Date: 05th June, 2024

The General Manager
The Corporate Relationship Department
BSE Limited
1st floor, New Trading Ring,
Rotunda Building
P J Towers
Dalal Street, Fort
Mumbai 400 001
BSE Scrip Code: 500249

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

Subject: Annual Report for the Financial Year 2023 and Notice convening Sixty Fourth Annual General Meeting of the Company.

Ref: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sirs/Madam,

In terms of Regulation 34 of the above referred Regulations, we herewith submit the soft copy of the Annual Report which comprises of the Board's Report along with Annexures, Audited Standalone Financial Statements, Audited Consolidated Financial Statements and Auditor's Report thereon, for the Financial Year ended 31st December, 2023, and the Notice convening Sixty Fourth Annual General Meeting of the Company scheduled to be held on Thursday, 27th June, 2024 at 01.30 p.m. (IST) through Video Conferencing (VC)/Other Audio Visual Means (OAVM).

The Annual Report of the Company for the Financial Year ended 31st December, 2023 and Notice of Sixty Fourth Annual General Meeting have been sent through e-mail to all the Members whose e-mail addresses are registered with the Company/Depository Participants.

The aforesaid Annual Report along with Notice has also been uploaded on the website of the Company at www.ksbindia.co.in

Kindly take the same on your record.

Yours faithfully,
For **KSB Limited**

SHRADDHA KAVATHEKAR

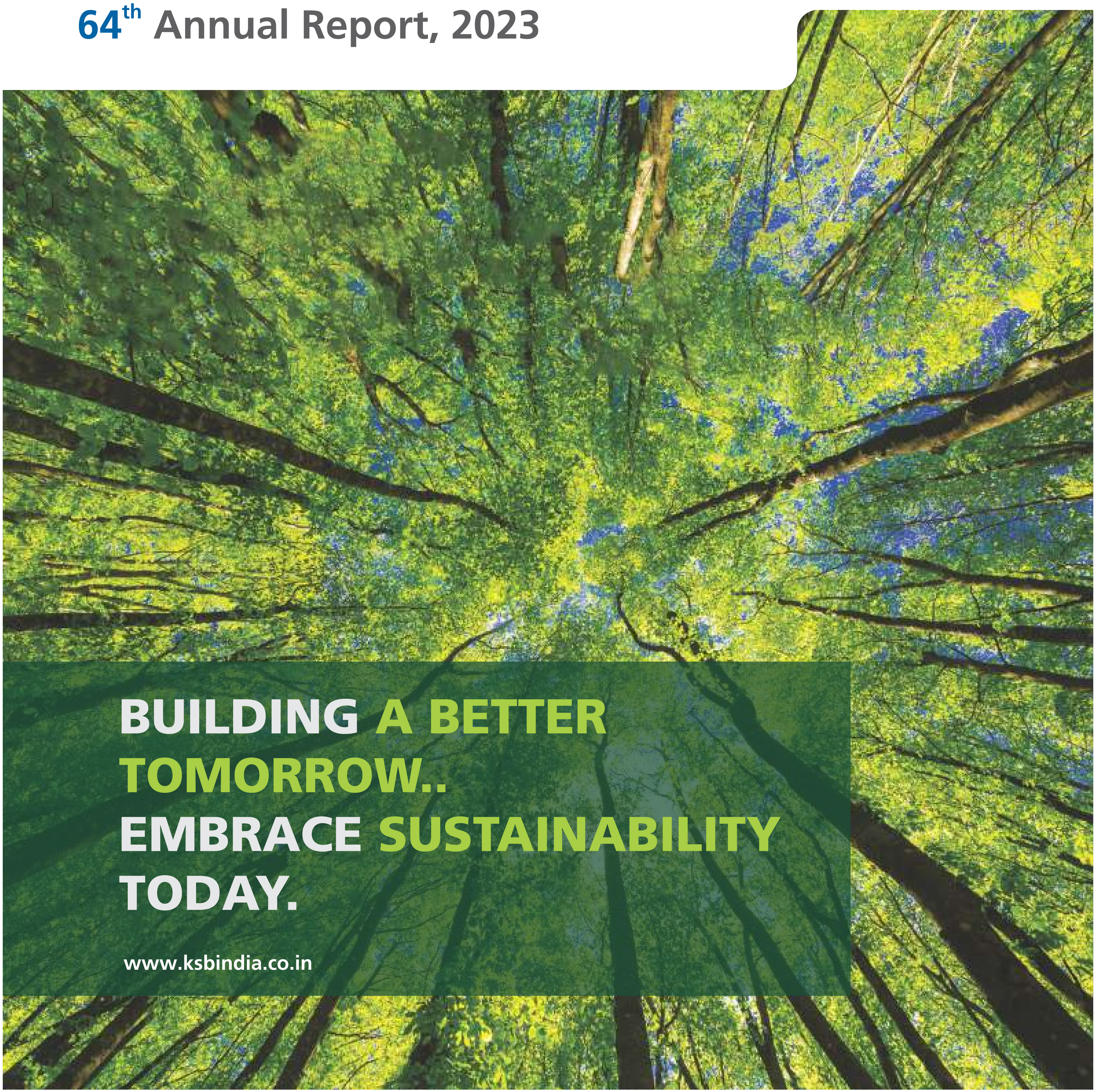
Digitally signed by SHRADDHA KAVATHEKAR
DN: c=IN, postalCode=411037, st=MAHARASHTRA, street=PUNE, l=PUNE, o=Personal, serialNumber=7865c362f8bd8d6414ed7e1866bf016e9cfc9c20ae0cad7543911710f41202dd, pseudonym=4b8f0dcc89864fad92514bca0f35d018, 2.5.4.20=30573d99a72dc3a3583a9b68803a636d63f096c220cf69765a12605a5792a1f5, email=SHRADDHA.KAVATHEKAR@KSB.COM, cn=SHRADDHA KAVATHEKAR
Date: 2024.06.05 20:58:20 +05'30'

Shraddha Kavathekar
Company Secretary

Encl.: Annual Report

KSB

64th Annual Report, 2023



A new brand identity for KSB

KSB has overhauled its brand identity to underline its sustainable and positive corporate development. Our new brand claim “Solutions. For Life.” encapsulates how pumps, valves and services from KSB positively impact people's lives. It shines the spotlight on first-rate solutions for people's everyday needs worldwide – be it for water, electricity or food. KSB also has a new logo. The KSB lettering is now bigger for greater impact, making KSB more prominent. A three-dimensional design emphasises KSB's high quality and unique positioning. It combines pride, strength, power and stability – values that have been deeply embedded in our premium brand for more than 150 years.

KSB

Solutions. For Life.

“Strength in Diversity, Fostering Equality, Ensuring Safety”

“Working with KSB is an incredibly empowering experience for us, being women on shop floor. We have always felt supported and respected by our colleagues and supervisors. Our team is diverse and inclusive, and everyone's skills and perspectives are valued. We are glad for getting this opportunity to grow professionally, learn new skills, and take on leadership roles and be in an environment where gender doesn't limit our potential. Along with Company, we are proud to break stereotypes and contribute to the Company’s success.”

Women leading on Shop Floor & serving at Sites

Women Leading the Way on KSB's Shop Floor. With precision and passion, these women bring expertise and energy to every task, powering our company's success. Their presence embodies our belief in equal opportunity and underscores the invaluable contributions of women in every corner of the industry. Breaking Barriers, Building Futures

KSB Limited bagged an order of around ₹ 267 Crores for supply of Pumps for Kudankulam site, Tamil Nadu state, India.

Driving Nuclear Precision: KSB's Advancements

In a strategic move aimed at strengthening the nuclear business capabilities, KSB has recently introduced cutting-edge machinery at its facilities.

The machines inaugurated by KSB's Director, Dr. Stephan Bross and Managing Director, Mr. Rajeev Jain promise to significantly augment KSB's capacity, particularly in terms of weight & speed considerations. Such advancements are essential for ensuring the reliability and efficiency of critical pumps used in nuclear settings.

These machines also epitomize KSB's dedication to precision engineering, essential for meeting the stringent requirements of nuclear and critical application pumps. These installations underscore KSB's philosophy of conducting critical operations in-house affirming its position as a leader in nuclear industry.

Inauguration
by Dr. Stephan Bross, Director

KSB Global Management Team visits to nuclear facility

Empowering Renewable Energy Across India

KSB-India has made significant strides in advancing renewable energy solutions, securing SECI Tender empanelment and receiving over 1,700 work orders, solidifying our position as a trusted partner in India's energy transition. Under the prestigious PM-KUSUM initiative, we received Letter of Awards from Maharashtra State Electricity Distribution Company Limited, Maharashtra Energy Development Agency, and Rajasthan Horticulture Department, highlighting our expanding role in empowering agricultural sectors across states.

Amidst these achievements, we launched innovative products like the PMSM Motor and AC Solar Motor, obtained MNRE Certification for 33 models, and deployed 566 Solar Pump sets at farmers' sites, enhancing agricultural productivity and rural livelihoods.

PM-KUSUM SCHEME

Taking the flagship Government program to farmers in the country

Performance as per
MNRE
Specifications

500+

Systems are Installed so far...

KSB Solar Pumping Systems installations at farms

Our Solutions for the Hydrogen Economy

Through National Green Hydrogen Mission, India alone wants to set-up the plants with a total electrolyser capacity of up to 60-100 gigawatts to generate 5 MMTPA of Green hydrogen by 2030 and KSB offers cutting-edge solutions for achieving this.

Suitable pumps and valves play a crucial role in the transition to hydrogen. As an experienced manufacturer in the field of industrial and chemical processes, we have a wide range of products and a detailed knowledge of systems engineering, operating modes, materials and energy efficiency.

MegaCPK : Full steam ahead for non-fossil fuels.

Magnochem: The perfect solution for H_2 - application

KSB is now into Life Sciences Applications (LSA Series)

Pure Fluid Performance, Where Hygiene Meets Precisions

As a full-range supplier, KSB offers pumps and valves for food and beverage production that are optimally matched to the requirements of hygienic process engineering. These products are ideally suited to a wide variety of processes – both in food production and in beverage production.

KSB products for food and beverage production, Dairy, Pharmaceutical & Personal care applications always guarantee the highest quality, compliance with hygiene standards and absolute process reliability.

