Directors/KMPs/Employees/Workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption

Segment	FY 2024	FY 2023
1 Directors	Nil	Nil
2 Key Managerial Personnel	Nil	Nil
3 Employees	Nil	Nil
4 Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
1 Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
2 Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2024	FY 2023
Number of days of accounts payables	102	118

9. Open-ness of business Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024	FY 2023
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	16.75%	27.61%
	b. Number of dealers / distributors to whom sales are made	67	29
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	12.75%	79.13%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	Nil	0.03%
	b. Sales (Sales to related parties / Total Sales)	0.13%	7.50%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	97.32%	Nil
	d. Investments (Investments in related parties / Total Investments made)	88.76%	99.79%

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programme held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programme
1	Whistle blower policy, procedures & grievance redressal mechanisms	100%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, we have an appropriate process, systems and policies to avoid conflict of interests involving the members of the board. All board members of KFIL should strictly adhere to the Code of Conduct of the company maintaining ethical standards by practicing highest degree of transparency, integrity and accountability. A conflict of interest is considered only where the interest of a director or member of the senior management conflict with those of the Company. The Director or member of senior management shall not involve in a situation in which he / she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company. We have detailed guidelines in the code of conduct to avoid conflict of interest by the directors and senior management. Our code of conduct is available at weblink https://www.kirloskarferrous.com/documents/174991/d9ca13d2-e666-74cc-0f83-3e0189ab56c8

2 PRINCIPLE

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

As a responsible corporate, we develop our products in a sustainable manner promoting circular economy minimizing the environmental footprint of the company. Our core values are integrated into the products and services which drives innovative thinking, empathy, collaboration, integrity, excellence and value creation.

At KFIL, we primarily focus on delivering products and services beyond customers' expectations. By designing ground-breaking solutions, we create avenues for innovative services that address problems, generate value for our customers and society, and hope to exceed their expectations. We operate with empathy and a strong commitment for moving forward together with our customers and partners because, together, we are limitless. All our suppliers follow the Supplier Code of Conduct (SCoC) by fulfilling the applicable laws, regulations and guidelines on the human rights & working conditions, health, safety, environment and business ethics.

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.**

Segment	FY 2024	FY 2023	Details of improvements in environmental and social impacts
R & D	₹ 5.29 Crore	₹ 4.98 Crores	**R&D Expenditure:** ➢ Total R&D expenditure mentioned ➢ Joint design and development of cylinder block & housings for hydrogen engine. ➢ Development of new transmission housing for electric tractors.
Capex	37%	₹ 445.94 Crores	**Capital Expenditure:** ➢ Deployment of pulverized coal injection system has replaced 15-20% of coke with coal which helped in reduction of carbon emission and water consumption etc. ➢ Installation of Online Continuous Emission Monitoring System and Fume Extraction System. ➢ Installation of wind & solar energy projects.

2.

a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, it is a prerequisite of all suppliers, vendors and service providers to comply with the KFIL supplier code of conduct confirming the sustainable sourcing practices. KFIL supplier code of conduct covers human rights and working conditions, health safety and environment and business ethics related aspects. To ensure transparency in sustainable sourcing and compliance with the supplier code of conduct, KFIL conducts periodic audits and review supporting documents and evidences.

b. **If yes, what percentage of inputs were sourced sustainably?**

100 percent. All suppliers, vendors and service providers shall have an appropriate system ensuring compliance with the applicable laws, regulations, KFIL policies and supplier code of conduct. KFIL monitors the sustainable sourcing practices based on the criteria defined in the supplier code of conduct and applicable policies.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste

Not Applicable

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

Yes, Extended Producer Responsibility (EPR) is applicable to the company as per Plastic Waste Management Rules 2016, and subsequent amendments. The Company has obtained EPR authorization from the CPCB and our waste collection plan is in line with the EPR plan and targets given by the Central Pollution Control Board (CPCB). The Company also submits periodical returns to the CPCB on an annual basis as part of EPR compliance requirement.

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

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.
Nil					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
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 2024	FY 2023
Runner Riser	21.23%	19.92%
In-house Metal Scrap	0.41%	0.02%
Procured Metal Scrap	56.48%	58.68%
Reclaimed Core Sand	15.24%	8.53%
Steel Tube Plant rejection	14.07%	15.00%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Not Applicable. The company does not have any specific product and packaging to be reclaimed after end of the life.

	FY 2024			FY 2023		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not Applicable					
E-waste						
Hazardous waste						
Other Waste						

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

3 PRINCIPLE

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

We ensure implementation of progressive work culture by promoting diversity & inclusion, strong team building, effective communication and upskilling the employees through continuous training and development programs. To foster a people-centric working environment, we believe in empowering and engaging our workforce, to nurture the roots of sustainable progress.

Our employees and workers are our greatest asset to achieve the long-term growth & success in a sustainable manner. Our collaborative work environment with dynamic talent pool promotes harmony, pride, and trust among all our employees and workers. We ensure safe work environment by conducing health & safety training and awareness programs adhering to best industrial practices. We continuously track and monitor the wellbeing of our employees by conducting surveys across all business units. We encourage employees to develop leadership skills and technical skills by organizing regular training programs which in turn improves the overall productivity, and the performance of the company. Our dedication and commitment towards employee well-being motivates all employees and workers to achieve their career aspirations and professional growth.

ESSENTIAL INDICATORS

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

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	3,250	3,250	100	3,250	100	NA	NA	Nil	NA	Nil	NA
Female	25	25	100	25	100	25	100	NA	NA	Nil	NA
Total	**3,275**	**3,275**	**100**	**3,275**	**100**	**25**	**0.76**	**Nil**	**NA**	**Nil**	**NA**
Other than Permanent employees											
Male	205	205	100	205	100	NA	NA	Nil	NA	Nil	NA
Female	29	29	100	29	100	29	100	NA	NA	Nil	NA
Total	**234**	**234**	**100**	**234**	**100**	**29**	**12.39**	**Nil**	**NA**	**Nil**	**NA**

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	4	4	4	4	100	NA	NA	Nil	NA	Nil	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**4**	**4**	**100**	**4**	**100**	**NA**	**NA**	**Nil**	**NA**	**Nil**	**NA**
Other than Permanent employees											
Male	3,420	3,420	100	3,420	100	NA	NA	Nil	Nil	Nil	NA
Female	70	70	100	70	100	70	100	NA	NA	Nil	NA
Total	**3,490**	**3,490**	**100**	**3,490**	**100**	**70**	**2.00**	**Nil**	**NA**	**Nil**	**NA**

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2024	FY 2023
Cost incurred on well-being measures as a % of total revenue of the company	0.24%	0.04%

2. Details of retirement benefits for Current and Previous Financial Years

Benefits	FY 2023-24			FY 2022-23		
	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	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	18	100	Yes	23	100	Yes
Others - Please specify	Nil	Nil	NA	Nil	Nil	NA

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

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.

We ensure equal opportunities to differently abled employees and workers through recruitment, career progression and professional growth across all business units of the company. We are committed to provide fair remuneration to all employees and workers including differently abled ensuring that compensatory packages are equitable, competitive, and commensurate with the nature of the work performed, as well as the skills, qualifications, and experience of the respective individuals. Equal opportunity policy is under formulation and shall be adopted in the due course of time.

5. Return to work and Retention rates of permanent employees and workers that took parental leave

Gender	Permanent Employees		Permanent Workers	
	Return to work Rate (%)	Retention Rate (%)	Return to work Rate (%)	Retention Rate (%)
Male	NA	NA	NA	NA
Female	100	NA	NA	NA
Total	**100**	**NA**	**NA**	**NA**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
1 Permanent Workers	Yes
2 Other than Permanent Workers	• Works Committee meeting being held on monthly basis involving workers representatives, managerial representative and shop floor managers to improve the working standards, welfare issues, productivity improvement, safety kaizens and to mitigate environmental and safety issues. • Minutes of meeting was circulated to communicate the details on grievances received and addressed. • Apart from the above, standing meeting being held between 9:00 a.m. to 9:15 am every day to review the issues / productivity / maintenance / facilities to take appropriate actions for resolving them. • Effective grievance redressal system is in place.

	Yes/No (If yes, then give details of the mechanism in brief)
3 Permanent Employees	Yes
4 Other than Permanent Employees	• Works Committee meeting being held on monthly basis involving employees' representatives, managerial representative and shop floor managers to improve the working standards, welfare issues, productivity improvement, safety kaizens and to mitigate environmental and safety issues. • Minutes of meeting was circulated to communicate the details on grievances received and addressed. Apart from the above, standing meeting being held between 9:00 a.m. to 9:15 am every day to review the issues / productivity / maintenance / facilities and take appropriate actions and resolve them. • Effective grievance redressal system is in place.

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

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / Workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	3,275	1,304	39.82	1,604	428	26.68
Male	3,250	1,304	40.12	1,580	428	27.08
Female	25	Nil	NA	24	Nil	NA
Total Permanent Workers	4	4	100	NA	NA	NA
Male	4	4	100	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA

8. Details of training given to employees and workers

Category	2023-24					2022-23				
	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	3,455	3,455	100	1,479	42.81	1,580	1,580	100	848	53.67
Female	54	54	100	20	37.04	24	24	100	9	37.50
Total	3,509	3,509	100	1,499	42.72	1,604	1,604	100	1,381	86.10
Workers										
Male	3,424	3,424	100	847	24.74	2,077	2,077	100	524	25.23
Female	70	70	100	18	25.71	78	78	100	6	7.69
Total	3,494	3,494	100	865	24.76	2,155	2,155	100	530	24.59

9 Details of performance and career development reviews of employees and workers:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	3,455	3,025	87.55	1,580	681	43.10
Female	54	28	51.85	24	8	33.33
Total	**3,509**	**3,053**	**87.00**	**1,604**	**689**	**42.96**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
			Workers			
Male	3,424	4	0.12	2,077	Nil	NA
Female	70	Nil	NA	96	Nil	NA
Total	**3,494**	**4**	**0.11**	**2,155**	**Nil**	**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. We have implemented an occupational health & safety management system for all employees and workers across all business units of the company. An appropriate governance structure is in place to track the performance of the company on health and safety related Key Performance Indicators (KPIs). We also assess the performance of the company on health & safety measures by conducting periodic audits by third party agencies. ISO 45001:2018 (Occupational Health & Safety Management System) has been implemented through Indian Register Quality System (IRQS) which is a global ISO certification and training body and the contract for implementation is valid till the year 2026. In March 2024, we had a surveillance audit and found no non-conformities.

We display safety instructions, workplace dangers, health hazards and remedial measures to be undertaken overcoming such hazards during exposure to such situations. We communicate emergency contact numbers, exit plans, emergency siren indicators, fire alarms, signboards, safety precaution, safety instructions, PPE matrix, firefighting techniques, evacuation plan, etc. to all employees and workers against the workplace hazards prior to deployment in the official duty.

b. What are the processes used to identify work related hazards and assess risks on a routine and non-routine basis by the entity?

We identify workplace hazards by conducting Risk Assessment (RA), Hazard Identification and Risk Assessment (HIRA), plant safety inspection, Job Safety Analysis (JSA), Process Hazard Analysis (PHA), Hazards and Operability Analysis (HAZOP) study, Barrier Health Management, Management of Change (MoC) etc.

- Risk Assessments (RA) are used to identify hazards and risks that may potentially harm employees and workers while working in the plant premises.
- HIRA is a systematic process to evaluate all potential sources for harm, injury and hazards followed by risk analysis, risk evaluation and implementation of risk controls to mitigate the risks.
- JSA comprises of breakdown of each work activity into series of steps followed by the identification of risks at each step and implementation of risk control measures.
- HAZOP is used for identification and avoiding potential hazards prior to adopting of any new process in the facility.
- Barrier Health Management is implemented to identify critical Hazards under various scenarios to ensure preventive and mitigative barriers are in place and monitored in healthy condition.
- Processes Safety Management ensures process technology and management of change.
- Inspection is carried out by health & safety departments of the company and third-party agencies on periodical basis to mitigate health & safety related risks.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

- Yes. We have a process and platform to report work related hazards to eliminate / control the hazards such as Safety Interaction (SI) system, Safety Action Meeting (SAM), Saksham, Sahyog, various audit processes, Safety Committee meetings etc.
- Safety interaction tool and Safety Excellence App is in place to report incidents including near miss incidents, dangerous occurrences, process incidents and high potential occurrences. Group discussions on safety issues are conducted through toolbox talks done at the beginning of shifts prior to commencement of shift operations.

- Safety Action Meetings (SAM) initiative is in place to identify work-related hazards and to rectify such risks. Workmen in the respective areas formed as small groups and identify the work-related hazards and brainstorm the solutions and implement themselves.
- SAHYOG – An Employee safety related Suggestion scheme in place to receive and implement the suggestions.
- Reward and recognition programs for employee and workers are in place for capturing near miss incidents.

d. Do the employees / workers of the entity have access to non-occupational medical and healthcare services? (Yes / No)

Yes. Occupational Health Centre (OHC) is available 24X7 inside the plant premises with qualified doctors and necessary nursing staff. OHC is also extended to provide services for non-occupational and health care services. After the annual health checkup camps, specialist doctors are also invited to counsel the focused group of patients.

The Company has adopted pro-active (Expert Talks, Health awareness Talks, Free vaccinations for Hep-B, Typhoid & COVID), preventive (periodic medical & eye check-ups, cardiac screening, NCD/ICTC) and reactive approach (Weight reductions plans for employees with high BMI and reward for achieving healthy weight loss) to ensure health of all employees and workers. Health initiatives, viz., organizing various health camps, specialized doctor visits, health seminars, weight reduction challenge were organized in a timely manner to protect health of all employees and workers.

11. Details of Safety related incidents

S. No.	Safety Incident/Number	Category	FY 2024	FY 2023
1	Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.50	3.06
		Workers	3.82	3.81
2	Total recordable work-related injuries	Employees	10	20
		Workers	105	117
3	No. of fatalities	Employees	Nil	Nil
		Workers	Nil	Nil
4	High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
		Workers	Nil	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy workplace

- Engaged M/s DuPont Sustainable Solutions (DSS+), world renowned safety consultant for strengthening the safety management systems, practices towards excellence.
- In consultation with DSS safety partners, we have developed good safety governance structure to monitor and to emphasize the Safety Culture transformation through Apex Committees for implementation and corporate committees to support and develop, drive and monitor the standards under the supervision of the Business Steering Committee (BSC).
- Site-specific high-risk standards were developed, and implementation is being reviewed periodically through the integrated safety governance structure by taking necessary interventions wherever required. In addition to health & safety standards, various safety tools introduced for enhancing the safety culture driving towards excellence.

Implementation of the following standards have been carried out:

- Safety Interactions: Bring the behavioral change of workmen and quick win improvements through Leadership involvement in field rounds to show the concern about employee.
- Incidents Investigation: Establish Incident tracking and reporting to learn from incidents through scientific investigation and take proactive actions for preventing reoccurrence.
- Barrier Health Management: An accountability driven evaluation, upgradation (as needed) and maintenance of the health of preventive and mitigation barriers for each of the risk scenarios.
- Process Safety Management: Management systems and controls (programs, procedures, audits, evaluations) applied to a manufacturing process in a way that process hazards are identified, understood, and controlled so that process related injuries and incidents are prevented.
- Contractor Safety Management:

a) To improve overall contractor safety management at KFIL

b) Develop qualified contractor pool for KFIL through periodic evaluation and review.

i. Rules and Procedures: To identify all tasks requiring standards, rules and procedures needed to describe safe execution. Standards for high-risk activities like 1. Personal Protective Equipment, 2. Permit to work, 3. LOTO, 4. Material Handling, 5. Road Safety and 6. Work at Heights.

ii. Capability Development and communication: Building skills and Competency for consistent Implementation of activities and prioritized standards.

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

Category	FY 2024			FY 2023		
	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	Nil	NA	NA	Nil	NA	NA
Health & Safety	Nil	NA	NA	Nil	NA	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%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Robust Incidents Investigation procedure is in place. All the incidents including near miss cases are being investigated. Corrective and Preventive Action (CAPA) will be taken for the identified root causes of the safety related incidents. HIRA, JSA and HAZOP outputs were considered for remedial measures and Horizontal implementation being ensured to avoid the occurrence of similar incidents across the plant.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?

Yes. Group Term Life Insurance (GTLI) policy, Workmen's Compensation (WC) policy and Employee State Insurance (ESI) corporation policy and Employees Death Linked Insurance (EDLI) under Provident Fund act coverage is provided to all employees and workers as applicable.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

100 percent compliance assessment is carried out for value chain partners to ensure deduction and payment of statutory dues. Monthly compliance check is performed along with proof of remittance of PF and ESI etc.

3. **Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been 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 2024	FY 2023	FY 2024	FY 2023
Employees	Nil	Nil	NA	NA
Workers	Nil	Nil	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)**

   Yes. KFIL conducts need based meetings with employees after retirement / termination of employment and provides necessary guidance and support.

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	100%

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   Audits were conducted on health and safety practices and working conditions of all value chain partners on an annual basis and appropriate mitigation measures were implemented in collaboration with the value chain partners for the identified risks.

4 PRINCIPLE

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

Our corporate governance related policies, principles encourage open and constructive dialogue with all stakeholders leveraging collective growth & development of the company and builds long lasting relationships. We bolster our commitment to run the operations in an ethical, transparent and sustainable manner protective the interests of our stakeholders.

We have identified the key stakeholders considering the nature of our business and developed an appropriate mechanism to continuously engage with stakeholders for building cordial relationships. We have a dedicated stakeholder relationship committee to address grievances and achieve organizations objectives and interests by meeting stakeholder expectations. And also, we have an appropriate mechanism to protect the weak or marginalized stakeholders and address their grievances and concerns in a timely manner. We conduct need-based assessment for CSR projects and implement suitable projects for upliftment of the marginalized and vulnerable groups in the nearby local communities where we operate.

ESSENTIAL INDICATORS

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

   The Company has identified its employees, customers, investors, vendors, contractors, technical partners, local communities and Government / Regulators as its key stakeholders. There are various formal and informal mechanisms to engage with each of these stakeholders, which help us to understand and respond to their needs.

The Company recognizes the importance of Stakeholders' involvement and their management for sustainable growth of the company. We have a stakeholder engagement plan and various channels of communication and mechanisms to engage with the stakeholders, which help us to understand and respond to their needs. The identified stakeholders were then prioritized under low and high importance considering the power of influence-interest matrix. The identified stakeholders were provided below:

Nature of Association	Identified Stakeholder (Process Owner)
Responsibility: Stakeholders towards whom the company has legal, commercial and moral responsibilities.	Board / Investors /Shareholders (MD, CFO, CS) • Government Agencies (HR Head)
Dependence: Stakeholders who are dependent on the Company's activities, products or services and whom the Company is dependent for its operations.	Strategic Suppliers / Partners (President, SBU Heads) Employees (HR Head) • Dealers (Marketing HOD) and Suppliers (Materials HOD)
Influence: Stakeholders who can impact the Company's strategic decision-making	Key Customers (MD, SBU heads, QA & NPD Head and Marketing Head) • Society (HR Head) • Suppliers (Procurement, SBH Heads)

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Email, Monthly & Quarterly newsletters on key updates.	Monthly & Quarterly	To communicate updates on key business events & activities.
Customers	No	Email, Customer Visits, Customer meet.	As and when scheduled	To share updates on KFIL product related details such as product improvements and technical specifications and business opportunities.
Investors	No	Website - https://www.kirloskarferrous.com/investors	Quarterly, Annually and As & when scheduled	To share financial results and updates on the performance of the company.
Vendors	No	In person / Virtual discussions	As and when scheduled	To identify the areas for improvement of the performance of the company.
Contractors	No	Contractor Meetings	As and when scheduled	To share key updates, to discuss improvement opportunities pertaining to Safety, Health, Environment & other statutory requirements.
Technical partners	No	In person / Virtual discussions	As and when scheduled	To share updates and understand sustainable innovations in product development.
Local Community	Yes	Community Meetings	As and when scheduled	Focus on better community life by developing the model villages. • Construction of roads and drainages, cleanliness, construction of temples, School, Primary Health Centre, greenery development, Swachh Abhiyan, organizing sports and cultural events
Government/ Regulatory	No	Email Communication Meetings scheduled by Government bodies	As and when scheduled	Align with the rules, regulations and statutory requirements prescribed by the respective government bodies.

LEADERSHIP INDICATORS

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   Consultations on economic, environmental and social aspects are conducted with the identified stakeholders on periodical basis and the feedback from each stakeholder is taken through focused group discussions, surveys and other modes of communication. Feedback and the status of implementation of actions are updated to the board during the board meetings.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes. Identification of Environment Social and Governance (ESG) related material topics relevant to the company is carried out through material assessment. We have taken into account the results obtained from surveys conducted with various stakeholders, sustainability frameworks and priorities of peer companies on ESG material issues. Internal and external stakeholder consultations were carried out through surveys with customized questionnaire for the respective stakeholder.

   Identification of ESG material topics was carried out in a holistic manner taking into account the expectations and priorities of our stakeholders and protecting their interests. Based on the survey results, the prioritization of ESG material issues were carried out and incorporated into company's policies, sustainability related business strategy, goals & targets.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   We have a dedicated teams and committees for implementation of CSR related initiatives and projects. The issues and concerns of vulnerable and marginalized groups are addressed in a timely manner by establishment of grievance redressal mechanism. We also have a dedicated programme "Kirloskr Vasundhara International Film Festival & Kirloskar Vasundhara ECO rangers" through which we are conducting seminars, workshops & lectures with all stakeholders with whom we are engaged.

5 PRINCIPLE

Businesses should respect and promote human rights

We always strive to build inclusive environment by treating all stakeholders with dignity, respect, equality and fairness. Our human rights related principles and practices are aligned and compliant with the respective human rights and labor laws.

Human rights are intrinsic freedoms that every person has the right to exercise individually or collectively, without hindrance. The company strictly adheres to human rights of all employees, workers and other stakeholders regardless of race, sex, nationality, ethnicity, language, religion, or any other status. We regularly conduct training programs on human rights principles and laws to our stakeholders across all business operations in a periodical manner. We ensure that basic human rights and freedom at workplace to all employees and workers by providing dignity, fairness, respect and equality at workplace. We always ensure zero human rights violations across all business operations of the company.

ESSENTIAL INDICATORS

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

Category	FY 2024			FY 2023		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	3,275	3,275	100	1,385	1,385	100
Other than permanent	234	234	100	219	219	100

Category	FY 2024			FY 2023		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Total Employees	**3,509**	**3,509**	**100**	**1,604**	**1,604**	**100**
Workers						
Permanent	4	4	100	NA	NA	NA
Other than permanent	3,490	3,490	100	2,155	2,155	100
Total Workers	**3,494**	**3,494**	**100**	**2,155**	**2,155**	**100**

2. Details of minimum wages paid to employees and workers

Category	FY 2024					FY 2023				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	3,275	Nil	NA	3,275	100	1,385	Nil	NA	1,385	100
Male	3,250	Nil	NA	3,250	100	1,377	Nil	NA	1,377	100
Female	25	Nil	NA	25	100	8	Nil	NA	8	100
Other than permanent	234	Nil	NA	234	100	219	Nil	NA	219	100
Male	205	Nil	NA	205	100	203	Nil	NA	203	100
Female	29	Nil	NA	29	100	16	Nil	NA	16	100
Workers										
Permanent	4	Nil	NA	4	100	NA	NA	NA	NA	NA
Male	4	Nil	NA	4	100	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent	3,490	3,490	100	Nil	NA	2,155	2,155	100	Nil	NA
Male	3,420	3,420	100	Nil	NA	2,077	2,077	100	Nil	NA
Female	70	70	100	Nil	NA	78	78	100	Nil	NA

3. Details of remuneration/salary/wages

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	10	36,25,000	2	29,20,000
Key Managerial Personnel	3	4,76,63,219	Nil	NA
Employees other than BoD and KMP	3,237	6,29,088	23	4,46,320
Non-Permanent employees	205	7,99,404	29	2,27,460

	FY 2024	FY 2023
Gross wages paid to females as % of total wages	0.58%	0.50%

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)

We have a Grievance committee, Works Committee, POSH Committee, Ethics Committee and standing Orders are in place to address human rights related impacts and issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Yes, we have a grievance redressal committee comprising of human resources department and senior management, where the grievances related to human rights are evaluated and necessary action will be taken depending on the nature and severity of the grievance. All employees and workers are encouraged to report human rights related violations on issues such as injustice, criticism, unfairness or violation of dignity. We also have Grievance committee, Works committee, POSH committee, Ethics committee and Standing Orders are in place for addressing human rights related impacts and issues.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	Nil	NA	NA	Nil	NA	NA
Discrimination at workplace	Nil	NA	NA	Nil	NA	NA
Child Labour	Nil	NA	NA	Nil	NA	NA
Forced Labour/ Involuntary Labour	Nil	NA	NA	Nil	NA	NA
Wages	Nil	NA	NA	Nil	NA	NA
Other Human rights related issues	Nil	NA	NA	Nil	NA	NA

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

	FY 2024	FY 2023
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Not applicable	Not applicable
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

Yes. We have implemented a vigil mechanism/ whistle blower policy to conduct all business activities in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. All employees and workers are encouraged to report genuine concerns, including but not limited to unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. We ensure that genuine Whistle Blower is accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

- No unfair treatment shall be given to a Whistleblower by virtue of his/her having reported a Protected Disclosure under the Whistle Blower Policy.
- We ensure that any kind of discrimination, harassment, victimization or any other unfair employment practice is not adopted against the Whistleblower. Complete protection will, therefore, be given to Whistleblower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior or the like including any direct or indirect use of authority to obstruct the whistle blower's right to continue to perform his duties/ functions including making further Protected Disclosure. The Company will take necessary steps to minimize difficulties, which the Whistleblower may experience as a result of making the Protected Disclosure.

Further, the complaints committee at each facility of KFIL empowered with powers to conduct investigation on the complaints received on discrimination and harassment cases and to take necessary action accordingly.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, human rights and working conditions shall be part of business agreements. All suppliers, vendors and service providers of KFIL should adhere to the human rights related terms and conditions mentioned in Supplier Code of Conduct (SCoC) such as forced labor, hiring & employment practices, harassment, compensation & working hours and all applicable laws, regulations and guidelines.

10. Assessments for the year

Section	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced Labour/ Involuntary Labour	100%
Sexual Harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	NA

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above

Nil

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Not applicable. As there are no grievances related to human rights, there is no such requirement to modify or change business processes.

2. Details of the scope and coverage of any Human rights due diligence conducted.

Not Applicable

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, our plant premises and offices are accessible to differently abled visitors.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at workplace	Nil
Child Labour	Nil
Forced Labour/Involuntary Labour	Nil
Wages	Nil
Others – please specify	NA

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Nil

6 PRINCIPLE

Businesses should respect and make efforts to protect and restore the environment

We are committed to developing environmentally conscious products by managing the resources in an effective manner and reducing the impact of operations on the environment. We invest in research & development to create more innovative products with lesser resources and higher efficiency promoting the circular economy.

We have made significant progress by developing more sustainable products through research & development and innovation. We have deployed advanced technologies and eco-friendly processes to reduce our carbon footprint, energy conservation, resource conservation and promoting circular economy. We remain committed to responsible manufacturing practices which prioritizes environmental stewardship and contribute to the well-being of the communities and society. By practicing sustainable practices, we ensure that our products are developed in a safe, sustainable and responsible manner.

ESSENTIAL INDICATORS

1. Details of total energy consumption (in GJ) and energy intensity

Parameter	FY 2024	FY 2023
From renewable sources		
Total electricity consumption (A) (GJ)	90,767	1,29,473
Total fuel consumption (B) (GJ)	Nil	Nil
Energy consumption through other sources (C) (GJ)	Nil	Nil
Total energy consumed from renewable sources (A+B+C) (GJ)	**90,767**	**1,29,473**
From non-renewable sources		
Total electricity consumption (D)	12,03,916	2,67,613
Total fuel consumption (E)	1,08,35,062	1,00,04,662
Energy consumption through other sources (F)	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	**1,20,38,977**	**1,02,72,276**
Total energy consumed (A+B+C+D+E+F)	**1,21,29,744**	**1,04,01,749**
Energy intensity per Crore of turnover (Total energy consumed in GJ/ Revenue from operations in crores)	1,977	2,507
Energy intensity per Crore of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations in crores adjusted for PPP)	39,985	57,360
Energy intensity in terms of physical output per Crore of turnover (Total energy consumption in GJ/ production in tons)	NA	NA
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) - No If yes, name of the external agency.

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

3. Provide details of the following disclosures related to water

Parameter	FY 2024	FY 2023
Water withdrawal by source (in kiloliters)		
(i) Surface water	10,08,767	17,59,120
(ii) Groundwater	5,75,291	1,19,838
(iii) Third party water	6,11,328	8,416
(iv) Seawater / desalinated water	Nil	Nil

Parameter	FY 2024	FY 2023
(v) Others	Nil	Nil
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	**21,95,386**	**18,87,374**
Total volume of water consumption (in kiloliters)	**21,95,386**	**18,87,374**
Water intensity per crore of turnover (Total water consumption / Revenue from operations in crores)	358	455
Water intensity per crore of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP)	7,237	10,408
Water intensity in terms of physical output (Total water consumption in kiloliters/ production in tons)8	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Provide the following details related to water discharged

Parameter	FY 2024	FY 2023
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	Nil	Nil
- With treatment – Primary & Secondary Treatment	Nil	Nil
(ii) To Groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iii) To Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third-parties		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
Total water discharged (in kilolitres)	**Nil**	**Nil**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, wastewater generated from industrial operations is treated and reused for quenching process in coke oven plant. Domestic sewage wastewater is treated in sewage treatment plant and reused in gardening and toilet flushing activities.

6. Provide details of air emissions (other than GHG emissions) by the entity

Parameter	Please specify unit	FY 2024	FY 2023
NOx	MT/A	191	122
SOx	MT/A	1,052	1,884
Particulate matter (PM)	MT/A	983	589
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) - No If yes, name of the external agency.

No

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity

Parameter	Unit	FY 2024	FY 2023
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	12,10,798	10,61,868
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	2,57,798	53,225
Total Scope 1 & Scope 2 emissions	Metric tonnes of CO2 equivalent	14,68,597	11,15,093
Total Scope 1 and Scope 2 emission intensity per Crore of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations in crores)		239	269
Total Scope 1 and Scope 2 emission intensity per Crore of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations in crores adjusted for PPP)		4,841	6,149
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Total Scope 1 and Scope 2 emissions in Metric tonnes of CO2 equivalent /production in tons)		NA	NA
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Waste heat recovered from coke oven plant is utilized for power generation with a capacity of 40 MW fulfilling our in-house electricity demand. Several other initiatives are taken to reduce energy & resource consumption such as installation of VFDs, replacement of old LT motors with new Energy efficient motors and conducting plant level energy audit to find out improvement areas for optimization and conservation of energy.

9. Provide details related to waste management by the entity

Parameter	FY 2024	FY 2023
	Total Waste generated (in MT)	
Plastic waste (A)	234	198
E-waste (B)	2.90	1.42
Bio-medical waste (C)	0.07	0.11
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	0.11	2.32
Radioactive waste (F)	0.1	Nil
Other Hazardous waste. Please specify, if any. (G)	1,549	267
Other Non-hazardous waste generated (H). Please specify, if any.	4,23,889	2,90,658
Total (A+B + C + D + E + F + G + H)	**4,25,675**	**2,91,127**
Waste intensity per crore of turnover (Total waste generated / Revenue from operations in crores)	69.40	70.16
Waste intensity per crore of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations in crores adjusted for PPP)	1,403	1,605
Waste intensity in terms of physical output (Total waste generation in tons / production in tons)	NA	NA
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY 2024	FY 2023
	Total Waste generated (in MT)	
(i) Recycled	2,67,580	1,66,210
(ii) Re-used	15,827	9,675
(iii) Other recovery operations	Nil	Nil
Total	**2,83,407**	**1,75,885**

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY 2024	FY 2023
	Total Waste generated (in MT)	
(i) Incineration	0.07	4.18
(ii) Landfilling	99,358	65,943
(iii) Other disposal operations	6.76	Nil
Total	**99,364**	**65,947**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Waste generated is segregated at the source of generation, stored securely and disposed off to the State Pollution Control Board (KSPCB) authorized waste recyclers / co-processors / re-users / recyclers in line with the authorization taken by the respective agencies under Hazardous and Other Waste Rules 2016. The granulated and un-granulated slag generated is being recycled completely by Cement Industry and other recyclers.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details

The Company do not have any offices and facilities in the vicinity of any ecologically sensitive area.

12. Details 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
Environmental Clearance that includes Environmental Impact Assessment study	SW/136288/2023	Feb/23	Yes	In progress	https://parivesh.nic.in/newupgrade/#/trackYourProposal?clearance=1

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:

Yes. The Company is compliant with the applicable laws pertaining to Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder.

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: NA

(ii) Nature of operations: NA

(iii) Water withdrawal, consumption, and discharge: NA

Parameter	FY 2024	FY 2023
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) Into Surface water		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) Into Groundwater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third parties		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kiloliters)	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024	FY 2023
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 monitored	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be 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

No

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives:

Not Applicable

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

- Appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- Keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
- Coordination of its activities with other committees of the Board, wherever required.
- To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
- Such other role / powers as may be assigned to the Risk Management Committee by the SEBI LODR Regulations and the Board of Directors from time to time.
- The Company is in the process of analyzing Cloud services for major ERP systems and file servers. This would increase uptime and business continuity during disasters by bringing scalability and flexibility to IT Hardware sizing and utilization.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Not Applicable

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts

Nil

7 PRINCIPLE

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

We actively engage with all industrial agencies, regulatory agencies and law enforcement agencies with honesty, integrity, responsibility and transparency to bring appropriate changes in the existing laws, regulations and guidelines promoting sustainable growth and development. We ensure ethical business practices and compliance with the applicable laws, regulations and guidelines.

KFIL is instrumental in making a collaborative effort by involving industrial associations, institutions and organizations while addressing the steel sector related business risks with the government agencies and regulatory bodies. We have a stringent corporate governance policies, systems and practices to ensure highest ethical standards while decision making on policies protecting the interests of all stakeholders and ensuring the sustainable growth of the company.

ESSENTIAL INDICATORS

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

The Company affiliates with 11 National and 7 State trade and industry chambers / associations.

b. List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Pig Iron Manufactures Association	National
2.	Association of Mini Blast Furnaces	National
3.	Automotive Component Manufacturers Association of India (ACMA)	National
4.	Engineering Export Promotion Council of India	National
5.	National Safety Council	National
6.	The Institute of Indian Foundrymen	National
7	Federation of Indian Minerals Industries	National
8.	The Institute of Co-Secretaries of India	National
9.	Legal Entity Identifier India Ltd	National
10.	Institute of Chartered Accountants of India (ICAI)	National
11.	Membership of Labor Law reporter	National
12.	Karnataka Employers' Associations	State
13.	Ballari Koppal Regional Industries Safety Events (BKRISE)	State
14.	Karnataka Iron & Steel Manufacturers Association	State
15.	Mahratta Chambers of Commerce & Industries	State
16.	District Chambers of Commerce and Industry (DCCI)	State
17.	Jejuri Industrial Manufacturers Associates	State
18.	The Alloy Steel Producers Association	State

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

There were no incidents of anti-competitive behavior involving the Company during the reporting period FY 2023-24.

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

KFIL is a member of several industrial associations at regional and national level where it actively put forth its strategic decisions and be instrumental in policy level decision making. The public policy advocacy consultations of the Company are periodically reviewed by the senior management of the Company and give necessary directions ensuring sustainable long-term growth of the company mitigating business risks in compliance with the applicable laws.

8 PRINCIPLE

Businesses should promote inclusive growth and equitable development

Our business strategy ensures inclusive growth and equitable development by uplifting of marginalized and vulnerable groups in nearby communities where we operate. We have conducted the need-based assessment and prioritized education, health and hygiene, environment and rural development as major focus areas for CSR projects.

We make a relentless effort for socio-economic development of the local communities and maintain cordial relationship with them. We create a positive impact in the nearby communities which in turn empowers us to build a reliable, efficient and sustainable organization. We have a dedicated CSR committee to address the grievances of the local communities on CSR initiatives and projects.

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in FY 24

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
Not Applicable					

2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity

S. 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 ₹)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community

Regular interaction and discussion were held with the local communities and gram panchayat members / village sarpanch to receive and redress the grievances related to the communities.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

Parameter	FY 2024	FY 2023
Directly sourced from MSMEs/ small producers	9.09%	6.00%
Directly from within India	43.11%	62.00%

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 following locations, as % of total wage cost

Location	FY 2024	FY 2023
Rural	36.79%	83.00%
Semi-urban	37.47%	Nil
Urban	23.29%	17.00%
Metropolitian	2.45%	Nil

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):

Not applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Not applicable

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

b. From which marginalized /vulnerable groups do you procure?

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:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not applicable				

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
Not applicable		

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Arranged drinking water for local communities	1,500	100%
2	Drinking water arrangements such as RO Plant & water Storage arrangements	2,000	100%
3	Study materials for SSLC Students	10,000	100%
4	Provided Smart class for 3 government schools	1,500	100%
5	Provided school bags to 10 GHPS	4,000	100%
6	Provided writing desks (Benches) to 30 GHPS	11,000	100%
7	Kirloskar Vasundhara International Film Festival (KVIFF) to create awareness on environmental, social and other sustainability aspect	3,000	100%
8	Provided nutritional supplements to TB Patients in association Health Dept	50	100%
9	Provided Tri Motor Cycle to Physically Challenged in association with Department of Boilers & Factories	5	100%
10	Rural development	1,500	100%
11	Education, Environment, Health, WASH, Rural Development	1,155	100%

9 PRINCIPLE

Businesses should engage with and provide value to their consumers in a responsible manner

2 ZERO HUNGER · 4 QUALITY EDUCATION · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION · 14 LIFE BELOW WATER · 15 LIFE ON LAND · 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Our facilities are well equipped with advanced technologies to deliver innovative and sustainable products in a timely manner. We provide the finest services and products by fulfilling the needs and expectations ensuring customer satisfaction, long term growth and success of the company.

Our product development related initiatives and systems are based on Theory of constraints (TOC) principle for faster new product development & Delivery performance of On time in full (OTIF) enabled us an edge to develop new products faster and ensure on-time delivery of products gained customer confidence and helped in attracting major Global OEM's and to leadership position in domestic market. We have a comprehensive customer grievance redressed mechanism and customer satisfaction survey to understand and meet our customers' needs and expectations.

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback

Robust customer complaint management system is established to collect and resolve the consumer complaints. Heads of the marketing and quality departments are responsible to take necessary action against the complaints received.

2. Turnover of products and / services as a percentage of turnover from all products/ service that carry information about

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Nil
Safe and responsible usage	Nil
Recycling and/or safe disposal	Nil

3. Number of consumer complaints in respect of the following:

	FY 2024			FY 2023		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	NA	NA	Nil	NA	NA
Advertising	Nil	NA	NA	Nil	NA	NA
Cyber-security	Nil	NA	NA	Nil	NA	NA
Delivery of essential services	Nil	NA	NA	Nil	NA	NA
Restrictive trade practices	Nil	NA	NA	Nil	NA	NA
Unfair trade practices	Nil	NA	NA	Nil	NA	NA
Others	Nil	NA	NA	Nil	NA	NA

4. Details of instances of product recalls on accounts of safety issues

	Number	Reasons for recall
Voluntary recalls	Nil	Not applicable
Forced recalls	Nil	Not applicable

5. Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Company has formulated the IT policy covering cyber security and risks related to data privacy. The same will be uploaded at the website of the Company in due course.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

Not applicable

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

Nil

b. Percentage of data breaches involving personally identifiable information of customers

Nil

c. Impact, if any, of the data breaches

Not Applicable

LEADERSHIP INDICATORS

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   https://www.kirloskarferrous.com/products

   https://www.ismt.co.in/product-and-services/steel

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   Since the products of the Company are directly supplied to the OEMs who assemble and send the end products to the customer, the Company has limited scope for informing and educating the end user about the safe and responsible usage of its products.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Since the products of the Company are directly supplied to the OEMs who assemble and send the end product to the customer, KFIL has limited scope for informing the end user about the risk of disruption/discontinuation of its essential service.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Not applicable. We do not display product information on the product over and above what is mandated as per local laws. We assess customer satisfaction by conducting a Customer Satisfaction Survey (CSS) through external professional agency at regular intervals. The survey captures Customer Satisfaction Parameters like eQ Index, Commitment Share and Vulnerability along with perception for various attributes. The survey is based on direct interviews with customers using a structured questionnaire covering various factors such as brand image, business support, research and development, product, order execution, delivery, packaging and experience with sales team.