KLS-LB

KLS-CR

KLS-CL and KLS-CF

KSB SupremeServ

"Efficiency Engineered: SupremeServ, Your Complete Solution Provider"

Launch of Portable Scanning Cameras

Re-engineering and LUV business are one of the focus areas for SupremeServ to expand the capabilities of parts scanning at site. We are happy to launch two new portable cameras which is very handy to use and easy to carry at remote areas.

Successful repair & commissioning of CHTR 5/6 at ONGC Kakinada (account - SPOG)

The SPOG team at ONGC Kakinada achieved success in repairing and commissioning CHTR 5/6, ensuring minimal downtime and optimal functionality. Through expert diagnostics, precise execution, and rigorous testing, the team restored operations swiftly and safely, reaffirming their commitment to excellence in energy production.

BB3 pump CHTRa successful commissioning

KSB India achieves a significant milestone with its first BB3 CHTRa 6 x 10 x 11-5/D Pump at ONGC Hazira, showcasing its engineering expertise and pioneering foray into BB3 pump manufacturing.

Dispatch of first order of BP & CL spares

We dispatched first order of BP&CL spares to BPCL Bina Refinery (earlier known as BORL). This order is for 'Discharge Elbow of VB 65/7B pump (similar to our distributor casing of WKT pump). This part is manufactured by SupremeServ within 2 weeks

Driving Make in India :
KSB India's Locomotive Innovation Triumph

KSB-India has achieved a monumental breakthrough by introducing locally manufactured canned motor pumps, a testament to our commitment to self-reliance and innovation. With a keen focus on supporting 'Make in India' initiatives, our efforts have been instrumental in powering transformative projects like Vande Bharat. The launch of the Etaseco RVP pump, proudly manufactured in India, marks a significant milestone in our journey towards technological excellence.

We are thrilled to announce that this pioneering product has been offered for prototype testing on India's pride, the Vande Bharat train, and other locomotives. Through rigorous testing and unwavering dedication to quality, KSB-India is revolutionizing the rail transport sector and contributing to the nation's industrial growth. As we continue to push the boundaries of possibility, we reaffirm our commitment to driving positive change and shaping the future of India's industrial landscape.

Representative Image of Etaseco RVP

Launch of Etaseco Pump by Dr. Stephan Timmermann, Group CEO of KSB and Mr. Rajeev Jain, Managing Director of KSB Ltd.

Etaseco Pump used in Traction Convertor for Locomotives

Valves Division Updates

New Developments

SICCA GTC
34" Class 900

SICCA GTC 10” 2500
Pneumatic Operated

SICCA GTC
36” Class 150

Portfolio Enhancement

ECOLINE DPCV-S
New Generation

Obtained in FY 2023 **Type Test Qualification** for SICCA Gate, Globe, check valves, for supply to China market & **UKCA certification** for SICCA valves enabling distribution to the UK Market

48+ Mandays

Training in Valves
Learning Centre during FY 2023

TheValves Learning Centre at Coimbatore Plant provides hands-on training experience, imparts skill sets to users & offers certification program on Basics of Valves

KNM-IN, non-metallic pump

KNM-IN offers a solution for hazardous substances that react adversely with metals.

Application :

- Chemical applications
- Pharmaceutical
- Detergent Plants
- Waste water treatment plants.

LCC Pump

A flagship pump specifically dedicated for mining applications which was a new market segment for KSB-India. LCC pump is offered in a special white iron material, which has high hardness making it suitable for abrasive mediums.

GAMMA FXF – FM PACKAGER

KSB-India has also entered the listed firefighting applications market by becoming an FM Packager with the Gamma FXF, a horizontal split-case pump series.

The Gamma FXF will be supplied for FM-approved firefighting pump requirements.

Estigia, Vertical Sump Pumps

Application :

- Automotive industry
- Iron and steel industry
- Water treatment plants
- Washing plants
- Air conditioning systems

Products Development / Updates

KLS-LB

KNCPP

KNM-IN

CORA + UMN Series

CORA + RLX / EDX Series

UPFN Series

Etanorm SYT (SS)

Sewatec

SPM Series

PERIJET N

Periboost (1.0 HP)

ULTRA Plus

UMN / UMN-C

OMEGA

moviBOOST

Movitec VCF

Contents

KSB Limited : Board of Directors

Mr. Gaurav Swarup
Chairman,
Non Executive -
Non Independent Director

Mr. Dara N. Damania
Non Executive -
Independent Director

Mr. Pradip Shah
Non Executive -
Independent Director

Mr. V. K. Viswanathan
Non Executive -
Independent Director

Ms. Sharmila Barua Roychowdhury
Non Executive -
Independent Director

Dr. Stephan Bross
Non Executive Director

Dr. Matthias Schmitz
Non Executive Director

Mr. Rajeev Jain
Managing Director

Mr. Rajeev Jain
Managing Director

A Year of Audacious Strides: A Foreward Message from the Managing Director of KSB Limited

"Dear shareholders,

I am pleased to share the 64th Annual report for the financial year 2023. This past year is yet another year of achieving strategic milestones and is more than just a collection of financial figures and market successes; it's a testament to the collective power of vision, innovation, and a commitment to making a positive impact with keen execution. This report will provide you with comprehensive overview of our various initiatives which were enabled in our journey towards this successful year, along with opportunities and challenges that lie ahead.

The business climate in India is positive and the government's focus with capex infusion in infrastructure development and green energy initiatives is one of the key drivers. This has created healthy business environment and opened new opportunities for us as well. Export's business for us has also shown a positive trend. We have reached international markets and built stronger relationships with our global partners. The increasing demand for our products worldwide is a testament to our quality and commitment to excellence.

Our group strategy for 2030 has commenced, which is centered on "Technology & Quality Leadership" along with being champions in sustainability and aftermarket. As part of Strategy 2024, we now have our footprint in new market segments like Solar, Green Hydrogen etc. and have enhanced our product portfolio with new product launches.

We have achieved several milestones, including securing a substantial order for auxiliary pumps, receiving orders from government schemes, and securing export orders from international clients. This year has been really exciting for us with several firsts. We received our first order for reciprocating pumps, which is a big step for our product range. We also got our first order as an FM packager in the fire-fighting sector, we qualified in the SECI (Solar Energy Corporation of India) tender for our solar business and have started supplying for PM-KUSUM scheme; and this demonstrates our diversified growth. This also shows our ability and readiness to perform for key projects.

In Pune, we have established a new mechanical seal assembly line, enhancing our manufacturing capabilities to ensure that we meet the growing demands of our customers. Our valves business from the Coimbatore division has seen remarkable growth, fueled by an expanding customer base and significant factory investments to support them. Strengthening our service network has been a priority, which enables us to provide better support and service to our clients.

Along with business growth, KSB also prioritizes its ESG -

Sustainability initiatives. In April 2023, we published our first Business Responsibility and Sustainability Report, which was a big milestone for us and we are really proud to have won the 'ESG Champion of India 2024' Award at the Dun & Bradstreet ESG Leadership Summit 2024. This award recognizes our efforts in sustainability and protection of the environment.

We have also been doing energy audits to ensure energy efficient operations in our factories. Our Group Solar Captive project is a key investment to help us use clean energy and cut down our CO_2 emissions by a huge amount over the next 25 years, equivalent to planting 350,000 trees. Once this project is up and running, 70-75% of our power will come from green sources, showing our commitment towards cleaner future.

As we look back at the year, it's important to talk about the technological advancements for improving internal efficiencies, Digitalization investments are progressing well and customers are appreciating the ease in business. Automation in operations like using special autonomous robots to move our material around has made our work a lot quicker and smoother. We believe that by keeping up with these changes, we can keep improving how we do things and make sure our customers are happy.

Our employees are our key resource. This year, we have significantly focused on employee engagement. We are renovating our offices to create a better working environment. Mumbai and Jaipur offices were recently inaugurated, and Bhubaneshwar now has a new office location, signifying our growth and dedication to creating a dynamic work environment. We have concluded new wage agreements across all plants. Going beyond, we are making sure that everyone feels included and valued. We are continuously working hard to make our workplace more diverse and women-friendly, and we are in the process of further diversification by on-boarding specially-abled employees.

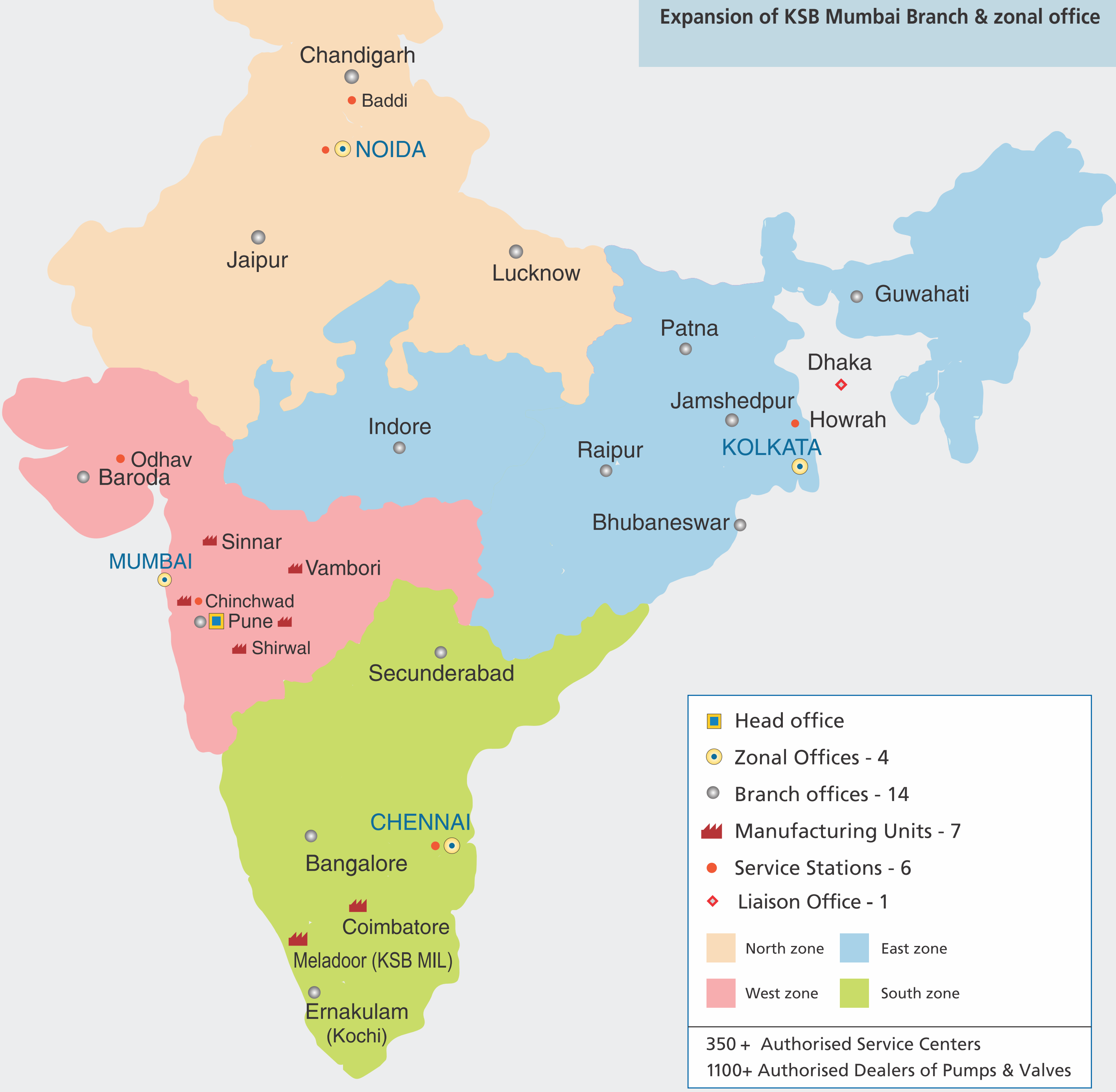
We, also give back to society through our CSR initiatives, by uplifting lives and fostering a sense of shared progress. Through our KSB Care Charitable Trust, we have streamlined our societal commitment, transforming the Company into a valued and responsible neighbor in its community.