Independent Auditors' Report

on the Audit of the Standalone Financial Statements

To the Members of

Kirloskar Ferrous Industries Limited

Opinion

We have audited the accompanying standalone financial statements of Kirloskar Ferrous Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, 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 a summary of the Material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2024, 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 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to:

1. Note 52 of the Financial Statements in respect of the scheme of amalgamation ('Scheme') of ISMT Limited ('Amalgamating Company') with the Company. The aforesaid Scheme was sanctioned by the Hon'ble National Company Law Tribunal (NCLT) Mumbai Bench vide order dated 24th July, 2024. The Appointed Date of the Scheme is 1 April, 2023 and in terms of the Scheme, all the assets, liabilities, reserves and surplus of the Amalgamating Company have been transferred to and vested in the Company. The effect has been given in the Financial Statements as set out in the aforesaid note.

   Consequently, our report on the Standalone Financial Statement dated 17th May 2024 having UDIN 24117309BKCBGE1175 stands cancelled.

2. Note No. 39.1 of the Standalone Financial Statement, regarding provision of ₹ 20.57 Crores towards net assets of Structo Hydraulics AB, Sweden (SHAB) and ISMT Europe AB, Sweden due to loss of control as an effect of ongoing bankruptcy liquidation.

3. Note No. 39.2 of the Standalone Financial Statement, regarding provision for impairment made by Tridem Port and Power Company Private Limited (TPPCL) along with its subsidiaries to the extent of ₹ 40.81 Crores in respect of its Property, Plant & Equipment as per Ind AS 36 "Impairment of Assets" for the year ended March 31, 2024 respectively.

4. Note No. 39.3 of the Standalone Financial Statement, regarding provision of ₹ 1.95 Crores towards net assets of IS INC due to loss of control as an effect of voluntary liquidation.

Our opinion is not modified in respect of this matter

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. These matters were addressed in the context of our audit of the Standalone financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each 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 Standalone 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 Standalone 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 Standalone financial statements.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	**Contingent Liability** The Company is involved in direct and indirect tax litigations that are pending with various tax authorities as mentioned in Note No. 50 of the Financial Statements. Whether a liability is recognized or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on assumptions and assessments. We placed specific focus on the judgements in respect to these demands against the Company. Determining the amount, if any, to be recognized or disclosed in the financial statements, is inherently subjective. Therefore, these litigations amount is considered to be a key audit matter.	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.
2.	**Property, Plant & Equipment** Valuation and existence of property, plant and equipment including assessment of useful lives and residual values Property, plant and equipment represents a significant proportion of the Company's asset base having total value of ₹3,100.57 Crores (Net Block), given in Note. 5 of the Financial Statements. The estimates and assumptions made to determine the carrying amounts, including whether and when to capitalize or expense certain costs, and the determination of depreciation charges are material to the Company's financial position and performance. The charges in respect of periodic depreciation are derived after estimating an asset's expected useful life and the expected residual value. Changes to asset's carrying amounts, expected useful lives or residual value could result in a material impact on the financial statements and hence considered as key audit matter.	Our audit approach consisted evaluation of design and implementation of controls, and testing the operating effectiveness of the internal controls over valuation of property, plant and equipment and review of useful lives; Periodic physical verification of property, plant and equipment for adequacy and appropriateness of the accounting and disclosure by the Management: • Review of CAPEX business process, flow of documents/ information and their control's effectiveness • Substantive Tests on random sampling for all the major additions, deletions to the assets by applying all the characteristics of capital expenditure, proper classification of the same, with reference to the company's policy and accounting standards • We performed substantive testing for the determination of assets' useful lives and residual values with reference to management's judgments, including the appropriateness of past / existing asset lives and residual values applied in the calculation of depreciation. We also obtain certificates relating to useful lives of assets wherever required. • We have reviewed the policy and the procedure of physical verification of PPE. • After carrying out above audit procedures, we did not identify any exceptions in relation to the valuation and the existence of property, plant and equipment including assessment of useful lives and residual values which, may affect our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the 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 Standalone financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Responsibilities of Management and Those Charged with Governance 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 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. 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 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of the Amalgamating Company till the year ended 31st March 2024 which has been included in the Standalone financial Statements presented by the Company, consequent to merger order as mentioned in Emphasis of Matter paragraph above. The said financial Statements were audited by other auditor, whose unmodified report dated 10th May 2024 has been furnished to us by the Management. Our conclusion is not modified in respect of this matter.

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 except for matters stated in the paragraph h(vi) below on reporting under Rule 11(g).

   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 Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

   e) On the basis of the written representations received from the directors for the year ended March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements 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 financial statements.

      Further, in case of reporting with respect to the adequacy of the internal financial controls with reference to financial statements of the Amalgamating Company, we have relied on the reporting done by the other Auditor, whose report dated 10th May 2024 has been furnished to us by the Management.

   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 by the Company to its directors for the financial year ended as at March 31, 2024 is in accordance with the provisions of section 197 read with Schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) which are required to be commented upon by us.

   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 Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 50 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, other than as disclosed in note 49 to the standalone Financial Statements, if, any, 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. Management has represented, that, to the best of its knowledge and belief, other than as disclosed in note 49 to the standalone Financial Statements, if, any, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our attention that has caused us 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. 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 for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

In case of the Amalgamating Company having 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 except in respect of any changes made at database level, where the other Auditor were unable to comment in absence of relevant information. Further, during the course of their audit they did not come across any instance of audit trail feature being tampered with.

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. Further, in case of reporting of various clauses as per the Order under section 143 (11) of the Act, in respect of Amalgamating Company, we have relied on the reporting done by the other Auditor, whose report dated 10th May 2024 has been furnished to us by the Management.

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

Parag Pansare
Partner
Membership No.: 117309
UDIN: 24117309BKCBNT7872

Pune, August 09, 2024

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 Ferrous 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 financial statements of **Kirloskar Ferrous Industries Limited** ("the Company") as of 31st March 2024 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls with reference to standalone financial statements

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone Financial Statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls with reference to standalone Financial Statement 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 with reference to standalone Financial Statement of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls with reference to standalone Financial Statement (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 with reference to standalone Financial Statement 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 with reference to standalone Financial Statement included obtaining an understanding of internal financial controls with reference to standalone Financial Statement, 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, 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 with reference to standalone Financial Statements 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 with reference to standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 standalone Financial Statement

Because of the inherent limitations of internal financial controls with reference to standalone Financial Statement, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone Financial Statement to future periods are subject to the risk that the internal financial control with reference to standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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 with reference to standalone Financial Statements and such internal financial controls with reference to standalone Financial Statement were operating effectively as at March 31, 2024, based on the internal financial controls with reference to Financial Statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls with reference to standalone Financial Statement issued by the Institute of Chartered Accountants of India.

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

Parag Pansare
Partner
Membership No.: 117309
UDIN: 24117309BKCBNT7872

Pune, August 09, 2024

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of KIRLOSKAR FERROUS INDUSTRIES LIMITED of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets

(a) (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 of property, plant and equipment so as to cover all the items in a phased manner over a period of two years 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 previous financial year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the standalone financial statements are held in the name of the Company.

(d) The Company has not revalued its property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.

(e) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in the aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

In case of Amalgamating Company, there are differences observed in the quarterly returns with the books of Accounts, the reasons for such differences are given in Note 24 of the Standalone financial Statements.

(iii) (a) During the year, the Company has acquired 100% equity shares of Oliver Engineering Private Limited for ₹9.00 Crores on 29th September 2023 as per the Resolution plan approved by the National Company Law Tribunal (NCLT). Further, the details of Loans and Investments are indicated as under:

Particulars	Investments (₹ in Crores)*	Loans (₹ in Crores)*
Aggregate Amount granted/ provided during the year		
- Subsidiaries	9.01	114.68
Balance outstanding as at balance sheet date in respect of above cases		
- Subsidiaries	9.01	114.68

*Includes amounts of Amalgamating Company

(b) During the year the company has not given any advance in the nature of loan, provided any guarantee or given any security to its joint ventures, other companies, firms, Limited Liability Partnerships or any other parties. However, the company has granted loans during the year, the details of which are indicated as under:

Particulars	Aggregate amount during the year*	Balance outstanding as at balance sheet date*
Loans to Employees	₹ 1.42 Crores	₹ 0.46 Crores
Loans to Contractors		₹ 0.86 Crores
	₹ 1.13 Crores	

* Includes amounts of amalgamating company

(c) The investments made and the terms and conditions of the grant of all the above-mentioned loans during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(d) In the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

In case of Amalgamating Company, in respect of the aforesaid loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated. The parties are repaying the principal amounts, as stipulated, and are also generally regular in payment of interest as applicable except in seventeen cases of loans to employee where there is delay upto eleven months in repayment of loan amounting to ₹ 0.07 Crores (out of which amount of ₹ 0.06 Crore have been repaid till March 31, 2024).

(e) There is no overdue amount for more than ninety days in respect of loans given.

In case of Amalgamating Company, in respect of 3 employees, principal and Interest amounting to ₹ 0.1 Crores is overdue for more than 90 days. According to the Information and explanation, the Company has initiated recovery procedures for the recovery of principal and interest.

(f) There is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the over dues of existing loans given to the same party.

(g) The Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.

(iv) The Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of section 73 to 76 of the Act and rules framed thereunder to the extent notified. Accordingly, reporting under clause 3(v) of the Order is not applicable.

(vi) The Central Government has specified maintenance of cost records under Sub-Section (1) of Section 148 of the Act and we are of the opinion that prima facie such accounts and records are made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

In case of the Amalgamating Company, there is a case for delay in excess of 6 months as mentioned below:

Name of the statute	**Nature of dues**	**Amount (in Crores)**	**Period to which the Amount delayed**	**Due Date**	**Date of Payment**
Employees' state insurance	Employee state Insurance Corporation	0.014	April 22 to September 22	15th of the next month	Unpaid as at 31st March 2024

(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, 2024 on account of dispute are given below:

Name of the statute	**Nature of the dues**	**Amount under dispute (₹ in Cr)**	**Period(s) to which the amount relate**	**Forum where such dispute is pending**
Central Excise Act, 1944	Interest on refund	0.03	FY 2003-04	Assistant Commissioner of Central Excise, Bellary
Central Excise Act, 1944	Cenvat Credit availed on Steel	0.01	FY 2010-11	Assistant Commissioner of Central Excise, Bellary
Finance Act, 1994	Service Tax demand on Interest on Letter of Credit	1.15	FY 2008-09 to FY 2011-12	CESTAT, Bangalore
Finance Act, 1994	Service Tax Cenvat Credit availed on Input Services	0.53	FY 2011-12 to FY 2014-15	CESTAT, Bangalore
Finance Act, 1994	Refund Claim filed in respect of Service Tax and KKC Cenvat Credit pertaining to Railway Siding Project	0.41	FY 2016-17 and FY 2017-18	CESTAT, Bangalore
Finance Act, 1994	Service Tax paid on Royalty charges towards the purchase of Iron ore through e-auction	0.34	FY 2016-17	CESTAT, Bangalore

Name of the statute	Nature of the dues	Amount under dispute (₹ in Cr)	Period(s) to which the amount relate	Forum where such dispute is pending
Finance Act, 1994	Re-claim of Krishi Kalyan Cess & Interest thereon.	0.97	FY 2017-18	Asst. Commissioner of Central Tax & Central Excise, Hospet
CGST Act 2017 & IGST Act 2017	GST under reverse charge on Service received from Trainees (Stipend paid) & dispute of Input Tax Credit availed on inward supplies related to Construction of Railway Siding	0.61	2017 – 18	Commissioner of Central Tax (Appeals) Belgaum.
Customs Act, 1962	Customs Duty on Imported Silicon Carbide	0.04	FY 2017-18	Asst.Commissioner of Customs, Dinhata Customs Division, Jaigaon, West Bengal.
Customs Act, 1962	Recovery of drawback for non-realisation of export proceeds.	0.01	FY 2021-22	The Assistant Commissioner of Customs (BRC Monitoring), Chennai
Income Tax Act, 1961	*Minimum Alternate Tax	8.22	FY 2004-05 and FY 2006-07	Hon'ble High Court Mumbai
Income Tax Act, 1961	*Depreciation allowance - TG-3 Assessment Demand	0.25	FY 2011-12	Income Tax Appellate Tribunal, Pune
Income Tax Act, 1961	Tax demand raised for Guest House Expenses	0.01	FY 2013-14	Asst. Commissioner of Income Tax, Pune
Income Tax Act, 1961	Income Tax demand raised for Disallowance of prior period expenses	0.04	FY 2016-17	Commissioner of Income Tax, (Appeals) Pune
Income Tax Act, 1961	Disallowance of Depreciation on TG-III & Foreign Exchange Losses	2.44	FY 2018-19	Commissioner of Income Tax (Appeals), Pune
Income Tax Act, 1961	Disallowance of Education CESS Claimed, Creditors written off	0.50	FY 2020-21	Commissioner of Income Tax, (Appeals) Pune
Income Tax Act, 1961	Tax Demand Raised	17.53	FY 2020-21	Commissioner of Income Tax (Appeals), Pune
The Income Tax Act 1961	Tax Demand Raised	3.35	FY 2021-22	Commissioner of Income Tax, (Appeals) Pune
Provident Fund and Miscellaneous Provisions Act, 1952	Interest and damages for belated remittance	0.67	FY 2001-02 to FY 2004-05	EPF Appellate Tribunal, New Delhi
Karnataka Stamp Act, 1957	Stamp Duty & Registration Fee on Land	1.21	FY 2020-21	Deputy Accountant General, Audit Management Group, Bangalore

*Note: - Out of the total amount under dispute ₹ 2.45 Cr is paid under protest.

In case of Amalgamating Company,

Name of the statute	Nature of the dues	Amount under dispute (₹ in Crores)	Period(s) to which the amount relate	Forum where such dispute is pending
Customs Act, 1962	Disputes related to exemptions, classifications and other matters	5.86	FY 1990-91, FY 2003-09 to 2010-11, FY 2014-15, FY 2015-16, FY 2016-19, FY 2019-20	CESTAT
Central Excise Act, 1944	Disputes on account of determination of assessable value, availment and utilisation of CENVAT credit & other matters	16.43	FY 2007-08 to 2009-10, FY 2012-13 to FY 2017-18	CESTAT
		5.10	FY 2014-15 to FY 2017-15	Commissioner of Central Excise
		6.74	FY 2001-02 to FY 2002-03, FY 2004- 05	High Court, Bombay
CGST Act, 2017	Dispute on account of transition of CENVAT credit of cess and ISD Invoices	0.38	FY 2017-18	Appellate Commissioner
		0.50	FY 2017-18	Assistant Commissioner
Income Tax Act, 1961	Disputed Business Expenses	0.20	FY 16-17	Assistant Commissioner
Property Tax	Disputed property Tax	0.26	FY 1995-96 and FY 1996-97	High Court, Bombay

(viii) On the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) (a) In our opinion, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

In case of Amalgamating Company, loans amounting to ₹ 5.75 crores are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. According to the information and explanations given to us, such loans have not been demanded for repayment during the relevant financial year.

(b) On the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

(c) On the basis of our examination of the records of the Company, the term loans were applied for the purpose for which the loans were obtained.

(d) On the basis of our examination of the records of the Company, no funds raised on short term basis have been utilised for long term purposes.

(e) On an overall examination of the financial statements of the company, we report that the company has taken funds from following entities and persons on account of or to meet the obligations of its subsidiaries, associates or joint ventures as per details below:

Nature of fund taken	Name of Lender	Amount Involved (Disbursed)	Name of the subsidiary, joint venture, associate	Relation	Nature of transaction for which funds were utilised	Remarks, if any
Term Loan	Bank	100Cr	Oliver Engineering Private Limited (OEPL)	Wholly owned subsidiary	Provide Loan to OEPL for meeting the Capital Expenditure requirements	NA

(h) We report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting under clause 3(x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year

(xii) The Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order is not applicable.

(xiii) The transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in Note No. 49 of the standalone financial statements as required by the applicable Indian Accounting Standards.

(xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports of the Company issued to the Company during the year & covering the period up to March, 31 2024 for the period under audit.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) & (b) 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) and (b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable.

(d) In our opinion, and according to the information and explanation given to us, in the group (in accordance with Core Investment Companies (Reserve Bank) Directions, 2016), there are 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 cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, reporting under clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Parag Pansare
Partner
Membership No.: 117309
UDIN: 24117309BKCBNT7872

Pune, August 09, 2024

Standalone Balance Sheet

as at 31st March 2024

(₹ in Crores)

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,100.57	2,986.49
Capital work-in-progress	5	449.71	170.33
Intangible assets	6	2.52	3.19
Intangible assets under development	6	39.37	35.16
Financial assets			
(i) Investments	7	10.14	57.82
(ii) Loans	8	114.82	0.23
(iii) Other financial assets	9	33.21	35.84
Other non-current asset	10	53.05	65.71
Total non-current assets		**3,803.39**	**3,354.77**
Current assets			
Inventories	11	1,026.82	1,071.84
Financial assets			
(i) Trade receivables	12	896.57	837.30
(ii) Cash and cash equivalents	13	32.89	54.20
(iii) Bank balances other than (ii) above	13	11.64	6.83
(iv) Loans	14	2.24	2.65
(v) Other financial assets	15	7.30	9.09
Current tax assets (net)	16	25.05	21.58
Other current assets	17	98.24	113.27
Total current assets		**2,100.75**	**2,116.77**
TOTAL ASSETS		**5,904.14**	**5,471.54**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	82.11	81.93
Other equity	19	3,157.35	2,922.90
Total Equity		**3,239.46**	**3,004.83**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	520.90	369.79
(ii) Lease Liabilities	21	3.88	5.69
Provisions	22	13.08	10.45
Deferred tax liabilities (Net)	23	229.26	206.29
Total non-current liabilities		**767.12**	**592.22**
Current liabilities			
Financial liabilities			
(i) Borrowings	24	696.94	591.87
(ii) Lease Liabilities	25	1.79	1.67
(iii) Trade payables	26		
- Total outstanding dues of micro enterprises and small enterprises		32.38	32.45
- Total outstanding dues of creditors other than micro enterprises and small enterprises		819.29	999.64
(iv) Other current financial liabilities	27	242.05	144.69
Other current liabilities	28	70.05	70.06
Provisions	29	22.51	11.26
Current tax liability	30	12.55	22.85
Total current liabilities		**1,897.56**	**1,874.49**
Total liabilities		**2,664.68**	**2,466.71**
TOTAL EQUITY AND LIABILITIES		**5,904.14**	**5,471.54**

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached
For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No. 105215W/ W100057

PARAG PANSARE
Partner
Membership No. 117309

Pune 09th August 2024

For and on behalf of the Board of Directors

ATUL C. KIRLOSKAR
Chairman
DIN 00007387

R.V.GUMASTE
Managing Director
DIN 00082829

R.S.SRIVATSAN
Executive Director (Finance)
& Chief Financial Officer
DIN 09607651

MAYURESH GHARPURE
Company Secretary

Pune 09th August 2024

Standalone Statement of Profit and Loss

for the year ended 31st March, 2024

(₹ in Crores)

Particulars	Note No.	For the year ended 31st March, 2024	For the year ended 31st March, 2023
INCOME			
Revenue from operations	31	6,133.90	6,398.57
Other Income	32	23.16	51.78
Total Income		**6,157.06**	**6,450.35**
EXPENSES			
Cost of materials consumed	33	3,389.37	3,708.24
Purchases of stock-in-trade			
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	(19.46)	(18.70)
Employee benefits expense	35	331.26	311.58
Finance costs	36	120.14	95.02
Depreciation and amortization expense	37	231.63	169.28
Other expenses	38	1,570.59	1,557.90
Total expenses		**5,623.53**	**5,823.32**
Profit/(loss)before exceptional items and tax		533.53	627.03
Exceptional items	39	56.70	7.77
Profit/(Loss) before tax		**476.83**	**619.26**
Tax expenses			
(1) Current tax		130.51	169.54
(2) Short/ (excess) for the earlier years		(0.26)	(7.08)
(3) Deferred tax		25.00	17.09
Profit for the year		**321.58**	**439.71**
Other Comprehensive Income			
Items that will not be reclassified to profit or (loss)			
Remeasurements of post-employment benefit obligations		(8.20)	3.02
Income Tax relating to above		2.05	(0.76)
Fair value changes on equity Instruments through other comprehensive income		0.1	(3.27)
Income Tax relating to above		(0.02)	0.75
Other Comprehensive Income for the year, net of tax		**(6.07)**	**(0.26)**
Total Comprehensive Income for the year (Comprising profit and Other Comprehensive Income for the year)		**315.51**	**439.45**
Earnings per equity share (for continuing operations)	41		
Basic (₹)		19.60	26.85
Diluted (₹)		19.46	26.73

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached
For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No. 105215W/ W100057

PARAG PANSARE
Partner
Membership No. 117309

Pune 09th August 2024

For and on behalf of the Board of Directors

ATUL C. KIRLOSKAR
Chairman
DIN 00007387

R.V.GUMASTE
Managing Director
DIN 00082829

R.S.SRIVATSAN
Executive Director (Finance)
& Chief Financial Officer
DIN 09607651

MAYURESH GHARPURE
Company Secretary

Pune 09th August 2024

Standalone Cash Flow Statement

for the year ended 31st March 2024

(₹ in Crores)

Particulars	For the year ended 31st March, 2024		For the year ended 31st March, 2023	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit / (Loss) before tax		**476.83**		**619.26**
Add :				
Depreciation	231.64		169.28	
(Profit) / Loss on sale of assets	0.68		(6.37)	
Provision for doubtful debts	0.23		-	
Unrealised Foreign exchange (Gain)/Loss	(0.43)		(2.85)	
Employee share-based payment expense	5.44		9.40	
Remeasurements of post-employment benefit obligations	(2.92)		(0.29)	
Fair value changes in derivative financial instrument	0.33		1.41	
Finance Costs	120.13		95.02	
Provision for Impairment in the value of Investments in Subsidiaries	55.01		7.77	
Provision for doubtful advances	2.84		0.24	
Loss on liquidation of Subsidary	1.69		-	
Loss Allowance on Trade Receiveables	(1.99)		23.72	
Profit on Lease retirement	(0.01)		-	
		412.64		**297.33**
Less :		889.47		916.59
Interest Income	(8.29)		(5.17)	
Profit on redemption of Mutual funds	(0.10)		(1.12)	
Provision no longer required written back	(4.34)		(2.67)	
Sundry Credit balances appropriated	(0.14)		(0.01)	
		(12.87)		**(8.97)**
Operating profit before working capital changes		**876.60**		**907.62**
Movements in working capital:				
Decrease / (increase) in inventories	45.03		(90.28)	
Decrease / (increase) in trade receivables	(57.49)		(33.83)	
Decrease / (increase) in non-current loans	(2.85)		(0.03)	
Decrease / (increase) in other non-current assets	(0.76)		0.12	
Decrease /(Increase) in non current financial assets others	1.25		(0.74)	
Decrease / (increase) in current loans	0.40		(0.61)	
Decrease / (increase) in other current assets	15.00		(46.18)	
Decrease / (increase) in Bank balance other than cash and cash equivalent	-		239.72	
(Increase) / Decrease in other financial assets	3.54		0.18	
Increase / (decrease) in non-current provisions	2.63		0.73	
Increase / (decrease) in trade payables	(176.58)		(30.71)	
Increase / (decrease) in other current financial liabilities	(2.86)		12.09	
Increase / (decrease) in other current liabilities	(0.65)		14.98	
Increase / (decrease) in current provisions	5.97		(4.02)	
		(167.37)		**61.42**
Cash generated from Operations		709.23		969.04
Taxes paid		(144.01)		(165.25)
Net cash from Operating Activities (A)		**565.22**		**803.79**

Standalone Cash Flow Statement

for the year ended 31st March 2024

(₹ in Crores)

Particulars	For the year ended 31st March, 2024		For the year ended 31st March, 2023	
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of property, plant and equipment including CWIP and Capital Advances	(524.36)		(415.94)	
Purchase of Investments	(9.00)		(0.02)	
InterCorporate deposit to Subsidiaries	(111.74)		194.00	
Proceeds from sale of property, plant and equipment	6.64		0.35	
Investment in other Financial Assets	1.94		(3.20)	
Decrease / (Increase) in other bank balances	(0.47)		0.69	
Interest Received	2.78		6.45	
Profit on redemption of Mutual fund	0.10		1.12	
Net Cash from Investing Activities (B)		**(634.11)**		**(216.55)**
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Interest paid	(109.01)		(72.51)	
Other Borrowing Costs	(1.19)		(1.28)	
Finance Costs	(10.12)		(21.29)	
Proceeds from long term borrowings (net)	150.52		128.68	
Proceeds/(Repayment) from short term borrowings	105.66		(561.35)	
Payment of Lease Liabilities	(2.35)		(2.33)	
Receiptfrom subsidairy on investment	0.09		-	
Increase/(Decrease) on issue of equity shares	4.48		1.34	
Dividend Paid	(90.50)		(76.38)	
Net Cash from Financing Activities (C)		**47.58**		**(605.12)**
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)		**(21.31)**		**(17.88)**
Cash and Cash Equivalents at the beginning of the Period	**54.20**		**72.08**	
Cash and Cash Equivalents acquired pursuant to business combination	**-**		**-**	
Cash and Cash Equivalents at the end of the year	**32.89**		**54.20**	

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached
For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No. 105215W/ W100057

PARAG PANSARE
Partner
Membership No. 117309

Pune 09th August 2024

For and on behalf of the Board of Directors

ATUL C. KIRLOSKAR
Chairman
DIN 00007387

R.V.GUMASTE
Managing Director
DIN 00082829

R.S.SRIVATSAN
Executive Director (Finance)
& Chief Financial Officer
DIN 09607651

MAYURESH GHARPURE
Company Secretary

Pune 09th August 2024

Standalone Statement of Changes in Equity

for the year ended 31st March, 2024

A. Equity Share Capital (Note 18)

(₹ in Crores)

Opening Balance as on 1st April, 2022	Changes in equity share capital during the year		Closing Balance as on 31st March, 2023
	Shares pending issuance	Shares issued during the year	
69.36	12.45	0.13	81.93

(₹ in Crores)

Opening Balance as on 1st April, 2023	Changes in equity share capital during the year		Closing Balance as on 31st March, 2024
	Shares pending issuance	Shares issued during the year	
81.93	0.00	0.18	82.11

B. Other Equity (Note 19)

Particulars	Reserves and surplus			Equity Instruments through Other Comprehensive Income	Share options outstanding account	Share Application Money pending allotment	Revaluation Reserves	Capital reserve arising out of business combination	Capital reserve arising out of Merger	Total
	Securities premium	General reserve	Surplus of profit or loss							
Balance as on 01 April, 2022	**205.65**	**70.00**	**985.11**	**2.93**	**3.03**	**0.13**	**-**	**-**	**-**	**1,266.85**
Reserves taken over on Amalgamation	-	-	(70.07)	-	-	-	-	496.83	-	426.76
Reserves created due to Amalgamation	-	-	-	-	-	-	-	-	855.64	855.64
Restated Balance as on 1st April, 2022	**205.65**	**70.00**	**915.04**	**2.93**	**3.03**	**0.13**	**-**	**496.83**	**855.64**	**2,549.25**
Total Comprehensive Income										
Profit for the year	-	-	439.71	-	-	-	-	-	-	439.71
Other Comprehensive Income	-	-	2.26	-	-	-	-	-	-	2.26
Remeasurement of defined benefit liability (net of t Fair value changes on equity Instruments through other comprehensive income	-	-	-	(2.52)	-	-	-	-	-	(2.52)
Transfer to General Reserve	-	5.00	(5.00)	-	-	-	-	-	-	0.00
Employee stock option expense	-	-	-	-	9.40	-	-	-	-	9.40
Share application money received	-	-	-	-	-	1.34	-	-	-	1.34
Issue of equity shares on account of exercise of employee stock options	2.15	-	-	-	(0.97)	(1.31)	-	-	-	(0.13)
Distribution to shareholders										
Final Dividend	-	-	(41.65)	-	-	-	-	-	-	(41.65)
Interim Dividend	-	-	(34.73)	-	-	-	-	-	-	(34.73)
Balance as on 31st March, 2023	**207.80**	**75.00**	**1,275.61**	**0.41**	**11.46**	**0.16**	**-**	**496.83**	**855.64**	**2,922.90**

Standalone Statement of Changes in Equity

for the year ended 31st March, 2024

B. Other Equity (Note 19) (Contd.)

Particulars	Reserves and surplus			Equity Instruments through Other Comprehensive Income	Share options outstanding account	Share Application Money pending allotment	Revaluation Reserves	Capital reserve arising out of business combination	Capital reserve arising out of Merger	Total
	Securities premium	General reserve	Surplus of profit or loss							
Total Comprehensive Income										
Profit for the year	-	-	321.58	-	-	-	-	-	-	321.58
Other Comprehensive Income	-	-	(6.14)	-	-	-	-	-	-	(6.14)
Remeasurement of defined benefit liability (net of t Fair value changes on equity Instruments through other comprehensive income	-	-	-	0.08	-	-	-	-	-	0.08
Transfer to General Reserve	-	5.00	(5.00)	-	-	-	-	-	-	-
Employee stock option expense	-	-	-	-	5.44	-	-	-	-	5.44
Share application money received	-	-	-	-	-	4.65	-	-	-	4.65
Issue of equity shares on account of exercise of employee stock options	6.86	-	-	-	(2.74)	(4.47)	-	-	-	(0.35)
Lapse of employee stock options	-	-	0.13	-	(0.13)	-	-	-	-	-
Distribution to shareholders										
Final Dividend	-	-	(41.70)	-	-	-	-	-	-	(41.70)
Interim Dividend	-	-	(41.80)	-	-	-	-	-	-	(41.80)
Interim Dividend paid by Amalgamating Company			(7.32)							(7.32)
Balance as on 31st March, 2024	**214.66**	**80.00**	**1,495.36**	**0.49**	**14.03**	**0.34**	**-**	**496.83**	**855.64**	**3,157.35**

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached
For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No. 105215W/ W100057

PARAG PANSARE
Partner
Membership No. 117309

Pune 09th August 2024

For and on behalf of the Board of Directors

ATUL C. KIRLOSKAR
Chairman
DIN 00007387

R.V.GUMASTE
Managing Director
DIN 00082829

R.S.SRIVATSAN
Executive Director (Finance)
& Chief Financial Officer
DIN 09607651

MAYURESH GHARPURE
Company Secretary

Pune 09th August 2024

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

1) THE CORPORATE OVERVIEW

Kirloskar Ferrous Industries Limited ('the Company') was incorporated in 1991, a flagship Company of Kirloskar Group, promoted by Kirloskar Oil Engines Limited and Shivaji Works Limited. Shivaji Works Limited was subsequently merged with Kirloskar Oil Engines Limited. The erstwhile Kirloskar Oil Engines Limited now changed its name and is known as Kirloskar Industries Limited.

At present, the Company is the subsidiary of Kirloskar Industries Limited. The Company is having manufacturing facilities situated at Koppal district and Chitradurga district in Karnataka State and at Solapur, Ahmednagar, Baramati and Jejuri in Maharashtra State. The Company is engaged in manufacturing of iron castings, seamless tubes and engineering steels.

2) BASIS OF PREPARATION

a) Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS). Ind AS are notified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards), Rules, 2015 as amended from time to time and other relevant provisions of the Act. Accounting policies have been consistently applied except where newly issued accounting standard or revision to existing accounting standards requires changes in the existing accounting policies.

These Standalone Financial Statements are approved by the Board of Directors of the Company and authorised for issue on 9 August 2024. Pursuant to an approved Scheme of Arrangement, sanctioned by Hon'ble National Company Law Tribunal (NCLT) Mumbai Bench vide order dated 24th July, 2024 (the details of which are stated in note 52), the Appointed Date of the Scheme is 1 April, 2023. In terms of the said Scheme, all the assets, liabilities, reserves and surplus of the Amalgamating Company (ie., ISMT Limited) have been transferred to and vested in the Company and the earlier standalone financial statements of the Company for the year ended 31 March 2024 which was approved by the Board of Directors on 17 May 2024 have been updated.

b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on each reporting date on the basis as explained below:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value.
- Defined benefit plans – plan assets are measured at fair value.
- Equity settled share-based payments – measured at grant date fair value.

c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is expected to be realised within twelve months from the reporting, or
- It is cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months from the reporting date, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after reporting date.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) Functional and presentation currency

Company has identified Indian Rupee (INR) as its functional currency. All amounts presented in the Financial Statements including notes have been rounded off to the nearest crores in Indian Rupee as per the requirements of Schedule III of the Companies Act, 2013; unless otherwise indicated.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

3) MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Property, plant and equipment

- **Recognition and measurement**

  Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost comprises of purchase price and any directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

  Borrowing costs attributable to construction or acquisition of a qualifying asset for the period up to the date, the asset is ready for its intended use are included in the cost of the asset to which they relate.

  Pre-operative expenditure including trial run expenses comprising of revenue expenses incurred as reduced by the revenue generated during the period up to the date, the asset is ready for its intended use are treated as part of costs of that asset.

  Capital work-in-progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use as at the balance sheet date.

  Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under "Other non-current assets".

  Property, Plant and Equipments amounting to ₹0.10 Crore are considered immaterial and expensed out to the Statement of Profit and Loss

- **Subsequent costs**

  The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss as incurred.

- **Subsequent Measurement**

  Property, plant and equipment are subsequently measured costs less accumulated depreciation less accumulated impairment losses.

- **Derecognition**

  An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net and disclosed within other income or expenses in the Statement of Profit and Loss.

- **Depreciation methods, estimated useful lives and residual value**

  Casting segment:

  Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised in the Statement of Profit and Loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act 2013, as assessed by the management of the Company based on technical evaluation except in the case of following assets:

Description	Useful life considered	Justification for deviation
Plant and equipments:		Based on past history of usage and supported by technical evaluation report
a) Sinter plant	20 years	
b) Blast furnace and allied machineries used in manufacture of pig Iron	20 years	
c) Foundry machineries	20 years	
d) Turbo generator	20 years	
e) Plant and equipments given under operating lease	5 years	
f) Machinery spares and Other Components of PPE.	2 to 10 years	
g) Patterns	8 years	

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Description	Useful life considered	Justification for deviation
Office equipments		
Equipment installed at employee's residence	3 years	As per the terms of Company's policy
Vehicles		
Vehicles given to employees	5 years	As per the terms of Company's policy

Freehold land is not depreciated.

Tube and Steel segment:

Depreciation on Plant & Machinery other than Captive Power Plant is provided on its useful life estimated by the management on Written Down Value method. For these classes of assets, based on the technical evaluation carried out by the external experts, the management has estimated the useful lives in the range of 8 years to 65 years.

Depreciation on Building and Plant & Machinery of Captive Power Plant is provided as per the useful life specified in Part 'C' of Schedule II of the Companies Act, 2013 on Straight Line Method.

Depreciation on Furniture & Fixtures, Office Equipment and vehicle is provided as per the useful life specified in Part 'C' of Schedule II of the Companies Act, 2013 on Written Down Value Method.

Freehold land is not depreciated.

b) Intangible assets

- **Recognition and measurement**

  Intangible assets are recognised when the asset is identifiable, is within the control of the Company, and is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

  Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

- **Derecognition**

  An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of intangible asset are determined by comparing the proceeds from disposal with the carrying amount of intangible asset and are recognised net and disclosed within other income or expenses in the Statement of Profit and Loss.

- **Amortisation**

  Amortisation is calculated over the cost of the asset, or other amount substituted for cost. Amortisation is recognised in Statement of Profit and Loss on a straight-line basis over the estimated useful life of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

  The estimated useful life for current and comparative periods are as follows:

Computer software	6 years

c) Leases

The Company assesses at the inception of the contract whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement

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date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short- term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

d) Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset or Cash Generating Unit (CGU) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

Impairment losses are recognised in the Statement of Profit and Loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

- **Reversal of impairment loss**

  For assets other than goodwill, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

e) Inventories

Raw materials, stores and spares are valued at lower of cost and net realizable value. Cost is determined using weighted average method.

Work in process and finished goods other than by-products are valued at lower of cost and net realizable value. Cost includes direct material and labour and a proportion of manufacturing overhead based on normal operating capacity.

By-products are valued at net realisable value.

Necessary provisions are made for obsolete and non-moving inventories as per the policy framed by the management and the value of inventory is net of such provision.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

f) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

g) Revenue recognition

The Company is in the business of manufacture and sale of iron castings, seamless tubes and steel. Sales are recognised when substantial control of the products has been transferred to the customer, being when the products are delivered to the customer or its authorised representative without any unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from these sales is recognised based on the price specified in the sales order, net of the estimated discounts, rebates, returns and Goods and Service Tax. The Company's obligation to provide a refund for defects in the products is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Company does not have any payment terms exceeding one year for any contract. Accordingly, the Company does not adjust any of the transaction prices for the time value of money.

h) Other income

- **Interest income**

  Interest income from debt instruments is recognised using Effective Interest Rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

- **Dividends**

  Dividends are recognised in the Statement of Profit and Loss only when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount can be measured reliably.

- **Any other incomes are accounted for on accrual basis.**

i) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset, are expensed in the period in which they are incurred.

j) Foreign currency transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

k) Employee Benefits

- **Short-term employee benefits**

  All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short-term compensated absences, ex-gratia, performance pay etc. are recognised in the period in which the employee renders the related service.

- **Post-employment benefits**

  Defined contribution plans

  The Company's approved superannuation scheme and central provident fund scheme are a defined contribution plan. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

  Defined benefit plans

  The employees' gratuity fund scheme is managed by a trust, is the Company's defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

  The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

  Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

  In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

  Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

  Net interest is calculated by applying the discount rate to the net defined benefit liability or the fair value of the plan asset. The cost is included in employee benefit expense in the Statement of Profit and Loss.

- **Other long-term employee benefits**

  The liabilities for earned leave which are not expected to be settled within twelve months from the date of reporting period in which the employee render the related service are measured as the present value of expected future payments to be made in respect of services provided by employee up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

the Statement of Profit and Loss. The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer settlement beyond twelve months of the reporting period, regardless of when the actual settlement is expected to occur.

l) Share-based payments

Employees of the Company who are entitled to receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

- **Equity-settled transactions**

The cost of equity-settled transactions is determined by the fair value at the grant date using fair valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss represents the movement in cumulative expense recognised as at the beginning and at the end of the period and to be recognised in the employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Employee share-based payment reserve with respect to vested options which gets forfeited as per ESOS policy will be transferred to retained earnings.

m) Research and development cost

Revenue expenditure on the research and development is charged off as expense in the year in which incurred. Capital expenditure for research and development activity is grouped with property, plant and equipment under appropriate categories and depreciation is provided as per the applicable rates.

n) Income tax

Income tax expense comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to the items recognised directly in OCI.

- **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable profits computed for the current accounting period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

- **Deferred tax**

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

o) Provisions and contingencies

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the Statement of Profit and Loss.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in financial statements, unless they are virtually certain. However, contingent assets are disclosed where inflow of economic benefits are probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

p) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

- **Level 1 —** Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2 —** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3 —** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

q) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

- **Initial recognition and measurement**

  Financial instruments are initially recognised when the entity becomes party to the contract.

  Financial instruments are measured initially at fair value adjusted for transaction costs that are directly attributable to the origination of the financial instrument where financial instruments not classified at fair value through profit or loss. Transaction costs of financial instruments which are classified as fair value through profit or loss are expensed in the Statement of Profit and Loss.

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- **Subsequent measurement of financial assets**

  For the purposes of subsequent measurement, the financial assets are classified in the following categories based on the Company's business model for managing the financial assets and the contractual terms of cash flows:

  - those to be measured subsequently at fair value; either through OCI or through profit or loss
  - those measured at amortised cost

  For assets measured at fair value, changes in fair value will either be recorded in the Statement of Profit and Loss or OCI. For investments in debt instruments, this will depend on the business model in which investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through OCI.

  The Company reclassifies debt investments when and only when its business model for managing those assets changes.

  Debt instruments at amortised cost

  A 'debt instrument' is measured at the amortised cost if both the following conditions are satisfied:

  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - The contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

  A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of hedging relationship is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using Effective Interest Rate (EIR) method.

  Equity investments

  All equity investments in the scope of Ind AS 109 Financial Instruments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to recognise subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

  If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of equity instrument.

  Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

- **Subsequent measurement of financial liabilities**

  For the purposes of subsequent measurement, the financial liabilities are classified in the following categories:

  - those to be measured subsequently at fair value through profit or loss (FVTPL)
  - those measured at amortised cost

  Following financial liabilities will be classified under FVTPL:

  - Financial liabilities held for trading
  - Derivative financial liabilities
  - Liability designated to be measured under FVTPL

  All other financial liabilities are classified at amortised cost.