As we wrap up another successful year, I want to take a moment to express my heartfelt gratitude for the incredible support from all our stakeholders, both internal and external. It's been truly inspiring to see what we have achieved together. Looking forward, I'm filled with confidence that we will keep moving forward, growing, and setting even higher standards of excellence in everything we do. With your continued support, I have no doubt that we will reach even greater heights in the years to come.”

KSB presence in India

We are growing to serve you better!

Expansion of KSB Mumbai Branch & zonal office



We are growing to serve you better!


Inauguration of new KSB East zonal office at Kolkata by chief guest Mr. Gaurav Swarup - Chairman and Mr. Rajeev Jain - Managing Director


Inaguration of TSS Energy and TSS Nuclear Energy offices in the premises of Pimpri (IPD) plant.



Inauguration of new administration building at Shirwal (EPD) Plant

Corporate Information

CHIEF FINANCIAL OFFICER

Mr. Mahesh Bhave

COMPANY SECRETARY

Ms. Shraddha Kavathekar

REGISTERED OFFICE

Office No. 601, Runwal R-Square,
L.B.S. Marg, Mulund (West),
Mumbai - 400 080.

FACTORIES

Maharashtra -
Pimpri, Pune,
Chinchwad, Pune
Vambori, Dist. Ahmednagar
Sinnar, Dist. Nashik
Kesurdi, Shirwal, Dist. Satara

Tamil Nadu -
NSN Palayam, Coimbatore

BANKERS

Deutsche Bank AG
Bank of Baroda
Standard Chartered Bank
ICICI Bank
Axis Bank
HSBC Bank
Federal Bank
Kotak Mahindra Bank
Central Bank of India

COLLABORATORS

KSB SE & Co. KGaA, Germany

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt. Ltd.

STATUTORY AUDITORS

Price Waterhouse Chartered Accountants LLP

COST AUDITORS

Dhananjay V. Joshi & Associates

SECRETARIAL AUDITORS

Mehta & Mehta, Company Secretaries

ANNUAL GENERAL MEETING

Date	:	27th June, 2024
Day	:	Thursday
Time	:	01.30 p.m. IST
Mode	:	Through video conferencing ("VC")/ Other Audio Visual Means ("OAVM”)

COMMUNICATION DETAILS

Tel No. : 020-27101024

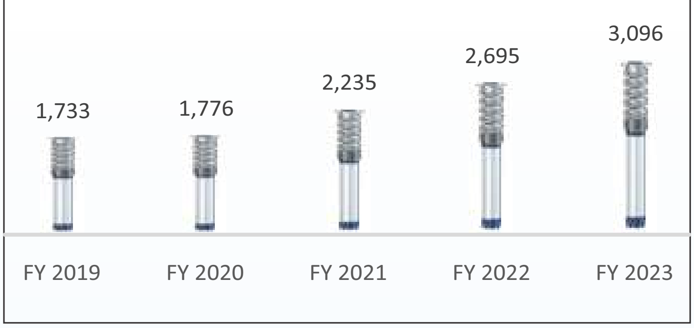
Shareholders’ Grievance Cell :
compsec.india@ksb.com

Website : www.ksbindia.co.in

Financial Highlights

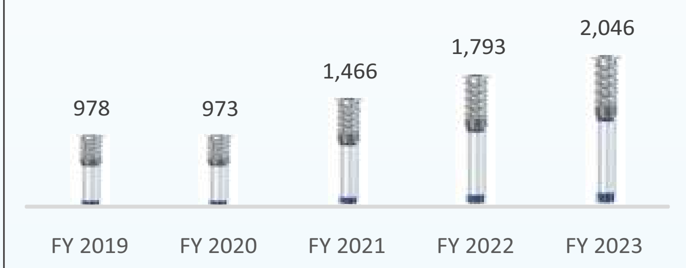
Revenue from Operations (MINR)

EBITDA (MINR)



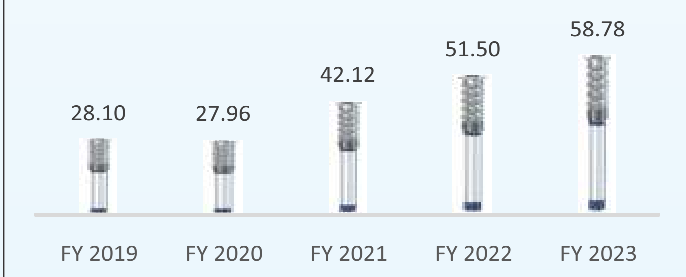
Profit Before Tax (MINR)

Profit After Tax (MINR)

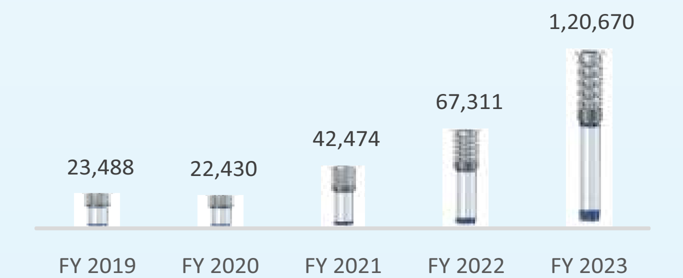


Return On Capital Employed (%)

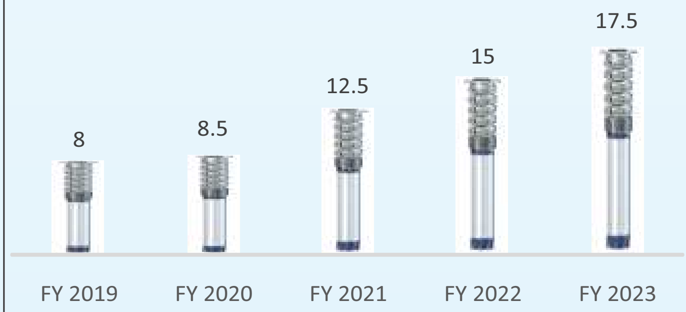
Earnings Per Share (INR)



Market Capitalisation (MINR)



Dividend per share (INR)



NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Sixty Fourth Annual General Meeting ("AGM") of the Members of KSB LIMITED will be held on Thursday, 27th June, 2024 at 01.30 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt :
   (a) the audited Standalone financial statements of the Company for the financial year ended 31st December, 2023, together with the Reports of the Board of Directors and the Auditors thereon; and
   (b) the audited Consolidated financial statements of the Company for the financial year ended 31st December, 2023, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares for the Financial Year 2023.
3. To appoint a Director in place of Dr. Stephan Bross (DIN: 00423114), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

Explanatory Statement under Section 102 of the Companies Act, 2013 ("the Act"), is annexed to the Notice for Special business.

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:

   "**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013, the remuneration payable for the year ending 31st December, 2024 to M/s Dhananjay V. Joshi & Associates, Cost Accountants, Pune, (Firm Registration No. 000030), appointed by the Board of Directors of the Company to conduct the audit of the Cost Records of the Company, amounting to ₹ 5,00,000 (Rupees Five Lakh only) as also the payment of GST as applicable and reimbursement of out of pocket expenses incurred during the course of audit be and is hereby ratified and confirmed;

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to perform and execute all such deeds, matters and things as may be deemed necessary or expedient to give effect to this resolution and for the matters annexed therewith or incidental thereto."

5. To consider and, if thought fit, to pass the following Resolution as ORDINARY RESOLUTION:

   "**RESOLVED THAT** pursuant to the provisions of Section 61 of the Companies Act, 2013, and other applicable provisions, if any, of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015"), other SEBI Regulations and the provisions of the Memorandum and Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded for sub-division (split) of nominal value (face value) of equity shares of the Company from existing nominal value of ₹ 10 (Rupees Ten) each to the nominal value of ₹ 2 (Rupees Two) each, fully paid-up ranking pari-passu;

RESOLVED FURTHER THAT pursuant to the sub-division of equity shares of the Company, existing nominal value of ₹ 10 (Rupees Ten) of all the authorized, issued, subscribed and paid-up equity shares, shall stand sub-divided into equity shares of nominal value of ₹ 2 (Rupee Two) each fully paid from the Record Date as may be fixed by the Company and shall rank pari passu in all respects with the existing Equity Shares in all respects;

RESOLVED FURTHER THAT upon sub-division of equity shares as aforesaid and with effect from the Record Date,

(a) for the equity shares held in physical form, the existing share certificate(s) in relation to the said equity shares, shall be deemed to have been automatically cancelled and shall be of no effect and the Company will issue new share certificate(s) in accordance with the Act and any other applicable Regulations;

(b) for the equity shares held in dematerialized form, the sub-divided equity shares shall be credited proportionately into the respective beneficiary demat account(s) of the members held with their depository participant(s), in lieu of the existing credits present in their respective beneficiary demat account(s);

RESOLVED FURTHER THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Act and the Rules made thereunder, consent of Members of the Company be and is hereby accorded to substitute the existing Clause V of the Memorandum of Association of the Company with the following new Clause V:

"**V.** The authorised share capital of the company consists of ₹ 40,00,00,000 (Rupees Forty Crores) divided into 20,00,00,000 (Twenty Crores) Equity shares of ₹ 2 (Rupees Two) each. The Company shall have power to increase or reduce its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, differed or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company."

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board / Committee of the Board or any officer(s) authorized by the Board of Directors, be and are hereby authorized to do all such acts, deeds, matters and things whatsoever, including fixing and announcing the Record Date, seeking all necessary approvals to give effect to this Resolution and all other necessary activities in this regard."

By Order of the Board

GAURAV SWARUP
Chairman

Registered Office:

Office No. 601, Runwal R-Square,
L.B.S. Marg, Mulund (West), Mumbai- 400 080,

Mumbai, 26th April, 2024

NOTES:

a. Pursuant to Circular No. 14/2020 dated 8th April 2020, Circular No. 17/2020 dated 13th April 2020, Circular No. 20/2020 dated 5th May 2020, Circular No. 21/2021 dated 14th December 2021, Circular No. 2/2022 dated 5th May 2022, Circular No. 10/2022 dated 28th December 2022 and Circular No. 09/2023 dated 25th September 2023 ("MCA Circulars"), issued by Ministry of Corporate Affairs, Government of India ("MCA") and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7th October 2023 ("SEBI Circular") issued by the Securities and Exchange Board of India ("SEBI") the 64th Annual General Meeting of the Members of the Company is being held through VC / OAVM which does not require physical presence of Members at a common venue. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be deemed Venue of the AGM.

b. Since this AGM is being held through VC / OAVM, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

c. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

d. Institutional / Corporate Members (i.e. other than individuals/HUF/NRI etc.) are required to send scanned copy of Board Resolution authorizing their representative to attend the AGM through VC / OAVM on its behalf and to vote through remote E-voting to the Company's Registrar & Transfer Agent ("RTA"), Link Intime India Pvt. Ltd. at https://liiplweb.linkintime.co.in/rnthelpdesk/Service_Request.html

e. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 14th June, 2024 to Wednesday, 26th June, 2024 (both days inclusive).

f. Dividend as recommended by the Board of Directors, if declared at the AGM, will be paid on or after 15th July, 2024 to those members whose names appear in the Register of Members at the close of the business hours on 14th June, 2024 in respect of shares held by them in physical form and whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited at the close of the business hours on 14th June, 2024 in respect of shares held by them in dematerialised form.

g. Unclaimed interim Dividend for the financial year ended 31st December, 2015 has been transferred to the Investor Education and Protection Fund ("IEPF") after completion of seven years in accordance with Section 124 of the Companies Act, 2013. Other unpaid dividends that are due for transfer are detailed below:

Dividend	For the Financial Year ended	Date of Payment	Tentative Date of Transfer
Final	31st Dec.'16	17th May '17	16th May'24
Final	31st Dec.'17	16th May '18	15th May'25
Final	31st Dec.'18	13th May'19	12th May'26
Final	31st Dec.'19	16th Oct'20	15th Oct'27
Final	31st Dec.'20	16th May'21	15th May'28
Final	31st Dec.'21	25th May'22	24th May'29
Final	31st Dec.'22	25th May'23	24th May'30

Members who have not encashed their Dividend Warrants/Demand Drafts/Electronic Remittance pertaining to the earlier years may approach the Company's Registrar & Transfer Agent ("RTA"), Link Intime India Pvt. Ltd., at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083, for the same.

Pursuant to the provisions of Section 124 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF Account established by the Central Government, within thirty days of such shares becoming due for transfer to the Fund. The Members whose shares/ unclaimed dividend have been transferred to the Fund may claim the shares or apply for refund by making an application to IEPF Authority in form IEPF 5 (available on www.iepf.gov.in) along with requisite fee as decided by the Authority from time to time. The details of the unclaimed dividends are available on the Company's website at www.ksbindia.co.in and on the website of Ministry of Corporate Affairs at: www.mca.gov.in

h. Members who hold equity shares in physical form and desirous of availing Electronic Clearance Scheme (ECS) facility for direct credit of dividend to their bank account, may submit their request to the Company's RTA. Any query related to dividend should be directed to RTA.

i. The information regarding the Director/s who is/are proposed to be appointed/re- appointed, as required to be provided under Listing Regulations, 2015 and Secretarial Standard on General Meetings, is annexed hereto.

j. In compliance with the aforesaid MCA Circulars and SEBI Listing Regulations, 2015 the Notice of the 64th AGM of the Company along with the Annual Report for the year 2023 is being sent only through electronic mode to those Members whose email addresses are registered with their respective Depository Participants ("Dps"), Company or Company's RTA. Members may note that the Notice of the AGM and the Annual Report for the year 2023 will also be available on the Company's website at www.ksbindia.co.in, and also on the website of the Stock Exchanges where the shares of the Company have been listed viz., BSE Limited- www.bseindia.com and National Stock Exchange of India Limited - www.nseindia.com. The Company will publish a Public Notice by way of advertisement with the required details of 64th AGM, for information of the Members.

k. Members having more than one folio in identical names are requested to consolidate the same.

l. The Company has made necessary arrangements for the members to hold their shares in dematerialised form. Members holding shares in physical form are requested to dematerialise their shares by approaching any of the DPs.

m. All documents referred in the accompanying Notice and Statement setting out material facts will be available electronically for inspection for Members on all working days between 09.00 a.m. to 11.00 a.m. upto Thursday, 27th June, 2024 being the date of the AGM. Members seeking to inspect such documents can send an email at: compsec.india@ksb.com

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

o. **Instructions for Remote E-voting before AGM:**

In compliance with the provisions of Section 108 of Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and the provisions of the Regulation 44 of the Listing Regulations, 2015, the members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by Link Intime India Pvt. Ltd., on all resolutions set forth in this Notice. As per the SEBI circular dated 9th December, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

The remote e-voting period commences on **Monday, 24th June, 2024 at 9.00 a.m. and ends on Wednesday, 26th June, 2024 at 5.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on **Friday, 21st June, 2024** (**the cut- off date**) may cast their vote electronically. The e-voting module shall be disabled for voting thereafter.

The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on Friday, 21st June, 2024.

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

1. Individual Shareholders holding securities in demat mode with NSDL

i. Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to “InstaVote” website for casting your vote during the remote e-Voting period.

ii. If you are not registered for IDeAS e-Services, click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

iii. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.

2. Individual Shareholders holding securities in demat mode with CDSL

i. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi/ Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.

ii. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by the company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.

iii. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

iv. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful 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 the company name or e-Voting service provider name i.e. Link Intime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

II. Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in
2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

   A. **User ID:** Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

   B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

   C. **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

   D. **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

   Shareholders holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above.

   Shareholders holding shares in **NSDL form**, shall provide 'D' above.

   Shareholders may set the password as per their choice containing minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

   Click "confirm" (Your password is now generated).

3. Click on 'Login' under 'SHARE HOLDER' tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.

III. Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).

4. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

IV. **Guidelines for Institutional shareholders :**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

V. **Helpdesk for Individual shareholders holding securities in physical form/ Institutional shareholders:**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

VI. **Helpdesk for Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

VII. **Individual shareholders holding securities in physical form has forgotten the password:**

If an Individual shareholder holding securities in physical form has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

- Click on 'Login' under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event Number + Folio Number registered with the Company.

VIII. Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

i. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

ii. For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

iii. During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Other e-voting Instructions

i. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting and voting during the AGM.

ii. Ms. Ashwini Inamdar (FCS No. 9409/CP No. 11226), Partner, M/s Mehta and Mehta Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.

iii. The results declared along with the Scrutinizer's Report will be submitted to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and placed on the Company's website at www.ksbindia.co.in within two working days of the 64th AGM of the Company to be held on Thursday, 27 June, 2024.

iv. The contact details for Registrar and Transfer Agent: Link Intime India Pvt. Ltd.,
Tel. No.: 022 4918 6270,
write at : https://liiplweb.linkintime.co.in/rnthelpdesk/Service_Request.html

p. Instructions for Members to attend the AGM through (VC/OAVM):

Members are entitled to attend the AGM through VC/OAVM provided by RTA, Link Intime India Pvt. Ltd., by following the below mentioned process:

i. Facility for joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and shall be kept open till the expiry of 15 minutes after the scheduled time on first-come-first basis.

ii. Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis.

iii. Members will be provided with Insta Meet facility wherein they shall register their details and attend the AGM as under:

1. Open the internet browser and open the URL https://instameet.linkintime.co.in
2. Select the **"Company"** and **"Event date"** and register with your following details:

A. **Demat Account No. or Folio No:** Enter your 16-digit Demat Account No. or Folio No.

(a) Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID

(b) Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID

(c) Members holding shares in physical form shall provide Folio Number registered with the Company

B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. **Mobile No.:** Enter your mobile number.

D. **Email ID:** Enter your email id, as recorded with your DP/Company/RTA

3. Click “Go to Meeting”: You are now registered for InstaMeet and your attendance is marked for the meeting.

(Note: Members are encouraged to join the Meeting through Tablets/Laptops connected through broadband for better experience. Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting).

q. Instructions for Members to Vote during the AGM:

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

(b) If any Votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.

(c) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Once the electronic voting is activated by the scrutinizer during the AGM, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

i. On the Shareholders VC page, click on the link for e-Voting “Cast your vote.”

ii. Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.

iii. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.

iv. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

v. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

vi. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

r. Instructions for Members to Speak during the AGM:

i. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request on or before 17th June, 2024, mentioning their name, demat account number/folio number, e-mail ID, mobile number, questions to ask, if any, at: compsec.india@ksb.com

ii. Only those Members who have registered themselves as a speaker will be allowed to express their views/ ask questions during the meeting.

iii. Members will get confirmation on first cum first basis. First 10 Speakers registered with the Company will only be allowed to speak at the AGM for a duration upto 3 minutes each.

iv. Members will receive "speaking serial number" once they mark attendance for the meeting.

v. Members are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

vi. Please remember your speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

vii. Please note that the Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

The Members who do not wish to speak during the AGM but have queries may send their queries in advance on or before 17th June, 2024 mentioning their name, demat account number/folio number, e-mail ID, mobile number at: compsec.india@ksb.com. These queries will be replied to by the Company suitably by e-mail.

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance.