  For financial liabilities measured at fair value, changes in fair value will recorded in the Statement of Profit and Loss except for the fair value changes on account of own credit risk are recognised in Other Comprehensive Income (OCI).

  Interest expense on financial liabilities classified under amortised cost category are measured using Effective Interest Rate (EIR) method and are recognised in Statement of Profit and Loss.

- **Derecognition of financial instruments**

  The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

  A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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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.

- **Impairment of financial assets**

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets mentioned below:

- Financial assets that are debt instrument and are measured at amortised cost
- Financial assets that are debt instruments and are measured as at FVOCI
- Trade receivables

The impairment methodology applied depends on whether there has been a significant increase in credit risk. Details how the Company determines whether there has been a significant increase in credit risk is explained in the respective notes.

For impairment of trade receivables, the Company chooses to apply practical expedient of providing expected credit loss based on provision matrix and does not require the Company to track changes in credit risk. Percentage of ECL under provision matrix is determined based on historical data as well as futuristic information.

- **Derivative financial instruments**

Initial measurement and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re- measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognised in the Statement of Profit and Loss.

r) Dividends

The final dividend on shares is recorded as liability on the date of approval of shareholders, and the interim dividends are recorded as liability on the date of declaration by the Company's Board of Directors.

s) Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

t) Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director who makes strategic decisions.

Identification of Segments

The Company's operating business predominantly relates to manufacture of iron ore castings, seamless tubes and steel.

u) Government Grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

4) SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in conformity with Ind AS, requires the management to make judgments, estimates and assumptions that affect the amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, disclosure of the contingent liabilities and notes to accounts at the end of each reporting period. Actual results may differ from these estimates.

Notes to and forming part of Standalone Financial Statements

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Judgments

In the process of applying the Company's accounting policies, management have made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating segment

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by the Managing Director being the Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires Management to make judgments with respect to recognition of segments. Accordingly, the Company recognizes Iron ore castings, seamless tubes and steel as its Segment.

Contingent liability

The Company has received various orders and notices from different Government authorities and tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyses current information about these matters and discloses the information relating to contingent liability. In making the decision regarding the need for creating loss provision, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its estimates and assumptions on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market conditions or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit obligation

The cost of the defined benefit plans and other post-employment benefits and the present value of the obligations are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future post-retirement medical benefit increase. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligations and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on the expected future inflation rates for the country.

Further details about defined benefit obligations are provided in the respective note.

Deferred Tax

Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits are unused tax losses can be utilized.

Useful lives of Property, plant and equipment

Useful lives of property, plant and equipment are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. The depreciable lives are reviewed annually using the best information available to the Management.

Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognised prospectively.

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5. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

Particulars	Freehold land	Leasehold land	Buildings	Plant & Equipments	Plant & Equipments given under operating lease	Furniture & Fixtures	Vehicles	Office equipments	Computers	Total	ROU – Building	ROU – Plant & Machinery	Total ROU asset	Capital Work-in-progress
GROSS CARRYING AMOUNT														
As at 31st March, 2022	**15.32**	**6.36**	**297.36**	**1,485.92**	**0.07**	**3.76**	**7.38**	**7.75**	**4.86**	**1,828.78**	**-**	**-**	**-**	**199.13**
Additions pursuant to Merger	234.66	240.15	176.56	2,106.42	-	4.90	1.07	13.85	-	2,777.60	0.53	8.19	8.72	3.57
Restated Balance as at 1 April, 2022	**249.98**	**246.51**	**473.92**	**3,592.34**	**0.07**	**8.66**	**8.45**	**21.60**	**4.86**	**4,606.38**	**0.53**	**8.19**	**8.72**	**202.70**
Additions	39.86	-	38.17	471.84	-	0.70	3.31	2.84	0.94	557.66	5.32	-	5.32	525.29
Disposals	11.39	-	7.00	286.90	-	0.22	0.76	0.15	-	306.42	-	-	-	557.66
Foreign currency translation reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments*	4.42	(4.42)	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2023	**282.86**	**242.09**	**505.09**	**3,777.27**	**0.07**	**9.14**	**11.00**	**24.29**	**5.80**	**4,857.61**	**5.85**	**8.19**	**14.04**	**170.33**
Additions	18.60	-	55.49	264.44	-	0.53	5.22	7.55	0.67	352.50	-	-	-	631.88
Disposals	0.16	-	0.01	24.54	-	0.04	2.30	7.02	1.07	35.14	0.30	-	0.30	352.50
Foreign currency translation reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	(0.89)	-	(0.05)	-	-	-	0.05	-	(0.89)	-	-	-	-
As at 31st March, 2024	**301.30**	**241.20**	**560.57**	**4,017.12**	**0.07**	**9.63**	**13.92**	**24.87**	**5.40**	**5,174.08**	**5.55**	**8.19**	**13.74**	**449.71**
Accumulated depreciation														
As at 31st March, 2022	**-**	**-**	**103.27**	**552.15**	**0.05**	**2.43**	**3.11**	**5.66**	**3.40**	**670.06**	**-**	**-**	**-**	**-**
Additions pursuant to Merger	-	24.30	73.31	1,010.65	-	4.64	0.77	12.89	-	1,126.56	0.19	2.84	3.03	-
Restated Balance as at 1 April, 2022	**-**	**24.30**	**176.58**	**1,562.80**	**0.05**	**7.07**	**3.88**	**18.55**	**3.40**	**1,796.62**	**0.19**	**2.84**	**3.03**	**-**
Charge for the period	-	3.56	19.26	139.84	0.00	0.35	1.28	1.33	0.72	166.34	1.21	1.16	2.37	-
Disposals	-	-	5.02	77.17	-	0.20	0.67	0.13	-	83.19	-	-	-	-
Foreign currency translation reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2023	**-**	**27.86**	**190.81**	**1,625.46**	**0.05**	**7.22**	**4.49**	**19.75**	**4.12**	**1,879.77**	**1.40**	**4.00**	**5.40**	**-**
Charge for the period	-	3.56	21.29	197.77	0.00	0.46	1.81	2.81	0.82	228.53	1.18	1.16	2.34	-
Disposals	-	-	0.01	18.38	-	0.04	1.51	6.62	1.07	27.64	0.25	-	0.25	-
Foreign currency translation reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	(0.89)	-	0.19	-	-	-	(0.19)	-	(0.89)	-	-	-	-
As at 31st March, 2024	**-**	**30.53**	**212.09**	**1,805.03**	**0.06**	**7.64**	**4.79**	**15.75**	**3.87**	**2,079.76**	**2.33**	**5.16**	**7.49**	**-**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(₹ in Crores)

Particulars	Freehold land	Leasehold land	Buildings	Plant & Equipments	Plant & Equipments given under operating lease	Furniture & Fixtures	Vehicles	Office equipments	Computers	Total	ROU – Building	ROU – Plant & Machinery	Total ROU asset	Capital Work-in-progress
Impairment														
As at 31st March, 2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Additions pursuant to Merger	3.55	-	-	160.37	-	-	-	-	-	163.92	-	-	-	-
Restated Balance as at 1 April, 2022	**3.55**	**-**	**-**	**160.37**	**-**	**-**	**-**	**-**	**-**	**163.92**	**-**	**-**	**-**	**-**
Impairment during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	3.55	-	-	160.37	-	-	-	-	-	163.92	-	-	-	-
As at 31st March, 2023	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exceptional Item-Provision for Impairment in value	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NET CARRYING AMOUNT														
As at 31st March, 2024	**301.30**	**210.67**	**348.48**	**2,212.09**	**0.01**	**1.99**	**9.14**	**9.12**	**1.52**	**3,094.32**	**3.22**	**3.03**	**6.25**	**449.71**
As at 31st March, 2023	**282.86**	**214.23**	**314.28**	**2,151.82**	**0.02**	**1.93**	**6.51**	**4.54**	**1.67**	**2,977.86**	**4.45**	**4.19**	**8.64**	**170.33**

* The land has been registered in the name of the Company in Mar-2023.

(₹ in Crores)

Amount in Capital Work in Progress for a period of	Projects in Progress		Projects temporarily suspended		Total	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Less than 1 Year	402.44	138.31	-	-	402.44	138.31
1-2 Years	44.40	21.31	-	-	44.40	21.31
2-3 Years	2.62	1.27	-	-	2.62	1.27
More than 3 Years	0.25	9.44	-	-	0.25	9.44
Total	**449.71**	**170.33**	**-**	**-**	**449.71**	**170.33**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

6. INTANGIBLE ASSETS

(₹ in Crores)

Particulars	Mining Rights	Computer software	Total	Intangible assets under development
GROSS CARRYING AMOUNT				
As at 31st March, 2022	**0.12**	**12.19**	**12.30**	**19.75**
Additions pursuant to Merger	-	-	-	-
Restated Balance as at 1 April, 2022	**0.12**	**12.19**	**12.30**	**19.75**
Additions	-	2.14	2.14	17.55
Disposals	-	-	-	2.14
Foreign currency translation reserve	-	-	-	-
Adjustments	-	-	-	-
As at 31st March, 2023	**0.12**	**14.33**	**14.44**	**35.16**
Additions	-	0.08	0.08	4.29
Disposals	-	2.04	2.04	0.08
Foreign currency translation reserve	-	-	-	-
Adjustments	-	-	-	-
As at 31st March, 2024	**0.12**	**12.37**	**12.48**	**39.37**
DEPRECIATION				
As at 31st March, 2022	**0.12**	**10.56**	**10.68**	**-**
Additions pursuant to Merger	-	-	-	-
Restated Balance as at 1 April, 2022	**0.12**	**10.56**	**10.68**	**-**
Charge for the period	-	0.57	0.57	-
Disposals	-	-	-	-
Foreign currency translation reserve	-	-	-	-
Adjustments	-	-	-	-
As at 31st March, 2023	**0.12**	**11.13**	**11.25**	**-**
Charge for the period	-	0.76	0.76	-
Disposals	-	2.04	2.04	-
Foreign currency translation reserve	-	-	-	-
Adjustments	-	-	-	-
As at 31st March, 2024	**0.12**	**9.85**	**9.96**	**-**
Impairment				
As at 31st March, 2022	**-**	**-**	**-**	**-**
Additions	-	-	-	-
Impairment during the period	-	-	-	-
Disposals	-	-	-	-
As at 31st March, 2023	**-**	**-**	**-**	**-**
Impairment during the period	-	-	-	-
Exceptional Item-Provision for Impairment in value	-	-	-	-
Disposals	-	-	-	-
As at 31st March, 2024	**-**	**-**	**-**	**-**
NET CARRYING AMOUNT				
As at 31st March, 2024	**-0.00**	**2.52**	**2.52**	**39.37**
As at 31st March, 2023	**-0.00**	**3.19**	**3.19**	**35.16**

(₹ in Crores)

Amount in Intangible under development for a period of	Projects in Progress		Projects temporarily suspended		Total	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Less than 1 Year	4.21	14.79	-	-	4.21	14.79
1-2 Years	15.34	5.79	-	-	15.34	5.79
2-3 Years	4.03	8.53	-	-	4.03	8.53
More than 3 Years	15.79	6.06	-	-	15.79	6.06
Total	**39.37**	**35.16**	**-**	**-**	**39.37**	**35.16**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

7. INVESTMENTS (NON-CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Investments in Equity Shares (Fully Paid up)		
In unquoted equity instruments		
In Subsidiary Companies (At Cost)		
ISMT Enterprises S.A.,Luxembourg (8,06,757 (Previous Year 8,06,757) Equity Shares of Euro 10 each fully paid)	48.43	48.43
Tridem Port and Power Company Pvt. Ltd (25,80,300 (Previous Year 25,80,300) Equity Shares of ₹10 each fully paid)	2.58	2.58
Indian Seamless INC. U.S.A.(Nil (Previous Year 3,17,900) Equity Shares of USD1 each fully paid)	-	1.78
Structo Hydraulics AB, Sweden (40,73,627 (Previous Year 40,73,627) Equity Shares of SEK 5 each fully paid)	16.75	16.75
Adicca Engery Solutions Pvt. Ltd.(1,00,000 (Previous Year Nil) Equity Shares of ₹1 each fully paid)	0.01	-
Oliver Engineering Private Limited (90,00,000 (NIL) Equity shares with a face value of ₹10 per share)*	9.00	-
Investment in Subsidiary – Equity Component (At Cost)		
Structo Hydraulics AB, Sweden (Refer note 39.1)	16.58	16.58
Advance to Tridem Power and Port Company Pvt. Ltd. (Refer note 39.2)	115.23	115.23
At fair value through OCI		
Kirloskar Management Services Pvt Ltd (4,87,500 equity shares with a face value of ₹10 per share)	1.12	1.02
Kirloskar Proprietary Limited (One equity share with a face value of ₹100 per share)**	-	-
S. L. Kirloskar CSR Foundation (9,800 equity shares with a face value of ₹10 per share) **	0.01	0.01
Less : Provision for Impairment	(199.57)	(144.56)
Total	**10.14**	**57.82**

Note:

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Aggregate Value of Unquoted Investments	209.71	202.38
Aggregate Value of Impairment Investments	-199.57	-144.56

*The Company has acquired 100 percent of the paid-up equity share capital and the sole management control of Oliver Engineering Private Limited ('OEPL') in terms of the Order passed by the National Company Law Tribunal, New Delhi and OEPL has become wholly owned subsidiary of KFIL with effect from 29-Sep-2023.

**The company has not performed fair valuation of these investments in unquoted ordinary shares, which are classified as FVTOCI, as the company believes that impact of change on account of fair value is insignificant.

8. LOANS (NON-CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good		
Loans to contractors	0.10	0.20
Loans to employees	0.03	0.03
Loan to Subsidaries*	114.69	-
Total	**114.82**	**0.23**

Note:

During the year, the company has acquired M/s Oliver Engineering Private Limited ('OEPL') through NCLT process. Intercorporate Deposit of ₹ 111.74 Crores has been provided to OEPL to commence the operations of the plant. Refer Note No.49 for Related Party Disclosures.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

9. OTHER FINANCIAL ASSETS (NON-CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good		
Non-current bank balances		
Margin money deposit	0.02	0.02
Deposits with more than 12 months maturity	0.06	0.05
Security deposits	33.13	35.77
Total	**33.21**	**35.84**

10. OTHER NON-CURRENT ASSETS

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good		
Capital Advances	45.05	58.47
Prepaid Expenses	1.81	1.05
Advance to Suppliers	5.22	5.22
Statutory refund from government authorities	0.97	0.97
Unsecured, considered doubtful		
Claims receivable	0.44	0.44
Less: Provision	(0.44)	(0.44)
Total	**53.05**	**65.71**

11. INVENTORIES

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Raw materials at site	413.10	344.83
Raw materials in transit	87.92	244.87
	501.02	**589.70**
Work-in-progress	172.75	184.12
Finished goods	123.83	85.46
Finished goods in transit	23.20	32.70
Stores and spares	202.06	174.56
Stores and spares in transit	0.58	3.89
By-products	3.38	1.42
Total	**1,026.82**	**1,071.84**

Details of Work-in-progress

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
a. Castings	49.45	38.45
b. Tube	76.81	93.34
c. Steel	25.58	34.57
d. Others	20.91	17.76
Total	**172.75**	**184.12**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

11. INVENTORIES (CONTD.)

Details of Finished Goods and Finished Goods in Transit

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
a. Castings	17.06	13.02
b. Pig Iron	20.01	17.02
c. Tube	94.83	73.77
d. Steel	15.13	14.35
Total	**147.03**	**118.16**

12. TRADE RECEIVABLES

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade receivables (Unsecured) :		
Receivables considered good	903.48	877.64
Receivables which are credit impaired	5.36	5.36
	908.84	**883.00**
Less: Allowance for bad and doubtful trade receivables (incl. Expected Credit Loss)	(12.27)	(45.70)
Total	**896.57**	**837.30**

Movement in allowance for bad and doubtful trade receivables (incl. Expected Credit Loss)

Particulars	(₹ in Crores)
At 31st March, 2022	**5.36**
Additions pursuant to Merger (Refer note no.52)	16.62
Restated balance as on 31st March, 2022	21.98
Provided during the year	23.72
Amount written off	-
Amount written back	-
At 31st March, 2023	**45.70**
Provided during the year	0.24
Amount written off	
Amount written back	(33.67)
At 31st March, 2024	**12.27**

Ageing of Trade Receivables

(₹ in Crores)

Particulars (Outstanding from due date of payment / from date of transaction)	As at 31st March, 2024	As at 31st March, 2023
(i) Undisputed Trade Receivables – considered good		
Not Due	645.10	710.54
Less than 6 months	237.61	125.26
6 months - 1 year	3.12	13.31
1-2 years	6.23	15.26
2-3 years	11.11	0.17
More than 3 years	0.30	13.10
Sub-total (i)	**903.48**	**877.64**
Less: Allowance for bad and doubtful trade receivables (incl. Expected Credit Loss)	(6.90)	(40.34)

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

12. TRADE RECEIVABLES (CONTD.)

(₹ in Crores)

Particulars (Outstanding from due date of payment / from date of transaction)	As at 31st March, 2024	As at 31st March, 2023
(ii) Disputed Trade Receivables – which are credit impaired		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	0.21	0.22
More than 3 years	5.15	5.14
Sub-total (ii)	**5.36**	**5.36**
Less: Allowance for bad and doubtful trade receivables (incl. Expected Credit Loss)	(5.36)	(5.36)
	896.57	**837.30**

13. CASH & CASH EQUIVALENTS AND OTHER BANK BALANCES

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
A. Cash and Cash Equivalents		
Balances with banks		
In Current accounts	30.41	54.19
In Fixed Deposits	2.48	-
Cash on hand	-	0.01
Total (A)	**32.89**	**54.20**
B. Bank Balances other than Cash & Cash Equivalents		
Earmarked balances	11.43	5.36
Deposit with Banks – Maturity more than 3 months but less than 1 year (against Guarantees / Letter of Credit).	0.21	1.48
Total (B)	**11.64**	**6.83**

14. LOANS (CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good		
Loan to employees	1.48	1.49
Loan to contractors	0.76	1.16
Total	**2.24**	**2.65**

15. OTHER FINANCIAL ASSETS (CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good		
Interest accrued on deposits and Loans	5.87	0.93
Security Deposits	0.13	1.85
Authorities	1.30	1.30
Others	0.00	5.01
Total	**7.30**	**9.09**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

16. CURRENT TAX ASSETS (NET)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Income Tax (Net)	25.05	21.58
Total	**25.05**	**21.58**

17. OTHER CURRENT ASSETS

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good		
Advance to Suppliers	61.22	84.39
Balances with Government Authorities #	22.37	14.00
Export Incentives Receivables	0.60	0.54
Prepaid expenses	11.52	9.77
Others	2.53	4.57
Total	**98.24**	**113.27**

The constitutional validity of the provisions restricting the utilisation of Input tax credit on Works Contract Service for construction of Immovable property was challenged by Safari Retreats Private Limited before the Honourable Orissa High Court. The Honourable High Court of Orissa has held that restricting such credits would mean a very narrow interpretation of the law and hence not appropriate – that the credits are therefore allowable vide order dated 17 April 2019. The Government has however challenged this ruling and has filed an SLP before the Hon'ble Supreme Court of India – the matter is currently sub judice.

In this regard, the Company placing reliance on the judgement of the Honourable High Court of Orissa and has availed an amount of ₹ 6.2 Crores for FY 2022-23, as eligible input credit, but has not utilised the same and shown as receivables from Government authorities. The Company has also filed from time to time intimations to the jurisdictional tax office informing about the said amounts having been claimed as input credits.

The balances with Government Authorities also includes an amount of ₹2.19 Crores (Previous Year : ₹ 6.98 Crores) receivable on account of Packaged Scheme of Incentive (PSI).

18. SHARE CAPITAL

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Authorised Equity Share Capital		
52,70,00,000 (52,70,00,000) Equity Shares of ₹ 5 each	263.50	263.50
Total	**263.50**	**263.50**
Issued, Subscribed and Paid up Equity Share Capital:		
13,93,21,459 (13,89,58,215) Equity Shares of ₹ 5 each	69.66	69.48
Shares pending issuance:		
2,49,04,258 (2,49,04,258) Equity shares of ₹ 5/- each, pursuant to amalgamation of erstwhile ISMT Limited with the company (Refer note no. 5)	12.45	12.45
Total	**82.11**	**81.93**

The Company has authorised preference share capital comprising of 11,70,00,000 (11,70,00,000) Preference Shares of ₹ 10 each aggregating to ₹117.00 (117.00) Crores. However the same has not been issued nor subscribed.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

18. SHARE CAPITAL (CONTD.)

a. Reconciliation of the shares at the beginning and at the end of the reporting period

(₹ in Crores)

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
	Number	₹ In Crores	Number	₹ In Crores
Equity shares				
Balance at the beginning of the year	13,89,58,215	69.48	13,87,17,044	69.36
Shares issued during the year	3,63,244	0.18	2,41,171	0.13
Shares bought back during the year	-	-	-	-
Balance at the end of the year	13,93,21,459	69.66	13,89,58,215	69.48
Add: Shares pending issuance (Refer note no. 52)	2,49,04,258	12.45	2,49,04,258	12.45
Total	**16,42,25,717**	**82.11**	**16,38,62,473**	**81.93**

b. Rights and preferences attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of Liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Equity shares held by holding company

(₹ in Crores)

Name of Shareholder	Year ended 31st March, 2024			
	No. of shares held	Share pending issuance pursuant to Merger	Total No. of shares held	Percentage of holding
Kirloskar Industries Limited*	7,06,43,754	51,00,000	7,57,43,754	46.12%

(₹ in Crores)

Name of Shareholder	Year ended 31st March, 2023			
	No. of shares held	Share pending issuance pursuant to Merger	Total No. of shares held	Percentage of holding
Kirloskar Industries Limited*	7,06,43,754	25,50,000	7,31,93,754	44.67%

* Kirloskar Industries Limited is the only shareholder holding more than 5 percent of the total equity shares.

Promotors Shareholding in the Company is set out below:

Disclosure of shareholding of promoters as at 31st March 2024 is as follows:

(₹ in Crores)

Equity shares of ₹ 5 each fully paid	As at 31 March 2024				% change during the year
	No. of shares	Share pending issuance pursuant to Merger	Total No. of shares	Percentage of holding	
Kirloskar Industries Limited	**7,06,43,754**	**51,00,000**	**7,57,43,754**	**46.12%**	**3.48%**
Indian Individuals/ HUFs / Others					
Atul Kirloskar	9,89,726	-	9,89,726.00	0.60%	0.00%
Rahul Kirloskar	14,25,279	-	14,25,279.00	0.87%	0.00%
Sanjay Kirloskar	380	-	380.00	0.00%	0.00%
Arti Atul Kirloskar	10,55,651	-	10,55,651.00	0.64%	0.00%
Alpana Rahul Kirloskar	15,91,229	-	15,91,229.00	0.97%	0.00%
Suman Kirloskar	90,535	-	90,535.00	0.06%	0.00%
Mrinalini Shreekant Kirloskar	-	-	-	0.00%	-100.00%
Alok Sanjay Kirloskar	1,520	-	1,520.00	0.00%	0.00%
Gauri Atul Kirloskar	1,140	-	1,140.00	0.00%	0.00%
Aditi Atul Kirloskar	8,77,187	-	8,77,187.00	0.53%	0.00%

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

18. SHARE CAPITAL (CONTD.)

(₹ in Crores)

Equity shares of ₹ 5 each fully paid	As at 31 March 2024				% change during the year
	No. of shares	Share pending issuance pursuant to Merger	Total No. of shares	Percentage of holding	
Rama Sanjay Kirloskar	760	-	760.00	0.00%	0.00%
Alika Rahul Kirloskar	380	-	380.00	0.00%	0.00%
Geetanjali Vikram Kirloskar	200	-	200.00	0.00%	0.00%
Roopa Jayant Gupta	6,939	-	6,939.00	0.00%	3369.50%
Kirloskar Pneumatic Company Limited	20,00,000	-	20,00,000.00	1.22%	0.00%
Achyut and Neeta Holdings and Finance Private Limite	541	-	541.00	0.00%	0.00%
Alpak Investments Private Limited	100	-	100.00	0.00%	0.00%
Navsai Investments Private Limited	100	-	100.00	0.00%	0.00%
Indian Individuals/ HUFs / Others	**80,41,667**	**-**	**80,41,667.00**		

Disclosure of shareholding of promoters as at 31st March 2023 is as follows:

(₹ in Crores)

Equity shares of ₹ 5 each fully paid	As at 31 March 2023				% change during the year
	No. of shares	Share pending issuance pursuant to Merger	Total No. of shares	Percentage of holding	
Kirloskar Industries Limited	**7,06,43,754**	**25,50,000**	**7,31,93,754**	**44.67%**	**3.61%**
Indian Individuals/ HUFs / Others					
Atul Kirloskar	9,89,726	-	9,89,726	0.60%	0.00%
Rahul Kirloskar	14,25,279	-	14,25,279	0.87%	0.00%
Sanjay Kirloskar	380	-	380	0.00%	0.00%
Arti Atul Kirloskar	10,55,651	-	10,55,651	0.64%	0.00%
Alpana Rahul Kirloskar	15,91,229	-	15,91,229	0.97%	0.00%
Suman Kirloskar	90,535	-	90,535	0.06%	0.00%
Mrinalini Shreekant Kirloskar	6,500	-	6,500	0.00%	0.00%
Alok Sanjay Kirloskar	1,520	-	1,520	0.00%	0.00%
Gauri Atul Kirloskar	1,140	-	1,140	0.00%	0.00%
Aditi Atul Kirloskar	8,77,187	-	8,77,187	0.54%	0.00%
Rama Sanjay Kirloskar	760	-	760	0.00%	0.00%
Alika Rahul Kirloskar	380	-	380	0.00%	0.00%
Geetanjali Vikram Kirloskar	200	-	200	0.00%	0.00%
Roopa Jayant Gupta	200	-	200	0.00%	0.00%
Kirloskar Pneumatic Company Limited	20,00,000	-	20,00,000	1.22%	0.00%
Achyut and Neeta Holdings and Finance Private Limite	541	-	541	0.00%	0.00%
Alpak Investments Private Limited	100	-	100	0.00%	0.00%
Navsai Investments Private Limited	100	-	100	0.00%	0.00%
Indian Individuals/ HUFs / Others	**80,41,428**	**-**	**80,41,428**		

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

18. SHARE CAPITAL (CONTD.)

Disclosure of shareholding of promoters as at 31 March 2022 is as follows:

(₹ in Crores)

Equity shares of ₹ 5 each fully paid	As at 31 March 2022			
	No. of shares	Share pending issuance pursuant to Merger	Total No. of shares	Percentage of holding
Kirloskar Industries Limited	**7,06,43,754**	**-**	**7,06,43,754**	**43.18%**
Indian Individuals/ HUFs / Others				
Atul Kirloskar	9,89,726	-	9,89,726	0.60%
Rahul Kirloskar	14,25,279	-	14,25,279	0.87%
Sanjay Kirloskar	380	-	380	0.00%
Arti Atul Kirloskar	10,55,651	-	10,55,651	0.65%
Alpana Rahul Kirloskar	15,91,229	-	15,91,229	0.97%
Jyotsna Gautam Kulkarni	15,49,320	-	15,49,320	0.95%
Suman Kirloskar	90,535	-	90,535	0.06%
Mrinalini Shreekant Kirloskar	6,500	-	6,500	0.00%
Alok Sanjay Kirloskar	1,520	-	1,520	0.00%
Gauri Atul Kirloskar	1,140	-	1,140	0.00%
Aditi Atul Kirloskar	8,77,187	-	8,77,187	0.54%
Rama Sanjay Kirloskar	760	-	760	0.00%
Alika Rahul Kirloskar	380	-	380	0.00%
Geetanjali Vikram Kirloskar	200	-	200	0.00%
Roopa Jayant Gupta	200	-	200	0.00%
Ambar Gautam Kulkarni	7,74,660	-	7,74,660	0.47%
Nihal Gautam Kulkarni	7,74,660	-	7,74,660	0.47%
Kirloskar Pneumatic Company Limited	20,00,000	-	20,00,000	1.22%
Achyut and Neeta Holdings and Finance Private Limited	541	-	541	0.00%
Alpak Investments Private Limited	100	-	100	0.00%
Navsai Investments Private Limited	100	-	100	0.00%
Indian Individuals/ HUFs / Others	**1,11,40,068**	**-**	**1,11,40,068**	

19. OTHER EQUITY

(₹ in Crores)

Particulars		As at 31st March, 2024	As at 31st March, 2023
a. Securities premium			
Opening balance		207.80	205.65
Reserve taken over on Amalgamation		-	-
Restated Balance as on 1 April, 2022		207.80	205.65
Add : Changes during the year		6.86	2.15
Closing balance	**Total (a)**	**214.66**	**207.80**
b. General reserve			
Opening balance		75.00	70.00
Reserve taken over on Amalgamation		-	-
Restated Balance as on 1 April, 2022		75.00	70.00
Add: Current year transfer from surplus		5.00	5.00
Closing balance	**Total (b)**	**80.00**	**75.00**
c. Surplus - balance in the statement of profit and loss			
Opening balance		1,275.61	985.11
Reserve taken over on Amalgamation		-	(70.07)
Restated Balance as on 1 April, 2022		1,275.61	915.04
Add :			
Profit for the year		321.58	439.71

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

19. OTHER EQUITY (CONTD.)

(₹ in Crores)

Particulars		As at 31st March, 2024	As at 31st March, 2023
Other comprehensive income / (loss)		(6.14)	2.26
Preaqusition profit / loss		-	-
Transfer from Share Options on account of lapse of employee stock options		0.13	-
Less : Appropriations			
Final Dividend on equity shares*		(41.70)	(41.65)
Interim Dividend on equity shares**		(41.80)	(34.73)
Interim Dividend paid by Amalgamating Company		(7.32)	-
Amount transferred to General reserve		(5.00)	(5.02)
Closing balance	**Total (c)**	**1,495.36**	**1,275.61**
d. Share options outstanding account			
Opening balance		11.46	3.03
Reserve taken over on Amalgamation		-	-
Restated Balance as on 1 April, 2022		11.46	3.03
Add: Employee stock option expense		5.44	9.40
Less: Transfer to profit and loss on account of lapse of employee stock options		(0.13)	-
Less: Transfer to securities premium on account of exercise of employee stock options		(2.74)	(0.97)
Closing balance	**Total (d)**	**14.03**	**11.46**
e. Equity Instruments through Other Comprehensive Income			
Opening balance		0.41	2.93
Reserve taken over on Amalgamation		-	-
Restated Balance as on 1 April, 2022		0.41	2.93
Add: Fair value changes net of deferred tax		0.08	(2.52)
Add: Deductions during the year		-	-
Closing balance	**Total (e)**	**0.49**	**0.41**
f. Share Application Money pending allotment			
Opening balance		0.16	0.13
Reserve taken over on Amalgamation		-	-
Restated Balance as on 1 April, 2022		0.16	0.13
Add: Amount received on exercise of stock options		4.65	1.34
Less: Issue of equity shares on account of exercise of employee stock options		(4.47)	(1.31)
Closing balance	**Total (f)**	**0.34**	**0.16**
g. Capital reserve arising out of business combination			
Opening balance		496.83	-
Reserve taken over on Amalgamation		-	496.83
Reserve created due to Amalgamation		-	
Restated Balance as on 1 April, 2022		496.83	496.83
Addition during the year		-	-
Closing balance	**Total (g)**	**496.83**	**496.83**
h. Capital reserve arising out of Merger			
Opening balance		855.64	-
Reserve created due to Amalgamation		-	855.64
Restated Balance as on 1 April, 2022		855.64	855.64
Add : Transferred to General Reserves		-	-
Closing Balance	**Total (h)**	**855.64**	**855.64**
	Total (a+b+c+d+e+f+g+h)	**3,157.35**	**2,922.90**

Note : * ₹ 41.70 Crores pertains to FY 2022-23 and ₹ 41.65 Crores pertains to FY 2021-22

** ₹ 49.12 Crores pertains to FY 2023-24 and ₹ 34.73 Crores pertains to FY 2022-23

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

19. OTHER EQUITY (CONTD.)

Description of the purposes of reserves within equity

General Reserve

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net income in accordance with applicable regulations.

Securities premium

The amount in the Securities premium account represents the additional amount paid by the shareholders for the issued shares in excess of the face value of those shares.

Share options outstanding account

The company offers ESOP, under which, options to subscribe for the Company's share have been granted to specified senior management employees. The Share options outstanding account balance represents fund created as per the companie's ESOP scheme.

Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Capital reserve arising out of business combination

Capital reserve represents the gains of capital nature which mainly include the excess of value of net assets acquired over consideration paid by the Company for business combination transactions and the same is not available for distribution as dividends.

Capital reserve arising out of Merger

This represents capital reserve on business combination which arises on transfer of business between entities under common control.

20. LONG TERM BORROWINGS

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured		
Term Loans		
From Bank	520.90	244.79
Non-Convertible Debentures	-	125.00
Total (a)	**520.90**	**369.79**

Details of unsecured term loan from banks

Name of bank	Loan availed (₹ in Crores)	Interest rate per annum payable monthly	Tenure	Principal Repayment
The Hongkong and Shanghai Banking Corporation Limited (HSBC)	70	9.14%	60 months	Repayment in 51 monthly installments (ie. 50 installments of ₹ 1.38 Crore each and last installment will be of ₹ 1 Crore). Put and call option at the end of every 12 months from the date of first draw down of the facility i.e. 26th April, 2019.
Kotak Mahindra Bank Ltd.	30	7.90%	60 months	Repayment in 51 monthly installments of ₹ 0.59 Crore. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e. 05th November, 2019.
Kotak Mahindra Bank Ltd.	40	7.90%	60 months	Repayment in 51 monthly installments of ₹ 0.78 Crore. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e. 05th November, 2019.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

20. LONG TERM BORROWINGS (CONTD.)

Name of bank	Loan availed (₹ in Crores)	Interest rate per annum payable monthly	Tenure	Principal Repayment
Kotak Mahindra Bank Ltd.	60	7.80%	48 months	Repayment in 39 monthly equall 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.	150	7.75%	48 months	Repayment in 36 monthly equall installments of ₹ 4.17 Crores. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e. 31st December 2021.
Kotak Mahindra Bank Ltd.	200	8.45%	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	7.85%	48 months	Repayment in 42 monthly equall 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	7.90%	48 months	Repayment in 42 monthly equall 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	7.90%	48 months	Repayment in 39 monthly equall 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. 27th Sep 2023.
HDFC Bank Ltd.	125	8.09%	48 months	Repayment in 42 monthly equall 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 Sep 2023.

The amount repayable within 12 months from the reporting date, i.e.₹ 273.89 Crores (PY ₹ 274.48 Crores) has been reflected in note no.24 Short Term Borrowings.

21. LEASE LIABILITY (NON-CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Lease Liability	3.88	5.69
Total	**3.88**	**5.69**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

22. PROVISIONS (NON-CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits		
Leave encashment	13.08	10.45
Total	**13.08**	**10.45**

23. DEFERRED TAX LIABILITIES (NET)

The major components of income tax expense for the year ended 31st March, 2024 as given below:

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Statement of Profit and Loss section		
Current income tax:		
Current income tax charge	130.51	169.54
Short/ (excess) for the earlier years	(0.26)	(7.08)
Deferred tax:		
Relating to origination and reversal of temporary differences	25.00	17.09
Income tax expense reported in the Statement of Profit and Loss	**155.25**	**179.55**
OCI Section		
Deferred tax:		
Deferred tax net loss / (gain) on actuarial gains and losses	(2.05)	0.76
Fair value changes on equity Instruments	0.02	(0.75)
Income tax charged to OCI	**(2.03)**	**0.01**

Reconciliation of actual income tax and effective income tax

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Accounting profit before tax	**476.83**	**619.26**
At India's statutory income tax rate of 25.168%	120.01	155.85
Tax effects on adjustments which are not deductible (taxable) in calculating taxable income		
Tax of earlier years	(0.26)	(7.08)
Deferred tax assets not recognised in earlier years	-	15.40
On account of business combination and consolidation adjustments	1.51	0.02
Other Items which are not deductible (taxable) in calculating taxable income	32.97	6.14
Tax difference due to Profit on sale of assets chargeable to tax as LTCG	-	6.19
Others	1.02	3.02
Income tax expense reported in the statement of profit and loss	**155.25**	**179.55**

Deferred tax relates to the following

(₹ in Crores)

Particulars	Deferred tax asset /(liability) As at 31st March, 2024	Deferred tax asset /(liability) As at 31st March, 2023	Movement in deferred tax For the Year ended 31st March 2024
Property, plant and equipment and intangible assets	(255.53)	(217.90)	(37.63)
Disallowances under section 43B of Income tax Act, 1961	16.97	20.15	(3.18)
Provision for Impairment in Value of Project - Capital work in progress	50.27	36.38	13.89
Provision for doubtful debts and advances	1.41	1.35	0.06
Others	(42.38)	(46.27)	3.89
Total	**(229.26)**	**(206.29)**	**(22.97)**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

23. DEFERRED TAX LIABILITIES (NET) (CONTD.)

(₹ in Crores)

Breakup of movement in Deferred Tax Liabilities (Net)	As at 31st March, 2024	As at 31st March, 2023
Opening balance	206.29	97.74
Addition Pursuant to merger (Refer note no. 52)	-	91.45
Restated balance as on 1st April 2022	206.29	189.19
Tax expense during the year recognised in statement of profit and loss	25.00	17.10
Tax expense during the year recognised in OCI	(2.03)	0.01
Sub-total	**22.97**	**17.11**
Closing balance	**229.26**	**206.29**

(₹ in Crores)

Reflected in the Balance Sheet as follows	As at 31st March, 2024	As at 31st March, 2023
Deferred Tax Liabilities	297.91	264.17
Deferred Tax Assets	68.65	57.88
Deferred Tax Liabilities, Net	**229.26**	**206.29**

The Company offsets the tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

24. BORROWINGS (CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Secured		
Loans payable on demand		
Short term loans	36.00	53.00
Cash credit from banks	-	11.65
Working capital Loans	156.00	68.90
Total (a)	**192.00**	**133.55**
Unsecured		
Loans payable on demand		
Commercial Papers	96.86	72.31
Current Maturities of Long term borrowings	273.89	274.48
Vendor Bills Discounted	98.44	60.78
Short Term Loans	30.00	45.00
Others*	5.75	5.75
Total (b)	**504.94**	**458.32**
Total (a + b)	**696.94**	**591.87**

Security for Secured Loans

Working capital facilities with Banks (fund based and non fund based) are secured by first charge by way of hypothecation on the current assets both present and future.

Commercial Papers

During FY 2023-24, the following Commercial Papers have been issued :

a. On 27th Jul 2023 ₹ 100 Crores issued at a discounted rate of 7.65% p.a. paid on 27th Mar 2024

b. On 11th August 2023 ₹ 100 Crores issued at a discounted rate of 7.25% p.a. paid on 09th Nov 2023

c. On 08th Nov 2023 ₹ 100 Crores issued at a discounted rate of 7.40% p.a. paid on 29th Dec 2023

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

24. BORROWINGS (CURRENT) (CONTD.)

d. On 29th Dec 2023 ₹ 100 Crores issued at a discounted rate of 7.60% p.a. paid on 28th Mar 2024

e. On 06th Mar 2024 ₹ 100 Crores issued at a discounted rate of 7.80% p.a. payable on 30th August 2024

During FY 2022-23, Commercial Papers of ₹ 75 Crores issued at a discounted rate of 7.85% on 16th Mar 2023 paid on 12th Sep 2023.

Reconciliation of Quarterly returns filled with Banks for Amalgamating Company :

Name of Bank	Aggregate working capital limits sanctioned	Nature of Current Asset offered as Security	Quarter ended	Amount disclosed as per quarterly return/ statementm (₹ crore)	Amount as per books of account (₹crore)	Difference (₹crore)
Axis Bank	175.00	Refer note below	June 30, 2023	592.50	588.94	3.57*
Kotak Mahindra Bank	145.00	Refer note below	June 30, 2023	611.04	605.82	5.22**

*This GL code is grouped under outstanding liability from Q-2

**Customer advances not required to be considered in return submission for Jun-23 ₹5.22 Crores

The current assets and receivables have been hereby hypothicated as and by way of first charge and shall rank pari-pasu with charge created.

Registration of charges or satisfaction with ROC :

During FY 2023-24, modification of charges for enhancing the Working Capital Facilities from ₹ 450 Crores to ₹ 840 Crores has been registered with ROC.

Net Debt position

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Cash and Bank Balance		
Cash and cash equivalents	32.89	54.20
Borrowings		
Current Borrowings	(696.94)	(591.87)
Long term borrowings	(520.90)	(369.79)
	(1,217.84)	**(961.66)**
Net debt	**(1,184.95)**	**(907.46)**

Net debt reconciliation as at 31 March, 2024

Particulars	Cash and bank balance	Borrowings	Total
Net debt as at 31st March, 2023	**54.20**	**(961.66)**	**(907.46)**
Cash flows	(21.31)	-	(21.31)
Interest accrued but not due as on 1st April, 2023	-	1.01	1.01
Interest accrued but not due as on 31st March, 2024	-	(0.10)	(0.10)
Interest expense	-	118.94	118.94
Interest paid	-	(119.85)	(119.85)
(Borrowing) / Repayment (Net) - Long term	-	(150.52)	(150.52)
(Borrowing) / Repayment (Net) - Short term	-	(105.66)	(105.66)
Net debt as at 31st March, 2024	**32.89**	**(1,217.84)**	**(1,184.95)**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

24. BORROWINGS (CURRENT) (CONTD.)

Net debt reconciliation as at 31 March, 2023

Particulars	Cash and bank balance	Borrowings	Total
Net debt as at 31st March, 2022	**24.38**	**(1,192.58)**	**(1,168.20)**
Changes pursuant to merger (Refer note no. 52)	47.70	(201.75)	(154.05)
Restated net debt as at 31st March, 2022	**72.08**	**(1,394.33)**	**(1,322.25)**
Cash flows	(17.88)	-	(17.88)
Interest accrued but not due as on 1st April, 2022	-	1.01	1.01
Interest accrued but not due as on 31st March, 2023	-	(1.01)	(1.01)
Interest expense	-	93.74	93.74
Interest paid	-	(93.74)	(93.74)
(Borrowing) / Repayment (Net) - Long term	-	(128.68)	(128.68)
(Borrowing) / Repayment (Net) - Short term	-	561.35	561.35
Net debt as at 31st March, 2023	**54.20**	**(961.66)**	**(907.46)**

25. LEASE LIABILITY (CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Lease Liability	1.79	1.67
Total	**1.79**	**1.67**

26. TRADE PAYABLES

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total outstanding dues of micro enterprises and small enterprises	32.38	32.45
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	551.38	647.61
Others	267.91	352.03
Total	**851.67**	**1,032.09**

Ageing of Trade Payables

(₹ in Crores)

Particulars (Outstanding from due date of payment / from date of transaction)	As at 31st March, 2024	As at 31st March, 2023
(i) MSME		
Not Due	29.81	26.25
Less than 1 year	2.44	6.19
1-2 years	0.12	0.01
2-3 years	0.01	-
More than 3 years	0	-
Sub-total (i)	**32.38**	**32.45**
(ii) Others		
Unbilled	55.40	118.39
Not Due	719.86	799.76
Less than 1 year	40.03	76.13
1-2 years	1.91	1.67
2-3 years	0.12	1.66
More than 3 years	1.64	1.72
Sub-total (ii)	**818.96**	**999.32**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

26. TRADE PAYABLES (CONTD.)

(₹ in Crores)

Particulars (Outstanding from due date of payment / from date of transaction)	As at 31st March, 2024	As at 31st March, 2023
(iii) Disputed dues – Others		
Not Due		-
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	0.32	0.32
Sub-total (iii)	**0.32**	**0.32**
	851.67	**1,032.09**

27. OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Derivative liabilities		
Foreign currency forward contract	0.33	1.41
Other financial liabilities		
Interest accrued but not due on borrowings	0.10	1.01
Unclaimed dividend #	9.99	5.36
Payable for capital purchases	162.52	64.31
Payable to employees	46.09	52.27
Provision for expenses	5.56	5.30
Creditors for expenses	8.56	4.64
Security deposit	0.03	0.03
Other liabilities	8.87	10.36
Total	**242.05**	**144.69**

#There is no amount due and outstanding as at balance sheet date to be credited to Investor Education and Protection Fund.

Disclosure in respect of principal and interest pertaining to the "Micro, Small and Medium Enterprises Development Act 2006". The information has been given in respect of such vendors on the basis of

(₹ in Crores)

Particulars	As at	
	31st March, 2024	31st March, 2023
Total outstanding to MSME Suppliers (not due)		
i. Trade payables	32.61	32.45
ii. Other Current Liabilities - Creditors for capital goods	1.78	4.97
Principal amount due remaining unpaid		
i. Trade payables	-	-
ii. Creditors for capital goods		
Principal amount outstanding and overdue out of above	0.16	0.01
Interest on above and unpaid interest		
Interest paid	2.66	-
Payment made beyond the appointed day	13.47	79.33
Interest due and payable for the period of delay	0.15	2.66
Interest accrued and remaining unpaid at the end of the year	0.15	2.66
Amount of further interest remaining due and payable in succeeding year	1.14	3.65

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

28. OTHER CURRENT LIABILITIES

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance from customers	50.06	55.33
Taxes and duties (Net) #	19.09	13.86
Provident fund payable	0.90	0.79
Other liabilities	-	0.08
Total	**70.05**	**70.06**

The constitutional validity of the provisions restricting the utilisation of Input tax credit on Works Contract Service for construction of Immovable property was challenged by Safari Retreats Private Limited before the Honourable Orissa High Court. The Honourable High Court of Orissa has held that restricting such credits would mean a very narrow interpretation of the law and hence not appropriate – that the credits are therefore allowable vide order dated 17 April 2019. The Government has however challenged this ruling and has filed an SLP before the Hon'ble Supreme Court of India – the matter is currently sub judice.

In this regard, the Comapny is placing reliance on the judgement of the Honourable High Court of Orissa and has availed an amount of ₹ 6.72 Crores as eligible input credit, but has not utilised the same and shown as receivables from Government authorities. The Company has also filed from time to time intimations to the jurisdictional tax office informing about the said amounts having been claimed as input credits.

29. PROVISIONS (CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits		
Provision for employee benefits	0.17	0.28
Gratuity	7.28	0.97
Leave encashment	9.31	8.51
Provision for expected sales returns	5.75	1.51
Total	**22.51**	**11.26**

30. CURRENT TAX LIABILITY

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Income Tax (Net)	12.55	22.85
Total	**12.55**	**22.85**

31. REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Sale of products		
Pig iron	1,805.25	2,036.86
Castings	1,508.32	1,673.26
Tube	2,064.80	1,976.72
Steel	534.52	556.07
By-products	101.35	101.97
Other operating income		
Sale of Coal	-	23.68
Export Incentive	29.34	5.96
Scrap / Coke / miscellaneous sales	90.32	24.04
Total	**6,133.90**	**6,398.57**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

32. OTHER INCOME

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest Income	7.72	4.64
Profit on redemption of Mutual funds	0.10	1.12
Profit on Sale of Assets	1.12	6.45
Exchange Gain on Foreign currency	4.17	6.06
nterest Income on financial instruments measured at amortised cost	0.57	0.54
Other non-operating income -		
IPS Incentive	-	26.44
Rental Income	0.25	0.24
Insurance claim received	0.08	0.39
Provision no longer required written back	4.35	2.48
Sundry credit balances appropriated	0.14	0.01
Miscellaneous Income	4.66	3.42
Total	**23.16**	**51.78**

33. COST OF MATERIAL CONSUMED

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Stock at the beginning of the year	589.71	538.31
Add : Purchases	3,300.68	3,759.64
	3,890.39	**4,297.95**
Less : Stock at the end of the year	501.02	589.71
Cost of material consumed	**3,389.37**	**3,708.24**

34. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND BY-PRODUCT

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
At the end of the year		
a. Finished goods	147.03	118.16
b. By-Products	3.38	1.42
c. Work-in-Progress	172.75	184.12
Total (A)	**323.16**	**303.69**
At the beginning of the year		
a. Finished goods	118.16	116.00
b. By-Products	1.42	1.87
c. Work-in-Progress	184.12	167.12
Total (B)	**303.70**	**284.99**
(Increase)/Decrease (B-A)	**(19.46)**	**(18.70)**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

35. EMPLOYEE BENEFITS EXPENSE

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Salaries, wages and incentives*	279.17	257.44
Contributions to		
Provident fund (Refer Note No. 45)	14.11	14.63
Superannuation scheme (Refer Note No. 45)	3.40	3.28
Gratuity (Refer Note no.46)	1.89	1.77
Others	0.25	0.23
Employee share-based payment expense (Refer Note no. 47)	5.44	9.40
Staff welfare expenses	27.00	24.83
Total	**331.26**	**311.58**

*** Note:** This includes an amount of ₹5.74 crores (Previous year ₹4.55 crores) Crores paid to the Managing Director of the Amalgamating Company.

36. FINANCE COSTS

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest expense		
on fixed loans	51.20	32.32
on working capital loan	9.75	6.23
on others	57.99	55.19
Other Borrowing costs	1.20	1.28
Total	**120.14**	**95.02**

37. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Property, plant and equipment (Refer Note No. 5)	230.87	168.71
Intangible assets (Refer Note No. 6)	0.76	0.57
Total	**231.63**	**169.28**

38. OTHER EXPENSES

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
a. OPERATIONAL EXPENSES		
Consumption of stores and spare parts	257.34	228.97
Consumption of Consumables	276.34	305.74
Power, fuel and water	537.26	544.52
Machinery hire charges	5.98	5.83
Repairs and maintenance		
Machinery	39.66	35.69
Buildings	5.59	4.06
Fettling and other manufacturing expenses	35.66	35.51
Other processing expenses	60.91	39.19
Other Direct Expenses	41.29	33.94
Total (a)	**1,260.03**	**1,233.45**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

38. OTHER EXPENSES (CONTD.)

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
b. SELLING EXPENSES		
Freight and forwarding expenses (net)	168.93	172.42
Advertisement	0.12	0.11
Sales commission and incentive	0.92	1.70
Royalty	8.73	9.82
Other selling expenses	12.37	2.42
Total (b)	**191.07**	**186.46**
c. ADMINISTRATIVE EXPENSES		
Rent	0.44	0.17
Rates and taxes	6.30	5.47
Insurance	5.34	5.28
Other repairs and maintenance	4.40	3.76
Travelling expenses	7.27	6.29
Legal and professional charges	27.69	19.69
Communication expenses	1.67	1.32
Printing and stationery	0.89	0.74
Auditors remuneration	1.08	0.98
Miscellaneous expenses	31.70	24.52
Directors' commission	2.04	2.40
Directors' commission of the Amalgamating Company	0.98	1.08
Recruitment charges	-	
CIRP Expenses	-	
Postage, Telephone, Internet & Courier Expenses	-	
Bank Charges	-	
Provisions for Loss Allowance	-	23.71
Provision for impairment and other	-	-
Bad debts written off (Net)	-	-
Provision for doubtful debts	0.23	-
Directors' sitting fees	0.95	0.91
Directors' sitting fees of the Amalgamating Company	0.34	0.44
CSR expenses	22.72	18.49
Net loss on foreign currency transactions	5.13	22.38
Security Charges	-	-
Loss on assets sold, demolished, discarded and scrapped	0.01	0.08
Equipment Lease Rentals	0.31	0.28
Total (c)	**119.49**	**138.00**
Total (a+b+c)	**1,570.59**	**1,557.90**

38.i Payments to auditors (including auditors of Amalgamating Company)

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
a. As auditors	0.81	0.74
b. For Taxation matters	0.07	0.08
c. For certification fees and other services	0.13	0.12
d. Reimbursement of expenses	0.07	0.04
Total	**1.08**	**0.98**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024
(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

38. OTHER EXPENSES (CONTD.)

38.ii Details of CSR Expenditure

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Gross amount to be spent during the year	**23.42**	**18.65**
Amount spent in cash during the year on:		
Construction/acquisition of any asset		
Others		
Education	19.03	16.87
Environment	1.24	0.45
Health	0.36	0.22
Rural development	2.08	0.95
Total	**22.72**	**18.49**
Excess spent of earlier years (B)	**0.79**	**0.16**
Total spent (A+B)	**23.51**	**18.65**
Shortfall / (Excess) at the end of the year	**(0.09)**	**0.00**
Reason for shortfall	**Nil**	**Nil**
Transactions with related party	**-**	**-**
Provision made with respect to a liability incurred by entering into a contractual obligation	**-**	**-**

Note (i) Research and Development expenditure

(₹ in Crores)

Revenue expenses on research and development unit situated at Bevinahalli village, Koppal incurred during the year are given below	For the year ended 31st March 2024	For the year ended 31st March 2023
Cost of materials/consumables/spares	0.41	0.39
Employee related expense	3.78	3.78
Other expenses	0.37	0.35
Total	**4.56**	**4.52**

(₹ in Crores)

Capital expenditure on research and development unit situated at Bevinahalli village, Koppal incurred during the year are given below	For the year ended 31st March 2024	For the year ended 31st March 2023
Tangible Assets		
Plant and machinery	0.73	-
Building	-	-
Computers	-	-
Office equipment	-	0.01
Furniture and fixtures	-	-
Intangible assets	-	0.45
Total	**0.73**	**0.46**

39. EXCEPTIONAL ITEMS

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Impairment Allowance on Other Assets (Refer Note 39.1 & 39.2)	(55.01)	(7.77)
Loss on Investment in Subsidary (Refer Note 39.3)	(1.69)	-
	(56.70)	**(7.77)**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

39. EXCEPTIONAL ITEMS (CONTD.)

39.1 The Company and its Subsidiary Company, ISMT Enterprises S.A., Luxembourg has invested ₹ 48.43 Crores in Structo Hydraulics AB, Sweden (SHAB). The Company has received approval from regulatory authorities for conversion into equity of an amount of ₹ 33.33 Crores (USD 5 Million) due from SHAB, out of which ₹ 16.75 Crores had been converted into equity.

SHAB's business was facing significant challenges due to the Eurozone crisis and ongoing slowdown in the European market, leading to a working capital crisis. After exploring various options including sale, revival, or liquidation, the management has decided to file bankruptcy liquidation for both SHAB and ISMT EUROPE. Accordingly, Liquidators were appointed on 12th Feb '24 and 5th Mar '24 respectively, following multiple rounds of internal and external discussions.

Based on bankruptcy liquidation filed by the company, ₹20.57 Crores has been provided towards net assets due to loss of control and disclosed as an exceptional item.

39.2 Tridem Port and Power Company Private Limited (TPPCPL), a wholly owned subsidiary, along with its subsidiaries had proposed to set up a thermal power project and captive port in Tamil Nadu. TPPCPL had obtained the approvals for the projects including acquisition of land, but no construction activity had commenced. The Government of Tamil Nadu had granted various permissions to TPPCPL for setting up the aforesaid port and power project. Subsequently, the Government had withdrawn permissions so given in earlier years which was challenged by the company in high court by way of writ petitions.

The Hon'ble Madras High Court had dismissed all the said Writ Petitions filed by TPPCPL & its subsidiaries. TPPCPL had challenged the above-mentioned Order by filing Writ Petitions before the Division Bench of the High Court, Madras on 06th October 2023. On further hearings, the bench had directed the Government to file the reply.

The Company after assessing the opportunities / business plan, after legal consultation, decided not to pursue the project. Therefore, during the current quarter the company has withdrawn the abovementioned writ petition filled in High Court.

In accordance with existing laws & regulations, land holding above permissible ceiling is ceased and compulsorily transferred to Government. Having regards to the no plan and considering the laws and regulations, the company does not expect any return and conservatively provided for impairment of ₹40.81 crores upto 31 st March 2024 and disclosed as an exceptional item.

39.3 Indian Seamless Inc. (IS Inc), Subsidary Company, was initially established to facilitate trading activities in the USA market. However, due to commencement of direct exports of tubes in USA. Market, the requirement of having intermediary entity was not required. Accordingly, our business activities in IS Inc. were ceased.

During the 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.

40. LEASES

The Company have taken various premises and plants and machinery under operating lease. These are generally cancellable and ranges from 13 months to 10 years and are renewable by mutual consent on mutually agreeable terms. There are no restrictions imposed by these lease arrangements and there are no sub leases. There are no contingent rents.

a) Following are the changes in the carrying amount of Right-of-Use Assets for the year ended 31st March 2024 and 31st March 2023.

(₹ in Crores)

Particulars	For the year ended 31st March 2024		For the year ended 31st March 2023	
	Office Building	Plant and Machinery	Office Building	Plant and Machinery
Opening balance	4.45	4.19	-	-
Addition pursuant to merger (Refer note no.52)	-	-	0.34	5.35
Addition during the year	-	-	5.32	-

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

40. LEASES (CONTD.)

(₹ in Crores)

Particulars	For the year ended 31st March 2024		For the year ended 31st March 2023	
	Office Building	Plant and Machinery	Office Building	Plant and Machinery
Deletion on cancellation of lease	0.30	-	-	-
Depreciation on ROU of Assets	1.18	1.16	1.21	1.16
Depreciation on Deletion	0.25	-	-	-
Closing balance	**3.22**	**3.03**	**4.45**	**4.19**

b) The following is the movement in Lease Liabilities for the year ended 31st March 2024 and 31st March 2023.

(₹ in Crores)

Particulars	For the year ended 31st March 2024		For the year ended 31st March 2023	
	Office Building	Plant and Machinery	Office Building	Plant and Machinery
Opening balance	4.68	2.68	-	-
Addition pursuant to merger (Refer note no.52)	-	-	0.37	3.24
Additions during the year	-	-	5.19	-
Finance Cost incurred during the year	0.40	0.32	0.49	0.40
Deletion on Cancellation of lease	(0.06)	-	-	-
Payment of lease liabilities	(1.39)	(0.96)	(1.37)	(0.96)
Closing balance	**3.63**	**2.04**	**4.68**	**2.68**

c) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Due within one year	2.32	2.39
Due within one year to five years	4.31	6.65
Due for more than five years	-	-
Total Undiscounted Lease Liabilities	6.63	9.04
Lease Liabilities included in the Statement of financial position		
Non- Current Financial Liabilities	3.88	5.69
Current Financial Liabilities	1.79	1.67
Total	**5.67**	**7.36**

d) The following amounts are recognized in the Statement of Profit and Loss for the year ended 31st March 2024 and 31st March 2023.

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Interest Expenses on Financial Liabilities	0.72	0.89
Depreciation on ROU Assets	2.33	2.36
Expenses relating to Short Term Lease	0.61	0.33
Total	**3.66**	**3.58**

e) The following amounts are recognized in the Statements of Cash Flows for the year ended 31st March 2024 and 31st March 2023.

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total Cash outflows for Leases	2.35	2.33

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

41. EARNINGS PER EQUITY SHARE AS CALCULATED IN ACCORDANCE WITH INDIAN ACCOUNTING STANDARD

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

(₹ in Crores)

	Particulars	As at 31st March, 2024	As at 31st March, 2023
a.	Net Profit after tax considered for the calculation of EPS (₹in Crores)	321.58	439.71
b.	Number of equity shares outstanding at the end of year	16,42,25,717	16,38,62,473
c.	Weighted average number of equity shares used in computing earnings per equity share	16,40,73,797	16,37,43,636
d.	Effects of dilution on account of Stock options granted under ESOS	11,62,636	7,45,085
e.	Weighted average number of equity shares adjusted for the effect of dilution*	16,52,36,433	16,44,88,721
f.	Earnings per share		
	Basic (₹)	19.60	26.85
	Diluted (₹)	19.46	26.73
g.	Face value per equity share (₹)	5.00	5.00

* There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

42. FAIR VALUE MEASUREMENTS

Financial instruments by category as at 31st March, 2024

(₹ in Crores)

Particulars	Amortised cost	FVTPL	FVTOCI
Financial assets			
Investments in unquoted equity shares	-	-	1.13
Loans	117.06	-	-
Trade receivables	896.57	-	-
Cash and cash equivalents	32.89	-	-
Other bank balances	11.64	-	-
Other financial assets excluding derivative assets	40.51	-	-
Total	**1,098.67**	**-**	**1.13**
Financial liabilities			
Borrowings	1,217.84	-	-
Lease liabilities	5.67		
Trade payables	851.67	-	-
Other financial liabilities excluding derivative liabilities	241.72	-	-
Derivative liabilities on foreign currency forward contracts	-	0.33	-
Total	**2,316.90**	**0.33**	**-**

Financial instruments by category as at 31st March, 2023

(₹ in Crores)

Particulars	Amortised cost	FVTPL	FVTOCI
Financial assets			
Investments in unquoted equity shares	-	-	1.03
Loans	2.88	-	-
Trade receivables	837.30	-	-
Cash and cash equivalents	54.20	-	-
Other bank balances	6.83	-	-
Other financial assets excluding derivative assets	44.93	-	-
Total	**946.14**	**-**	**1.03**
Financial liabilities			
Borrowings	961.66	-	-
Lease liabilities	7.36		
Trade payables	1,032.09	-	-
Other financial liabilities excluding derivative liabilities	143.28	-	-
Derivative liabilities on foreign currency forward contracts	-	1.41	-
Total	**2,144.39**	**1.41**	**-**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

42. FAIR VALUE MEASUREMENTS (CONTD.)

The Company has not performed a fair valuation of some of its investments in unquoted ordinary shares, which are classified as FVTOCI (refer Note No. 7, as the Company believes that impact of change on account of fair value is insignificant.

Fair value hierarchy

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on a recurring basis :

Quantitative disclosures fair value measurement hierarchy for assets:

(₹ in Crores)

Particulars	Amount	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Asset/(Liability) measured at fair value through profit or loss				
Derivative Asset (Liability) on account of forward exchange contracts				
Date of Valuation				
As at 31st March, 2024	(0.33)	-	(0.33)	-
As at 31st March, 2023	(1.41)	-	(1.41)	-
Equity Instruments through Other				
Comprehensive Income				
Date of Valuation				
As at 31st March, 2024	1.12	-	-	1.12
As at 31st March, 2023	1.02	-	-	1.02

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Derivative financial assets / (liability) are valued based on inputs that are directly or indirectly observable in the market.

The Company has invested in unquoted equity shares of Kirloskar Management Services Private Limited which is measured subsequently at FVTOCI. Accordingly, the company has fair valued the investment using income approach under Ind AS 113 (Discounted Cash Flow method). Free cash flows, risk adjusted cost of equity and perpetual growth rate are the significant unobservable inputs considered in fair valuation of investment.

Sensitivity analysis of Level 3 Fair values

For the fair values of Investment in equity instruments, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects:

(₹ in Crores)

Significant observable inputs	Change in input	Effect on pre-tax equity as at 31st March 2024	Effect on pre-tax equity as at 31st March 2023
Perpetual growth rate	Increase by 50 basis points	0.05	-
Perpetual growth rate	Decrease by 50 basis points	(0.05)	(0.05)
Risk adjusted cost of equity	Increase by 50 basis points	(0.05)	(0.10)
Risk adjusted cost of equity	Decrease by 50 basis points	0.05	0.05

Fair value of financial assets and financial liabilities measured at amortised cost :

The management believes that the fair values of non-current financial assets (e.g. loans and others), current financial assets (e.g., cash and cash equivalents, trade receivables, loans and others excluding other derivative assets), non-current liabilities and current financial liabilities (e.g. trade payables and other payables excluding derivative liabilities) approximate their carrying amounts.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

43. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities exposes it to market risks, credit risks and liquidity risks. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments such as forward foreign exchange contract are entered to hedge the foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as a trading or speculative purposes.

This note explains the source of risk which the entity is exposed to and how entity manages the risk in the financial statements

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. Borrowings on account of Term Loans.	Entity continuously monitors interest rates on working capital borrowings at regular intervals and economises the transactions at the best possible rates drawn at the time of monitoring on the basis of comparative rates with various banks / institutions. Long term borrowings are at fixed as well as variable rate of interest.
Market risk - Commodity price risk	Coke/ coal, Iron ore and Pig Iron and Steel	Every month entity monitors and reviews the price trend of the materials, demand and supply position and market intelligence report and strategy is adopted before finalising the next consignment / quantities for subsequent months. The Commodity Price Risk is managed without any hedging of commodities by the Company.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, trade and other payables, foreign exchange forward contracts, security deposit, trade and other receivables, deposits with banks.

The sensitivity analysis in the following sections relate to the position as at reporting dates. The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations and provisions.

The Companie's activities expose it to variety of market risks, including effect of changes in foreign currency exchange rate, interest rate and commodity price.

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date the interest rate profile of the Company's interest bearing financial instruments are follows:

(₹ in Crores)

Particulars	31st March, 2024	31st March, 2023
Fixed rate borrowings		
Term loan from banks	794.79	519.27
Non Convertible Debentures	-	125.00
Commercial Papers	96.86	72.31
Others	26.29	68.90
Total fixed rate borrowings	**917.94**	**785.48**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

43. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(₹ in Crores)

Particulars	31st March, 2024	31st March, 2023
Variable rate borrowings		
Term loan from banks	-	-
Loans repayable on demand	299.90	176.18
Total variable rate borrowings	**299.90**	**176.18**

(₹ in Crores)

Particulars	31st March, 2024	31st March, 2023
Impact on profit before tax and pre-tax equity		
Increase by 50 basis points	(1.50)	(0.88)
Decrease by 50 basis points	1.50	0.88

b. Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Company transacts business in its functional currency and in different foreign currencies. The Companie's exposure to the risk of changes in foreign exchange rates relates primarily to the Companie's operating activities, where revenue or expense is denominated in a foreign currency. The Company manages its foreign currency risk by hedging foreign currency payables using foreign currency forward contracts. It negotiates the terms of those foreign currency forward contracts to match the terms of the hedged exposure.

Details of foreign currency exposures that are hedged by derivative instruments or otherwise

(Currency in Crores)

Particulars	Currency	Amount in foreign currency	Equivalent Indian currency	Maturity Profile
As at 31st March, 2024				
Payables	USD	4.31	360.08	Within 6 Months
	EURO	0.08	7.07	
	YEN	8.01	4.62	
As at 31st March, 2023				
Payables	USD	5.59	462.41	Within 6 Months
	EURO	-	-	

Details of foreign currency exposures that are not hedged by derivative instruments or otherwise

(Currency in Crores)

Particulars	Currency	Amount in foreign currency	Equivalent Indian currency
As at 31st March, 2024			
Secured Loans	USD	0.16	13.24
Receivables	USD	0.18	14.68
	EURO	0.07	5.82
Payables	USD	1.58	131.34
	EURO	0.05	4.06
	SEK	0.00	0.02
As at 31st March, 2023			
Secured Loans	USD	0.64	52.48
Receivables	USD	0.06	4.56
	EURO	0.28	24.55
Payables	USD	1.38	113.06
	EURO	0.03	2.83

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

43. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Foreign currency sensitivity on unhedged exposure

(Currency in Crores)

Financial Year	Foreign currency	Change in foreign currency rates	Effect on profit before tax ₹ In Crores	Effect on pre-tax equity ₹ In Crores
For 31st March, 2024	USD	+5%	(6.50)	(6.50)
		-5%	6.50	6.50
	EURO	+5%	0.09	0.09
		-5%	(0.09)	(0.09)
	SEK	+5%	(0.00)	(0.00)
		-5%	0.00	0.00
For 31st March, 2023	USD	+5%	(8.05)	(8.05)
		-5%	8.05	8.05
	EURO	+5%	(5.42)	(5.42)
		-5%	5.42	5.42

c. Commodity price risk

Commodity price risk is a financial risk on the company's financial performance which is affected by the fluctuating prices on account of global and regional supply / demand. Fluctuations in the prices of commodities mainly depend on market conditions. The company is subject to fluctuations in prices for the purchase of metallurgical coke, coking coal and iron ore which are the major input materials for production of pig iron.

The company has an elaborate control procedure for finalising the prices of commodities through approval process from designated Company officials. Every month the price trend of the materials, demand and supply position and market intelligence report are reviewed and strategy is adopted before finalising the next consignment/quantities for subsequent months. The Commodity Price Risk is managed without any hedging of the commodities.

ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities such as primarily trade receivables and from its investing activities, including deposits with banks and financial institutions, cash and cash equivalent and other financial instruments.

a. Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit exposure risk is mainly influenced by class or type of customers, depending upon their characteristics. Credit risk is managed through credit approval process by establishing credit limits along with continuous monitoring of credit worthiness of customers to whom credit terms are granted. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are combined into homogenous category and assessed for impairment collectively. The calculation is based on actual incurred historical data as well as futuristic information. The Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors.

The ageing of trade receivables at the reporting date that were not impaired are as follows

(₹ in Crores)

Particulars	31st March, 2024		31st March, 2023	
	Amount	Percentage	Amount	Percentage
- Less than one year	885.83	98.05%	849.11	96.75%
- one year to three years	17.34	1.92%	15.43	1.76%
- three years and above	0.30	0.03%	13.10	1.49%
Total	**903.47**	**100.00%**	**877.64**	**100.00%**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

43. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

b. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counter parties. The Company monitors rating, credit spreads and financial strength of its counter parties. Based on ongoing assessment the Company adjust it's exposure to various counter parties

c. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash flow and collateral obligations without incurring unacceptable losses. Company's objective is to, at all time maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including overdraft, debt from domestic and international banks at optimised cost. The Company has access to banks, capital and money market across debt, equity and hybrids.

The table given below summarises the maturity profile of the Company's financial liabilities based on contractual payments excluding interest payments :

(₹ in Crores)

	Less than 1 year	More than 1 year but less than 3 year	More than 3 year but less than 5 year	Total
As at 31st March, 2024				
Borrowings - Current	696.94	-	-	696.94
Borrowings - Non-current	-	520.90	-	520.90
Lease liabilities	1.79	3.88	-	5.67
Trade payables	851.67	-	-	851.67
Any other financial liabilities	242.05	-	-	242.05
Total	**1,792.45**	**524.78**	**-**	**2,317.23**
As at 31st March, 2023				
Borrowings - Current	591.87	-	-	591.87
Borrowings - Non-current	-	369.79	-	369.79
Lease liabilities	1.67	5.69	-	7.36
Trade payables	1,032.09	-	-	1,032.09
Any other financial liabilities	144.69	-	-	144.69
Total	**1,770.32**	**375.48**	**-**	**2,145.80**

Note : The Company is not expecting to prepay any of its liabilities.

44. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2024 and 31st March, 2023.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

45. DISCLOSURE PURSUANT TO IND-AS 19 EMPLOYEE BENEFITS:

Defined contribution plan

Contribution to the defined contribution plan recognised as expense are as under

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
a. Employer's contribution to provident fund	11.75	11.04
b. Employer's contribution to superannuation fund	0.50	0.60

The Provident Fund contributions are remitted to the Regional Provident Fund Commissioner.

The Contribution on account of Superannuation is remitted to Life Insurance Corporation of India, who manages the Superannuation Fund.

46. DISCLOSURE PURSUANT TO IND-AS 19 EMPLOYEE BENEFITS:

1) Defined Benefit Plan

The Employee Gratuity Fund Scheme is a Defined Benefit Plan. The present value of the obligation is based on the actuarial valuation using Projected Unit Credit Method

(₹ in Crores)

Particulars	Gratuity (Funded)	
	As at 31st March, 2024	As at 31st March, 2023
a. Asset and Liability		
Present Value of Obligation	88.48	79.06
Fair Value of Plan Assets	81.20	80.04
Surplus/ (Deficit)	**(7.29)**	**0.99**
b. Expenses Recognized during the year		
In income Statement	3.84	4.02
In Other Comprehensive Income	8.20	(3.01)
Total Expenses Recognized during the year	**12.05**	**1.01**
c. Changes in the Present Value of Obligations (PVO)		
PVO at beginning of Year	79.06	78.61
Current Service Cost	3.92	3.80
Interest Expenses or Cost	5.70	5.32
Re-measurement (or actuarial) (Gain) / Loss arising from:	-	-
change in Demographic assumptions	(0.02)	-
change in Financial assumptions	3.25	(1.72)
experience Variance (i.e., actual experience vs assumptions)	4.74	1.66
Others	-	-
Past Service Cost	-	-
Effect of Change in Foreign exchange rates	-	-
Benefits paid	(8.16)	(8.61)
Acquisition Adjustment	-	-
Effect of Business Combinations or Disposals	-	-
PVO at end of Year	**88.48**	**79.06**
d. Bifurcation of Present Value of Obligation		
Current Liability (Short term)	9.89	6.34
Non-Current Liability (Long term)	78.59	72.72
Present Value of Obligation	**88.48**	**79.06**
e. Changes in Fair Value of Plan Assets		
Fair Value of Plan Assets as at the beginning	80.04	72.58
Investment income	5.78	5.10
Employer's Contribution	3.88	8.13
Mortality Charges and Taxes	(0.11)	(0.12)

Notes to and forming part of Standalone Financial Statements

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

46. DISCLOSURE PURSUANT TO IND-AS 19 EMPLOYEE BENEFITS: (CONTD.)

(₹ in Crores)

Particulars	Gratuity (Funded)	
	As at 31st March, 2024	As at 31st March, 2023
Benefit Paid	(8.16)	(8.59)
Return on plan Assets, Excluding amount recognised in net interest expense	(0.23)	2.95
Acquisition Adjustment	-	-
Fair Value of Plan Assets at the end of Year	**81.20**	**80.04**
f. Change in the effect of asset ceiling		
Effect of asset ceiling at the beginning	-	-
Interest Expense or cost (to the extent not recognized in net interest expense)	-	-
Re-measurement (or Actuarial) (Gain)/loss arising because of Change in effect of asset ceiling	-	-
Effect of Asset Ceiling at the End	**-**	**-**
g. Expenses Recognized in the Statement of Profit and Loss		
Current Service Cost	3.92	3.80
Past Service Cost	-	-
Loss/(Gain) on Settlement	-	-
Net interest cost/ (Income) on the net Defined Benefit Liability / (Asset)	(0.08)	0.23
Expenses Recognized in the income Statement	**3.84**	**4.02**
h. Effect on Other Comprehensive income		
Actuarial (gains) / losses		
change in Demographic Assumptions	(0.02)	-
change in financial Assumptions	2.33	(1.53)
Experience variance (i.e. Actual experience vs. assumptions)	4.75	1.08
others	-	-
Return on plan assets, excluding amount recognized in net interest expense	1.14	(2.57)
Re-measurement (or Actuarial) (Gain)/loss arising because of Change in effect of asset ceiling	-	-
Components of defined benefit costs recognized in other comprehensive income	**8.20**	**(3.01)**
i. Actuarial Assumptions		
Mortality	100%	100%
	(% of IALM 2012-14)	(% of IALM 2012-14)
Discount Rate	7.15% - 7.50%	7.20% - 7.50%
Rate of increase in compensation	5.00% - 7.00%	4.00% - 7.00%
Withdrawal rates	7.00% - 7.50%	4.00% - 7.20%

Sensitivity Analysis

(₹ in Crores)

Particulars	31st March, 2024		31st March, 2023	
Defined Benefit Obligation (Base)		88.48		79.06
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+0.01%)	92.93	84.42	83.32	75.19
(% Change compared to base due to sensitivity)	5.03%	-4.59%	5.39%	-4.89%
Salary Growth Rate (- / + 1 %)	84.78	92.45	75.48	82.93
(% Change compared to base due to sensitivity)	-4.18%	4.48%	-4.52%	4.90%
Attrition Rate (-/ + 50% of attrition rates	88.38	88.58	78.83	79.28
(% Change compared to base due to sensitivity)	-0.12%	0.11%	-0.28%	0.28%
Mortality Rate (- / + 10% of mortality rates)	88.48	88.48	79.07	79.07
(% Change compared to base due to sensitivity)	0.00%	0.00%	0.01%	0.01%

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46. DISCLOSURE PURSUANT TO IND-AS 19 EMPLOYEE BENEFITS: (CONTD.)

Effect of Plan on entity's future cash flows

a) **Funding arrangements and funding policy**

The Company has purchased and insurance policy to provide for payment of gratuity to the employees. Every year,the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) **Expected contribution during the next annual reporting period**

(₹ in Crores)

The Company's best estimate of contribution during the next year	5.21

c) **Maturity Profile of defined benefit Obligation**

Particulars	As at 31st March, 2024
Expected cash flows over the next (Valued on Undiscounted basis):	
Year 2025	15.11
Year 2026	30.54
Year 2027	25.80
Year 2028	16.30
Year 2029	8.05
Year 2030-34	32.19

Major category of Fair Value of Plan Assets at the end of the year is as under :

(₹ in Crores)

Particulars	As at 31st March 2024		As at 31st March 2023	
	₹ in Crores	Percent	₹ in Crores	Percent
Funds with Life Insurance Corporation of India	81.20	100.00%	80.04	100.00%
Total	**81.20**	**100.00%**	**80.04**	**100.00%**

Asset liability matching strategy

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The Insurance company, as a part of policy rules makes payment of all gratuity payouts during the year as per policy conditions. The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

47. STOCK OPTIONS SCHEME - KIRLOSKAR FERROUS INDUSTRIES LIMITED

KFIL Employee Stock Option Scheme 2017 :

The Company has introduced employee stock option scheme. This employee equity-settled compensation scheme is known as KFIL Employee Stock Option Scheme 2017 (“KFIL ESOS 2017/ Scheme”). The employee stock option scheme is approved and authorized by the Board of Directors. This scheme is designed to provide incentives to specified senior management employees who are in the employment of the company and director(s), whether wholetime or otherwise, (other than promoters of the company, persons belonging to promoters group, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company). The specific employees to whom the options would be granted, and their eligibility criteria would be determined by the Nomination and Remuneration Committee.

Options granted under KFIL ESOS 2017 would vest after 1 (one) year but not later than 4 (four) years from the date of grant of such options. Options will be vested equally over four years. Vesting of options would be subject to continued employment with the Company and thus the options would vest essentially on passage of time. In addition to this, the Nomination and Remuneration Committee may also specify certain performance criteria subject to satisfaction of which the options would vest. Any option granted shall be exercisable according to the terms and conditions as determined by the Nomination and Remuneration Committee and as set forth in the Grant Letter. The

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

47. STOCK OPTIONS SCHEME - KIRLOSKAR FERROUS INDUSTRIES LIMITED (CONTD.)

exercise period shall be 3 (three) years from the date of vesting of options in case of employee is in continuation of employment. The vested options can be exercised by the employee at any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter. When exercisable, each option is convertible into one equity share. The options not exercised within the exercise period shall lapse and the employee shall have no right over such lapsed or cancelled options. The shares arising out of exercise of vested options shall not be subject to any lock-in period from the date of allotment of such shares under KFIL ESOS 2017.

Under the said scheme, Nomination and Remuneration Committee of the board of directors has granted following options to its eligible employees

Grant date	No. of options
3rd November, 2017	17,65,000
30th October, 2018	1,20,000
'18th October, 2019	1,00,000
16th October, 2020	1,30,000
22nd October, 2021	3,70,000
05th November, 2022	1,60,000

(₹ in Crores)

Particulars	As at 31st March 2024		As at 31st March 2023	
	Weighted average exercise price per share per option (₹)	Number of options	Weighted average exercise price per share per option (₹)	Number of options
Opening Balance	124	7,41,589	97	8,98,200
Granted during the year	-	-	166	1,60,000
Exercised during the year	74	1,80,694	56	2,39,011
Lapsed during the year			-	-
Forfeited during the year	150	84,500	108	77,600
Closing Balance	139	4,76,395	124	7,41,589
Options exercisable at the end of the year	117	2,11,395	80	2,66,089

Weighted average share price as on the date of exercise is ₹ 502.39/- (Previous year : ₹ 304.94/-).

Share options outstanding at the end of the year have the following expiry date and exercise prices

Particulars	Grant date	Expiry date	Exercise price (₹)	Options outstanding as at 31 March 2024	Options outstanding as at 31 March 2023
Vesting 3	03-November-2017	03-November-2023	50	-	30,100
Vesting 4	03-November-2017	03-November-2024	50	21,325	91,000
Vesting 2	30-October-2018	30-October-2023	51	-	4,000
Vesting 3	30-October-2018	30-October-2024	51	2,200	9,700
Vesting 4	30-October-2018	30-October-2025	51	10,000	21,700
Vesting 3	18-October-2019	18-October-2025	50	-	1,125
Vesting 4	18-October-2019	18-October-2026	50	16,000	25,000
Vesting 1	16-October-2020	16-October-2024	55	9,700	19,700
Vesting 2	16-October-2020	16-October-2025	55	10,000	20,000
Vesting 3	16-October-2020	16-October-2026	55	20,000	20,000
Vesting 4	16-October-2020	16-October-2027	55	20,000	20,000
Vesting 1	22-October-2021	22-October-2025	163	35,670	68,764
Vesting 2	22-October-2021	22-October-2026	163	59,500	83,500
Vesting 3	22-October-2021	22-October-2027	163	67,000	83,500
Vesting 4	22-October-2021	22-October-2028	163	67,000	83,500
Vesting 1	05-November-2022	05-November-2026	166	27,000	40,000

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47. STOCK OPTIONS SCHEME - KIRLOSKAR FERROUS INDUSTRIES LIMITED (CONTD.)