Please download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/

In case shareholders/members have any queries regarding login, they may send an e-mail to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

s. Instructions for Income Tax compliances with respect to dividend:

i. The Finance Act, 2020 has abolished dividend distribution tax (DDT). Accordingly, effective from 1st April, 2020, dividend income will be taxable in the hands of shareholders. Hence the Company is required to deduct tax at source ("TDS") from the amount of dividend paid to shareholders at the prescribed rates. The detailed TDS rates and required documents for claiming non-deduction/lower deduction of TDS are uploaded in the website of the company at: www.ksbindia.co.in

ii. To avail the benefit of non-deduction/lower deduction of TDS kindly submit the required documents by email to ksbdivtax@linkintime.co.in on or before 17th June, 2024:

or

The forms/documents (duly completed and signed) for claiming tax exemption are required to be uploaded on the url: https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html

- On this page the user shall be prompted to select / share the required information therein to register their request.

iii. The forms for tax exemption can be downloaded from Link Intime's website. The URL for the same is: https://www.linkintime.co.in/client-downloads.html

- On this page select the General tab. All the forms are available under the head "Form 15G/15H/10F"

iv. The upload of forms/documents (duly completed and signed) on the above-mentioned URL of Link Intime India Private Ltd should be done on or before 17th June, 2024 to enable the Company to determine and deduct appropriate TDS / Withholding Tax.

v. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction shall be considered after 17th June, 2024.

vi. In terms of the MCA and SEBI circular, in case the Company is unable to pay the dividend to any share holder by electronic mode due to non-availability of the details of their bank account, the Company will dispatch the Dividend Warrants/Demand Drafts to such shareholders by post.

vii. All communications/ queries in this respect should be addressed to our RTA, Link Intime India Private Limited to: ksbdivtax@linkintime.co.in

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

BUSINESS 4:

The Board of Directors of the Company, on the recommendation of its Audit Committee, has approved the appointment of M/s Dhananjay V. Joshi & Associates, Cost Accountants, Pune, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st December, 2024. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought by way of an Ordinary Resolution as set out at Business No. 4 of the Notice for ratification of the remuneration amounting to ₹ 5,00,000 plus applicable GST and out-of pocket expenses incurred by them in connection with the aforesaid audit.

The Directors recommend the resolution for approval.

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 said resolution.

BUSINESS 5:

The Board of Directors at its Meeting held on 26th April, 2024 considered and approved, the proposal of restructuring the Share Capital of the Company by sub-division (split) of the existing equity shares, subject to the approval of members of the Company and statutory authority(ies), as may be applicable.

It is proposed to sub-divide 1 (one) equity share having face value of ₹ 10 (Rupees ten) each, fully paid-up into 5 (five) equity shares having face value of ₹ 2 (Rupees two) each, fully paid-up. The new equity shares to be issued and allotted upon sub-division shall rank pari passu with the existing equity shares of the Company in all respects.

With a view to encourage wider participation of small investors and to enhance the liquidity of the Equity Shares at the Stock Market, the Board of Directors recommends this sub-division.

Sub-division will make the equity shares of the Company more affordable and is expected to encourage participation of investors at large and therefore it is in the best interest of the investors and the Company.

The sub-division of equity shares of the Company as aforesaid will require alteration to the existing Capital Clause i.e., Clause V of the Memorandum of Association of the Company. There will not be any change in the amount of authorised, subscribed, issued and paid-up share capital of the Company on account of sub-division of the equity shares. Further, such sub-division shall not be construed as reduction in share capital of the Company, in accordance with the applicable provisions of the Companies Act, 2013 and SEBI Regulations.

NOTICE (Contd.)

Type of Capital	Pre Sub-division Share Capital Structure			Post Sub-division Share Capital Structure		
	No. of Equity Shares	Face Value (₹)	Total Share Capital (₹)	No. of Equity Shares	Face Value (₹)	Total Share Capital (₹)
Authorised Share Capital	4,00,00,000	10	40,00,00,000	20,00,00,000	2	40,00,00,000
Issued, Subscribed and Paid-up Capital	3,48,07,844	10	34,80,78,440	17,40,39,220	2	34,80,78,440

Draft copy of the altered Memorandum of Association of the Company and other necessary documents, if any, would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day, excluding Saturday, upto the date of the Annual General Meeting.

Pursuant to the applicable provisions of the Companies Act, 2013 and other applicable provisions and Regulations, as may be necessary, the approval of the Members is required for sub-division of shares and consequent amendment to Clause V of the Memorandum of Association.

The Directors recommend the resolution for approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned with or interested, financially or otherwise in the proposed resolution as set out in the accompanying Notice except to the extent of their shareholding in the Company, if any.

Notes on Director/s seeking appointment/re-appointment

As required under Listing Regulations, 2015 and Secretarial Standards on General Meetings, particulars of Director/s who is/are to be appointed/re-appointed are given below:

Name of the Director	Dr. Stephan Bross
Director Identification Number	00423114
Date of Birth	19th July, 1962
Director since	11th February, 2014
Qualifications	BE, MBA Mechanical Engineering Studies (Germany), Research Assistant, Institute for fluid Engineering
Experience	Vast experience in the engineering industry
List of other Directorships in India	KSB MIL Controls Limited
Chairmanship/ Membership of Audit and Stakeholders' Relationship Committees in other Public companies	Nil
Relationship with other Directors and Key Managerial Personnel	Nil
No. of shares held in the Company	Nil
No. of Board meetings attended during last Financial Year	4 (Four)
Details of Remuneration paid/ sought to be paid	Sitting fees and commission
Terms and conditions of appointment	Non-Executive Director – Non-Independent, liable to retire by rotation.

BOARD'S REPORT

To
The Shareholders,

The Board of Directors has pleasure to submit the report and audited financial statements of the Company for the year ended 31st December, 2023.

FINANCIAL RESULTS AND DIVIDEND

Financial Results (Standalone):

₹ Million

	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from operations and Other Income	22,835.07	18,673.78
Profit before tax	2,748.77	2,406.86
Income tax expense		
Current	721.62	538.51
Deferred tax	(18.98)	75.66
Total tax expense	702.64	614.17
Profit for the year	2,046.13	1,792.69
Other comprehensive income	23.75	(67.77)
Total comprehensive income	2,069.88	1,724.92
Appropriations:		
Opening balance of retained earnings	9,494.07	8,204.25
Profit for the year	2,046.13	1,792.69
Dividend paid (including tax thereon)	(522.12)	(435.10)
Other comprehensive income recognised directly in retained earnings	23.75	(67.77)
Total retained earnings	11,041.83	9,494.07
EPS	58.78	51.50

Dividend:

The Board of Directors propose a dividend of ₹ 17.50 per share of ₹10 each (175 %).

Dividend Distribution Policy of the Company as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015") is available on the Company's website at: www.ksbindia.co.in

Share Capital:

During the year under review, there was no change in share capital of the Company.

In order to encourage wider participation of investors and improve the liquidity of the Equity Shares in the stock market, the Board of Directors at its meeting held on 26th April, 2024 has considered and recommended the Sub-division (split) of 1 (One) equity share of the Company having nominal value (face value) of ₹ 10 each (Rupees Ten), into 5 (Five) equity shares of ₹ 2 each (Rupees Two), subject to approval of the Members of the Company and any other approvals, as may be required. The Board has further approved consequential alteration of the Capital Clause i.e., Clause V of the Memorandum of Association (MOA) of the Company, subject to the approval of the Members of the Company and any other approvals, as may be required.

The Board recommends the said proposal of sub-division of shares and alteration of MOA for approval of Members in 64th AGM. Details on the said proposal are covered in the Notice of 64th AGM forming part of this Annual Report 2023.

Transfer to reserves:

The Company does not propose to transfer any amounts to its Reserves for year under review.

GENERAL REVIEW

Working:

The Financial year 2023 is another year of achieving milestones. In spite of all the challenges, the Company could manage to achieve operational synergy with financial growth. A major achievement has been winning the order for the NPCIL Kudankulam nuclear project amounting to ₹ 267 crore. The Company's plants across locations continue to perform well. The Company has entered new market segments like Solar & Green Hydrogen and enhanced product portfolio with new launches.

To boost the Company's manufacturing capabilities, we have set up a new mechanical seal assembly line at Pimpri plant and made significant investments in Coimbatore Valves division to support the growing valves business. Additionally, Company embraced automation with autonomous robots to streamline operations and invested in digital technologies to improve both internal processes and customer interactions.

Export increased by ₹ 448.08 Million from ₹ 2,551 Million last year to ₹ 2,999.08 Million during the year.

The Company continues with its efforts to maintain growth even during the continued challenges.

Credit Rating:

Reaffirmation for the Long Term rating (Fund based) [ICRA] AA+ (stable) and Short Term Rating [ICRA] A1+ assigned for the Line of Credit of the Company continues during the year 2023. This reaffirms the high reputation and the trust Company has earned for its sound financial management and its ability to meet financial obligations. Below Credit Ratings are obtained during past 3 years:

Year	Amount (₹ in Million)	Rating
2023	25,000.00	Long Term AA+, Short Term A1+
2022	25,000.00	Long Term AA+, Short Term A1+
2021	25,000.00	Long Term AA+, Short Term A1+

The Company does not have any debt instruments, fixed deposit program or any scheme for mobilization of funds and accordingly it has not obtained any credit ratings during the financial year for these purposes.

Fixed Deposits:

The Company has not accepted any fixed deposits.

Transfer to Investor Education and Protection Fund ("IEPF"):

During the year, in accordance with section 125 of the Companies Act, 2013 ("the Act") an amount of ₹ 537,130 being unclaimed dividends up to the year 31st December, 2015, were transferred to the Investor Education and Protection Fund established by the Central Government.

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 ("IEPF Rules"), as amended, the shares on which dividend remains unpaid / unclaimed for seven consecutive years or more shall be transferred to the Investor's Education and Protection Fund (IEPF). Accordingly, during the year Company has transferred 2,757 equity shares to the IEPF. The details of equity shares transferred are available on the Company's website at: www.ksbindia.co.in

Subsidiary and Associate:

The Company has 1 subsidiary, viz. Pofran Sales and Agency Limited and 1 associate, viz. KSB MIL Controls Limited as on 31st December, 2023.

In accordance with Section 129 (3) of the Act and Regulation 34 of Listing Regulations, 2015, the audited consolidated financial statements of the Company form part of the Annual Report. A statement containing salient features of the financial statements of the Company's subsidiary and associate is annexed to this Report in prescribed form AOC-1 as Annexure I.

The audited financial statements of Pofran Sales and Agency Limited for the year ended 31st March, 2023 have been placed on the website of the Company viz. www.ksbindia.co.in and are available for inspection at the registered office of the Company. The Company will also make available these documents electronically upon request by any member of the Company interested in obtaining the same.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Annexed to this report as Annexure II.

REPORT ON CORPORATE GOVERNANCE

Annexed to this Report along with certificate thereon as Annexure III.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Annexed to this report as Annexure V.

ANNUAL RETURN

In accordance with the provisions of the Act, the Annual Return of the Company for the year ended 2023 is hosted on website of the Company at : www.ksbindia.co.in

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Contracts or arrangements with related parties referred to under Section 188 of the Act, entered into during the financial year, were on an arm's length basis. No material contracts or arrangements with related parties were entered into during the year under review. Accordingly, no transactions are being reported in form AOC- 2 in terms of section 134 of the Act.

DISCLOSURE UNDER REGULATION 34(3) OF SEBI LISTING REGULATIONS, 2015

There are no loans and advances in the nature of loans to subsidiary/associate/ firms/Companies in which Directors are interested.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not granted any loans, guarantees and investments covered under section 186 of the Act during the year.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism to provide avenues to the stakeholders to bring to the attention of the management, the concerns about behaviour of employees that raise concerns including fraud by using the mechanism provided in the Whistle Blower Policy. The details of the said policy are included in the report on Corporate Governance.

RISK MANAGEMENT

The Company has laid down procedures and informed the Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework. The Risk Management Committee monitors the risks and their mitigation actions.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There is no significant or material order passed during the year by any regulators, courts or tribunals impacting the going concern status of the Company or its future operations. The Company has not filed any application or no proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016, during FY 2023.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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 and Rules framed thereunder, to redress complaints received regarding sexual harassment. The Company has in place a policy in line with the requirements of the said Act. During the year, nil complaint with allegations of sexual harassment was received by the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Dr. Stephen Bross retires by rotation and is eligible for reappointment. The Board recommends the re-appointment.

The Board of Directors, on recommendation of the Nomination and Remuneration Committee and Audit committee, appointed Mr. Mahesh Bhave as Chief Financial Officer and Key Managerial Personnel of the Company effective from 1st January, 2023. Pursuant to Mr. Mahesh Bhave's appointment as Chief Financial Officer, he resigned from his responsibilities as Company Secretary from the closure of business hours on 31st December, 2022.

The Board of Directors, on recommendation of the Nomination and Remuneration Committee and Audit committee, appointed Ms. Shraddha Kavathekar as Company Secretary, Compliance Officer and Key Managerial Personnel of the Company, effective from 1st January, 2023.

DECLARATIONS BY INDEPENDENT DIRECTORS

The Independent Directors have given a declaration to the Company that they meet the criteria of independence as per Section 149(6) of the Act and Regulation 25 of the Listing Regulations, 2015.

BOARD MEETINGS

During the year ended 31st December, 2023, four meetings of the Board were held. The details of the attendance of Directors at the Board Meetings are mentioned in the report on Corporate Governance annexed hereto.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and other matters forms part of report on Corporate Governance. The detailed policy is available on the Company's website at: www.ksbindia.co.in

EVALUATION OF BOARD OF DIRECTORS

The details of the annual evaluation of Board, its Committees and individual Directors are mentioned in the report on Corporate Governance.

BOARD COMMITTEES

The Company has five Committees of Board, viz,

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination and Remuneration Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

Details of all the Committees along with their composition, terms of reference and meetings held during the year are provided in report on Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors report that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

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

d. they have prepared the annual accounts on a going concern basis;

e. proper internal financial controls are in place and that such internal financial controls are adequate and are operating effectively; and

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

PARTICULARS OF EMPLOYEES AND RELATED INFORMATION

In terms of the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing

BOARD'S REPORT (Contd.)

the disclosures pertaining to remuneration and other details as required under the Act and the above Rules are provided in the Annual Report. The disclosures as specified under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this Report as Annexure IV.

The information regarding employee remuneration as required pursuant to Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be available electronically for inspection by members on all working days (Monday to Friday) between 09.00 a.m. and 11.00 a.m. upto Thursday, 27th June, 2024, being the date of the 64th AGM. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished electronically on such request.

STATUTORY AUDITORS

Pursuant to provisions of Section 139 of the Act and Rules thereunder, M/s Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/ N500016) were appointed as Statutory Auditors of the Company for a term of five years, to hold office from the conclusion of 62nd Annual General Meeting, until the conclusion of 67th Annual General Meeting. A affirmation from Statutory Auditors has been received to the effect that their appointment as Statutory Auditors of the Company, continues to be according to the terms and conditions prescribed under Section 139 of the Act and Rules framed there under.

The Auditors' Report for the financial year 2023 does not contain any qualification, reservation, adverse remark or disclaimer. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the financial year 2023.

COST AUDITORS

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Act, 2013, is required by the Company and accordingly such accounts and records are prepared and maintained. Pursuant to Section 148, the Board on the recommendation of the Audit Committee has re-appointed M/s Dhananjay V. Joshi and Associates, Cost Accountants, Pune as Cost Auditors to carry out the audit of Cost Accounts of the Company for the financial year 2024 at a remuneration as mentioned in the Notice convening the 64th Annual General Meeting and the same is recommended for your consideration and ratification. The Cost Audit Report for financial year 2022 which was due to be filed with the Ministry of Corporate Affairs before 30th June, 2023, was filed on 25th May, 2023 and it did not contain any qualification, reservation, adverse remark or disclaimer.

SECRETARIAL AUDITORS

Pursuant to provisions of Section 204 of the Act and Rules thereunder, the Secretarial Audit Report for financial year 2023 issued by Secretarial Auditors, M/s Mehta and Mehta Associates, Company Secretaries is annexed to this report as Annexure VII and it does not contain any qualification, reservation, adverse remark or disclaimer except the self-explanatory comments.

SECRETARIAL STANDARDS

During the year 2023, the Company has generally complied with applicable Secretarial Standards issued by the Institute of the Company Secretaries of India.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required to be given under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in the annexure to this report as Annexure VI.

CORPORATE SOCIAL RESPONSIBILITY (''CSR")

The composition of the CSR Committee, CSR Policy and other required details are given in the Annual Report on CSR Activities annexed to this Report as Annexure VIII.

ACKNOWLEDGEMENTS

The Board of Directors are grateful to Canadian Kay Pump Ltd., the main shareholder, and to KSB SE & Co. KGaA, Germany, the Company's collaborators, for their valuable assistance and support. They wish to record their appreciation for the co-operation and support of the Company's shareholders, bankers and all employees including the workers, staff and management and all others concerned with the Company's business.

Note: The Notice of the 64th AGM and Board's Report along with Annexures thereto for the year ended 31st December, 2023 was originally approved in the respective Committee Meetings and Board Meeting held on 28th February, 2024. However, pursuant to the recommended proposal of sub-division considered in the respective Committee Meetings and Board Meeting held on 26th April, 2024, the Notice of the 64th AGM and Board's Report along with necessary Annexures thereto has been revised and approved on 26th April, 2024.

On behalf of the Board of Directors
GAURAV SWARUP
Chairman

Mumbai, 26th April, 2024

ANNEXURE I TO BOARD'S REPORT

FORM NO. AOC–1

Statement containing salient features of the financial statement of subsidiaries/associate companies as per Section 129 (3) and Rules thereunder

Part "A": Subsidiaries

₹ Million

Name of the subsidiary	Pofran Sales and Agency Limited
The date since when subsidiary was acquired	7th January, 2005
Reporting period for the subsidiary concerned, if different from the holding company's reporting	1st April, 2023 to 31st March, 2024*
Reporting currency and Exchange rate	₹
Share capital	0.50
Reserves & Surplus	1.19
Total Assets	1.75
Total Liabilities	0.06
Investments	-
Turnover	NIL
Profit / (Loss) before taxation	(0.06)
Provision for taxation	0.00
Profit / (Loss) after taxation	(0.06)
Proposed Dividend	-
% of shareholding	100

*The consolidation is based on the unaudited financial information for the period ended as on 31st December, 2023 of the subsidiary.

Part "B": Associate

₹ Million

Name of the associate	KSB MIL Controls Limited
The date on which associate was associated / acquired	24th October, 1997
Latest audited Balance Sheet date	31st December, 2023
Number of shares of associate held by the company on the year end	7,35,000
Amount of investment in associate	62.65
Extent of holding %	49%
Description of how there is significant influence	Ownership of 20% or more of the voting power
Reason why the associate is not consolidated	Ownership of not more than 50% of the voting Power and no control over the Board
Networth attributable to shareholding as per latest audited Balance Sheet	770.84
Profit / Loss for the year	192.04
i. Considered in consolidation	94.10
ii. Not Considered in consolidation	97.94

Gaurav Swarup
Chairman
(DIN : 00374298)

D. N. Damania
Director
(DIN : 00403834)

Rajeev Jain
Managing Director
(DIN : 07475640)

Mahesh Bhave
Chief Financial Officer

Place : Mumbai
Date : 26th April, 2024

Shraddha Kavathekar
Company Secretary

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ANNEXURE II TO BOARD'S REPORT

INTRODUCTION

The Company is engaged in the business of manufacture of power-driven pumps and industrial valves. Castings are mainly produced for captive consumption.

INDUSTRY STRUCTURE AND DEVELOPMENT:

General:

Global Macro-Economic Outlook

The current year 2024 presents a dynamic and complex economic landscape. While the initial fears of a deep recession in response to high inflation and rising interest rates haven't materialized, persistent inflation in key economies dampens growth expectations. The IMF currently projects global GDP growth at 3.1%, a modest improvement from 2.7% in 2023, IMF raises India's FY24 GDP growth forecast to 7.8%, higher than the government's projection. Global inflation is anticipated to fall gradually to 5.8% in 2024 from 6.8% in 2023, yet it will still remain above the long-term average of 3.9%. Geopolitical uncertainties leading the pace of geo-economic fragmentation will further accelerate in 2024. The global inflation outlook for 2023 suggests that, while the inflation is expected to moderate from the last year's peak, the ongoing supply chain disruptions, red sea crisis and potential energy shocks will remain headwinds.