Particulars	Grant date	Expiry date	Exercise price (₹)	Options outstanding as at 31 March 2024	Options outstanding as at 31 March 2023
Vesting 2	05-November-2022	05-November-2027	166	37,000	40,000
Vesting 3	05-November-2022	05-November-2028	166	37,000	40,000
Vesting 4	05-November-2022	05-November-2029	166	37,000	40,000
Total				**4,76,395**	**7,41,589**
Weighted average remaining contractual life of the options outstanding at the end of the year				**3.25 years**	**3.65 years**

Fair value of the options granted

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes-Merton model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Fair value and assumptions for the equity-settled grant made on 05 November 2022

Grant: KFIL ESOS 2017	Vesting date 05 November			
Grant Date: 05th November, 2022 Exercise price- ₹ 166	**2023**	**2024**	**2025**	**2026**
Input variables				
Share Price (₹)	276.60	276.60	276.60	276.60
Standard Deviation (Volatility)	46.22%	46.38%	43.76%	43.35%
Risk-free rate	7.30%	7.38%	7.41%	7.47%
Exercise price (₹)	166.00	166.00	166.00	166.00
Time to maturity (in years)	2.50	3.50	4.50	5.50
Dividend yield	2%	2%	2%	2%
Output				
Fair value of option (₹)	**138.77**	**147.47**	**151.67**	**156.53**

II. KFIL Employee Stock Option Scheme 2021 :

The Company has introduced employee stock option scheme. This employee equity-settled compensation scheme is known as KFIL Employee Stock Option Scheme 2021 ("KFIL ESOS 2021/ Scheme"). The employee stock option scheme is approved and authorized by the Board of Directors. This scheme is designed to provide incentives to specified senior management employees who are in the employment of the company and director(s), whether wholetime or otherwise, (other than promoters of the company, persons belonging to promoters group, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company). The specific employees to whom the options would be granted, and their eligibility criteria would be determined by the Nomination and Remuneration Committee.

Options granted under KFIL ESOS 2021 would vest after 1 (one) year but not later than 4 (four) years from the date of grant of such options. Options will be vested equally over four years. Vesting of options would be subject to continued employment with the Company and thus the options would vest essentially on passage of time. In addition to this, the Nomination and Remuneration Committee may also specify certain performance criteria subject to satisfaction of which the options would vest. Any option granted shall be exercisable according to the terms and conditions as determined by the Nomination and Remuneration Committee and as set forth in the Grant Letter. The exercise period shall be 3 (three) years from the date of vesting of options in case of employee is in continuation of employment. The vested options can be exercised by the employee at any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter. When exercisable, each option is convertible into one equity share. The options not exercised within the exercise period shall lapse and the employee shall have no right over such lapsed or cancelled options. The shares arising out of exercise of vested options shall not be subject to any lock-in period from the date of allotment of such shares under KFIL ESOS 2021.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

47. STOCK OPTIONS SCHEME - KIRLOSKAR FERROUS INDUSTRIES LIMITED (CONTD.)

Under the said scheme, Nomination and Remuneration Committee of the board of directors has granted following options to its eligible employees

Grant date	No. of options
19th May, 2022	16,70,000
03rd November 2023	16,000

Particulars	As at 31st March 2024		As at 31st March 2023	
	Weighted average exercise price per share per option (₹)	Number of options	Weighted average exercise price per share per option (₹)	Number of options
Opening Balance	157	16,70,000	-	-
Granted during the year	357	16,000	157	16,70,000
Exercised during the year	157	1,99,673	-	-
Lapsed during the year			-	-
Forfeited during the year	157	1,34,500	-	-
Closing Balance	159	13,51,827	157	16,70,000
Options exercisable at the end of the year	157	1,34,500	-	-

Weighted average share price as on the date of exercise is ₹ NA (Previous year : ₹ NA).

Share options outstanding at the end of the year have the following expiry date and exercise prices

Particulars	Grant date	Expiry date	Exercise price (₹)	Options outstanding as at 31 March 2024	Options outstanding as at 31 March 2023
Vesting 1	19-May-2022	19-May-2026	157	1,50,827	4,17,500
Vesting 2	19-May-2022	19-May-2027	157	3,95,000	4,17,500
Vesting 3	19-May-2022	19-May-2028	157	3,95,000	4,17,500
Vesting 4	19-May-2022	19-May-2029	157	3,95,000	4,17,500
Vesting 1	03-November-2023	03-November-2027	357	4,000	-
Vesting 2	03-November-2023	03-November-2028	357	4,000	-
Vesting 3	03-November-2023	03-November-2029	357	4,000	-
Vesting 4	03-November-2023	03-November-2030	357	4,000	-
Total				**13,51,827**	**16,70,000**
Weighted average remaining contractual life of the options outstanding at the end of the year				**3.29 years**	**4.64 years**

Fair value of the options granted

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes-Merton model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

47. STOCK OPTIONS SCHEME - KIRLOSKAR FERROUS INDUSTRIES LIMITED (CONTD.)

Fair value and assumptions for the equity-settled grant made on 03 November 2023

Grant: KFIL ESOS 2021	Vesting date 03rd November			
Grant Date: 03rd November, 2023 Exercise price- ₹ 357	**2024**	**2025**	**2026**	**2027**
Input variables				
Share Price (₹)	475.90	475.90	475.90	475.90
Standard Deviation (Volatility)	42.52%	43.88%	44.42%	42.66%
Risk-free rate	7.31%	7.31%	7.33%	7.35%
Exercise price (₹)	357.00	357.00	357.00	357.00
Time to maturity (in years)	2.50	3.50	4.50	5.50
Dividend yield	1.98%	1.98%	1.98%	1.98%
Output				
Fair value of option (₹)	**194.23**	**215.71**	**232.02**	**240.25**

Fair value and assumptions for the equity-settled grant made on 19 May 2022

Grant: KFIL ESOS 2021	Vesting date 19th May			
Grant Date: 19th May, 2022 Exercise price- ₹ 157	**2023**	**2024**	**2025**	**2026**
Input variables				
Share Price (₹)	209.00	209.00	209.00	209.00
Standard Deviation (Volatility)	50.24%	45.34%	44.36%	43.31%
Risk-free rate	6.70%	6.98%	7.11%	7.19%
Exercise price (₹)	157.00	157.00	157.00	157.00
Time to maturity (in years)	2.50	3.50	4.50	5.50
Dividend yield	1.91%	1.91%	1.91%	1.91%
Output				
Fair value of option (₹)	**90.59**	**95.58**	**101.68**	**106.23**

Rationale for principle variables used

1. Time to maturity of options is the period of time from the grant date to the date on which option is expected to be exercised. The minimum life of stock option is the minimum period before which the options cannot be exercised and maximum life is the period after which the options cannot be exercised.

2. The expected price volatility is based on the historic volatility, adjusted for any changes to future volatility due to publicly available information.

   The company has recorded employee share-based compensation expense in current year amounting to ₹5.44 Crores (Previous Year : ₹ 9.4 Crores) for the options issued to the employees.

48. THE DISCLOSURE REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS 37) "PROVISIONS, CONTINGENT LIABILITIES, CONTINGENT ASSETS" ARE AS FOLLOWS

Class of Provision	Opening balance as on 1st April, 2023	Provisions for the year	Amounts used during the year	Closing balance as on 31st March, 2024
Casting rejections	1.51	5.75	1.51	5.75

Class of Provision	Opening balance as on 1st April, 2022	Provisions for the year	Amounts used during the year	Closing balance as on 31st March, 2023
Casting rejections	1.29	1.51	1.29	1.51

Nature of obligation : Provision for possible obligation towards outflow of resources on casting rejections.

Expected timing of resulting outflow : Substantial costs will be incurred in the next financial year.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024
(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

49. DISCLOSURES OF TRANSACTIONS WITH RELATED PARTIES AS REQUIRED BY IND AS 24 NAME OF RELATED PARTY & RELATIONSHIP (CONTD.)

Holding Company

Kirloskar Industries Limited

Subsidiary Companies

Oliver Engineering Private Limited (w.e.f 29 Sep 2023)

Pursuant to the Merger of ISMT Limited with the Company the following became Subsidiary companies w.e.f. 01 Apr 2023. (Refer note no. 52)

ISMT Enterprises SA, Luxemburg
Tridem Port and Power Company Private Limited
Nagapattinam Energy Private Limited
Best Exim Private Limited
Success Power and Infra Projects Private Limited
Marshal Microware Infrastructure Development Company Private Limited
Adicca Energy Solutions Private Limited
Indian Seamless Inc., USA*
Structo Hydraulics AB, Sweden*
ISMT Eurpore AB, Sweden*
PT ISMT Resources, Indonesia**
* The companies have been liquidated or in the process of Liquidation during the year
** The company has been sold during the year

Fellow Subsidiary

Avante Spaces Limited

Key Managerial Personnel

Mr. R.V.Gumaste - Managing Director
Mr. R.S. Srivatsan - Executive Director (Finance) & CFO
Mr. Mayuresh Gharpure - Company Secretary

Post Employment Benefit Plans

KFIL Employees Group Gratuity
KFIL Officers Superannuation Fund Trust

Pursuant to the Merger of ISMT Ltd with the Company, following entities became Post Employment benefit trust of the Company with effect from 01 Apr, 2023 (Refer note no. 52)

The Indian Seamless Metal Tubes Ltd Provident Fund (Unit -A)
ISMTL Provident Fund (Unit B)
ISSAL Provident Fund
Indian Seamless Superannuation Scheme
ISSAL Superannuation Fund
Indian Seamless Gratuity Fund
ISSAL Gratuity Fund

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

49. DISCLOSURES OF TRANSACTIONS WITH RELATED PARTIES AS REQUIRED BY IND AS 24 NAME OF RELATED PARTY & RELATIONSHIP (CONTD.)

(₹ in Crores)

Name of related party and nature of relationship	Nature of transaction	2023-2024		2022-2023	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
A. Holding Company					
Kirloskar Industries Limited	Building rent paid	0.07	-	0.06	-
	Rent Deposit Receivable	-	0.03	-	0.03
	Advance Receivable	-	1.62	-	-
B. Key management personnel					
Mr. R.V.Gumaste - Managing Director	Compensation	11.26	-	17.47	-
	Compensation payable	-	5.18	-	14.32
	Commission Paid by Amalgamating Company	0.30	0.27	0.31	0.28
	Sitting Fees Paid by Amalgamating Company	0.07	-	0.06	-
Mr. Mayuresh Ghapure - Company Secretary	Compensation	0.59	-	0.53	-
	Compensation from	0.01	0.00		
	Amalgamating Company				
	Compensation payable	-	0.04	-	0.02
Mr. R. S. Srivatsan - Executive Director (Finance) & Chief Financial Officer	Compensation	4.75	-	6.60	-
	Compensation from Amalgamating Company	0.02	0.01		
	Compensation payable	-	2.11	-	3.22
	Total Compensation	17.00	7.61	25.43	17.84
C Subsidiary Company					
Oliver Engineering Private Limited	Equity Investment	9.00	9.00	-	-
	Unsecured Long Term Loan -Given / (received)	111.74	111.74	-	-
	Interest on Loan	4.78	4.31	-	-
	Sale (Inclusive of tax)	0.09	0.09	-	-
Structo Hydraulics AB, Sweden	Sale of Goods	7.65	-	10.51	18.54
	Loss Allowance	5.92	-	18.54	-
	Loss Allowance Reversal	24.07	-	-	-
	Bad Debts written off	24.46	-	-	-
	Provision for Impairment in	21.08	-	7.51	-
	the Value of Investment in				
	subsidiary				
	Equity Investment	-	-	-	21.08
ISMT Europe AB, Sweden	Sale of Goods	-	-	6.16	-
	Commission on Sales	0.03	-	0.17	-
	Payables		0.02		0.03
Indian Seamless Inc, USA.	Commission on Sales	0.11	-	-	-
	Loss Allowance Reversal	12.74	-	-	-
	Bad Debts written off	12.74	-	-	-
	Loss on Investment	1.69	-	-	-
	Receivables	-	-	-	12.74
	Payables	-	-	-	1.05

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

49. DISCLOSURES OF TRANSACTIONS WITH RELATED PARTIES AS REQUIRED BY IND AS 24 NAME OF RELATED PARTY & RELATIONSHIP (CONTD.)

(₹ in Crores)

Name of related party and nature of relationship	Nature of transaction	2023-2024		2022-2023	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
	Loss Allowances on Outstanding Balances	-	-	-	12.74
	Equity Investment	-	-	-	1.78
Tridem Port and Power Company Private Limited.	Reimbursemnt of expenses	0.16	-	-	-
	Provision for Impairment in	33.93	-	0.26	-
	the Value of Investment in				
	subsidiary				
	Advance Given - Equity	-	-	0.26	-
	Component				
	Equity Investment	-	-	-	33.94
Adicca Energy Solutions Private Limited	Interest received on	0.20	0.18	-	-
	Unsecured Loan given				
	Unsecured Loan	-	2.95	-	-
	Receivable/Payable				
	Equity Investment	-	0.01	-	-
D Fellow Subsidiary Company					
Avante Spaces Limited	Capital Advance paid	-15.41	-	15.41	15.41
	Capital Work in Progress	54.74	54.74	-	-
E Post Employment Benefit Trusts					
KFIL Employees Group Gratuity	Contribution	3.71	-	2.20	-
KFIL Officers Superannuation Fund Trust	Contribution	-	-	-	-
Indian Seamless Superannuation Scheme	Contribution	0.41	0.16	2.01	0.21
ISSAL Superannuation Fund	Contribution	0.22	0.02	0.31	0.07
The Indian Seamless Metal Tubes Ltd Provident Fund	Contribution	4.89	0.40	6.08	0.38
ISMTL Provident Fund (Unit B)	Contribution	0.43	0.03	0.76	0.04
Indian Seamless Gratuity Fund	Contribution	0.11	3.99	5.28	1.79
ISSAL Gratuity Fund	Contribution	0.06	1.21	0.65	0.37

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.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

49. DISCLOSURES OF TRANSACTIONS WITH RELATED PARTIES AS REQUIRED BY IND AS 24 NAME OF RELATED PARTY & RELATIONSHIP (CONTD.)

Compensation of key management personnel of the Company (incl. Compensation from Amalgamating Company)

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Short term employee benefits	11.31	22.45
Post employment benefits	0.31	1.25
Other long term benefits	0.08	0.19
Share-based payments	5.30	1.54
Termination benefits	-	-
Total	**17.00**	**25.43**

50. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Claims against the Company not acknowledged as debt		
Central Excise and Customs	35.33	26.81
Service Tax	-	3.02
Goods and Service Tax	1.50	3.54
Income Tax	32.55	38.08
Sales Tax	-	1.34
Labour Matters to the extent quantifiable	0.40	0.50
Provident Fund Matters	0.67	0.67
License fee - Tamilnadu Maritime Board (TPPCL)	-	-
Others	11.93	11.93
Guarantees excluding financial guarantee		
Bank Guarantee	101.62	111.32
Capital and Other Commitments		
Stamp Duty & Reg. Fee	1.21	1.21
Estimated amount of contracts remaining to be executed on capital account and not provided for	486.54	542.69

Note:

In the opinion of the management the above legal matters, under claims against Company not acknowledged as debt, when ultimately concluded will not have material effect on the results of the operations or the financial position of the Company.

51. BORROWING COST CAPITALIZED

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Amount of borrowing costs capitalized	0.92	4.99

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

52. DISCLOSURE PURSUANT TO IND AS 103 "BUSINESS COMBINATIONS": AMALGAMATION OF ISMT LIMITED DURING THE YEAR:

The Board of Directors of the Company, at its meeting held on 5th November 2022, approved The Scheme of Amalgamation and Arrangement under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 for amalgamation of ISMT Limited ('Amalgamating Company') with the Company ('Scheme').

The aforesaid Scheme was sanctioned by Hon'ble National Company Law Tribunal (NCLT) Mumbai Bench vide order dated 24th July, 2024. The Appointed Date of the Scheme is 1 April, 2023 and in terms of the Scheme, all the assets, liabilities, reserves and surplus of the Amalgamating Company have been transferred to and vested in the Company.

Accounting Treatment

The amalgamation has been accounted in accordance with "Pooling of interest method" as laid down in Appendix C - 'Business Combinations of entities under common control' of Ind AS 103 notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as specified in the scheme and Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 9 Issue 2, such that:

(a) All assets and liabilities of the Amalgamating Company are stated at the carrying values as appearing in the consolidated financial statements of Amalgamated Company.

(b) The identity of the reserves have been preserved and are recorded in the same form and at the carrying amount as appearing in the standalone financial statements of Amalgamating Company.

(c) The inter-company balances between both the companies have been eliminated.

(d) Comparative financial information in the financial statements of the Amalgamated Company has been restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.

(e) The difference between the amount recorded as Equity shares pending issuance and the amount of share capital of the Amalgamating Company has been transferred to capital reserve separately from other capital reserves.

Carrying values of assets and liabilities of ISMT Limited ('Amalgamating Company') in consolidated financial statements of the company as on 1 April, 2022 are as below:

(₹ in Crores)

Particulars	01-Apr-22
Property Plant & Equipment (Incl. Capital Work in Progress)	1,496.38
Intangible assets (Incl. Intangible assets under development)	-
Financial Assets	83.00
Other Non-current Assets	2.87
Total Non-current assets	**1,582.25**
Current assets	
Inventories	424.42
Financial Assets	361.65
Current Tax Assets	-
Other Current Assets	18.30
Total Current assets	**804.37**
Total assets [A]	**2,386.62**
Non-current liabilities	
Financial Liabilities	2.91
Provisions	6.50
Deferred tax liabilities (Net)	91.77
Other non-current liabilities	-
Total Non-current liabilities	**101.18**

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

52. DISCLOSURE PURSUANT TO IND AS 103 "BUSINESS COMBINATIONS": AMALGAMATION OF ISMT LIMITED DURING THE YEAR: (CONTD.)

(₹ in Crores)

Particulars	01-Apr-22
Current liabilities	
Financial Liabilities	445.39
Other Current Liabilities	36.38
Provisions	9.74
Current tax liability	13.30
Total Current liabilities	**504.81**
Total liabilities [B]	**605.99**
Carrying Values of net assets as per Consolidated Financial Statements [C=A-B]	1,780.62
Less : Investment Elimination [D]	476.63
Less : Movement of Reserve post acquisition till the date of amalgamation [E]	(60.93)
Less : Capital Reserve on Acquisition as subsidiary [F]	496.83
Less : Consideration [G]	12.45
Capital reserve [C-D-E-F-G]	**855.64**

53. RATIOS ANALYSIS

(₹ in Crores)

Particulars	Ratio as of 31 March 2024	Ratio as of 31 March 2023	% change	Explanations, if any
Current Ratio *(Current Assets / Current Liabilities)*	1.11	1.13	-2%	NA
Debt-Equity Ratio *(Debt / Equity)* *[Debt : long term borrowings + short-term borrowings]* *[Equity :Total Equity]*	0.38	0.32	17%	NA
Debt Service Coverage Ratio *[Earning available for debt services / Interest + Installment] [Earning available for debt services:net profit before tax+ non cash expenses (Depreciation and Amortisation) + interest expense on borrowings] [Interest + Installment :- interest expenses on borrowings and current maturities]*	2.25	2.41	-7%	NA
Return on Equity Ratio *[Profit / (loss) for the year after Tax / Total Equity]*	9.93%	14.63%	-32%	Refer Note
Inventory turnover ratio *[Cost of good sold / Average Inventory]* *[Cost of good sold : Cost of materials consumed + Purchases of stock-in-trade + changes in inventories]*	3.21	3.59	-11%	NA
Trade Receivables turnover ratio *[Revenue from operations / Average Trade Receivables]*	7.08	7.69	-8%	NA
Trade payables turnover ratio *[Cost of materials consumed / Average Trade Payables]*	3.60	3.53	2%	NA
Net capital turnover ratio *[Revenue from operations / Total Equity]*	1.89	2.13	-11%	NA

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

53. RATIOS ANALYSIS (CONTD.)

(₹ in Crores)

Particulars	Ratio as of 31 March 2024	Ratio as of 31 March 2023	% change	Explanations, if any
Net profit ratio *[Profit / (loss) after tax / Total Income]*	5.24%	6.87%	-24%	NA
Return on Capital employed *[Earning before interest & taxes (EBIT) / Capital Employed] [EBIT : Profit / (loss) before tax + interest expenses]* *[Capital Employed : Total Assets (-) Current Liabilities (-) Cash and Cash Equivalents]*	11.15%	15.12%	-26%	Refer Note
Return on investment *[Profit / (loss) after tax / Total Equity]*	-	-	-	

Note:

Reduction in realisation of Pig Iron Business and drop in Volumme of casting Business led to drop in profitability thereby impacting the ratios.

54. RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

As per our report of even date attached

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

PARAG PANSARE
Partner
Membership No. 117309

Pune 09th August 2024

For and on behalf of the Board of Directors

ATUL C. KIRLOSKAR
Chairman
DIN 00007387

R.V.GUMASTE
Managing Director
DIN 00082829

R.S.SRIVATSAN
Executive Director (Finance)
& Chief Financial Officer
DIN 09607651

MAYURESH GHARPURE
Company Secretary

Pune 09th August 2024

Independent Auditors' Report

on the Audit of the Consolidated Financial Statements

To The Members of
Kirloskar Ferrous Industries Limited

Opinion

We have audited the accompanying consolidated financial statements of **Kirloskar Ferrous Industries Limited ("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, 2024, 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, 2024, 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.

Emphasis of Matter

We draw attention to:

1. Note No. 39.1 of the Consolidated Financial Statement, regarding provision for impairment made by Tridem Port and Power Company Private Limited (TPPCL) along with its subsidiaries to the extent of ₹ 40.81 Crores in respect of its Property, Plant & Equipment as per Ind AS 36 "Impairment of Assets" for the year ended March 31, 2024 respectively.

2. Note No. 39.2 of the Consolidated Financial Statement, regarding provision of ₹ 20.57 Crores towards net assets of Structo Hydraulics AB, Sweden (SHAB) and ISMT Europe AB, Sweden due to loss of control as an effect of ongoing bankruptcy liquidation.

3. Note No. 39.3 of the Consolidated Financial Statement, regarding provision of ₹ 1.95 Crores towards net assets of IS INC due to loss of control as an effect of voluntary liquidation.

4. Pursuant to the scheme of amalgamation of ISMT Limited ('Amalgamating Company') with the Company ('Scheme') sanctioned by the Hon'ble National Company Law Tribunal (NCLT) Mumbai Bench vide order dated 24th July, 2024, all the assets, liabilities, reserves and surplus of the Amalgamating Company have been transferred to and vested in the Company. The Appointed Date of the Scheme is 1 April, 2023, and the effect has been given in the Financial Statements.

   Consequently, our report on the Consolidated Financial Statements dated 17th May 2024 having UDIN 24117309BKCBGG8035 stands cancelled.

Our opinion is not modified in respect of this matter

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current year. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report.

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.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	**Contingent Liability** The Company is involved in direct and indirect tax litigations that are pending with various tax authorities as mentioned in Note No. 50 of the Financial Statements. Whether a liability is recognized or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on assumptions and assessments. We placed specific focus on the judgements in respect to these demands against the Company. Determining the amount, if any, to be recognized or disclosed in the financial statements, is inherently subjective. Therefore, these litigations amount is considered to be a key audit matter.	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.
2.	**Property, Plant & Equipment** Valuation and existence of property, plant and equipment including assessment of useful lives and residual values Property, plant and equipment represents a significant proportion of the Company's asset base having total value of ₹3,100.57 Crores (Net Block), given in Note. 5 of the Financial Statements. The estimates and assumptions made to determine the carrying amounts, including whether and when to capitalize or expense certain costs, and the determination of depreciation charges are material to the Company's financial position and performance. The charges in respect of periodic depreciation are derived after estimating an asset's expected useful life and the expected residual value. Changes to asset's carrying amounts, expected useful lives or residual value could result in a material impact on the financial statements and hence considered as key audit matter.	Our audit approach consisted evaluation of design and implementation of controls, and testing the operating effectiveness of the internal controls over valuation of property, plant and equipment and review of useful lives; Periodic physical verification of property, plant and equipment for adequacy and appropriateness of the accounting and disclosure by the Management: • Review of CAPEX business process, flow of documents/ information and their control's effectiveness • Substantive Tests on random sampling for all the major additions, deletions to the assets by applying all the characteristics of capital expenditure, proper classification of the same, with reference to the Company's policy and accounting standards • We performed substantive testing for the determination of assets' useful lives and residual values with reference to management's judgments, including the appropriateness of past / existing asset lives and residual values applied in the calculation of depreciation. We also obtain certificates relating to useful lives of assets wherever required. • We have reviewed the policy and the procedure of physical verification of PPE. • After carrying out above audit procedures, we did not identify any exceptions in relation to the valuation and the existence of property, plant and equipment including assessment of useful lives and residual values which, may affect our opinion.

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.

Responsibilities of Management and Those Charged with Governance 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 Statements

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the 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 entities or business activities included in the consolidated financial statements of which we are the independent auditors.

For the other entities or business activities included in the consolidated financial statements, which have been audited by the branch auditors or other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. We did not audit the financial statements of seven subsidiaries, whose standalone financial statements reflect total assets of ₹ 48.16 Crores as at March 31, 2024, total revenue of ₹ 0.00 Crores (₹ 10,391), total comprehensive income (comprising of profit/ (loss)) and other comprehensive income) of ₹ (48.56) Crores and net cash inflows/ (outflows) amounting to ₹ 0.07 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors 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 these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

2. Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments, if any, made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the aforesaid conversion adjustments prepared by the management of the Parent Company and audited by us.

3. We did not audit the financial statements of three subsidiaries, whose financial statements reflect NIL assets as at March 31, 2024, total revenue of ₹ 20.76 Crores, total comprehensive income (comprising of profit/(loss)) and other comprehensive income) of ₹ (6.05) Crores and net cash inflows/ (outflows) amounting to ₹ (1.31) Crores for the year ended on that date, as considered in the consolidated financial statements. Financial statements of these subsidiaries are included in Consolidated Financial Statements till the date Parent Company ceases to exercise control. These financial statements are unaudited and 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 these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

4. We did not audit the financial statements of a subsidiary, whose financial statements reflect NIL assets as at March 31, 2024, total revenue of ₹ 0.10 Crores, total comprehensive income (comprising of profit/ (loss)) and other comprehensive income) of ₹ (1.28) Crores and net cash inflows/ (outflows) amounting to ₹ (0.25) Crores for the year ended on that date, as considered in the consolidated financial statements. Financial statements of the subsidiary

is included in Consolidated Financial Statements till the date Parent Company ceases to exercise control. These financial statements are unaudited and have been reviewed by other auditors whose report 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 subsidiaries, is based solely on such reports of the other auditors and the procedures performed by us.

5. 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.

e) On the basis of the written representations received from the directors of the Company for the year ended March 31, 2024 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, 2024 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 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 to its directors' during year is in accordance with the provisions of Section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 50 of the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long term contracts including derivative contracts.

iii. There 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, other than as disclosed in note 49 to the Consolidated Financial Statements, if any, 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, other than as disclosed in note 49 to the Consolidated Financial Statements, if any, 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 final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination which included test checks and that performed by the respective Auditors of the subsidiaries, which are incorporated in India:

a. The Holding Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

In case of the Amalgamating Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except in respect of any changes made at database level, where the other Auditor were unable to comment in absence of relevant information. Further, during the course of their audit they did not come across any instance of audit trail feature being tampered with.

b. One of the Subsidiary company has not used an accounting software for maintaining its books of account and hence testing under rule 11(g) is not applicable

c. Accounting software for maintaining books of account in respect of six subsidiaries incorporated in India did not had a feature of recording audit trail (edit log) facility and the same was not operated throughout the year for all relevant transactions recorded in the software.

B. With the respect to matters specified in Paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order" / "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the companies included in the consolidated financial statements.

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

Parag Pansare
Partner
Membership No.: 117309
UDIN: 24117309BKCBNU3185

Pune, August 09, 2024

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 Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of Kirloskar Ferrous Industries Limited (hereinafter referred to as "the Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company, 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 Over Financial Reporting

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 Over Financial Reporting

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.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the 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, 2024, 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 the subsidiaries which are companies incorporated in India, is based solely on the corresponding reports of the auditors of the Subsidiaries incorporated in India. Our opinion is not modified in respect of the above matters.

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

Parag Pansare
Partner
Membership No.: 117309
UDIN: 24117309BKCBNU3185

Pune, August 09, 2024

Consolidated Balance Sheet

as at 31st March 2024

(₹ in Crores)

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,216.15	3,063.83
Capital work-in-progress	5	457.73	170.33
Intangible assets	6	2.56	3.19
Intangible assets under development	6	39.38	35.16
Financial assets			
(i) Investments	7	1.13	1.03
(ii) Loans	8	0.13	0.23
(iii) Other financial assets	9	33.76	35.88
Deferred tax assets			
Other non-current assets	10	57.00	65.71
Total non-current assets		**3,807.84**	**3,375.36**
Current assets			
Inventories	11	1,026.82	1,078.49
Financial assets			
(i) Trade receivables	12	896.58	817.81
(ii) Cash and cash equivalents	13	35.71	55.83
(iii) Bank balances other than (ii) above	13	9.89	6.84
(iv) Loans	14	2.24	2.64
(v) Other financial assets	15	2.84	9.08
Current tax assets (net)	16	25.05	21.58
Other current assets	17	100.08	113.87
Total current assets		**2,099.21**	**2,106.14**
TOTAL ASSETS		**5,907.05**	**5,481.50**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	82.11	81.93
Other equity	19	3,149.13	2,926.43
Equity attributable to shareholders of the company		**3,231.24**	**3008.36**
Non Controlling Interest		(0.01)	0.11
Total Equity		**3,231.23**	**3,008.47**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	520.90	369.79
Lease Liabilities	21	3.88	5.69
Provisions	22	13.08	11.16
Deferred tax liabilities (Net)	23	229.68	206.72
Total non-current liabilities		**767.54**	**593.36**
Current liabilities			
Financial liabilities			
(i) Borrowings	24	696.94	594.09
(ii) Lease Liabilities	25	1.79	1.67
(iii) Trade payables	26		
- Total outstanding dues of micro enterprises and small enterprises		32.38	32.44
- Total outstanding dues of creditors other than micro enterprises and small enterprises		824.80	999.30
(iii) Other current financial liabilities	27	246.97	147.10
Other current liabilities	28	70.23	71.18
Provisions	29	22.51	11.27
Current tax liability	30	12.66	22.62
Total current liabilities		**1,908.28**	**1,879.67**
Total liabilities		**2,675.82**	**2,473.03**
TOTAL EQUITY AND LIABILITIES		**5,907.05**	**5,481.50**

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

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

PARAG PANSARE
Partner
Membership No. 117309

Pune 09th Aug 2024

For and on behalf of the Board of Directors

ATUL C. KIRLOSKAR
Chairman
DIN 00007387

R.V.GUMASTE
Managing Director
DIN 00082829

R.S.SRIVATSAN
Executive Director (Finance) &
Chief Financial Officer
DIN 09607651

MAYURESH GHARPURE
Company Secretary

Pune 09th Aug 2024

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2024

(₹ in Crores)

Particulars	Note No.	For the year ended 31st March, 2024	For the year ended 31st March, 2023
INCOME			
Revenue from operations	31	6,146.29	6,417.45
Other Income	32	19.34	49.33
Total Income		**6,165.63**	**6,466.78**
EXPENSES			
Cost of materials consumed	33	3,392.33	3,717.86
Purchases of stock-in-trade			
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	(17.78)	(19.89)
Employee benefits expense	35	336.90	319.68
Finance costs	36	120.50	95.47
Depreciation and amortization expense	37	239.38	172.58
Other expenses	38	1,578.08	1,564.09
Total expenses		**5,649.41**	**5,849.79**
Profit/(loss)before exceptional items and tax		516.22	616.99
Exceptional items	39	63.32	-
Profit/(Loss) before tax		**452.90**	**616.99**
Tax expenses			
(1) Current tax		130.50	169.54
(2) Short/ (excess) for the earlier years		(0.26)	(6.98)
(3) Deferred tax		25.00	17.10
Profit for the year		**297.66**	**437.33**
Other Comprehensive Income			
Items that will not be reclassified to profit or (loss)			
Remeasurements of post-employment benefit obligations		(8.20)	3.02
Income Tax relating to above		2.06	(0.76)
Fair value changes on equity Instruments through other comprehensive income		0.10	(3.27)
Income Tax relating to above		(0.02)	0.75
Capital reserve on arising account of business combination		10.67	-
Items that will be reclassified to profit or loss			
Foreign Currency Translation Differences		1.35	1.19
Income tax effect on above		-	-
Other Comprehensive Income for the year, net of tax		**5.96**	**0.93**
Total Comprehensive Income for the period (Comprising profit and Other Comprehensive Income for the year)		**303.62**	**438.26**
Profit for the year attributable to :			
Shareholder of the company		297.79	437.34
Non controlling interests		(0.13)	(0.01)
		297.66	**437.33**
Other comprehensive income for the year attributable to :			
Shareholder of the company		5.96	0.92
Non controlling interests		-	0.01
		5.96	**0.93**
Total comprehensive income for the year attributable to :			
Shareholder of the company		303.75	438.26
Non controlling interests		(0.13)	-
		303.62	**438.26**
Earnings per equity share (for continuing operations)	41		
Basic (₹)		18.15	26.71
Diluted (₹)		18.02	26.59

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

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

PARAG PANSARE
Partner
Membership No. 117309

Pune 09th Aug 2024

For and on behalf of the Board of Directors

ATUL C. KIRLOSKAR
Chairman
DIN 00007387

R.V.GUMASTE
Managing Director
DIN 00082829

R.S.SRIVATSAN
Executive Director (Finance) &
Chief Financial Officer
DIN 09607651

MAYURESH GHARPURE
Company Secretary

Pune 09th Aug 2024

Consolidated Cash Flow Statement

for the year ended 31st March 2024

(₹ in Crores)

Particulars	For the year ended 31st March, 2024		For the year ended 31st March, 2023	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit / (Loss) before tax		452.90		616.99
Add :				
Depreciation	239.38		172.58	
(Profit) / Loss on sale of assets	0.69		(6.37)	
Provision for doubtful debts	1.09		23.92	
Unrealised Foreign exchange (Gain)/Loss	(0.43)		(1.64)	
Employee share-based payment expense	5.44		9.40	
Remeasurements of post-employment benefit obligations	(2.92)		(0.29)	
Fair value changes in derivative financial instrument	0.33		1.41	
Finance Costs	120.49		95.46	
Provision on doubtful advances	1.92		0.00	
Loss allowance on trade receivables	3.92			
Loss on liquidation of subsidiary	18.60			
Profit on Lease retirement	(0.01)			
Foreign Currency Translation Reserves	1.35		0.63	
Provision for Impairment in value PPE of Tridem group	40.81		-	
		430.66		**295.10**
Less :		883.56		912.09
Interest Income	(3.34)		(5.37)	
Profit on redemption of Mutual funds	(0.10)		(1.12)	
Provision no longer required written back	(4.34)		(2.67)	
Sundry Credit balances appropriated	(0.14)		(0.01)	
		(7.92)		**(9.17)**
Operating profit before working capital changes		**875.64**		**902.92**
Movements in working capital:				
Decrease / (increase) in inventories	51.68		(86.27)	
Decrease / (increase) in trade receivables	(78.26)		(31.76)	
Decrease / (increase) in non-current loans	0.10		(0.03)	
Decrease / (increase) in other non-current assets	(4.72)		(0.52)	
Decrease /(Increase) in non current financial assets others	0.75			
Decrease / (increase) in current loans	0.40		(0.61)	
Decrease / (increase) in other current assets	13.79		(40.34)	
Decrease / (increase) in Bank balance other than cash and cash equivalent	-		239.72	
(Increase) / Decrease in other financial assets	7.84		(5.65)	
Increase / (decrease) in non current provisions	1.93		0.37	
provisions Increase / (decrease) in trade payables	(158.92)		(23.22)	
Increase / (decrease) in other current financial liabilities	(8.93)		(1.34)	
Increase / (decrease) in other current liabilities	(0.89)		13.71	
Increase / (decrease) in current provisions	5.97		(4.06)	
		(169.27)		**60.00**
Cash generated from Operations		706.38		962.92
Taxes paid		(143.67)		(165.19)
Net cash from Operating Activities (A)		**562.70**		**797.73**

Consolidated Cash Flow Statement

for the year ended 31st March 2024

(₹ in Crores)

Particulars	For the year ended 31st March, 2024		For the year ended 31st March, 2023	
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of property, plant and equipment including CWIP and Capital Advances	(534.28)		(481.27)	
Sale of Property, Plant and Equipment	0.18		65.33	
Purchase of Investments	(0.00)		(0.02)	
Receipt from Investment of Subsidiary	0.09		-	
Proceeds from sale of property, plant and equipment	6.64		0.35	
Investment in other Financial Assets	1.95		(2.94)	
Decrease / (Increase) in other bank balances	1.28		0.69	
Interest Received	2.78		17.62	
Dividend Received	0.10		1.12	
Net Cash from Investing Activities (B)		**(521.26)**		**(399.12)**
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Interest paid	(119.49)		(104.28)	
Other Borrowing Costs	(1.19)		(1.28)	
Proceeds from long term borrowings (net)	128.90		128.68	
Proceeds/(Repayment) from short term borrowings	18.56		(369.12)	
Payment of Lease Liabilities	(2.33)		(2.33)	
Increase/(Decrease) on issue of equity shares	4.48		1.34	
Dividend Paid	(90.50)		(76.38)	
Net Cash from Financing Activities (C)		**(61.57)**		**(423.37)**
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)		**(20.12)**		**(24.75)**
Cash and Cash Equivalents at the beginning of the Period	**55.83**		**80.58**	
Cash and Cash Equivalents acquired pursuant to business combination	**-**		**-**	
Cash and Cash Equivalents at the end of the year	**35.71**		**55.83**	

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

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

PARAG PANSARE
Partner
Membership No. 117309

Pune 09th Aug 2024

For and on behalf of the Board of Directors

ATUL C. KIRLOSKAR
Chairman
DIN 00007387

R.V.GUMASTE
Managing Director
DIN 00082829

R.S.SRIVATSAN
Executive Director (Finance) &
Chief Financial Officer
DIN 09607651

MAYURESH GHARPURE
Company Secretary

Pune 09th Aug 2024

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2024

A. Equity Share Capital (Note 18)

(₹ in Crores)

Opening Balance as on 1st April, 2022	Changes in equity share capital during the year	Closing Balance as on 31st March, 2023
69.36	12.57	81.93

(₹ in Crores)

Opening Balance as on 1st April, 2023	Changes in equity share capital during the year	Closing Balance as on 31st March, 2024
81.93	0.18	82.11

B. Other Equity (Note 19)

(₹ in Crores)

Particulars	Reserves and surplus			Equity Instruments through Other ComprehensiveIncome	Share options outstanding account	Share Application Money pending allotment	Foreign currency translation reserve	Capital reserve arising out of business combination	Capital reserve arising out of Merger	Total attributable to owners of the company	Attributable to Non-Controlling interests	Total
	Securities premium	General reserve	Surplus of profit or loss									
Balance as on 31st March, 2022	**205.65**	**70.00**	**926.11**	**2.93**	**3.03**	**0.12**	**(0.05)**	**488.30**	**-**	**1,696.09**	**870.43**	**2,566.52**
Reserves created due to Amalgamation							(0.44)		858.31	857.87	(870.32)	(12.45)
	205.65	**70.00**	**926.11**	**2.93**	**3.03**	**0.12**	**(0.49)**	**488.30**	**858.31**	**2,553.96**	**0.11**	**2,554.07**
Total Comprehensive Income												
Profit for the year	-	-	437.34	-	-	-	-	-	-	437.34	(0.01)	437.33
Other Comprehensive Income												
Remeasurement of defined benefit liability (net of tax)	-	-	2.25	-	-	-	-	-	-	2.25	-	2.26
Fair value changes on equity Instruments through other comprehensive income	-	-	-	(2.52)	-	-	-	-	-	(2.52)		(2.52)
Foreign Currency Translation Reserve	-	-	-	-	-	-	1.18	-	-	1.18	0.01	1.19
Transfer to General Reserve	-	5.00	(5.00)	-	-	-	-	-	-	0.00	-	0.00
Employee stock option expense	-	-	-	-	9.40	-	-	-	-	9.40	-	9.40
Share application money received	-	-	-	-	-	1.34	-	-	-	1.34	-	1.34
Issue of equity shares on account of exercise of employee stock options	2.15	-	-	-	(0.97)	(1.31)	-	-	-	(0.12)	-	(0.12)
Distribution to shareholders												
Final Dividend	-	-	(41.66)	-	-	-	-	-	-	(41.66)	-	(41.66)
Interim Dividend	-	-	(34.73)	-	-	-	-	-	-	(34.73)	-	(34.73)
Balance as on 31st March, 2023	**207.80**	**75.00**	**1,284.31**	**0.41**	**11.46**	**0.15**	**0.69**	**488.30**	**858.31**	**2,926.43**	**0.11**	**2,926.56**

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2024

B. Other Equity (Note 19) (Contd.)

(₹ in Crores)

Particulars	Reserves and surplus			Equity Instruments through Other ComprehensiveIncome	Share options outstanding account	Share Application Money pending allotment	Foreign currency translation reserve	Capital reserve arising out of business combination	Capital reserve arising out of Merger	Total attributable to owners of the company	Attributable to Non-Controlling interests	Total
	Securities premium	General reserve	Surplus of profit or loss									
Total Comprehensive Income												
Profit for the year	-	-	297.79	-	-	-	-	-		297.79	(0.12)	297.67
Other Comprehensive Income												
Remeasurement of defined benefit liability (net of tax)	-	-	(6.13)	-	-	-	-	-		(6.13)	-	(6.13)
Fair value changes on equity Instruments through other comprehensive income	-	-	-	0.08	-	-	-	-		0.08	-	0.08
Preacquisition profit / loss	-	-	-	-	-	-	-	-		-	-	-
Foreign Currency Translation Reserve	-	-	-	-	-	-	1.36	-		1.36	-	1.36
On account of business acquisition	-	-	-	-	-	-	-	10.67		10.67	-	10.67
Transfer to General Reserve	-	5.00	(5.00)	-	-	-	-	-		-	-	-
Employee stock option expense	-	-	-	-	5.44	-	-	-		5.44	-	5.44
Share application money received	-	-	-	-	-	4.65	-	-		4.65	-	4.65
Issue of equity shares on account of exercise of employee stock options	6.86	-	-	-	(2.74)	(4.47)	-	-		(0.36)	-	(0.36)
Lapse of employee stock options	-	-	0.13	-	(0.13)	-	-	-		-	-	-
Distribution to shareholders												
Final Dividend	-	-	(41.70)	-	-	-	-	-		(41.70)	-	(41.70)
Interim Dividend	-	-	(41.80)	-	-	-	-	-		(41.80)	-	(41.80)
Dividend paid by subsidiary company	-	-	(7.32)	-	-	-	-	-		(7.32)	-	(7.32)
Balance as on 31st March, 2024	**214.66**	**80.00**	**1,480.28**	**0.49**	**14.03**	**0.33**	**2.05**	**498.97**	**858.31**	**3,149.13**	**-0.01**	**3,149.12**

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

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

PARAG PANSARE
Partner
Membership No. 117309

Pune 09th Aug 2024

For and on behalf of the Board of Directors

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Executive Director (Finance) &
Chief Financial Officer
DIN 09607651

Pune 09th Aug 2024

R.V.GUMASTE
Managing Director
DIN 00082829

MAYURESH GHARPURE
Company Secretary

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

1) THE CORPORATE OVERVIEW

Kirloskar Ferrous Industries Limited ("the Company" / "Holding Company") is a public company incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Limited and are permitted to trade on National Stock Exchange of India Limited.

The Consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiaries (together referred to as the "Group"). The Consolidated Financial Statements of the Group for the year ended 31 March 2024, were authorised for issue by the Board of Directors on 9 August 2024.

The Holding Company is having manufacturing facilities situated at Koppal district and Chitradurga district in Karnataka State and at Solapur, Ahmednagar, Baramati and Jejuri in Maharashtra State. The Holding Company is engaged in manufacturing of iron castings, seamless tubes and engineering steels.

Oliver Engineering Private Limited ("OEPL" or "the Subsidiary Company") is a private limited company incorporated in India (CIN: U74999DL2011PTC222377) having its registered office in Delhi. The subsidiary is mainly engaged in manufacturing of Iron castings.

At present, the Company is the subsidiary of Kirloskar Industries Limited.

2) BASIS OF PREPARATION

a) Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS). Ind AS are notified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards), Rules, 2015 as amended from time to time and other relevant provisions of the Act. Accounting policies have been consistently applied except where newly issued accounting standard or revision to existing accounting standards requires changes in the existing accounting policies.

These Consolidated Financial Statements are approved by the Board of Directors of the Company and authorized for issue on 9 August 2024. Pursuant to an approved Scheme of Arrangement, sanctioned by Hon'ble National Company Law Tribunal (NCLT) Mumbai Bench vide order dated 24th July, 2024 (the details of which are stated in note 52), the Appointed Date of the Scheme is 1 April, 2023. In terms of the said Scheme, all the assets, liabilities, reserves and surplus of the Amalgamating Company (ie., ISMT Limited) have been transferred to and vested in the Company and the earlier consolidated financial statements of the Company for the year ended 31 March 2024 which was approved by the Board of Directors on 17 May 2024 have been updated.

b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following items, which are measured on each reporting date on the basis as explained below:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value.
- Defined benefit plans – plan assets are measured at fair value.
- Equity settled share-based payments – measured at grant date fair value.

c) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current and non- current classification.

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is expected to be realised within twelve months from the reporting, or
- It is cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months from the reporting date, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after reporting date.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

d) Functional and presentation currency

The Group has identified Indian Rupee (INR) as its functional currency. All amounts presented in the Financial Statements including notes have been rounded off to the nearest crores in Indian Rupee as per the requirements of Schedule III of the Companies Act, 2013; unless otherwise indicated.

3) MATERIAL ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Principles of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31 March 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the subsidiaries. Specifically, the Group controls a subsidiary if and only if the Group has:

- Power over the subsidiaries (i.e. existing rights that give it the current ability to direct the relevant activities of the investee,
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company. The subsidiaries considered in the consolidated financial statements are summarized below.

Sr. No.	Name of the Company	Country of Incorporation
	Direct Subsidiaries	
1.	Oliver Engineering Private Limited	India
2.	ISMT Enterprises SA	Luxembourg
3.	Structo Hydraulics AB*	Sweden
4.	ISMT Europe AB*	Sweden
5.	Tridem Port and Power Company Private Limited	India
6.	Nagapattinam Energy Private Limited	India
7.	Best Exim Private Limited	India
8.	Marshal Microware Infrastructure Development Private Limited	India
9.	Success Power and Infraprojects Private Limited	India
10.	PT ISMT Resources**	Indonesia
11.	Indian Seamless Inc.*	USA
12.	Adicca Energy Solutions Private Limited	India

* The companies have been liquidated or in the process of Liquidation during the year

** The company has been sold during the year

In preparing the consolidated financial statements, the Group has used the following key consolidation procedures:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the holding company with those of its subsidiaries.

Offset (eliminate) the carrying amount of the holding company's investment in each subsidiary and the holding company's portion of equity of each subsidiary. Business combinations policy explains accounting for any related goodwill or capital reserve.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment, are eliminated in full. However, intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

Temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions will be accounted as per Ind AS 12 – Income Taxes

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

Profit and loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the holding company of the group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it deconsolidates the subsidiary from the date it ceases control.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.

Assets and liabilities of entities with functional currency other than the functional currency of the Company have been translated using exchange rates prevailing on the balance sheet date. Statement of profit and loss of such entities has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity. When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognized in OCI is reclassified to statement of profit and loss as part of the gain or loss on disposal.

b) Property, plant and equipment

- **Recognition and measurement**

  Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost comprises of purchase price and any directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

  Borrowing costs attributable to construction or acquisition of a qualifying asset for the period up to the date, the asset is ready for its intended use are included in the cost of the asset to which they relate.

  Pre-operative expenditure including trial run expenses comprising of revenue expenses incurred as reduced by the revenue generated during the period up to the date, the asset is ready for its intended use are treated as part of costs of that asset.

  Capital work-in-progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use as at the balance sheet date.

  Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under "Other non-current assets".

- **Subsequent costs**

  The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss as incurred.

- **Subsequent Measurement**

  Property, plant and equipment are subsequently measured at cost less accumulated depreciation less accumulated impairment losses.

- **Derecognition**

  An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net and disclosed within other income or expenses in the Statement of Profit and Loss.

- **Depreciation methods, estimated useful lives and residual value**

  Holding Company:

  Casting segment:

  Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised in the Statement of Profit and Loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act 2013, as assessed by the management of the company based on technical evaluation except in the case of following assets:

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

Description	Useful life considered	Justification for deviation
Plant and equipments:		Based on past history of usage and supported by technical evaluation report
a) Sinter plant	20 years	
b) Blast furnace and allied machineries used in manufacture of pig Iron	20 years	
c) Foundry machineries	20 years	
d) Turbo generator	20 years	
e) Plant and equipments given under operating lease	5 years	
f) Machinery spares and other components of PPE	2 to 10 years	
g) Patterns	8 years	
Office equipments		
Equipment installed at employee's residence	3 years	As per the terms of Group's policy
Vehicles		
Vehicles given to employees	5 years	As per the terms of Group's policy

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.

Depreciation on Building and Plant & Machinery of Captive Power Plant is provided as per the useful life specified in Part 'C' of Schedule II of the Companies Act, 2013 on Straight Line Method.

Depreciation on Furniture & Fixtures, Office Equipment and vehicle is provided as per the useful life specified in Part 'C' of Schedule II of the Companies Act, 2013 on Written Down Value Method.

Subsidiary Companies

Depreciation on Plant & Machinery other than Captive Power Plant is provided on its useful life estimated by the management on Written Down Value method. For these classes of assets, based on the technical evaluation carried out by the external experts, the management has estimated the useful lives in the range of 8 years to 65 years.

Depreciation on Building and Plant & Machinery of Captive Power Plant of subsidiaries is provided as per the useful life specified in Part 'C' of Schedule II of the Companies Act, 2013 on Straight Line Method.

Depreciation on Furniture & Fixtures, Office Equipment and vehicle of subsidiaries is provided as per the useful life specified in Part 'C' of Schedule II of the Companies Act, 2013 on Written Down Value Method except in case of Tridem Port and Power Company Private Limited and Nagapattinam Energy Private Limited (Subsidiaries of KFIL) where straight line method is followed.

Depreciation on property, plant and equipment of the Group's foreign subsidiaries has been provided on straight line method as per the estimated useful life of such assets. Details of estimated useful life of property, plant and equipment of these foreign subsidiaries are as follows:

Sr. No.	Class of Assets	Useful life in Years
1.	Building	45 Years
2.	Equipment's, Tools, Fixtures and Fittings	3 to 5 years
3.	Plant & Machinery and Equipment	3 to 30 Years
4.	Computer Hardware and Software	5 Years

Freehold land of the Group is not depreciated.

c) Intangible assets

- **Recognition and measurement**

  Intangible assets are recognised when the asset is identifiable, is within the control of the Group, and is probable that the future economic benefits that are attributable to the asset will flow to the Group and cost of the asset can be reliably measured.

  Intangible assets acquired by the Group that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

- **Derecognition**

  An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of intangible asset are determined by comparing the proceeds from disposal with the carrying amount of intangible asset and are recognised net and disclosed within other income or expenses in the Statement of Profit and Loss.

- **Amortisation**

  Amortisation is calculated over the cost of the asset, or other amount substituted for cost. Amortisation is recognised in Statement of Profit and Loss on a straight-line basis over the estimated useful life of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

  The estimated useful life for current and comparative periods are as follows:

Computer software	6 years

d) Leases

The Group assesses at the inception of the contract whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short- term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

e) Impairment of non-financial assets

The Group assesses at each balance sheet date whether there is any indication that an asset or Cash Generating Unit (CGU) may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

Impairment losses are recognised in the Statement of Profit and Loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

- **Reversal of impairment loss**

  For assets other than goodwill, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

f) Inventories

Raw materials, stores and spares are valued at lower of cost and net realizable value. Cost is determined using weighted average method.

Work in process and finished goods other than by-products are valued at lower of cost and net realizable value. Cost includes direct material and labour and a proportion of manufacturing overhead based on normal operating capacity.

By-products are valued at net realizable value.

Stores and Spares are valued at cost determined on weighted average basis except for those which have a longer usable life, which are valued on the basis of their remaining useful life.

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Necessary provisions are made for obsolete and non-moving inventories as per the policy framed by the management and the value of inventory is net of such provision.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Inventory of Structo Hydraulics AB (subsidiary of KFIL) is valued at the lower of the cost and net realizable value respectively. Thereby risk of obsolescence has been considered. The cost is estimated according to weighted average prices.

g) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

h) Revenue recognition

The Group is in the business of manufacture and sale of iron castings, seamless tubes, cylinder tubes, components and engineering steels. Sales are recognised when substantial control of the products has been transferred to the customer, being when the products are delivered to the customer or its authorised representative without any unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from these sales is recognised based on the price specified in the sales order, net of the estimated discounts, rebates, returns and Goods and Service Tax. The Group's obligation to provide a refund for defects in the products is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group does not have any payment terms exceeding one year for any contract. Accordingly, the Group does not adjust any of the transaction prices for the time value of money.

i) Other income

- **Interest income**

  Interest income from debt instruments is recognised using Effective Interest Rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

- **Dividends**

  Dividends are recognised in the Statement of Profit and Loss only when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount can be measured reliably.

- **Export incentives**

  Export Incentives are recognized when right to receive credit as per prevalent scheme is established in respect of the exports made and when there is no significant uncertainty regarding realization of such claim.

- **Any other incomes are accounted for on accrual basis.**

j) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset, are expensed in the period in which they are incurred.

k) Foreign currency transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss are also recognized in OCI or Statement of Profit and Loss, respectively). Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

l) Employee Benefits

- **Short-term employee benefits**

  All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as

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salaries, wages, expected cost of bonus and short-term compensated absences, ex-gratia, performance pay etc. are recognised in the period in which the employee renders the related service.

- **Post-employment benefits**

Defined contribution plans

The Group's approved superannuation scheme and central provident fund scheme are a defined contribution plan. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

Defined benefit plans

a. Gratuity

The employees' gratuity fund scheme is managed by a trust, is the Group's defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Net interest is calculated by applying the discount rate to the net defined benefit liability or the fair value of the plan asset. The cost is included in employee benefit expense in the Statement of Profit and Loss.

Structo Hydraulics AB and ISMT Europe AB (Subsidiary Companies of KFIL) make defined contribution to the Insurance Company as a social security benefit, which is recognized in the Statement of Profit and Loss on accrual basis.

b. Leave Encashment

The Group provides for the liability at year end on account of unavailed earned leave as per the actuarial valuation.

- Other long-term employee benefits

The liabilities for earned leave which are not expected to be settled within twelve months from the date of reporting period in which the employee render the related service are measured as the present value of expected future payments to be made in respect of services provided by employee up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the Statement of Profit and Loss. The obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer settlement beyond twelve months of the reporting period, regardless of when the actual settlement is expected to occur.

m) Share-based payments

Employees of the Group who are entitled to receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

- **Equity-settled transactions**

The cost of equity-settled transactions is determined by the fair value at the grant date using fair valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service

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conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss represents the movement in cumulative expense recognised as at the beginning and at the end of the period and to be recognised in the employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Employee share-based payment reserve with respect to vested options which gets forfeited as per ESOS policy will be transferred to retained earnings.

n) Research and development cost

Revenue expenditure on the research and development is charged off as expense in the year in which incurred. Capital expenditure for research and development activity is grouped with property, plant and equipment under appropriate categories and depreciation is provided as per the applicable rates.

o) Income tax

Income tax expense comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to the items recognised directly in OCI.

- **Current income tax**

  Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable profits computed for the current accounting period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

- **Deferred tax**

  Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

  Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

  Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

  The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

  Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

  Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

  Minimum Alternate Tax (MAT) Credit:

  MAT credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period.

p) Provisions and contingencies

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

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If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the Statement of Profit and Loss.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in financial statements, unless they are virtually certain. However, contingent assets are disclosed where inflow of economic benefits are probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

q) Business Combinations

The Group accounts for business combinations using the acquisition method when the control is transferred to the Group in accordance with Ind AS 103. The consideration transferred for the business combinations is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. The Holding Company determines the basis of control in line with the requirements of Ind AS 110, Consolidated Financial Statements. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI as appropriate.

Business combinations involving entities that are ultimately controlled by the same part(ies) before and after the business combination are considered as Common control entities and are accounted using the pooling of interest method as follows:

The assets and liabilities of the combining entities are reflected at their carrying amounts.

- No adjustments are made to reflect the fair values, or recognize new assets or liabilities. Adjustments are made to harmonies accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference if any, between the amounts recorded as share capital plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

r) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re- assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

s) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

- **Initial recognition and measurement**

  Financial instruments are initially recognised when the entity becomes party to the contract.

  Financial instruments are measured initially at fair value adjusted for transaction costs that are directly attributable to the origination of the financial instrument where financial instruments not classified at fair value through profit or loss. Transaction costs of financial instruments which are classified as fair value through profit or loss are expensed in the Statement of Profit and Loss.

- **Subsequent measurement of financial assets**

  For the purposes of subsequent measurement, the financial assets are classified in the following categories based on the Group's business model for managing the financial assets and the contractual terms of cash flows:

  - those to be measured subsequently at fair value; either through OCI or through profit or loss
  - those measured at amortised cost

  For assets measured at fair value, changes in fair value will either be recorded in the Statement of Profit and Loss or OCI. For investments in debt instruments, this will depend on the business model in which investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through OCI.

  The Group reclassifies debt investments when and only when its business model for managing those assets changes.

  Debt instruments at amortised cost

  A 'debt instrument' is measured at the amortised cost if both the following conditions are satisfied:

  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - The contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

  A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of hedging relationship is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using Effective Interest Rate (EIR) method.

  Debt instruments at Fair Value Through Other Comprehensive Income (FVTOCI)

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent Solely Payments of Principal and Interest (SPPI), are measured at FVTOCI. The movements in the carrying amount are recognised through OCI, except for the recognition of impairment gains and losses, interest revenue and foreign exchange gain or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other gains/ losses. Interest income from these financial assets is included in other income using EIR method.

  Debt instruments at Fair Value Through Profit or Loss (FVTPL)

  Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on debt instrument that is subsequently measured at FVTPL and is not a part of hedging relationship is recognised in the Statement of Profit and Loss within other gains/ losses in the period in which it arises. Interest income from these financial assets is included in other income.

  Equity investments

  All equity investments in the scope of Ind AS 109 Financial Instruments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to recognise subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

  If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of equity instrument.

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Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

- **Subsequent measurement of financial liabilities**

For the purposes of subsequent measurement, the financial liabilities are classified in the following categories:

- those to be measured subsequently at fair value through profit or loss (FVTPL)
- those measured at amortised cost

Following financial liabilities will be classified under FVTPL:

- Financial liabilities held for trading
- Derivative financial liabilities
- Liability designated to be measured under FVTPL

All other financial liabilities are classified at amortised cost.

For financial liabilities measured at fair value, changes in fair value will recorded in the Statement of Profit and Loss except for the fair value changes on account of own credit risk are recognised in Other Comprehensive Income (OCI).

Interest expense on financial liabilities classified under amortised cost category are measured using Effective Interest Rate (EIR) method and are recognised in Statement of Profit and Loss.

- **Derecognition of financial instruments**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

- **Impairment of financial assets**

The Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets mentioned below:

- Financial assets that are debt instrument and are measured at amortised cost
- Financial assets that are debt instruments and are measured as at FVOCI
- Trade receivables

The impairment methodology applied depends on whether there has been a significant increase in credit risk. Details how the Group determines whether there has been a significant increase in credit risk is explained in the respective notes.

For impairment of trade receivables, the Group chooses to apply practical expedient of providing expected credit loss based on provision matrix and does not require the Group to track changes in credit risk. Percentage of ECL under provision matrix is determined based on historical data as well as futuristic information.

- **Derivative financial instruments**

Initial measurement and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re- measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognised in the Statement of Profit and Loss.

t) Dividends

The final dividend on shares is recorded as liability on the date of approval of shareholders, and the interim dividends are recorded as liability on the date of declaration by the Group's Board of Directors.

u) Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

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- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

v) Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director who makes strategic decisions.

w) Events occurring after the Consolidated Balance Sheet Date

Events occurring after the Consolidated Balance Sheet date and till the date on which the consolidated financial statements are approved, which are material in the nature and indicate the need for adjustments in the consolidated financial statements have been considered.

x) Government Grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per accounting policy applicable to financial liabilities.

4) SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in conformity with Ind AS, requires the management to make judgments, estimates and assumptions that affect the amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, disclosure of the contingent liabilities and notes to accounts at the end of each reporting period. Actual results may differ from these estimates.

Judgments

In the process of applying the Group's accounting policies, management have made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating segment

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by the Managing Director being the Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires Management to make judgments with respect to recognition of segments. Accordingly, the Group recognizes Iron Castings, Tube Segment and Steel Segment as its three segments.

Contingent liability

The Group has received various orders and notices from different Government authorities and tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyses current information about these matters and discloses the information relating to contingent liability. In making the decision regarding the need for creating loss provision, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Group or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its estimates and assumptions on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market conditions or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Defined benefit obligation

The cost of the defined benefit plans and other post-employment benefits and the present value of the obligations are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future post-retirement medical benefit

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increase. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligations and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on the expected future inflation rates for the country.

Further details about defined benefit obligations are provided in the respective note.

Deferred Tax

Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits are unused tax losses can be utilized.

Useful lives of Property, plant and equipment

Useful lives of property, plant and equipment are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. The depreciable lives are reviewed annually using the best information available to the Management.

Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognized prospectively.

Notes to and forming part of Consolidated Financial Statements

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5. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

Particulars	Freehold land	Leasehold land	Buildings	Plant & Equipments	Plant & Equipments given under operating lease	Furniture & Fixtures	Vehicles	Office equipments	Computers	Total	ROU - Building	ROU - Plant & Machinery	Total ROU asset	Capital Work-in-progress
GROSS CARRYING AMOUNT														
As at 31st March, 2022	**302.21**	**246.53**	**503.51**	**3,514.87**	**0.07**	**8.64**	**8.48**	**21.90**	**4.86**	**4,611.07**	**0.53**	**8.19**	**8.72**	**202.70**
Additions	39.86	-	38.17	471.84	-	0.70	3.31	2.84	0.94	557.66	5.32	-	5.32	525.29
Disposals	(8.08)	-	(7.00)	(129.90)	-	(0.22)	(0.76)	(0.15)	-	(146.11)	-	-	-	(557.66)
Foreign currency translation reserve	-	-	(0.66)	(1.93)	-	-	-	-	-	(2.59)	-	-	-	-
Adjustments*	4.42	(4.42)	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2023	**338.41**	**242.11**	**534.02**	**3,854.88**	**0.07**	**9.12**	**11.03**	**24.59**	**5.80**	**5,020.03**	**5.85**	**8.19**	**14.04**	**170.33**
As at 31st March, 2023	**338.41**	**242.11**	**534.02**	**3,854.88**	**0.07**	**9.12**	**11.03**	**24.59**	**5.80**	**5,020.03**	**5.85**	**8.19**	**14.04**	**170.33**
Additions	26.67	-	60.97	306.82	-	0.22	-	0.23	0.38	395.28	-	-	-	7.65
Additions due to business combination	20.14	-	55.49	264.43	-	0.57	5.22	7.62	0.79	354.26	-	-	-	542.83
Disposals	0.16	-	28.34	102.91	-	0.04	2.30	7.02	1.07	141.84	0.30	-	0.30	263.09
Foreign currency translation reserve	-	-	(0.50)	(1.47)	-	-	-	-	-	(1.97)	-	-	-	-
Adjustments	-	0.89	-	0.05	-	-	-	(0.05)	-	0.89	-	-	-	-
As at 31st March, 2024	**385.06**	**243.00**	**621.64**	**4,321.80**	**0.07**	**9.86**	**13.95**	**25.37**	**5.89**	**5,626.65**	**5.55**	**8.19**	**13.74**	**457.73**
Accumulated depreciation														
As at 31st March, 2022	**-**	**24.32**	**193.52**	**1,629.29**	**0.03**	**7.11**	**3.90**	**18.80**	**3.41**	**1,880.38**	**0.19**	**2.84**	**3.03**	**-**
Charge for the period	-	3.56	20.61	141.93	0.01	0.36	1.28	1.18	0.72	169.64	1.21	1.16	2.37	-
Disposals	-	-	(5.02)	(77.17)	-	(0.20)	(0.67)	(0.13)	-	(83.19)	-	-	-	-
Foreign currency translation reserve	-	-	(0.39)	(1.60)	-	-	-	-	-	(1.99)	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2023	**-**	**27.88**	**208.72**	**1,692.45**	**0.04**	**7.27**	**4.51**	**19.85**	**4.13**	**1,964.84**	**1.40**	**4.00**	**5.40**	**-**
As at 31st March, 2023	**-**	**27.88**	**208.72**	**1,692.45**	**0.04**	**7.27**	**4.51**	**19.85**	**4.13**	**1,964.84**	**1.40**	**4.00**	**5.40**	**-**
Charge for the period	-	3.56	22.59	204.18	0.00	0.48	1.81	2.82	0.83	236.28	1.18	1.16	2.34	-
Additions due to business combination	-	-	22.22	249.80	-	0.20	-	0.22	0.38	272.81	-	-	-	-
Disposals	-	-	17.84	88.80	-	0.04	1.51	6.62	1.07	115.89	0.25	-	0.25	-
Foreign currency translation reserve	-	-	(0.31)	(1.25)	-	-	-	-	-	(1.56)	-	-	-	-
Adjustments	-	0.89	-	(0.19)	-	-	-	0.19	-	0.89	-	-	-	-
As at 31st March, 2024	**-**	**32.33**	**235.38**	**2,056.18**	**0.04**	**7.91**	**4.81**	**16.45**	**4.26**	**2,357.37**	**2.33**	**5.16**	**7.49**	**-**
Impairment														

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(₹ in Crores)

Particulars	Freehold land	Leasehold land	Buildings	Plant & Equipments	Plant & Equipments given under operating lease	Furniture & Fixtures	Vehicles	Office equipments	Computers	Total	ROU – Building	ROU – Plant & Machinery	Total ROU asset	Capital Work-in-progress
As at 31st March, 2022	**-**	**0.23**	**-**	**3.36**	**-**	**-**	**-**	**-**	**-**	**3.59**	**-**	**-**	**-**	**-**
Impairment during the period										-	-	-	-	-
Disposals	-	(0.23)	-	(3.36)	-	-	-	-	-	(3.59)	-	-	-	-
As at 31st March, 2023	**-**	**0.00**	**-**	**0.00**	**-**	**-**	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**	**-**
As at 31st March, 2023	**-**	**0.00**	**-**	**0.00**	**-**	**-**	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**	**-**
Impairment during the period	16.29	-	0.78	1.14	-	0.00	-	0.00	-	18.21	-	-	-	-
Exceptional Item-Provision for Impairment in value	41.17	-	-	-	-	-	-	-	-	41.17	-	-	-	-
Disposals										-			-	-
As at 31st March, 2024	**57.46**	**0.00**	**0.78**	**1.14**	**-**	**0.00**	**-**	**0.00**	**-**	**59.38**	**-**	**-**	**-**	**-**
NET CARRYING AMOUNT														
As at 31st March, 2024	**327.60**	**210.67**	**385.48**	**2,264.48**	**0.03**	**1.96**	**9.14**	**8.91**	**1.63**	**3,209.90**	**3.22**	**3.03**	**6.25**	**457.73**
As at 31st March, 2023	**338.41**	**214.23**	**325.30**	**2,162.44**	**0.03**	**1.85**	**6.52**	**4.74**	**1.67**	**3,055.19**	**4.45**	**4.19**	**8.64**	**170.33**

* The land has been registered in the name of the Company in Mar-2023.

(₹ in Crores)

Amount in Capital Work in Progress for a period of	Projects in Progress		Projects temporarily suspended		Total	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Less than 1 Year	410.45	141.71	-	-	410.45	141.71
1-2 Years	44.40	21.31	-	-	44.40	21.31
2-3 Years	2.62	1.44	-	-	2.62	1.44
More than 3 Years	0.25	5.87	-	-	0.25	5.87
Total	**457.73**	**170.33**	**-**	**-**	**457.73**	**170.33**

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

6. INTANGIBLE ASSETS

(₹ in Crores)

Particulars	Mining Rights	Computer software	Goodwill	Total	Intangible assets under development
GROSS CARRYING AMOUNT					
As at 31st March, 2022	**0.11**	**12.19**	**-**	**12.30**	**19.75**
Additions	-	2.14	-	2.14	17.55
Disposals	-	-	-	-	(2.14)
Foreign currency translation reserve	-	-	-	-	-
Adjustments	-	-	-	-	-
As at 31st March, 2023	**0.11**	**14.33**	**-**	**14.44**	**35.16**
As at 31st March, 2023	**0.11**	**14.33**	**-**	**14.44**	**35.16**
Additions	-	0.08	0.04	0.12	4.30
Additions due to business combination	-	-	-	-	-
Disposals	-	2.03	-	2.03	0.08
Foreign currency translation reserve	-	-	-	-	-
Adjustments	-	-	-	-	-
As at 31st March, 2024	**0.11**	**12.37**	**0.04**	**12.52**	**39.38**
DEPRECIATION					
As at 31st March, 2022	**0.11**	**10.57**	**-**	**10.68**	**-**
Charge for the period	-	0.57	-	0.57	-
Disposals	-	-	-	-	-
Foreign currency translation reserve	-	-	-	-	-
Adjustments	-	-	-	-	-
As at 31th March, 2023	**0.11**	**11.14**	**-**	**11.25**	**-**
As at 31st March, 2023	**0.11**	**11.14**	**-**	**11.25**	**-**
Charge for the period	-	0.76	-	0.76	-
Additions due to business combination	-	-	-	-	-
Disposals	-	2.04	-	2.04	-
Foreign currency translation reserve	-	-	-	-	-
Adjustments	-	-	-	-	-
As at 31st March, 2024	**0.11**	**9.86**	**-**	**9.97**	**-**
Impairment					
As at 31st March, 2022	**-**	**-**	**-**	**-**	**-**
Impairment during the period	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31st March, 2023	**-**	**-**	**-**	**-**	**-**
As at 31st March, 2023	**-**	**-**	**-**	**-**	**-**
Impairment during the period	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31st March, 2024					
NET CARRYING AMOUNT					
As at 31st March, 2024	**-**	**2.52**	**0.04**	**2.56**	**39.38**
As at 31st March, 2023	**-**	**3.19**	**-**	**3.19**	**35.16**

(₹ in Crores)

Amount in Intangible under development for a period of	Projects in Progress		Projects temporarily suspended		Total	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Less than 1 Year	4.22	14.78	-	-	4.22	14.78
1-2 Years	15.34	5.79	-	-	15.34	5.79
2-3 Years	4.03	8.53	-	-	4.03	8.53
More than 3 Years	15.79	6.06	-	-	15.79	6.06
Total	**39.38**	**35.16**	**-**	**-**	**39.38**	**35.16**

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

7. INVESTMENTS (NON-CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Investments in Equity Shares (Fully Paid up)		
In unquoted equity instruments (at fair value through OCI)		
Kirloskar Management Services Pvt Ltd (4,87,500 equity shares with a face value of ₹ 10 per share)	1.12	1.02
S. L. Kirloskar CSR Foundation (9,800 equity shares with a face value of ₹ 10 per share) *	0.01	0.02
Kirloskar Proprietary Limited (One equity share with a face value of ₹ 100 per share) *	-	-
Total	**1.13**	**1.03**

Note:

*The Group has not performed fair valuation of these investments in unquoted ordinary shares, which are classified as FVTOCI, as the Group believes that impact of change on account of fair value is insignificant.

8. LOANS (NON-CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good		
Loans to contractors	0.10	0.20
Loans to employees	0.03	0.03
Total	**0.13**	**0.23**

9. OTHER FINANCIAL ASSETS (NON-CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good		
Non-current bank balances		
Margin money deposit	0.02	0.02
Deposits with more than 12 months maturity	0.06	0.05
Security deposits	33.68	35.81
Total	**33.76**	**35.88**

10. OTHER NON-CURRENT ASSETS

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good		
Capital Advances	48.80	58.47
Prepaid Expenses	2.01	1.05
Advance to Suppliers	5.22	5.22
Statutory refund from government authorities	0.97	0.97
Unsecured, considered doubtful		
Claims receivable	0.44	0.44
Less: Provision	(0.44)	(0.44)
Total	**57.00**	**65.71**

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

11. INVENTORIES

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Raw materials at site	413.10	345.85
Raw materials in transit	87.92	244.87
	501.02	**590.72**
Work-in-progress	172.75	184.26
Finished goods	123.83	90.73
Finished goods in transit	23.20	32.70
Stores and spares	202.06	174.77
Stores and spares in transit	0.58	3.89
By-products	3.38	1.42
Total	**1,026.82**	**1,078.49**

Details of Work-in-progress

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
a. Castings	49.45	38.45
b. Tube	76.81	93.48
c. Steel	25.58	34.57
d. Others	20.91	17.76
Total	**172.75**	**184.26**

Details of Finished Goods and Finished Goods in Transit

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
a. Castings	17.06	13.03
b. Pig Iron	20.01	17.02
c. Tube	94.83	79.04
d. Steel	15.13	14.34
Total	**147.03**	**123.43**

12. TRADE RECEIVABLES

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade receivables (Unsecured) :		
Receivables considered good	903.49	858.15
Receivables which are credit impaired	5.36	5.36
	908.85	**863.51**
Less: Allowance for bad and doubtful trade receivables (incl. Expected Credit Loss)	(12.27)	(45.70)
Total	**896.58**	**817.81**

Movement in allowance of bad and doubtful trade receivables

Particulars	(₹ in Crores)
At 31st March, 2022	**22.02**
Provided during the year	23.68
Amount written off	-
Amount written back	-
At 31st March, 2023	**45.70**
Provided during the year	0.24
Amount written off	-
Amount written back	(33.67)
At 31st March, 2024	**12.27**

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

12. AGEING OF TRADE RECEIVABLES (CONTD.)

(₹ in Crores)

Particulars (Outstanding from due date of payment / from date of transaction)	As at 31st March, 2024	As at 31st March, 2023
(i) Undisputed Trade Receivables – considered good		
Not Due	645.13	708.81
Less than 6 months	237.59	117.90
6 months - 1 year	3.12	5.00
1-2 years	6.24	13.16
2-3 years	11.11	0.17
More than 3 years	0.30	13.11
Sub-total (i)	**903.49**	**858.15**
Less: Allowance for bad and doubtful trade receivables (incl. Expected Credit Loss)	(6.90)	(40.34)
(ii) Disputed Trade Receivables – which are credit		
impaired		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	0.21	0.22
More than 3 years	5.15	5.14
Sub-total (ii)	**5.36**	**5.36**
Less: Allowance for bad and doubtful trade receivables (incl. Expected Credit Loss)	(5.36)	(5.36)
	896.58	**817.81**

13. CASH & CASH EQUIVALENTS AND OTHER BANK BALANCES

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
A. Cash and Cash Equivalents		
Balances with banks		
In Current accounts	32.30	55.81
In Fixed Deposits	2.48	-
Cash on hand	0.93	0.02
Total (A)	**35.71**	**55.83**
B. Other Bank Balances		
Earmarked balances	9.68	5.36
Deposit with Banks – Maturity more than 3 months but less than 1 year (against Guarantees / Letter of Credit).	0.21	1.48
Total (B)	**9.89**	**6.84**

14. LOANS (CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good		
Loan to employees	1.48	1.48
Loan to contractors	0.76	1.16
Total	**2.24**	**2.64**

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

15. OTHER FINANCIAL ASSETS (CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good		
Interest accrued on deposits and Loans	1.38	0.92
Security Deposits	0.15	1.85
Refund Receivable from Government Authorities	1.30	1.30
Others	0.01	5.01
Total	**2.84**	**9.08**

16. CURRENT TAX ASSETS (NET)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Income Tax (Net)	25.05	21.58
Total	**25.05**	**21.58**

17. OTHER CURRENT ASSETS

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured, considered good		
Advance to Suppliers	61.23	84.39
Balances with Central Excise / Customs / Octroi/ GST	16.92	1.59
Balances with Government Authorities	6.71	12.42
Export Incentives Receivables	0.60	0.54
Prepaid expenses	11.71	10.31
Others	2.91	4.62
Total	**100.08**	**113.87**

18. SHARE CAPITAL

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Authorised Equity Share Capital		
52,70,00,000 (52,70,00,000) Equity Shares of ₹ 5 each	263.50	263.50
Total	**263.50**	**263.50**
Issued, Subscribed and Paid up Equity Share Capital:		
13,93,21,459 (13,89,58,215) Equity Shares of ₹ 5 each	69.66	69.48
Shares pending issuance:		
2,49,04,258 Equity shares of ₹ 5/- each, pursuant to amalgamation of ISMT Limited with the company	12.45	12.45
Total	**82.11**	**81.93**

Note : Pursuant to the Scheme of amalgamation being effective, authorized share capital ₹ 31.70 Crores of Amalgamating Company stands reclassified and amalgamated with the authorized share capital of the Company with deemed effect from the Appointed Date.

The Company has authorised preference share capital comprising of 11,70,00,000 (11,70,00,000) Preference Shares of ₹ 10 each aggregating to ₹ 117.00 (117.00) Crores. However the same has not been issued nor subscribed.

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

18. SHARE CAPITAL (CONTD.)

a. Reconciliation of the shares at the beginning and at the end of the reporting period

(₹ in Crores)

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
	Number	₹ In Crores	Number	₹ In Crores
Equity shares				
Balance at the beginning of the year	13,89,58,215	69.48	13,87,17,044	69.36
Shares issued during the year	3,63,244	0.18	2,41,171	0.13
Shares bought back during the year	-	-	-	-
Balance at the end of the year	13,93,21,459	69.66	13,89,58,215	69.48
Add: Shares pending issuance	2,49,04,258	12.45	2,49,04,258	12.45
Total	**16,42,25,717**	**82.11**	**16,38,62,473**	**81.93**

b. Rights and preferences attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of Liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Equity shares held by holding company

(₹ in Crores)

Name of Shareholder	Year ended 31st March, 2024			
	No. of shares held	Share pending issuance pursuant to Merger	Total No. of shares held	Percentage of holding
Kirloskar Industries Limited*	7,06,43,754	51,00,000	7,57,43,754	46.12%

(₹ in Crores)

Name of Shareholder	Year ended 31st March, 2023			
	No. of shares held	Share pending issuance pursuant to Merger	Total No. of shares held	Percentage of holding
Kirloskar Industries Limited*	7,06,43,754	25,50,000	7,31,93,754	44.67%

* Kirloskar Industries Limited is the only shareholder holding more than 5 percent of the total equity shares.