Indian Economy:

Despite global headwinds, India's economy remains a beacon of relative resilience. Domestic demand continues to be the primary driver of growth. Inflation is expected to gradually taper down to the Reserve Bank of India's target range of 4% to 6% by the end of the year. India's equity markets have outperformed major global markets reinstating the trust of global investors into the Indian Market.

Government investments in infrastructure and its focus on attracting private investment through Production-Linked Incentive (PLI) schemes remain key tailwinds propelling growth. The government targeted measures under the 'Make in India' initiative to bolster domestic manufacturing and promote self-reliance across various industries. The manufacturing sector is particularly poised to benefit from the improving investment climate, leading to further job creation and economic expansion. While exports could face some turbulence due to the global slowdown, the strong domestic demand will provide continued momentum for the service sector.

Pumps and Valves Industries:

The Indian pumps and valves industries stand to benefit significantly from the robust economic expansion and government's focus on infrastructure development. Increased investments in irrigation, water supply, sanitation, and urban housing projects will fuel demand for pumps in the water segment. Additionally, greenfield and capacity expansion initiatives in petrochemical, steel, cement, water, wastewater, power and other allied industries will boost both pump and valve demand. These factors combined are expected to propel the Indian pump and valve markets to a sustained growth trajectory over the next few years. Sustainability remains a driving force in the sector, with technological innovations paving the way for greener and more energy-efficient pumps and valves.

OPPORTUNITIES AND THREATS

With the resilient economic outlook driven by consumption demand, the current market situation presents a mix of opportunities for our Company. We are witnessing an ever-expanding demand for our pumps and valves, and we are well-positioned to capitalize on it. Our strategic expansion plans to expand in untapped potential geographies, focus market approach and foraying into new business segments will further strengthen our market presence. Identifying emerging opportunities and diversifying our product offerings into new market segments, such as Hydrogen, firefighting and railways will unlock further growth potential. Additionally, our dedication to the aftermarket segment, through readily available spares and on-demand service, fosters long-term customer relationships and opens up valuable revenue streams.

Company remains vigilant of potential threats like volatile commodity prices, intensifying competition and a possible slowdown in exports. Increased emphasis on product life cycle cost (LCC), customer expectations on reduced development time are also mounting pressure to create ecosystem for sustainable developments. As a Company, we are prepared to mitigate these risks through sound strategies, including resource allocation, capacity expansion, and strategic partnerships. Investing in automation and digital solutions will further enhance our operational efficiency and cost competitiveness.

The year ahead presents both challenges and immense potential for the pumps and valves industry. By leveraging our established strengths, embracing technological advancements, and adapting to the evolving market dynamics, we are confident in continuing our successful growth trajectory and solidifying our position as a leading player in the industry.

SEGMENT WISE PERFORMANCE (Consolidated):

During the year under review, pumps and related spares worth ₹ 18,968 Million (Previous year ₹ 15,219 Million) and valves and related spares worth ₹ 3,504 Million (Previous year ₹ 3,001 Million) were sold. Out of the above, export of pumps, valves and their spares in terms of value were ₹ 2,998.08 Million (Previous year ₹ 2,551 Million).

OUTLOOK:

Company's outlook for 2024 remains positive as we are on the growing path and have registered significant growth from past 5 years. Our strategic initiatives to expand into new market segments like Railways and Firefighting, alongside continued innovation in energy-efficient solutions, will help us stay ahead on our growth curve. Strengthening domestic presence with expanding our distribution network and service infrastructure will further solidify our market position and improve customer reach. While acknowledging the global slowdown, we expect slower growth in our export.

RISKS AND CONCERNS THE MANAGEMENT PERCEIVE:

While the outlook for 2024 appears promising, we remain cognizant of potential headwinds that could dampen our projected growth. An escalation of the current geopolitical situation, persistent global inflation, and rising interest rates could trigger a deeper global recession, impacting export markets and potentially slowing domestic demand. Additionally, if the withdrawal of readily available credit hinders private sector capital expenditure, the demand for our pumps and valves in key industries could be affected. We are actively taking steps to mitigate these risks, diversifying our product portfolio, optimizing our supply chain, and expanding our domestic market presence. We are confident that our agile approach and sound risk management strategies will enable us to navigate these challenges and deliver sustainable value for our stakeholders in 2024.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Internal control systems are implemented -

- To Protect Assets and Optimizing Controls:

  Our commitment to effective internal control systems remained unyielding in 2023. These systems safeguard our assets, optimize costs, and ensure reliable financial reporting, all while adapting to evolving business landscapes, regulatory changes, and best practices

- To keep constant check on Core Control Areas:

  For Asset Safeguarding we maintain comprehensive physical and electronic security measures, including regular inventory reconciliations, access control systems, and data encryption, to prevent asset loss or compromise.

  For Cost Management we have robust systems monitoring and manage expenditures, utilizing budget variance analysis, automated expense approvals, and stringent procurement controls to ensure efficient resource allocation and oversight.

- To maintain Financial Integrity:

  We adhere to the highest accounting standards and maintain rigorous internal financial controls, including segregation of duties, automated reconciliations, and continuous monitoring, to guarantee accurate and transparent financial reporting

- For Continuous Improvement:

  For recognizing the need for continual evolution, we actively implement:

  Internal Audit purpose: Internal auditors assess control effectiveness, identify potential vulnerabilities, and recommend corrective actions. We proactively address their findings and track progress through a dedicated risk management database.

  Management Review: Periodic reviews ensure adherence to established policies and procedures, identifying areas for improvement and fostering proactive risk management.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL EFFICIENCY

The financial performance of the Company has seen a good contribution from operations perspectives. Various cost optimisation drives by ways of alternate sourcing, standardization, process improvements and operational efficiency improvement has led significant savings. Cost reduction have been achieved in certain areas by implementing efficiency improvement programme within the company.

The following statements cover financial performance review, which are attached to this report.

a) Distribution of income

b) Financial position at a glance

c) Financial summary

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES, INDUSTRIAL RELATIONS

Year 2023 witnessed KSB further solidifying its commitment to its people, recognizing them as the bedrock of our success. As a company we strongly focus on the diversity and inclusion. We built upon the strong foundation laid in 2022 by invigorating employee engagement through open communication channels, targeted skill development initiatives, and unwavering dedication to foster a diverse and inclusive environment. Recognizing the importance of employee well-being, we prioritized work-life balance through flexible work arrangements and wellness programs, while simultaneously creating a stimulating and modern work environment through upgraded facilities and enhanced safety measures. Continuous recognition of individual and team achievements further propelled morale and cemented a deep sense of pride in being part of the KSB family. Maintaining strong industrial relations remained a crucial focus, fueled by open dialogue with employee representatives, competitive compensation packages, and an unwavering commitment to providing a fair and rewarding work environment across all our plants. As we move forward, we remain steadfast in our dedication to investing in our human capital, confident that a highly engaged, skilled, and motivated workforce will not only drive sustainable growth but also strengthen KSB's position as an industry leader in employer excellence.

CAUTION:

This report is based on the experience and information available to the Company in the pumps and valves business and assumption in regard to domestic and global economic conditions, government and regulation policies etc. The performance of the Company is dependent on these factors. However, the performance may be materially influenced by the changes therein beyond the Company's control, affecting the views expressed in or perceived from this report.

KEY FINANCIAL RATIOS

Key financial ratios of the Company showing financial performance are as under:

Ratios (Standalone)	Year Ended 31st December, 2023	Year Ended 31st December, 2022
1. Debtors Turnover (days)	74	71
2. Inventory Turnover (days)	172	182
3. Operating Profit Margin (%)	11.65	12.40
4. Net Profit Margin (%)	9.14	9.88
5. Return on Net Worth (%)	17.48	17.43
6. Interest Coverage Ratio (%)	52.87	40.29

Note: Interest Coverage Ratio has increased due to increase in the profitability for FY2023.

On behalf of the Board of Directors,
GAURAV SWARUP
Chairman

Mumbai, 26th April, 2024

DISTRIBUTION OF INCOME (STANDALONE)

₹ Million

		Year ended 31st December, 2023 ₹	%	Year ended 31st December, 2022 ₹	%
1.	Raw Materials/Bought-out Components Consumed	12,775	55.94	9,880	52.90
2.	Excise Duty(till 30th June, 2017)	-	-	-	-
3.	Employee benefits expense	2,697	11.81	2,439	13.06
4.	Other Expenses	4,064	17.80	3,434	18.39
5.	Finance cost	53	0.23	61	0.33
6.	Depreciation	497	2.18	453	2.42
7.	Taxation				
	Current	722	3.16	538	2.88
	Deferred	-19	(0.08)	76	0.41
8.	Other Comprehensive (Income)/Expense	(24)	(0.11)	68	0.36
9.	Dividend (including tax thereon)	522	2.29	435	2.33
10.	Retained Earnings	1,548	6.78	1,290	6.91
	TOTAL	22,835	100.00	18,674	99.99

FINANCIAL POSITION AT A GLANCE (STANDALONE)

₹ Million

CAPITAL

		Year ended 31st December, 2023	Year ended 31st December, 2022
ASSETS OWNED			
Non-Current Assets			
1.	Property, Plant and Equipment (including Capital Work in Progress and RoU assets)	4,290	3,735
2.	Intangible Assets	224	17
3.	Investments	63	63
4.	Other Non-Current Assets (net)	227	562
5.	Deferred Tax Assets (net)	178	167
Current Assets (Net) excluding borrowings		7,496	6,386
	TOTAL	12,478	10,930
FINANCED BY			
1.	Borrowings	-	-
2.	Net Worth*	12,478	10,931
	TOTAL	12,478	10,931
*Represented by			
Equity Share Capital		348	348
Other equity		12,130	10,583
	TOTAL	12,478	10,931
INCOME EARNED			
1.	Revenue from operations	22,472	18,220
2.	Other Income	363	454
	TOTAL	22,835	18,674
INCOME DISTRIBUTED			
1.	Materials consumed	12,775	9,880

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

₹ Million

2.	Employee benefits expense	2,697	2,439
3.	Other expenses	4,064	3,434
4.	Finance cost	53	61
5.	Depreciation	497	453
6.	Taxation		
	Current	722	539
	Deferred	(19)	76
7.	Other Comprehensive (Income)/Expense (net)	(24)	68
8.	Dividend (including tax thereon)	522	435
9.	Retained Income	1,548	1,290
	TOTAL	22,835	18,674

FINANCIAL SUMMARY (STANDALONE)