Promotors Shareholding in the Company is set out below:

Disclosure of shareholding of promoters as at 31st March 2024 is as follows:

(₹ in Crores)

Equity shares of ₹ 5 each fully paid	As at 31 March 2024				% change during the year
	No. of shares	Share pending issuance pursuant to Merger	Total No. of shares	Percentage of holding	
Kirloskar Industries Limited	**7,06,43,754**	**51,00,000**	**7,57,43,754**	**46.12%**	**3.48%**
Indian Individuals/ HUFs / Others					
Atul Kirloskar	9,89,726	-	9,89,726.00	0.60%	0.00%
Rahul Kirloskar	14,25,279	-	14,25,279.00	0.87%	0.00%
Sanjay Kirloskar	380	-	380.00	0.00%	0.00%
Arti Atul Kirloskar	10,55,651	-	10,55,651.00	0.64%	0.00%
Alpana Rahul Kirloskar	15,91,229	-	15,91,229.00	0.97%	0.00%
Suman Kirloskar	90,535	-	90,535.00	0.06%	0.00%
Mrinalini Shreekant Kirloskar	-	-	-	0.00%	-100.00%
Alok Sanjay Kirloskar	1,520	-	1,520.00	0.00%	0.00%
Gauri Atul Kirloskar	1,140	-	1,140.00	0.00%	0.00%
Aditi Atul Kirloskar	8,77,187	-	8,77,187.00	0.53%	0.00%
Rama Sanjay Kirloskar	760	-	760.00	0.00%	0.00%

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

18. SHARE CAPITAL (CONTD.)

(₹ in Crores)

Equity shares of ₹ 5 each fully paid	As at 31 March 2024				% change during the year
	No. of shares	Share pending issuance pursuant to Merger	Total No. of shares	Percentage of holding	
Alika Rahul Kirloskar	380	-	380.00	0.00%	0.00%
Geetanjali Vikram Kirloskar	200	-	200.00	0.00%	0.00%
Roopa Jayant Gupta	6,939	-	6,939.00	0.00%	3369.50%
Kirloskar Pneumatic Company Limited	20,00,000	-	20,00,000.00	1.22%	0.00%
Achyut and Neeta Holdings and Finance Private Limit	541	-	541.00	0.00%	0.00%
Alpak Investments Private Limited	100	-	100.00	0.00%	0.00%
Navsai Investments Private Limited	100	-	100.00	0.00%	0.00%
Indian Individuals/ HUFs / Others	**80,41,667**	**-**	**80,41,667.00**		

Disclosure of shareholding of promoters as at 31st March 2023 is as follows:

(₹ in Crores)

Equity shares of ₹ 5 each fully paid	As at 31 March 2023				% change during the year
	No. of shares	Share pending issuance pursuant to Merger	Total No. of shares	Percentage of holding	
Kirloskar Industries Limited	**7,06,43,754**	**25,50,000**	**7,31,93,754**	**44.67%**	**3.61%**
Indian Individuals/ HUFs / Others					
Atul Kirloskar	9,89,726	-	9,89,726	0.60%	0.00%
Rahul Kirloskar	14,25,279	-	14,25,279	0.87%	0.00%
Sanjay Kirloskar	380	-	380	0.00%	0.00%
Arti Atul Kirloskar	10,55,651	-	10,55,651	0.64%	0.00%
Alpana Rahul Kirloskar	15,91,229	-	15,91,229	0.97%	0.00%
Suman Kirloskar	90,535	-	90,535	0.06%	0.00%
Mrinalini Shreekant Kirloskar	6,500	-	6,500	0.00%	0.00%
Alok Sanjay Kirloskar	1,520	-	1,520	0.00%	0.00%
Gauri Atul Kirloskar	1,140	-	1,140	0.00%	0.00%
Aditi Atul Kirloskar	8,77,187	-	8,77,187	0.54%	0.00%
Rama Sanjay Kirloskar	760	-	760	0.00%	0.00%
Alika Rahul Kirloskar	380	-	380	0.00%	0.00%
Geetanjali Vikram Kirloskar	200	-	200	0.00%	0.00%
Roopa Jayant Gupta	200	-	200	0.00%	0.00%
Kirloskar Pneumatic Company Limited	20,00,000	-	20,00,000	1.22%	0.00%
Achyut and Neeta Holdings and Finance Private Limit	541	-	541	0.00%	0.00%
Alpak Investments Private Limited	100	-	100	0.00%	0.00%
Navsai Investments Private Limited	100	-	100	0.00%	0.00%
Indian Individuals/ HUFs / Others	**80,41,428**	**-**	**80,41,428**		

Disclosure of shareholding of promoters as at 31 March 2022 is as follows:

(₹ in Crores)

Equity shares of ₹ 5 each fully paid	As at 31 March 2022			
	No. of shares	Share pending issuance pursuant to Merger	Total No. of shares	Percentage of holding
Kirloskar Industries Limited	**7,06,43,754**	**-**	**7,06,43,754**	**43.18%**
Indian Individuals/ HUFs / Others				
Atul Kirloskar	9,89,726	-	9,89,726	0.60%
Rahul Kirloskar	14,25,279	-	14,25,279	0.87%
Sanjay Kirloskar	380	-	380	0.00%
Arti Atul Kirloskar	10,55,651	-	10,55,651	0.65%

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

18. SHARE CAPITAL (CONTD.)

(₹ in Crores)

Equity shares of ₹ 5 each fully paid	As at 31 March 2022			
	No. of shares	Share pending issuance pursuant to Merger	Total No. of shares	Percentage of holding
Alpana Rahul Kirloskar	15,91,229	-	15,91,229	0.97%
Jyotsna Gautam Kulkarni	15,49,320	-	15,49,320	0.95%
Suman Kirloskar	90,535	-	90,535	0.06%
Mrinalini Shreekant Kirloskar	6,500	-	6,500	0.00%
Alok Sanjay Kirloskar	1,520	-	1,520	0.00%
Gauri Atul Kirloskar	1,140	-	1,140	0.00%
Aditi Atul Kirloskar	8,77,187	-	8,77,187	0.54%
Rama Sanjay Kirloskar	760	-	760	0.00%
Alika Rahul Kirloskar	380	-	380	0.00%
Geetanjali Vikram Kirloskar	200	-	200	0.00%
Roopa Jayant Gupta	200	-	200	0.00%
Ambar Gautam Kulkarni	7,74,660	-	7,74,660	0.47%
Nihal Gautam Kulkarni	7,74,660	-	7,74,660	0.47%
Kirloskar Pneumatic Company Limited	20,00,000	-	20,00,000	1.22%
Achyut and Neeta Holdings and Finance Private Limit	541	-	541	0.00%
Alpak Investments Private Limited	100	-	100	0.00%
Navsai Investments Private Limited	100	-	100	0.00%
Indian Individuals/ HUFs / Others	**1,11,40,068**	**-**	**1,11,40,068**	

19. OTHER EQUITY

(₹ in Crores)

Particulars		As at 31st March, 2024	As at 31st March, 2023
a. Securities premium			
Opening balance		207.80	205.65
Add : Changes during the year		6.86	2.15
Closing balance	**Total (a)**	**214.66**	**207.80**
b. General reserve			
Opening balance		75.00	70.00
Add: Current year transfer from surplus		5.00	5.00
Closing balance	**Total (b)**	**80.00**	**75.00**
c. Surplus - balance in the statement of profit and loss			
Opening balance		1,284.31	926.11
Add			
Profit for the year		297.79	437.34
Other comprehensive income / (loss)		(6.13)	2.25
Transfer from Share Options on account of lapse of employee stock options		0.13	-
Less : Appropriations			
Final Dividend on equity shares*		(41.70)	(41.65)
Interim Dividend on equity shares**		(41.80)	(34.73)
Interim Dividend paid by Amalgamating Company i.e. ISMT Limited		(7.32)	-
Amount transferred to General reserve		(5.00)	(5.00)
Closing balance	**Total (c)**	**1,480.28**	**1,284.31**
d. Share options outstanding account			
Opening balance		11.46	3.03
Add: Employee stock option expense		5.44	9.40
Less: Transfer to profit and loss on account of lapse of employee stock options		(0.13)	-
Less: Transfer to securities premium on account of exercise of employee stock options		(2.74)	(0.97)
Closing balance	**Total (d)**	**14.03**	**11.46**
e. Equity Instruments through Other Comprehensive Income			
Opening balance		0.41	2.93
Add: Fair value changes net of deferred tax		0.08	(2.52)
Add: Deductions during the year		-	-
Closing balance	**Total (e)**	**0.49**	**0.41**

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

19. OTHER EQUITY (CONTD.)

(₹ in Crores)

Particulars		As at 31st March, 2024	As at 31st March, 2023
f. Share Application Money pending allotment			
Opening balance		0.15	0.12
Add: Amount received on exercise of stock options		4.65	1.34
Less: Issue of equity shares on account of exercise of employee stock options		(4.47)	(1.31)
Closing balance	**Total (f)**	**0.33**	**0.15**
g. Foreign currency translation reserve			
Opening balance		0.69	(0.05)
Changes pursuant to common control combination		-	(0.44)
Restated Balance as on 1 April, 2022		0.69	(0.49)
Addition during the year		1.36	1.18
Closing balance	**Total (g)**	**2.05**	**0.69**
h. Capital reserve arising out of business combination			
Opening balance		488.30	488.30
Addition during the year		10.67	-
Closing balance	**Total (h)**	**498.97**	**488.30**
i. Capital reserve arising out of Merger			
Opening balance		858.31	-
Reserve created due to Amalgamation		-	858.31
Restated Balance as on April 1, 2022		858.31	858.31
Addition during the year		-	-
Closing balance	**Total (i)**	**858.31**	**858.31**
Total (a+b+c+d+e+f+g+h+i)		**3,149.13**	**2,926.43**

Note : * ₹ 41.70 Crores pertains to FY 2022-23 and ₹ 41.65 Crores pertains to FY 2021-22

** ₹ 41.80 Crores pertains to FY 2023-24 and ₹ 34.73 Crores pertains to FY 2022-23

Description of the purposes of reserves within equity

General Reserve

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net income in accordance with applicable regulations.

Securities premium

The amount in the Securities premium account represents the additional amount paid by the shareholders for the issued shares in excess of the face value of those shares.

Share options outstanding account

The Group offers ESOP, under which, options to subscribe for the Parent Company's share have been granted to specified senior management employees. The Share options outstanding account balance represents fund created as per the Group's ESOP scheme.

Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Capital reserve arising out of business combination in nature of acquisition

Capital reserve represents the gains of capital nature which mainly include the excess of value of net assets acquired over consideration paid by the Company for business combination transactions and the same is not available for distribution as dividends.

Capital reserve arising out of common control business combination

This represents capital reserve on business combination which arises on transfer of business between entities under common control.

Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

20. LONG TERM BORROWINGS

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured		
Term Loans		
From Bank	520.90	244.79
Non-Convertible Debentures	-	125.00
Total (a)	**520.90**	**369.79**

Details of unsecured term loan from banks

Name of bank	Loan availed (₹ in Crores)	Interest rate per annum payable monthly	Tenure	Principal Repayment
The Hongkong and Shanghai Banking Corporation Limited (HSBC)	70	9.14%	60 months	Repayment in 51 monthly installments (ie. 50 installments of ₹ 1.38 Crore each and last installment will be of ₹ 1 Crore). Put and call option at the end of every 12 months from the date of first draw down of the facility i.e. 26th April, 2019.
Kotak Mahindra Bank Ltd.	30	7.90%	60 months	Repayment in 51 monthly installments of ₹ 0.59 Crore. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e. 05th November, 2019.
Kotak Mahindra Bank Ltd.	40	7.90%	60 months	Repayment in 51 monthly installments of ₹ 0.78 Crore. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e. 05th November, 2019.
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.	150	7.75%	48 months	Repayment in 36 monthly equal installments of ₹ 4.17 Crores. Put and call option at the end of every 12 months from the date of first draw down of the facility i.e. 31st December 2021.
Kotak Mahindra Bank Ltd.	200	8.45%	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	7.85%	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	7.90%	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	7.90%	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. 27th Sep 2023.
HDFC Bank Ltd.	125	8.09%	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 Sep 2023.

The amount repayable within 12 months from the reporting date, i.e.₹ 273.89 Crores (PY ₹ 274.48 Crores) has been reflected in note no.24 Short Term Borrowings.

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

21. LEASE LIABILITY (NON-CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Lease Liability	3.88	5.69
Total	**3.88**	**5.69**

22. PROVISIONS (NON-CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits		
Leave encashment	13.08	11.16
Total	**13.08**	**11.16**

23. DEFERRED TAX LIABILITIES (NET)

The major components of income tax expense for the year ended 31st March, 2024 as given below:

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Statement of Profit and Loss section		
Current income tax		
Current income tax charge	130.50	169.54
Short/ (excess) for the earlier years	(0.26)	(6.98)
Deferred tax:		
Relating to origination and reversal of temporary differences	25.00	17.10
Income tax expense reported in the Statement of Profit and Loss	**155.24**	**179.66**
OCI Section		
Deferred tax:		
Deferred tax net loss / (gain) on actuarial gains and losses	(2.06)	0.76
Fair value changes on equity Instruments	0.02	(0.75)
Income tax charged to OCI	**(2.04)**	**0.01**

Reconciliation of actual income tax and effective income tax

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Accounting profit before tax	**452.90**	**616.99**
At India's statutory income tax rate of 25.168%	113.99	155.28
Tax effects on adjustments which are not deductible (taxable) in calculating taxable income		
Tax of earlier years	(0.26)	(6.99)
Deferred tax assets not recognised	3.04	-
On account of business combination and consolidation adjustments	12.78	13.78
Other Items which are not deductible (taxable) in calculating taxable income	32.97	6.14
Tax difference due to Profit on sale of assets chargeable to tax as LTCG	-	6.19
Others	(7.28)	5.26
Income tax expense reported in the statement of profit and loss	**155.24**	**179.66**

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

23. DEFERRED TAX LIABILITIES (NET) (CONTD.)

Deferred tax relates to the following

(₹ in Crores)

Particulars	Deferred tax asset /(liability) As at 31st March, 2024	Deferred tax asset /(liability) As at 31st March, 2023	Movement in deferred tax For the Year ended 31st March 2024
Property, plant and equipment and intangible assets	(298.26)	(264.80)	(33.46)
Disallowances under section 43B of Income tax Act, 1961	16.97	20.98	(4.01)
Provision for Impairment	50.27	36.38	13.89
Provision for doubtful debts and advances	1.41	1.36	0.05
Others	(0.07)	(0.64)	0.57
Total	**(229.68)**	**(206.72)**	**(22.96)**

(₹ in Crores)

Breakup of movement in Deferred Tax Liabilities (Net)	As at 31st March, 2024	As at 31st March, 2023
Opening balance	206.72	189.62
Tax expense during the year recognised in statement of profit and loss	25.00	17.09
Tax expense during the year recognised in OCI	(2.04)	0.01
Sub-total	**22.96**	**17.10**
Closing balance	**229.68**	**206.72**

(₹ in Crores)

Reflected in the Balance Sheet as follows	As at 31st March, 2024	As at 31st March, 2023
Deferred Tax Liabilities	298.33	265.44
Deferred Tax Assets	68.65	58.72
Deferred Tax Liabilities, Net	**229.68**	**206.72**

The Group offsets the tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Group has unused tax losses under the head Business Loss and unabsorbed depreciation as per the Income Tax Act, 1961 of subsidiary Companies. Based on the probable uncertainty regarding the set off of these losses, the said subsidiary Companies have not recognized deferred tax assets in their respective Balance Sheet. Details of tax losses under the head business losses and unabsorbed depreciation with expiry is as follows:

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Within five years	3.12	1.72
Greater than five years	33.65	1.39
No expiry	104.87	8.38
	141.64	**11.49**

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

24. BORROWINGS (CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Secured		
Loans payable on demand		
Short term loans	192.00	124.12
Cash credit from banks	-	11.65
Total (a)	**192.00**	**135.77**
Unsecured		
Loans payable on demand		
Commercial Papers	96.86	72.31
Current Maturities of Long term borrowings	273.89	274.48
Vendor Bills Discounted	98.44	60.78
Short Term Loans	30.00	45.00
Others	5.75	5.75
Total (b)	**504.94**	**458.32**
Total (a + b)	**696.94**	**594.09**

Security for Secured Loans

Working capital facilities with Banks (fund based and non fund based) are secured by first charge by way of hypothecation on the current assets both present and future.

Commercial Papers

During FY 2023-24, the following Commercial Papers have been issued :

a. On 27th Jul 2023 ₹ 100 Crores issued at a discounted rate of 7.65% p.a. paid on 27th Mar 2024

b. On 11th Aug 2023 ₹ 100 Crores issued at a discounted rate of 7.25% p.a. paid on 09th Nov 2023

c. On 08th Nov 2023 ₹ 100 Crores issued at a discounted rate of 7.40% p.a. paid on 29th Dec 2023

d. On 29th Dec 2023 ₹ 100 Crores issued at a discounted rate of 7.60% p.a. paid on 28th Mar 2024

e. On 06th Mar 2024 ₹ 100 Crores issued at a discounted rate of 7.80% p.a. payable on 30th Aug 2024

During FY 2022-23, Commercial Papers of ₹ 75 Crores issued at a discounted rate of 7.85% on 16th Mar 2023 paid on 12th Sep 2023.

Reconciliation of Quarterly returns filled with Banks for amalgamating company :

Name of Bank	Aggregate working capital limits sanctioned	Nature of Current Asset offered as Security	Quarter ended	Amount disclosed as per quarterly return/ statementm (₹ crore)	Amount as per books of account (₹crore)	Difference (₹crore)
Axis Bank	175.00	Refer note below	June 30, 2023	592.50	588.94	3.57*
Kotak Mahindra Bank	145.00	Refer note below	June 30, 2023	611.04	605.82	5.22**

*This GL code is grouped under outstanding liability from Q-2

**Customer advances not required to be considered in return submission for Jun-23 ₹ 5.22 Crores

The current assets and receivables have been hereby hypothecated as and by way of first charge and shall rank pari-pasu with charge created.

Registration of charges or satisfaction with ROC :

During FY 2023-24, modification of charges for enhancing the Working Capital Facilities from ₹ 450 Crores to ₹ 840 Crores has been registered with ROC.

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

24. BORROWINGS (CURRENT) (CONTD.)

Net Debt position

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Cash and Bank Balance		
Cash and cash equivalents	35.71	55.83
Borrowings		
Current Borrowings	(696.94)	(594.09)
Long term borrowings	(520.90)	(369.79)
	(1,217.84)	**(963.88)**
Net debt	**(1,182.13)**	**(908.06)**

Net debt reconciliation as at 31st March, 2024

(₹ in Crores)

Particulars	Cash and bank balance	Borrowings	Total
Net debt as at 31st March, 2023	**55.83**	**(963.88)**	**(908.06)**
Cash flows	(20.12)	-	(20.12)
On account of acquisition	-	(106.49)	(106.49)
Interest accrued but not due as on 1st April, 2023	-	1.03	1.03
Interest accrued but not due as on 31st March, 2024	-	(0.01)	(0.01)
Interest expense	-	118.11	118.11
Interest paid	-	(119.13)	(119.13)
(Borrowing) / Repayment (Net) - Long term	-	(128.90)	(128.90)
(Borrowing) / Repayment (Net) - Short term	-	(18.56)	(18.56)
Net debt as at 31st March, 2024	**35.71**	**(1,217.84)**	**(1,182.13)**

Net debt reconciliation as at 31 March, 2023

(₹ in Crores)

Particulars	Cash and bank balance	Borrowings	Total
Net debt as at 31st March, 2022	**80.58**	**(1,204.34)**	**(1,123.76)**
Cash flows	(24.75)	-	(24.75)
On account of acquisition	-	-	-
Interest accrued but not due as on 1st April, 2022	-	1.01	1.01
Interest accrued but not due as on 31st March, 2023	-	(1.03)	(1.03)
Interest expense	-	89.25	89.25
Interest paid	-	(89.21)	(89.21)
(Borrowing) / Repayment (Net) - Long term	-	(128.68)	(128.68)
(Borrowing) / Repayment (Net) - Short term	-	369.12	369.12
Net debt as at 31st March, 2023	**55.83**	**(963.88)**	**(908.06)**

25. LEASE LIABILITY (CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Lease Liability	1.79	1.67
Total	**1.79**	**1.67**

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

26. TRADE PAYABLES

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total outstanding dues of micro enterprises and small enterprises	32.38	32.44
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	551.38	647.61
Others	273.42	351.59
Total	**857.18**	**1,031.74**

Ageing of Trade Payables

(₹ in Crores)

Particulars (Outstanding from due date of payment / from date of transaction)	As at 31st March, 2024	As at 31st March, 2023
(i) MSME		
Not Due	29.81	26.24
Less than 1 year	2.44	6.20
1-2 years	0.12	-
2-3 years	0.01	-
More than 3 years	-	-
Sub-total (i)	**32.38**	**32.44**
(ii) Others		
Unbilled	55.41	118.39
Not Due	725.30	799.41
Less than 1 year	40.10	76.14
1-2 years	1.91	1.67
2-3 years	0.12	1.66
More than 3 years	1.64	1.72
Sub-total (ii)	**824.49**	**999.30**
(iii) Disputed dues – Others		
Not Due		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	0.32	0.32
Sub-total (iii)	**0.32**	**0.32**
	857.18	**1,031.74**

27. OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Derivative liabilities		
Foreign currency forward contract	0.33	1.48
Other financial liabilities		
Interest accrued but not due on borrowings	0.01	1.03
Interest accrued and due on borrowings	1.34	1.25
Unclaimed dividend #	9.99	5.36
Payable for capital purchases	162.52	64.31
Payable to employees	46.25	52.27
Creditors for expenses	14.27	10.79
Security deposit	0.03	0.03
Other liabilities	12.23	10.58
Total	**246.97**	**147.10**

#There is no amount due and outstanding as at balance sheet date to be credited to Investor Education and Protection Fund.

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

28. OTHER CURRENT LIABILITIES

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance from customers	50.06	55.34
Taxes and duties (Net) #	19.27	15.05
Provident fund payable	0.90	0.79
Total	**70.23**	**71.18**

The constitutional validity of the provisions restricting the utilisation of Input tax credit on Works Contract Service for construction of Immovable property was challenged by Safari Retreats Private Limited before the Honourable Orissa High Court. The Honourable High Court of Orissa has held that restricting such credits would mean a very narrow interpretation of the law and hence not appropriate

– that the credits are therefore allowable vide order dated 17 April 2019. The Government has however challenged this ruling and has filed an SLP before the Hon'ble Supreme Court of India – the matter is currently sub judice.

In this regard, the Group is placing reliance on the judgement of the Honourable High Court of Orissa and has availed an amount of ₹ 6.72 Crores as eligible input credit, but has not utilised the same and shown as receivables from Government authorities. The Group has also filed from time to time intimations to the jurisdictional tax office informing about the said amounts having been claimed as input credits.

29. PROVISIONS (CURRENT)

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits		
Contribution to Superannuation funds	0.17	0.28
Gratuity	7.28	0.97
Leave encashment	9.31	8.51
Provision for expected sales returns	5.75	1.51
Total	**22.51**	**11.27**

30. CURRENT TAX Liability

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Income Tax (Net)	12.66	22.62
Total	**12.66**	**22.62**

31. REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Sale of products		
Pig iron	1,805.20	2,062.76
Castings	1,508.32	1,673.26
Tube	101.35	76.07
Steel	2,077.09	1,996.12
Other operating income	534.52	556.07
Export Incentive	29.33	4.10
Scrap / Coke / miscellaneous sales	90.48	49.06
Total	**6,146.29**	**6,417.45**

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

32. OTHER INCOME

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest Income	2.77	4.83
Profit on redemption of Mutual funds	0.10	1.12
Profit on Sale of Assets	1.12	6.45
Exchange Gain on Foreign currency	4.59	2.92
Interest Income on financial instruments measured at amortised cost	0.57	0.54
Government Grant-Sales Tax Deferral	0.36	0.08
Sale of scrap	0.10	-
Other non-operating income -		
IPS Incentive	-	26.44
Rental Income	0.25	0.24
Insurance claim received	0.08	0.65
Provision no longer required written back	4.35	1.05
Sundry credit balances appropriated	0.14	0.01
Miscellaneous Income	4.91	5.00
Total	**19.34**	**49.33**

33. COST OF MATERIAL CONSUMED

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Stock at the beginning of the year	590.72	544.49
Add : Purchases	3,302.63	3,764.09
	3,893.35	**4,308.58**
Less : Stock at the end of the year	501.02	590.72
Cost of material consumed	**3,392.33**	**3,717.86**

34. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND BY-PRODUCT

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
At the end of the year		
a. Finished goods	147.03	123.43
b. By-Products	3.38	1.42
c. Work-in-Progress	172.75	184.26
d. Others	3.73	-
Total (A)	**326.89**	**309.11**
At the beginning of the year		
a. Finished goods	123.43	119.98
b. By-Products	1.42	1.87
c. Work-in-Progress	184.26	167.37
Total (B)	**309.11**	**289.22**
(Increase)/Decrease (B-A)	**(17.78)**	**(19.89)**

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

35. EMPLOYEE BENEFITS EXPENSE

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Salaries, wages and incentives	283.99	264.30
Contributions to		
Provident fund (Refer Note No. 45)	11.95	12.18
Superannuation scheme (Refer Note No. 45)	3.40	3.28
Gratuity (Refer Note no.46)	3.83	4.88
Others	1.16	0.60
Employee share-based payment expense (Refer Note no. 47)	5.44	9.40
Staff welfare expenses	27.13	25.04
Total	**336.90**	**319.68**

36. FINANCE COSTS

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest expense		
on fixed loans	51.27	32.44
on working capital loan	7.79	4.85
on others	59.05	51.96
Interest Cost on Employee Benefits Plan	0.16	0.89
Other Borrowing costs	2.23	5.33
Total	**120.50**	**95.47**

37. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Property, plant and equipment (Refer Note No. 5)	238.62	172.01
Intangible assets (Refer Note No. 6)	0.76	0.57
Total	**239.38**	**172.58**

38. OTHER EXPENSES

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
a. OPERATIONAL EXPENSES		
Consumption of stores and spare parts	257.62	229.40
Consumption of Consumables	276.35	305.75
Power, fuel and water	538.09	545.29
Machinery hire charges	6.05	5.98
Repairs and maintenance		
Machinery	39.67	35.76
Buildings	5.58	4.06
Fettling and other manufacturing expenses	35.66	35.51
Other processing expenses	61.41	39.94
Other Direct Expenses	41.70	34.24
Total (a)	**1,262.13**	**1,235.93**
b. SELLING EXPENSES		
Freight and forwarding expenses (net)	169.14	172.94
Advertisement	0.12	0.11
Sales commission and incentive	0.78	1.40

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

38. OTHER EXPENSES (CONTD.)

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Royalty	8.73	9.82
Other selling expenses	12.38	2.09
Total (b)	**191.15**	**186.36**
c. ADMINISTRATIVE EXPENSES		
Rent	0.59	0.28
Rates and taxes	6.35	5.54
Insurance	5.60	5.61
Other repairs and maintenance	4.59	3.71
Travelling expenses	7.37	6.33
Legal and professional charges	27.70	19.79
Communication expenses	1.74	1.42
Printing and stationery	0.89	0.74
Auditors remuneration	1.16	1.04
Miscellaneous expenses	38.89	27.59
Directors' commission	2.04	3.48
Recruitment charges	0.05	-
Provision for impairment and other	1.92	-
Provision for doubtful debts	0.23	23.71
Directors' sitting fees	1.29	1.35
CSR expenses	18.76	18.49
Net loss on foreign currency transactions	5.13	22.38
Security Charges	0.18	-
Loss on assets sold, demolished, discarded and scrapped	0.01	0.08
Equipment Lease Rentals	0.31	0.26
Total (c)	**124.80**	**141.80**
Total (a+b+c)	**1,578.08**	**1,564.09**

Note (i) Research and Development expenditure

(₹ in Crores)

Revenue expenses on research and development unit situated at Bevinahalli village, Koppal incurred during the year are given below	For the year ended 31st March 2024	For the year ended 31st March 2023
Cost of materials/consumables/spares	0.41	0.39
Employee related expense	3.78	3.78
Other expenses	0.37	0.35
Total	**4.56**	**4.52**

(₹ in Crores)

Capital expenditure on research and development unit situated at Bevinahalli village, Koppal incurred during the year are given below	For the year ended 31st March 2024	For the year ended 31st March 2023
Tangible Assets		
Plant and machinery	0.73	-
Office equipment	-	0.01
Intangible assets	-	0.45
Total	**0.73**	**0.46**

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

39. EXCEPTIONAL ITEMS

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Provision for Impairment in value of Plant, Property and Equipment (Refer Note 39.1)	(40.81)	-
Loss on Bankruptcy Liquidation (Refer Note 39.2)	(20.57)	-
Loss on liquidation of Subsidiary (Refer Note 39.3)	(1.25)	-
Reclassification of FCTR on subsidiaries	(0.70)	-
Gain on Sale of investment	0.01	-
	(63.32)	**-**

39.1 Tridem Port and Power Company Private Limited (TPPCPL), a wholly owned subsidiary of the Parent Company, along with its subsidiaries had proposed to set up a thermal power project and captive port in Tamil Nadu. TPPCPL had obtained the approvals for the projects including acquisition of land, but no construction activity had commenced. The Government of Tamil Nadu had granted various permissions to TPPCPL for setting up the aforesaid port and power project. Subsequently, the Government had withdrawn permissions so given in earlier years which was challenged by the company in high court by way of writ petitions.

The Hon'ble Madras High Court had dismissed all of the said Writ Petitions filed by TPPCPL & its subsidiaries. TPPCPL had challenged the above-mentioned Order by filing Writ Petitions before the Division Bench of the High Court, Madras on 06th October 2023. On further hearings, the bench had directed the government to file the reply.

The Group after assessing the opportunities / business plan, after legal consultation, decided not to pursue the project. Therefore, during the 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 & equipment amounting to ₹ 40.81 crores during the year March 31, 2024 is as per Ind AS 36 "Impairment of Assets".

39.2 The 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.

39.3 Indian Seamless Inc. (IS Inc), was initially established to facilitate trading activities in the USA market. However, due to commencement of direct exports of tubes in USA. Market, the requirement of having intermediary entity was not required. Accordingly, business activities in IS Inc. were ceased.

During the year, the management of the Group company evaluated prospects of all of its subsidiaries including IS Inc., considering the cessation of scope and other business aspects, management decided to liquidate the company. Consequently, voluntary liquidation was filed during the quarter ended March 24 and final closer was achieved on February 29, 2024.

Pursuant to the voluntary liquidation of IS Inc., The group has provided an amount of ₹ 1.25 Crores in IS Inc. towards liquidation of its subsidiary IS Inc. during the year ended March 31, 2024.

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

40. LEASES

The Group have taken various premises and plants and machinery under operating lease. These are generally cancellable and ranges from 13 months to 10 years and are renewable by mutual consent on mutually agreeable terms. There are no restrictions imposed by these lease arrangements and there are no sub leases. There are no contingent rents.

a) Following are the changes in the carrying amount of Right-of-Use Assets for the year ended 31st March 2024 and 31st March 2023.

(₹ in Crores)

Particulars	For the year ended 31st March 2024		For the year ended 31st March 2023	
	Office Building	Plant and Machinery	Office Building	Plant and Machinery
Opening balance	4.45	4.19	0.34	5.35
Addition during the year	-	-	5.32	-
Deletion on cancellation of lease	0.30	-	-	-
Depreciation on ROU of Assets	1.18	1.16	1.21	1.16
Depreciation on Deletion	0.25	-	-	-
Closing balance	**3.22**	**3.03**	**4.45**	**4.19**

b) The following is the movement in Lease Liabilities for the year ended 31st March 2024 and 31st March 2023.

(₹ in Crores)

Particulars	For the year ended 31st March 2024		For the year ended 31st March 2023	
	Office Building	Plant and Machinery	Office Building	Plant and Machinery
Opening balance	4.68	2.68	0.37	3.24
Additions during the year	-	-	5.19	-
Finance Cost incurred during the year	0.40	0.32	0.49	0.40
Deletion on Cancellation of lease	(0.06)	-	-	-
Payment of lease liabilities	(1.39)	(0.96)	(1.37)	(0.96)
Closing balance	**3.63**	**2.04**	**4.68**	**2.68**

c) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Due within one year	2.32	2.39
Due within one year to five years	4.31	6.65
Due for more than five years	-	-
Total Undiscounted Lease Liabilities	6.63	9.04
Lease Liabilities included in the Statement of consolidated financial position		
Non- Current Financial Liabilities	3.88	5.69
Current Financial Liabilities	1.79	1.67
Total	**5.67**	**7.36**

d) The following amounts are recognized in the Consolidated Statement of Profit and Loss for the year ended 31st March 2024 and 31st March 2023.

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Interest Expenses on Financial Liabilities	0.72	0.89
Depreciation on ROU Assets	2.33	2.36
Expenses relating to Short Term Lease	0.92	0.55
Total	**3.97**	**3.80**

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

40. LEASES (CONTD.)

e) The following amounts are recognized in the Consolidated Statements of Cash Flows for the year ended 31st March 2024 and 31st March 2023.

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total Cash outflows for Leases	2.35	2.33

41. EARNINGS PER EQUITY SHARE AS CALCULATED IN ACCORDANCE WITH INDIAN ACCOUNTING STANDARD

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
a. Net Profit after tax considered for the calculation of EPS (₹ in Crores)	297.66	437.33
b. Number of equity shares outstanding at the end of year	16,42,25,717	16,38,62,473
c. Weighted average number of equity shares used in computing earnings per equity share	16,40,73,797	16,37,43,636
d. Effects of dilution on account of Stock options granted under ESOS	11,62,636	7,45,085
e. Weighted average number of equity shares adjusted for the effect of dilution*	16,52,36,433	16,44,88,721
f. Earnings per share		
Basic (₹)	18.15	26.71
Diluted (₹)	18.02	26.59
g. Face value per equity share (₹)	5.00	5.00

* There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

42. FAIR VALUE MEASUREMENTS

Financial instruments by category as at 31st March, 2024

(₹ in Crores)

Particulars	Amortised cost	FVTPL	FVTOCI
Financial assets			
Investments in unquoted equity shares	-	-	1.13
Loans	2.37	-	-
Trade receivables	896.58	-	-
Cash and cash equivalents	35.71	-	-
Other bank balances	9.89	-	-
Other financial assets excluding derivative assets	36.60	-	-
Total	**981.14**	**-**	**1.13**
Financial liabilities			
Borrowings	1,217.84	-	-
Lease liabilities	5.67		
Trade payables	857.18	-	-
Other financial liabilities excluding derivative liabilities	246.64	-	-
Derivative liabilities on foreign currency forward contracts	-	0.33	-
Total	**2,327.33**	**0.33**	**-**

Financial instruments by category as at 31st March, 2023

(₹ in Crores)

Particulars	Amortised cost	FVTPL	FVTOCI
Financial assets			
Investments in unquoted equity shares	-	-	1.03
Loans	2.87	-	-
Trade receivables	817.81	-	-
Cash and cash equivalents	55.83	-	-
Other bank balances	6.84	-	-
Other financial assets excluding derivative assets	44.97	-	-
Total	**928.32**	**-**	**1.03**

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024
(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

42. FAIR VALUE MEASUREMENTS (CONTD.)

(₹ in Crores)

Particulars	Amortised cost	FVTPL	FVTOCI
Financial liabilities			
Borrowings	963.88	-	-
Lease liabilities	7.36		
Trade payables	1,031.74	-	-
Other financial liabilities excluding derivative liabilities	145.62	-	-
Derivative liabilities on foreign currency forward contracts	-	1.48	-
Total	**2,148.60**	**1.48**	**-**

The Group has not performed a fair valuation of some of its investments in unquoted ordinary shares, which are classified as FVTOCI (refer Note No. 7, as the Group believes that impact of change on account of fair value is insignificant.

Fair value hierarchy

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on a recurring basis :

Quantitative disclosures fair value measurement hierarchy for assets:

(₹ in Crores)

Particulars	Amount	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Asset/(Liability) measured at fair value through profit or loss				
Derivative Asset (Liability) on account of forward exchange contracts				
Date of Valuation				
As at 31st March, 2024	0.33	-	(0.33)	-
As at 31st March, 2023	(1.48)		(1.48)	-
Equity Instruments through Other Comprehensive Income				
Date of Valuation				
As at 31st March, 2024	1.12	-	-	1.12
As at 31st March, 2023	1.02	-	-	1.02

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Derivative financial assets / (liability) are valued based on inputs that are directly or indirectly observable in the market.

The Group has invested in unquoted equity shares of Kirloskar Management Services Private Limited which is measured subsequently at FVTOCI. Accordingly, the company has fair valued the investment using income approach under Ind AS 113 (Discounted Cash Flow method). Free cash flows, risk adjusted cost of equity and perpetual growth rate are the significant unobservable inputs considered in fair valuation of investment.

Sensitivity analysis of Level 3 Fair values

For the fair values of Investment in equity instruments, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects:

(₹ in Crores)

Significant observable inputs	Change in input	Effect on pre-tax equity as at 31st March 2024	Effect on pre-tax equity as at 31st March 2023
Perpetual growth rate	Increase by 50 basis points	0.05	-
Perpetual growth rate	Decrease by 50 basis points	(0.05)	(0.05)
Risk adjusted cost of equity	Increase by 50 basis points	(0.05)	(0.10)
Risk adjusted cost of equity	Decrease by 50 basis points	0.05	0.05

Fair value of financial assets and financial liabilities measured at amortised cost :

The management believes that the fair values of non-current financial assets (e.g. loans and others), current financial assets (e.g., cash and cash equivalents, trade receivables, loans and others excluding other derivative assets), non-current liabilities and current financial liabilities (e.g. trade payables and other payables excluding derivative liabilities) approximate their carrying amounts.

Notes forming part of Consolidated Financial Statements

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43. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities exposes it to market risks, credit risks and liquidity risks. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments such as forward foreign exchange contract are entered to hedge the foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as a trading or speculative purposes.

This note explains the source of risk which the entity is exposed to and how entity manages the risk in the financial statements

Risk	Exposure arising from	Risk Management Plan
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Diversification of bank deposits, credit limits and letter of credits.
Liquidity risk	Borrowings and other liabilities.	Availability of fund based and non fund based borrowing facilities.
Market risk - Foreign exchange	Recognised payables denominated in foreign currency, receivables denominated in foreign currency, firm commitments in foreign currency.	Forward foreign exchange contract.
Market risk - Interest rate risk	Borrowings on account of working capital. Borrowings on account of Term Loans.	Entity continuously monitors interest rates on working capital borrowings at regular intervals and economises the transactions at the best possible rates drawn at the time of monitoring on the basis of comparative rates with various banks / institutions. Long term borrowings are at fixed as well as variable rate of interest.
Market risk - Commodity price risk (Parent company)	Coke/ coal, Iron ore and Pig Iron	Every month entity monitors and reviews the price trend of the materials, demand and supply position and market intelligence report and strategy is adopted before finalising the next consignment / quantities for subsequent months. The Commodity Price Risk is managed without any hedging of commodities by the Company.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, trade and other payables, foreign exchange forward contracts, security deposit, trade and other receivables, deposits with banks.

The sensitivity analysis in the following sections relate to the position as at reporting dates. The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations and provisions.

The Group's activities expose it to variety of market risks, including effect of changes in foreign currency exchange rate, interest rate and commodity price.

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date the interest rate profile of the Group's interest bearing financial instruments are follows:

(₹ in Crores)

Particulars	31st March, 2024	31st March, 2023
Fixed rate borrowings		
Term loan from banks	794.79	394.27
Non Convertible Debentures	-	250.00
Commercial Papers	96.86	72.31
Loans repayable on demand	26.29	45.00
Total fixed rate borrowings	**917.94**	**761.58**
Variable rate borrowings		
Term loan from banks	-	-
Loans repayable on demand	299.90	202.30
Total variable rate borrowings	**299.90**	**202.30**

Notes forming part of Consolidated Financial Statements

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

43. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(₹ in Crores)

Particulars	31st March, 2024	31st March, 2023
Impact on profit before tax and pre-tax equity		
Increase by 50 basis points	(1.50)	(1.01)
Decrease by 50 basis points	1.50	1.01

b. Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Group transacts business in its functional currency and in different foreign currencies. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities, where revenue or expense is denominated in a foreign currency. The Group manages its foreign currency risk by hedging foreign currency payables using foreign currency forward contracts. It negotiates the terms of those foreign currency forward contracts to match the terms of the hedged exposure.

Details of foreign currency exposures that are hedged by derivative instruments or otherwise

(Currency in Crores)

Particulars	Currency	Amount in foreign currency	Equivalent Indian currency	Maturity Profile
As at 31st March, 2024				
Payables	USD	4.31	360.08	Within 6 Months
	EURO	0.08	7.07	
	YEN	8.01	4.62	
As at 31st March, 2023				
Payables	USD	5.59	462.41	Within 6 Months

Details of foreign currency exposures that are not hedged by derivative instruments or otherwise

(Currency in Crores)

Particulars	Currency	Amount in foreign currency	Equivalent Indian currency
As at 31st March, 2024			
Secured Loans	USD	0.16	13.24
Receivables	USD	0.18	14.68
	EURO	0.07	5.82
Payables	USD	1.58	131.34
	EURO	0.05	4.06
As at 31st March, 2023			
Secured Loans	USD	0.84	68.90
Receivables	USD	0.06	4.56
	EURO	0.28	24.55
Payables	USD	1.38	113.06
	EURO	0.03	2.83

Foreign currency sensitivity on unhedged exposure

(Currency in Crores)

Financial Year	Foreign currency	Change in foreign currency rates	Effect on profit before tax ₹ In Crores	Effect on pre-tax equity ₹ In Crores
For 31st March, 2024	USD	+5%	(6.50)	(6.50)
		-5%	6.50	6.50
	EURO	+5%	0.09	0.09
		-5%	(0.09)	(0.09)
For 31st March, 2023	USD	+5%	(8.87)	(8.87)
		-5%	8.87	8.87
	EURO	+5%	1.09	1.09
		-5%	(1.09)	(1.09)

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43. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (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 Parent 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 Parent 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.

For subsidiaries

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.

ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities such as primarily trade receivables and from its investing activities, including deposits with banks and financial institutions, cash and cash equivalent and other financial instruments.

a. Trade receivables

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit exposure risk is mainly influenced by class or type of customers, depending upon their characteristics. Credit risk is managed through credit approval process by establishing credit limits along with continuous monitoring of credit worthiness of customers to whom credit terms are granted. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are combined into homogenous category and assessed for impairment collectively. The calculation is based on actual incurred historical data as well as futuristic information. The Group uses expected credit loss model to assess the impairment loss. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors.

The ageing of trade receivables at the reporting date that were not impaired are as follows

(₹ in Crores)

Particulars	31st March, 2024		31st March, 2023	
	Amount	Percentage	Amount	Percentage
- Less than one year	885.84	98.05%	831.70	96.92%
- one year to three years	17.35	1.92%	13.34	1.55%
- three years and above	0.30	0.03%	13.11	1.53%
Total	**903.49**	**100.00%**	**858.15**	**100.00%**

b. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counter parties. The Group monitors rating, credit spreads and financial strength of its counter parties. Based on ongoing assessment the Group adjust it's exposure to various counter parties

c. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash flow and collateral obligations without incurring unacceptable losses. Group's objective is to, at all time maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including overdraft, debt from domestic and international banks at optimised cost. The Group has access to banks, capital and money market across debt, equity and hybrids.

Notes forming part of Consolidated Financial Statements

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

43. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The table given below summarises the maturity profile of the Group's financial liabilities based on contractual payments excluding interest payments :

(₹ in Crores)

Particulars	Less than 1 year	More than 1 year but less than 3 year	More than 3 year but less than 5 year	Total
As at 31st March, 2024				
Borrowings - Current	696.94	-	-	696.94
Borrowings - Non-current	-	520.90	-	520.90
Lease liabilities	1.79	3.88	-	5.67
Trade payables	857.18	-	-	857.18
Any other financial liabilities	246.97	-	-	246.97
Total	**1,802.88**	**524.78**	**-**	**2,327.66**
As at 31st March, 2023				
Borrowings - Current	594.09	-	-	594.09
Borrowings - Non-current	-	369.79	-	369.79
Lease liabilities	1.67	5.69	-	7.36
Trade payables	1,031.74	-	-	1,031.74
Any other financial liabilities	147.10	-	-	147.10
Total	**1,774.60**	**375.48**	**-**	**2,150.08**

Note : The Group is not expecting to prepay any of its liabilities.

44. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2024 and 31st March, 2023.

45. DISCLOSURE PURSUANT TO IND-AS 19 EMPLOYEE BENEFITS:

Defined contribution plan

Contribution to the defined contribution plan recognised as expense are as under

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
a. Employer's contribution to provident fund	11.95	12.18
b. Employer's contribution to superannuation fund	0.50	0.60

Subsidiary Companies : Structo Hydraulics AB

The Company has recognized the following amounts as an expense and included under the head " Employee Benefits Expense" – Contribution to Provident and other Fund :

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Social Security Contribution	0.69	2.23
Total	**0.69**	**2.23**

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for the Year ended 31st March, 2024

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46. DISCLOSURE PURSUANT TO IND-AS 19 EMPLOYEE BENEFITS:

1) Defined Benefit Plan

The Employee Gratuity Fund Scheme is a Defined Benefit Plan. The present value of the obligation is based on the actuarial valuation using Projected Unit Credit Method

(₹ in Crores)

Particulars	Gratuity (Funded)	
	As at 31st March, 2024	As at 31st March, 2023
a. Asset and Liability		
Present Value of Obligation	88.48	79.06
Fair Value of Plan Assets	81.20	80.04
Surplus/ (Deficit)	**(7.29)**	**0.99**
b. Expenses Recognized during the year		
In income Statement	3.84	4.02
In Other Comprehensive Income	8.20	(3.01)
Total Expenses Recognized during the year	**12.05**	**1.01**
c. Changes in the Present Value of Obligations (PVO)		
PVO at beginning of Period	79.06	78.61
Current Service Cost	3.92	3.80
Interest Expenses or Cost	5.70	5.32
Re-measurement (or actuarial) (Gain) / Loss arising from:	-	-
change in Demographic assumptions	(0.02)	-
change in Financial assumptions	3.25	(1.72)
experience Variance (i.e., actual experience vs assumptions)	4.74	1.66
Others	-	-
Past Service Cost	-	-
Effect of Change in Foreign exchange rates	-	-
Benefits paid	(8.16)	(8.61)
Acquisition Adjustment	-	-
Effect of Business Combinations or Disposals	-	-
PVO at end of period	**88.48**	**79.06**
d. Bifurcation of Present Value of Obligation		
Current Liability (Short term)	9.89	6.34
Non-Current Liability (Long term)	78.59	72.72
Present Value of Obligation	**88.48**	**79.06**
e Changes in Fair Value of Plan Assets		
Fair Value of Plan Assets as at the beginning	80.04	72.58
Investment income	5.78	5.10
Employer's Contribution	3.88	8.13
Mortality Charges and Taxes	(0.11)	(0.12)
Benefit Paid	(8.16)	(8.59)
Return on plan Assets, Excluding amount recognised in net interest expense	(0.23)	2.95
Acquisition Adjustment	-	-
Fair Value of Plan Assets at the end of period	**81.20**	**80.04**
f. Change in the effect of asset ceiling		
Effect of asset ceiling at the beginning	-	-
Interest Expense or cost (to the extent not recognized in net interest expense)	-	-
Re-measurement (or Actuarial) (Gain)/loss arising because of Change in effect of asset ceiling	-	-
Effect of Asset Ceiling at the End	**-**	**-**
g. Expenses Recognized in the Statement of Profit and Loss		
Current Service Cost	3.92	3.80
Past Service Cost	-	-
Loss/(Gain) on Settlement	-	-
Net interest cost/ (Income) on the net Defined Benefit Liability / (Asset)	(0.08)	0.23
Expenses Recognized in the income Statement	**3.84**	**4.02**

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46. DISCLOSURE PURSUANT TO IND-AS 19 EMPLOYEE BENEFITS: (CONTD.)

(₹ in Crores)

Particulars	Gratuity (Funded)	
	As at 31st March, 2024	As at 31st March, 2023
h. Effect on Other Comprehensive income		
Actuarial (gains) / losses		
change in Demographic Assumptions	(0.02)	-
change in financial Assumptions	2.33	(1.53)
Experience variance (i.e. Actual experience vs. assumptions)	4.75	1.08
others	-	-
Return on plan assets, excluding amount recognized in net interest expense	1.14	(2.57)
Re-measurement (or Actuarial) (Gain)/loss arising because of Change in effect of asset ceiling	-	-
Components of defined benefit costs recognized in other comprehensive income	**8.20**	**(3.01)**
i. Actuarial Assumptions		
Mortality	100% (% of IALM 2012-14)	100% (% of IALM 2012-14)
Discount Rate	7.15% - 7.50%	7.20% - 7.50%
Rate of increase in compensation	5.00% - 7.00%	4.00% - 7.00%
Withdrawal rates	7.00% - 7.50%	4.00% - 7.20%

Sensitivity Analysis

(₹ in Crores)

Particulars	31st March, 2024		31st March, 2023	
Defined Benefit Obligation (Base)	88.48		79.06	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	92.93	84.42	83.32	75.19
(% Change compared to base due to sensitivity)	5.03%	-4.59%	5.8%	-4.9%
Salary Growth Rate (- / + 1 %)	84.78	92.45	75.48	82.93
(% Change compared to base due to sensitivity)	-4.18%	4.48%	-4.5%	4.9%
Attrition Rate (-/ + 50% of attrition rates	88.38	88.58	78.83	79.28
(% Change compared to base due to sensitivity)	-0.12%	0.11%	-0.3%	0.3%
Mortality Rate (- / + 10% of mortality rates)	88.48	88.48	79.07	79.07
(% Change compared to base due to sensitivity)	0.00%	0.00%	0.0%	0.0%

Effect of Plan on entity's future cash flows

a) Funding arrangements and funding policy

The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

b) Expected contribution during the next annual reporting period

(₹ in Crores)

The Group's best estimate of contribution during the next year	5.21

c) Maturity Profile of defined benefit Obligation

Particulars	As at 31st March, 2024
Expected cash flows over the next (Valued on Undiscounted basis):	
1 Year	15.11
2 to 5 years	54.25
6 years and onwards	58.65

Notes forming part of Consolidated Financial Statements

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46. DISCLOSURE PURSUANT TO IND-AS 19 EMPLOYEE BENEFITS: (CONTD.)

Major category of Fair Value of Plan Assets at the end of the year is as under :

(₹ in Crores)

Particulars	As at 31st March 2024		As at 31st March 2023	
	₹ in Crores	Percent	₹ in Crores	Percent
Funds with Life Insurance Corporation of India	81.20	100.00%	80.04	100.00%
Total	**81.20**	**100.00%**	**80.04**	**100.00%**

For Tridem Port and Power Company Private Limited, there is an outstanding defined benefit obligation towards gratuity amounting to ₹ 0.03 Cr (PY : ₹ 0.03 Cr)

Asset liability matching strategy

The Group has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The Insurance company, as a part of policy rules makes payment of all gratuity payouts during the year as per policy conditions. The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

47. STOCK OPTIONS SCHEME - KIRLOSKAR FERROUS INDUSTRIES LIMITED (PARENT COMPANY)

KFIL Employee Stock Option Scheme 2017 :

The Company has introduced employee stock option scheme. This employee equity-settled compensation scheme is known as KFIL Employee Stock Option Scheme 2017 ("KFIL ESOS 2017/ Scheme"). The employee stock option scheme is approved and authorized by the Board of Directors. This scheme is designed to provide incentives to specified senior management employees who are in the employment of the company and director(s), whether wholetime or otherwise, (other than promoters of the company, persons belonging to promoters group, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company). The specific employees to whom the options would be granted, and their eligibility criteria would be determined by the Nomination and Remuneration Committee.

Options granted under KFIL ESOS 2017 would vest after 1 (one) year but not later than 4 (four) years from the date of grant of such options. Options will be vested equally over four years. Vesting of options would be subject to continued employment with the Company and thus the options would vest essentially on passage of time. In addition to this, the Nomination and Remuneration Committee may also specify certain performance criteria subject to satisfaction of which the options would vest. Any option granted shall be exercisable according to the terms and conditions as determined by the Nomination and Remuneration Committee and as set forth in the Grant Letter. The exercise period shall be 3 (three) years from the date of vesting of options in case of employee is in continuation of employment. The vested options can be exercised by the employee at any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter. When exercisable, each option is convertible into one equity share. The options not exercised within the exercise period shall lapse and the employee shall have no right over such lapsed or cancelled options. The shares arising out of exercise of vested options shall not be subject to any lock-in period from the date of allotment of such shares under KFIL ESOS 2017.

Under the said scheme, Nomination and Remuneration Committee of the board of directors has granted following options to its eligible employees

Grant date	No. of options
3rd November, 2017	17,65,000
30th October, 2018	1,20,000
'18th October, 2019	1,00,000
16th October, 2020	1,30,000
22nd October, 2021	3,70,000
05th November, 2022	1,60,000

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47. STOCK OPTIONS SCHEME - KIRLOSKAR FERROUS INDUSTRIES LIMITED (PARENT COMPANY) (CONTD.)

(₹ in Crores)

Particulars	As at 31st March 2024		As at 31st March 2023	
	Weighted average exercise price per share per option (₹)	Number of options	Weighted average exercise price per share per option (₹)	Number of options
Opening Balance	124	7,41,589	97	8,98,200
Granted during the year	-	-	166	1,60,000
Exercised during the year	74	1,80,694	56	2,39,011
Lapsed during the year			-	-
Forfeited during the year	150	84,500	108	77,600
Closing Balance	139	4,76,395	124	7,41,589
Options exercisable at the end of the period	117	2,11,395	80	2,66,089

Weighted average share price as on the date of exercise is ₹ 502.39/- (Previous year : ₹ 304.94/-).

Share options outstanding at the end of the period have the following expiry date and exercise prices

Particulars	Grant date	Expiry date	Exercise price (₹)	Options outstanding as at 31 March 2024	Options outstanding as at 31 March 2023
Vesting 3	3rd November, 2017	3rd November, 2023	50	-	30,100
Vesting 4	3rd November, 2017	3rd November, 2024	50	21,325	91,000
Vesting 2	30th October, 2018	30th October, 2023	51	-	4,000
Vesting 3	30th October, 2018	30th October, 2024	51	2,200	9,700
Vesting 4	30th October, 2018	30th October, 2025	51	10,000	21,700
Vesting 3	18th October, 2019	18th October, 2025	50	-	1,125
Vesting 4	18th October, 2019	18th October, 2026	50	16,000	25,000
Vesting 1	16th October, 2020	16th October, 2024	55	9,700	19,700
Vesting 2	16th October, 2020	16th October, 2025	55	10,000	20,000
Vesting 3	16th October, 2020	16th October, 2026	55	20,000	20,000
Vesting 4	16th October, 2020	16th October, 2027	55	20,000	20,000
Vesting 1	22nd October, 2021	22nd October, 2025	163	35,670	68,764
Vesting 2	22nd October, 2021	22nd October, 2026	163	59,500	83,500
Vesting 3	22nd October, 2021	22nd October, 2027	163	67,000	83,500
Vesting 4	22nd October, 2021	22nd October, 2028	163	67,000	83,500
Vesting 1	05th November, 2022	05th November, 2026	166	27,000	40,000
Vesting 2	05th November, 2022	05th November, 2027	166	37,000	40,000
Vesting 3	05th November, 2022	05th November, 2028	166	37,000	40,000
Vesting 4	05th November, 2022	05th November, 2029	166	37,000	40,000
Total				**4,76,395**	**7,41,589**
Weighted average remaining contractual life of the options outstanding at the end of the period				**3.25 years**	**3.65 years**

Fair value of the options granted

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes-Merton model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Fair value and assumptions for the equity-settled grant made on 05 November 2022

Grant: KFIL ESOS 2017	Vesting date 05 November			
Grant Date: 05th November, 2022 Exercise price- ₹ 166	2023	2024	2025	2026
Input variables				
Share Price (₹)	276.60	276.60	276.60	276.60
Standard Deviation (Volatility)	46.22%	46.38%	43.76%	43.35%
Risk-free rate	7.30%	7.38%	7.41%	7.47%
Exercise price (₹)	166.00	166.00	166.00	166.00
Time to maturity (in years)	2.50	3.50	4.50	5.50
Dividend yield	2%	2%	2%	2%
Output				
Fair value of option (₹)	**138.77**	**147.47**	**151.67**	**156.53**

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47. STOCK OPTIONS SCHEME - KIRLOSKAR FERROUS INDUSTRIES LIMITED (PARENT COMPANY) (CONTD.)

II. KFIL Employee Stock Option Scheme 2021 :

The Company has introduced employee stock option scheme. This employee equity-settled compensation scheme is known as KFIL Employee Stock Option Scheme 2021 ("KFIL ESOS 2021/ Scheme"). The employee stock option scheme is approved and authorized by the Board of Directors. This scheme is designed to provide incentives to specified senior management employees who are in the employment of the company and director(s), whether wholetime or otherwise, (other than promoters of the company, persons belonging to promoters group, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company). The specific employees to whom the options would be granted, and their eligibility criteria would be determined by the Nomination and Remuneration Committee.

Options granted under KFIL ESOS 2021 would vest after 1 (one) year but not later than 4 (four) years from the date of grant of such options. Options will be vested equally over four years. Vesting of options would be subject to continued employment with the Company and thus the options would vest essentially on passage of time. In addition to this, the Nomination and Remuneration Committee may also specify certain performance criteria subject to satisfaction of which the options would vest. Any option granted shall be exercisable according to the terms and conditions as determined by the Nomination and Remuneration Committee and as set forth in the Grant Letter. The exercise period shall be 3 (three) years from the date of vesting of options in case of employee is in continuation of employment. The vested options can be exercised by the employee at any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter. When exercisable, each option is convertible into one equity share. The options not exercised within the exercise period shall lapse and the employee shall have no right over such lapsed or cancelled options. The shares arising out of exercise of vested options shall not be subject to any lock-in period from the date of allotment of such shares under KFIL ESOS 2021.

Under the said scheme, Nomination and Remuneration Committee of the board of directors has granted following options to its eligible employees

Grant date	No. of options
19th May, 2022	16,70,000
03rd November 2023	16,000

Particulars	As at 31st March 2024		As at 31st March 2023	
	Weighted average exercise price per share per option (₹)	Number of options	Weighted average exercise price per share per option (₹)	Number of options
Opening Balance	157	16,70,000	-	-
Granted during the year	357	16,000	157	16,70,000
Exercised during the year	157	1,99,673	-	-
Lapsed during the year			-	-
Forfeited during the year	157	1,34,500	-	-
Closing Balance	159	13,51,827	157	16,70,000
Options exercisable at the end of the period	157	1,34,500	-	-

Weighted average share price as on the date of exercise is ₹ NA (Previous year : ₹ NA).

Share options outstanding at the end of the period have the following expiry date and exercise prices

Particulars	Grant date	Expiry date	Exercise price (₹)	Options outstanding as at 31 March 2024	Options outstanding as at 31 March 2023
Vesting 1	19-May-2022	19-May-2026	157	1,50,827	4,17,500
Vesting 2	19-May-2022	19-May-2027	157	3,95,000	4,17,500
Vesting 3	19-May-2022	19-May-2028	157	3,95,000	4,17,500
Vesting 4	19-May-2022	19-May-2029	157	3,95,000	4,17,500
Vesting 1	03-November-2023	03-November-2027	357	4,000	-
Vesting 2	03-November-2023	03-November-2028	357	4,000	-
Vesting 3	03-November-2023	03-November-2029	357	4,000	-
Vesting 4	03-November-2023	03-November-2030	357	4,000	-
Total				**13,51,827**	**16,70,000**
Weighted average remaining contractual life of the options outstanding at the end of the period				**3.29 years**	**4.64 years**

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47. STOCK OPTIONS SCHEME - KIRLOSKAR FERROUS INDUSTRIES LIMITED (PARENT COMPANY) (CONTD.)

Fair value of the options granted

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes-Merton model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Fair value and assumptions for the equity-settled grant made on 03 November 2023

Grant: KFIL ESOS 2021	Vesting date 03rd November			
Grant Date: 03rd November, 2023 Exercise price- ₹ 357	2024	2025	2026	2027
Input variables				
Share Price (₹)	475.90	475.90	475.90	475.90
Standard Deviation (Volatility)	42.52%	43.88%	44.42%	42.66%
Risk-free rate	7.31%	7.31%	7.33%	7.35%
Exercise price (₹)	357.00	357.00	357.00	357.00
Time to maturity (in years)	2.50	3.50	4.50	5.50
Dividend yield	1.98%	1.98%	1.98%	1.98%
Output				
Fair value of option (₹)	**194.23**	**215.71**	**232.02**	**240.25**

Fair value and assumptions for the equity-settled grant made on 19 May 2022

Grant: KFIL ESOS 2021	Vesting date 19th May			
Grant Date: 19th May, 2022 Exercise price- ₹ 157	2023	2024	2025	2026
Input variables				
Share Price (₹)	209.00	209.00	209.00	209.00
Standard Deviation (Volatility)	50.24%	45.34%	44.36%	43.31%
Risk-free rate	6.70%	6.98%	7.11%	7.19%
Exercise price (₹)	157.00	157.00	157.00	157.00
Time to maturity (in years)	2.50	3.50	4.50	5.50
Dividend yield	1.91%	1.91%	1.91%	1.91%
Output				
Fair value of option (₹)	**90.59**	**95.58**	**101.68**	**106.23**

Rationale for principle variables used

1. Time to maturity of options is the period of time from the grant date to the date on which option is expected to be exercised. The minimum life of stock option is the minimum period before which the options cannot be exercised and maximum life is the period after which the options cannot be exercised.

2. The expected price volatility is based on the historic volatility, adjusted for any changes to future volatility due to publicly available information.

The Group has recorded employee share-based compensation expense in current year amounting to ₹ 5.44 Crores (Previous Year : ₹ 9.4 Crores) for the options issued to the employees.

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

48. THE DISCLOSURE REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS 37) "PROVISIONS, CONTINGENT LIABILITIES, CONTINGENT ASSETS" ARE AS FOLLOWS

Class of Provision	Opening balance as on 1st April, 2023	Provisions for the year	Amounts used during the year	Closing balance as on 31st March, 2024
Casting rejections	1.51	5.75	1.51	5.75

Class of Provision	Opening balance as on 1st April, 2022	Provisions for the year	Amounts used during the year	Closing balance as on 31st March, 2023
Casting rejections	1.29	1.51	1.29	1.51

Nature of obligation : Provision for possible obligation towards outflow of resources on casting rejections.

Expected timing of resulting outflow : Substantial costs will be incurred in the next financial year.

49. DISCLOSURES OF TRANSACTIONS WITH RELATED PARTIES AS REQUIRED BY IND AS 24

Name of Related Party & Relationship

Holding Company

Kirloskar Industries Limited

Fellow Subsidiary

Avante Spaces Limited

Key Managerial Personnel

Mr. R.V.Gumaste - Managing Director

Mr. R.S. Srivatsan - Executive Director (Finance) & CFO

Mr. Mayuresh Gharpure - Company Secretary

Post Employment Benefit Plans

KFIL Employees Group Gratuity

KFIL Officers Superannuation Fund Trust

The Indian Seamless Metal Tubes Ltd Provident Fund (Unit -A)

ISMTL Provident Fund (Unit B)

ISSAL Provident Fund

Indian Seamless Superannuation Scheme

ISSAL Superannuation Fund

Indian Seamless Gratuity Fund

ISSAL Gratuity Fund

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

49. DISCLOSURES OF TRANSACTIONS WITH RELATED PARTIES AS REQUIRED BY IND AS 24 (CONTD.)

(₹ in Crores)

Name of related party and nature of relationship	Nature of transaction	2023-2024		2022-2023	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
A. Holding Company					
Kirloskar Industries Limited	Building rent paid	0.07	-	0.06	-
	Rent Deposit Receivable	-	0.03	-	0.03
	Advance Receivable	-	1.62	-	-
B Key management personnel					
For Kirloskar Ferrous Industries Limited					
Mr. R. V. Gumaste - Managing Director	Compensation	11.26	-	17.47	-
	Compensation payable	-	5.18	-	14.32
	Sitting Fees Paid	0.37	0.27	0.37	0.28
Mr. Mayuresh Ghapure - Company Secretary	Compensation	0.60	-	0.53	-
	Compensation payable	-	0.04	-	0.02
Mr. R. S. Srivatsan - Executive Director (Finance) & Chief Financial Officer	Compensation	4.77	-	6.60	-
	Compensation payable	-	2.12	-	3.22
	Total Compensation	**17.00**		**25.61**	
C Fellow Subsidiary Company					
Avante Spaces Limited	Capital Advance paid	-15.41	-	15.41	15.41
	Capital Work in Progress	54.74	54.74	-	-
D Post Employment Benefit Trusts					
KFIL Employees Group Gratuity	Contribution	3.71	-	2.20	
KFIL Officers Superannuation Trust Fund	Contribution				
Indian Seamless Superannuation Scheme	Contribution	0.41	0.16	2.01	0.21
ISSAL Superannuation Fund	Contribution	0.22	0.02	0.31	0.07
The Indian Seamless Metal Tubes Ltd Provident	Contribution	4.89	0.40	6.08	0.38
ISMTL Provident Fund (Unit B)	Contribution	0.43	0.03	0.76	0.04
Indian Seamless Gratuity Fund	Contribution	0.11	3.99	5.28	1.79
ISSAL Gratuity Fund	Contribution	0.06	1.21	0.65	0.37

Note

(i) Outstanding amount carried in Balance Sheet does not include liability in respect of gratuity and leave encashment which is provided on actuarial basis for the Company as a whole.

(ii) Company has not made any Loans/Advances/Investments during the year to the Ultimate Holding Company.

(iii) Transactions with related parties are at arms length price and the balances receivable / payable are un-secured.

(Iv) The terms of payment are generally similar to those of other non-related parties.

Compensation of key management personnel of the Group

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Short term employee benefits	14.86	22.63
Post employment benefits	0.31	1.25
Other long term benefits	0.08	0.19
Share-based payments	5.30	1.54
Termination benefits	-	-
Total	**20.55**	**25.61**

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

50. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Claims against the Company not acknowledged as debt		
Central Excise and Customs	35.33	26.81
Service Tax	-	3.02
Goods and Service Tax	1.50	3.54
Income Tax	32.55	38.08
Sales Tax	-	1.34
Labour Matters to the extent quantifiable	0.40	0.50
Provident Fund Matters	0.67	0.67
License fee - Tamilnadu Maritime Board (TPPCL)	-	-
Others	23.32	23.32
Guarantees excluding financial guarantee		
Bank Guarantee	101.62	111.32
Capital and Other Commitments		
Stamp Duty & Reg. Fee	1.21	1.21
Estimated amount of contracts remaining to be executed on capital account and not provided for	486.54	542.69

Note

In the opinion of the management the above legal matters, under claims against Company not acknowledged as debt, when ultimately concluded will not have material effect on the results of the operations or the financial position of the Group.

51. BORROWING COST CAPITALIZED

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Amount of borrowing costs capitalized	0.92	4.99

52. DISCLOSURE PURSUANT TO IND AS 103 “BUSINESS COMBINATIONS”:

Acquisition of Oliver Engineering Private Limited during the year:

The Kirloskar Ferrous Industries Limited (the Holding company) has acquired management control over Oliver Engineering Private Limited (OEPL) by acquiring 90,00,000 equity shares of ₹ 5 each of Oliver Engineering Private Limited (OEPL) (i.e. 100.00 percent). The Corporate Insolvency Resolution Process (CIRP) was initiated against the Oliver Engineering Private Limited (OEPL) by order of the Hon’ble NCLT Delhi passed on 26.04.2022 under Section 7 of the Insolvency & Bankruptcy Code, 2016 in the matter of Punjab National Bank vs Oliver Engineering Pvt Ltd CP No. (IB) 2057 (ND) 2019 and consequent to this Kirloskar Ferrous Industries Limited announced that it has acquired 100% of the paid up equity share capital of Oliver Engineering Private Limited (OEPL) has become a wholly owned subsidiary of the Holding company with effect from 29 September 2023 (""Acquisition date"") pursuant to the provisions of Section 2(87)(ii) of Companies Act, 2013.

Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below:

(₹ in Crores)

Particulars	Fair value as on acquisition date
Non-current assets	
Property Plant & Equipment	122.47
Total Non-current assets	**122.47**
Current assets	
Cash and Cash Equivalents	5.38
Total Current assets	**5.38**
Total assets [A]	**127.85**

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

52. DISCLOSURE PURSUANT TO IND AS 103 "BUSINESS COMBINATIONS": (CONTD.)

(₹ in Crores)

Particulars	Fair value as on acquisition date
Non-current liabilities	
Borrowings	102.80
Total Non-current liabilities	**102.80**
Current liabilities	
Other Financial Liabilities	5.38
Total Current liabilities	5.38
Total liabilities [B]	**108.18**
Fair value of identifiable net assets [C=A-B]	19.67
Consideration paid (D)	9.00
Capital reserve [C-D]	**10.67**

53. STATEMENT OF NET ASSETS, PROFIT & LOSS, OTHER COMPREHENSIVE INCOME & TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS & NON CONTROLLING INTEREST AS ON 31ST MARCH 2024

(₹ in Crores)

Name of Entity	Net Assets i.e. Total assets minus		Share of profit & loss		Share in Other comprehensive		Share in total comprehensive	
	As % of consolidated net assets	Amounts	As % of consolidated profit & loss	Amounts	"As % of consolidated other comprehensive income"	Amounts	As % of consolidated total comprehensive income	Amounts
Parent								
Kirlosker Ferrous industries Limited	100.27%	3,239.89	108.18%	322.02	-101.85%	-6.07	104.06%	315.95
Subsidiaries								
a) Indian subsidiaries								
Oliver Engineering Private Limited	-0.11%	(3.63)	-4.06%	(12.10)	0.00%	-	-3.98%	(12.10)
Tridem Port and Power Company Private Limited	-2.57%	(83.09)	-0.26%	(0.78)	0.00%	-	-0.26%	(0.78)
Nagapattinam Energy Private Limited	-1.41%	(45.62)	-2.86%	(8.50)	0.00%	-	-2.80%	(8.50)
Best Exim Private Limited	-0.06%	(2.00)	-0.02%	(0.07)	0.00%	-	-0.02%	(0.07)
Success Power & Infraprojects Private Limited	-0.18%	(5.97)	-1.66%	(4.95)	0.00%	-	-1.63%	(4.95)
Marshal Microware Infrastructure Development Company Private Limited	-0.16%	(5.25)	-0.73%	(2.18)	0.00%	-	-0.72%	(2.18)
Adicca Engery Solutions Pvt. Ltd	-0.01%	(0.26)	-0.08%	(0.23)	0.00%	-	-0.08%	(0.23)
b) Foreign subsidiaries								
ISMT Enterprises SA, Luxembourg	-0.09%	(2.95)	-11.12%	(33.09)	0.00%	-	-10.90%	(33.09)
Structo Hydraulics AB, Sweden (Refer Note 1)	0.00%	-	-3.47%	(10.33)	0.00%	-	-3.40%	(10.33)
ISMT Europe AB, Sweden (Refer Note 2)	0.00%	-	-0.10%	(0.30)	0.00%	-	-0.10%	(0.30)
Indian Seamless Inc., USA (Refer Note 3)	0.00%	-	-0.43%	(1.28)	0.00%	-	-0.42%	(1.28)
PT ISMT Resources, Indonesia (Refer Note 4)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
c) Total	**95.66%**	**3,091.12**	**83.39%**	**248.21**	**-101.85%**	**(6.07)**	**79.75%**	**242.14**
d) Non-controlling interest	0.00%	(0.01)	-0.04%	(0.12)	0.00%	-	-0.04%	-0.12
e) Elimination & consolidation adjustment	4.34%	140.12	16.65%	49.57	201.85%	12.03	20.29%	61.60
f) Total	**100.00%**	**3,231.23**	**100.00%**	**297.66**	**100.00%**	**5.96**	**100.00%**	**303.62**

Note :

1. Structo Hydraulics AB, Sweden has filled for bankruptcy liquidation by appointing a liquidator on 12th February 2024.
2. ISMT Europe AB, Sweden has filled for bankruptcy liquidation by appointing a liquidator on 5th March 2024.
3. Indian Seamless Inc., USA is liquidated during the year.
4. PT ISMT Resources, Indonesia has sold this company during the year.

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

53. STATEMENT OF NET ASSETS, PROFIT & LOSS, OTHER COMPREHENSIVE INCOME & TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS & NON CONTROLLING INTEREST AS ON 31ST MARCH 2024 (CONTD.)

Statement of net assets, profit & loss, other comprehensive income & total comprehensive income attributable to Owners & Non controlling interest as on 31st March 2023

(₹ in Crores)

Name of Entity	Net Assets i.e. Total assets minus		Share of profit & loss		Share in Other comprehensive		Share in total comprehensive	
	As % of consolidated net assets	Amounts	As % of consolidated profit & loss	Amounts	As % of consolidated other comprehensive income	Amounts	As % of consolidated total comprehensive income	Amounts
Parent								
Kirlosker Ferrous industries Limited	99.88%	3,004.83	100.55%	439.71	-27.96%	-0.26	100.27%	439.45
Subsidiaries								
a) Indian subsidiaries								
Tridem Port and Power Company Private Limited	-2.74%	(82.31)	-0.06%	(0.28)	0.00%	-	-0.06%	-0.28
Nagapattinam Energy Private Limited	-1.23%	(37.12)	0.00%	(0.01)	0.00%	-	0.00%	-0.01
Best Exim Private Limited	-0.06%	(1.93)	0.00%	(0.01)	0.00%	-	0.00%	-0.01
Success Power & Infraprojects Private Limited	-0.03%	(1.02)	0.00%	(0.01)	0.00%	-	0.00%	-0.01
Marshal Microware Infrastructure Development Company Private Limited	-0.10%	(3.07)	0.00%	(0.01)	0.00%	-	0.00%	-0.01
b) Foreign subsidiaries								
ISMT Enterprises SA, Luxembourg	1.00%	30.02	0.00	(1.92)	0.00%	-	-0.44%	-1.92
Structo Hydraulics AB, Sweden	0.36%	10.73	-1.99%	(8.72)	0.00%	-	-1.99%	-8.72
ISMT Europe AB, Sweden	0.26%	7.92	0.00%	0.01	0.00%	-	0.00%	0.01
Indian Seamless Inc., USA	0.05%	1.37	0.01%	0.03	0.00%	-	0.01%	0.03
PT ISMT Resources, Indonesia	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
c) Total	**97.37%**	**2,929.43**	**98.05%**	**428.79**	**-27.96%**	**(0.26)**	**97.78%**	**428.54**
d) Non-controlling interest	0.00%	0.11	0.00%	(0.01)	1.08%	0.01	0.00%	-
e) Elimination & consolidation adjustment	2.62%	78.92	1.95%	8.54	126.88%	1.18	2.22%	9.72
f) Total	**100.00%**	**3,008.47**	**100.00%**	**437.33**	**100.00%**	**0.93**	**100.00%**	**438.26**

54. OPERATING SEGMENTS

(i) The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Executive Committee, the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments', in deciding how to allocate resources and in assessing performance. These segments have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting

(ii) The Group is engaged primarily into manufacturing of Castings, Steel and Tubes. Thus, the primary segments are Casting segment, Tube Segment and Steel Segment.

(iii) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as unallocable.

(iv) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities which cannot be allocated to a segment on a reasonable basis have been included under "Unallocable Assets / Liabilities ".

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

54. OPERATING SEGMENTS (CONTD.)

(v) Inter Division Transfer represents transfer of finished / semi-finished products within the Segment for further processing and sale. Profit or loss on inter Division transfers are eliminated at the Group level.

(₹ in Crores)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
1. Segment Revenue		
(a) Casting Segment	3,681.24	4,123.53
(b) Tube segment	2,181.24	2,108.75
(c) Steel Segment	1,652.26	1,786.58
(d) Unallocated Total	119.82	53.17
Less: Inter Segment Revenue (including inter division)	1,488.27	1,654.58
Net sales/Income From Operations	**6,146.29**	**6,417.45**
2. Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)#		
(a) Casting Segment	348.08	545.81
(b) Tube segment	245.19	140.65
(c) Steel Segment	42.59	24.76
(d) Unallocated Total	(62.47)	1.24
Less: Inter Segment Revenue	-	-
Total	**573.39**	**712.46**
Less: Interest	120.49	95.47
Total Profit Before Tax	**452.90**	**616.99**
3. Capital Employed		
(Segment assets – Segment Liabilities)		
(a) Casting Segment	1,357.30	1,391.77
(b) Tube segment	1,564.59	1,350.67
(c) Steel Segment	672.68	671.04
(d) Unallocated Total	(363.49)	(404.99)
Total	**3,231.09**	**3,008.48**
4. Segment Assets		
(a) Casting Segment	3,314.28	3,065.05
(b) Tube segment	1,782.94	1,531.69
(c) Steel Segment	755.25	768.20
(d) Unallocated Total	54.57	116.57
Total	**5,907.04**	**5,481.51**
5. Segment Liabilities		
(a) Casting Segment	1,956.98	1,673.28
(b) Tube segment	218.35	181.02
(c) Steel Segment	82.57	97.16
(d) Unallocated Total	418.06	521.56
Total	**2,675.96**	**2,473.02**

55. RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

As per our report of even date attached

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

PARAG PANSARE
Partner
Membership No. 117309

Pune 09th Aug 2024

For and on behalf of the Board of Directors

ATUL C. KIRLOSKAR
Chairman
DIN 00007387

R.V.GUMASTE
Managing Director
DIN 00082829

R.S.SRIVATSAN
Executive Director (Finance) &
Chief Financial Officer
DIN 09607651

MAYURESH GHARPURE
Company Secretary

Pune 09th Aug 2024

Notes to and forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

Form AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures for the year ended 31 March 2024

Part A : Subsidiaries

(Figures are ₹ in Crores unless stated otherwise)

Sl. No.	Name of Subsidiary Company	Reporting currency	Share capital	Other Equity	Total Assets	Total Liabilities#	Investments (excluding Investment in Subsidiary)	Turnover/ Total Income	Profit/(loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed Dividend	% of share holding
1.	Oliver Engineering Private Limited	INR	9.00	(12.63)	118.96	122.59	-	-	(296.19)	-	(296.19)	(296.19)	100.00%
2.	ISMT Enterprises SA, Luxembourg	Euro	61.04	(64.00)	0.05	3.01	-	0.00	(33.09)	-	(33.09)	(33.09)	99.62%
3.	Structo Hydrualics AB, Sweden	SEK	-	-	-	-	-	20.72	(10.33)	-	(10.33)	(10.33)	0.00%
4.	ISMT Europe AB, Sweden	SEK	-	-	-	-	-	0.04	(0.30)	-	(0.30)	(0.30)	0.00%
5.	Indian Seamless INC, USA	USD	-	-	-	-	-	0.11	(1.28)	-	(1.28)	(1.28)	0.00%
6.	Adicca Energy Solutions Private Limited	INR	0.01	(0.27)	2.88	3.14	-	-	(0.23)	-	(0.23)	(0.23)	100.00%
7.	Tridem Port and Power Company Private Limited	INR	2.58	(85.67)	32.77	115.86	-	-	(0.78)	-	(0.78)	(0.78)	100.00%
8.	Nagapattinam Energy Private Limited	INR	0.25	(45.87)	12.44	58.06	-	-	(8.50)	-	(8.50)	(8.50)	100.00%
9.	PM ISMT Resources, Indonesia	Rupiah	-	-	-	-	-	-	0.00	-	0.00	0.00	0.00%
10.	Best Exim Private Limited	INR	0.01	(2.01)	0.00	2.00	-	-	(0.07)	-	(0.07)	(0.07)	100.00%
11.	Success Power and Infraprojects Private Limited	INR	0.19	(6.16)	0.00	5.97	-	-	(4.95)	-	(4.95)	(4.95)	100.00%
12.	Marshal Microwave Infrastrucure Development company Private Limited	INR	0.01	(5.27)	0.00	5.26	-	-	(2.18)	-	(2.18)	(2.18)	100.00%

Excluding Share capital and Other Equity

Notes forming part of Consolidated Financial Statements

for the Year ended 31st March, 2024

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

Exchange rates:	Closing Exchange rates for assets and Liabilities	Average rate for profit and loss items
Euro to INR	90.06	89.67
SEK to INR	7.80	7.87
Rupiah to INR	0.0053	0.0054
USD to INR	83.38	82.75

Notes :

- The Board of Directors of the Company at its meeting held on 5 November 2022 has approved the Scheme of Arrangement and Merger of ISMT Limited with the Company and their respective shareholders pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Scheme').
- The aforesaid Scheme was sanctioned by Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench vide its Order dated 24 July 2024. The Appointed Date of the Scheme is 1 April 2023 and in terms of the Scheme, all the assets, liabilities, reserves and surplus of the Transferor Company have been transferred to and vested in the Company.
- The Company has acquired 100 percent of the paid-up equity share capital and the sole management control of Oliver Engineering Private Limited in terms of the Order passed by the National Company Law Tribunal, New Delhi and OEPL has become wholly owned subsidiary of KFIL with effect from 29 September 2023. For the purpose of consolidated financial statements the fair value of assets and liabilities acquired of OEPL has been determined in accordance with Ind AS 103 "Business Combinations" as on 29 September 2023. As of 31 March 2024, OEPL has not commenced its operations.
- Pursuant to the aforesaid Scheme, the companies mentioned in above table at serial numbers 2 to 12 became subsidiaries of the company.
- Salient features of the Consolidated Financial Statements of subsidiary companies has been provided in the above table.
- The following is the subsidiary, which has been sold during the financial year 2023-2024.

  1. PT ISMT Resources Indonesia.

- The following are the subsidiaries, which have been liquidated / in the process of liquidation during the financial year 2023-2024.

  1. Indian Seamless INC USA,
  2. Structo Hydrualics AB Sweden
  3. ISMT Europe AB, Sweden

Part B : Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

The Company does not have any associate company or joint venture.

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

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

ATUL C. KIRLOSKAR
Chairman
DIN 00007387

R.V.GUMASTE
Managing Director
DIN 00082829

PARAG PANSARE
Partner
Membership No. 117309

R.S.SRIVATSAN
Executive Director (Finance) &
Chief Financial Officer
DIN 09607651

MAYURESH GHARPURE
Company Secretary

Pune 09th Aug 2024

Pune 09th Aug 2024

Notes

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Ferrous

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