	2023	2022	2021	2020	2019
CAPITAL ACCOUNTS (₹ Million)					
Equity and Liabilities					
Equity Share Capital	348	348	348	348	348
Other Equity	12,130	10,583	9,293	8,116	7,459
Non-Current Liabilities	458	453	537	462	424
Assets					
Non-Current Assets					
Gross Block	9,547	8,467	7,805	7,482	7,184
Net Block	4,514	3,752	3,498	3,435	3,418
Investments	63	63	63	63	63
Other Non-Current Assets	685	1,015	643	381	408
Deferred Tax Assets (net)	178	167	220	168	119
Current Assets (Net)	7,496	6,386	5,754	4,879	4,223
REVENUE ACCOUNTS (₹ Million)					
Revenue from operations and Other Income	22,835	18,674	15,337	12,404	13,308
Gross Profit before finance cost and depreciation	3,299	2,921	2,459	2,001	1,886
Finance cost	53	61	50	34	53
Depreciation	497	453	436	418	457
Profit before tax	2,749	2,407	1,973	1,549	1,376
Profit after tax	2,046	1,793	1,466	973	978
Dividend amount (including tax thereon)	522	435	296	278	251
Retained earnings	1,548	1,290	1,176	657	675
SELECTED INDICATORS					
Return on Capital Employed %	23.17	22.97	20.98	17.46	17.00
Current Ratio	2.05	2.01	2.06	2.01	1.96
Earnings per share	58.78	51.50	42.12	27.96	28.10
Debt equity ratio	0	0	0.00	0.07	0.08
Book value per share	358.50	314.05	276.99	243.18	224.30
Dividend %	150	125	85	80	60
Fixed Assets Turnover	5.06	4.98	4.38	3.61	3.89

REPORT ON CORPORATE GOVERNANCE

ANNEXURE III TO BOARD'S REPORT

1. COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE

The Company aims at conducting its business efficiently, by following professionally acknowledged good governance policies, thus meeting its obligations to all stakeholders in a balanced and accountable manner.

2. BOARD OF DIRECTORS

(a) Composition

The Board of Directors comprises of eight Directors as on signing of this report, of whom one is Managing Director. The office of Managing Director is held by a nominee of Canadian Kay Pump Ltd., the Company's major shareholder.

(b) Attendance of each Director at the Board Meetings and the last Annual General Meeting ("AGM")

Name of the Director	DIN	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM
Mr. Gaurav Swarup	00374298	Chairman - NED	4	Yes
Mr. D. N. Damania	00403834	NED - I	4	Yes
Mr. Pradip Shah	00066242	NED - I	4	Yes
Mr. V. K. Viswanathan	01782934	NED - I	4	Yes
Ms. Sharmila Barua Roychowdhury	08242998	NED - I	4	Yes
Dr. Stephan Bross	00423114	NED	4	Yes
Dr. Matthias Schmitz	07884418	NED	4	Yes
Mr. Rajeev Jain	07475640	Managing Director - ED	4	Yes

ED : Executive Director NED : Non-Executive Director NED – I : Non-Executive Director – Independent

(c) Number of other Companies or Committees the Director of the Company is a Director/ Member/Chairman as on 31st December, 2023

Name of Director	No. of Directorships in other Boards @	No. of Memberships in other Board Committees #	No. of Chairmanships in other Board Committees #
Mr. Gaurav Swarup	7	3	Nil
Mr. D. N. Damania	2	3	Nil
Mr. Pradip Shah	7	5	3
Mr. V. K. Viswanathan	6	1	5
Ms. Sharmila Barua Roychowdhury	Nil	Nil	Nil
Dr. Stephan Bross	1	Nil	Nil
Dr. Matthias Schmitz	Nil	Nil	Nil
Mr. Rajeev Jain	2	Nil	1

@ Directorships of other Indian Public Limited Companies are included.

Memberships / Chairmanships in Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies are included.

(d) Membership on the Boards of other listed Companies

Name of Director	Name of other Listed Company	Category
Mr. Gaurav Swarup	Swadeshi Polytex Limited	Chairman & NED
	Industrial & Prudential Investment Company Limited	Chairman & MD
	Avadh Sugar & Energy Limited	NED-I
	Graphite Limited	NED-I
	IFGL Refractories Limited	NED-I
Mr. D. N. Damania	Sanghvi Movers Limited	NED-I
	Sudarshan chemical Industries Limited	NED-I
Mr. Pradip Shah	BASF India Limited	Chairman & NED-I
	Kansai Nerolac Paints Limited	Chairman & NED-I
	Sonata Software Limited	Chairman & NED-I
	Pfizer Limited	NED-I
	Bajaj Auto Limited	NED-I
	Bajaj Holding and Investment Limited	NED-I
Mr. V. K. Viswanathan	Bharti Airtel Limited	NED-I
	HDFC Life Insurance Company Limited	NED-I
	United Spirits Limited	NED-I
	ABB India Limited	NED-I
Ms. Sharmila Barua Roychowdhury	Nil	Nil
Dr. Stephan Bross	Nil	Nil
Dr. Matthias Schmitz	Nil	Nil
Mr. Rajeev Jain	Nil	Nil

MD : Managing Director,

NED : Non-Executive Director

NED – I : Non-Executive Director – Independent

(e) Details of Board Meetings held during the year under review

During the year 2023, four Meetings were held on 23rd February, 2023, 9th May, 2023, 2nd August, 2023, 2nd November, 2023.

The information as specified in Schedule II to the Listing Regulations, 2015 is regularly made available to the Board, wherever applicable, for discussion and consideration.

(f) There are no inter-se relationships between the Board members.

(g) Number of shares held by Non-Executive Directors

Name of Non- Executive Director	No. of shares held
Mr. Gaurav Swarup	34,000
Mr. D. N. Damania	4,200

No other Non-Executive Directors hold shares in the Company.

(h) Web-link of familiarisation programme for Independent Directors: https://www.ksbindia.co.in

(i) The Board evaluates its composition to ensure that the Board has the appropriate mix of skills, experience, independence and knowledge to ensure their continued effectiveness. In the table below, the specific areas of focus or expertise of individual Board members have been highlighted.

No.	Essential Core skills/expertise/ competencies required for the Company	Core skills/expertise/competencies of all the Directors on the Board of the Company
1	Strategic and Business Leadership	The Directors and especially the Managing Director have many years of experience.
2	Financial expertise	The Board has eminent business leaders with deep knowledge of finance and business.
3	Governance, Compliance and Regulatory	The presence of Directors with qualifications and expertise in Law and Regulatory affairs lends strength to the Board.
4	Knowledge and expertise of Trade and Technology	The Directors have profound knowledge of economic Affairs, trade and technology related matters.

(j) The Board has noted the declaration received from the Independent Directors pursuant to Listing Regulations, 2015 with regard to their Independence and is of the opinion that the Independent Directors fulfil the conditions of independence and are independent of the management of the Company.

3. COMMITTEES OF THE BOARD

A. Audit Committee

i. Terms of Reference

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Regulations, 2015 and the Act.

ii. Composition, Name of Members and Chairperson

Name of Member	No. of Meetings held	No. of Meetings attended
Mr. D. N. Damania (Chairman)	4	4
Mr. Gaurav Swarup	4	4
Mr. Pradip Shah	4	4
Mr. V. K. Viswanathan	4	4
Ms. Sharmila Barua Roychowdhury	4	4
Dr. Matthias Schmitz	4	4

iii. Details of Audit Committee Meetings held during the year under review

Meetings were held on 23rd February, 2023, 9th May, 2023, 2nd August, 2023, 2nd November, 2023.

Managing Director, Chief Financial Officer, Internal Auditors and Statutory Auditors are invitees to the meeting. The Company Secretary of the Company acts as the Secretary to the Committee.

B. Nomination and Remuneration Committee

i. Terms of Reference

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Regulations, 2015 and the Act.

ii. Composition, Name of Members and Chairperson

Name of Member	No. of Meetings held	No. of Meetings attended
Mr. D. N. Damania (Chairman)	3	3
Mr. Pradip Shah	3	3
Mr. Gaurav Swarup	3	3

iii. Details of Nomination and Remuneration Committee Meetings held during the year under review

Meetings were held on 23rd February, 2023, 9th May, 2023, 2nd November, 2023.

iv. Remuneration Policy

Remuneration Policy of the Company aims at recommending and reviewing the remuneration to Managing Director, Non-Executive Directors and Key Managerial Personnel of the Company and is based on evaluation criteria such as industry benchmarks, Company's annual performance and its strategy, expertise, talent and meritocracy including criteria for determining qualification, positive attributes, independence of a Director etc.

v. Annual evaluation of Board, Committees and individual Directors

Pursuant to the provisions of the Act, Listing Regulations, 2015 and the Remuneration Policy of the Company, the Board of Directors/ Independent

Directors/ Nomination and Remuneration Committee (as applicable) has undertaken an evaluation of its own performance, the performance of its Committees and of all the individual Directors including the Chairman of the Board of Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees. Summary of evaluation is presented to the Nomination and Remuneration Committee and the Board of Directors (as applicable).

Directors express their satisfaction with the evaluation process.

vi. Senior Management

The Board of Directors, based on the recommendations of NRC, has identified category of Senior Management Personnel(s), pursuant to the provisions of Regulation 16(1)(d) of LODR. Details of Senior Management Personnel(s) as on 31st December, 2023, are as follows:

Sr No	Name	Designation/Head of Department
1	Mr. Rajeev Jain	Managing Director, KSB India & Regional Executive Officer - Region Asia West
2	Mr. Mahesh Bhave	Chief Financial Officer & Vice President Finance and DTC
3	Mr. Nitin Patil	Vice President, Nuclear Business, Operations- Pimpri, Chinchwad & Shirwal Plants
4	Mr. Mohan Patil	Vice President, Human Resources
5	Mr. Prashant Kumar*	Vice President - Sales & Marketing
6	Mr. Sunil Bapat	Vice President- Operations - Sinnar, Solar Business & Foundry
7	Mr. Farrokh Bhathena*	Vice President - Sales & Marketing
8	Mr. Manoharan Raja	Senior General Manager, Operations - Coimbatore Valves Plant
9	Mr. Pradip Watve	Senior General Manager- Purchase
10	Mr. Mukesh Pattewar*	Senior General Manger- Contract Management
11	Mr. Rajesh Kulkarni	General Manager, SupermeServ - Chinchwad Plant
12	Mr. K S Seshadri	General Manager- Product Management & Product Support
13	Mr. Philip Puthenpurackal	General Manager, Quality Management
14	Mr. Shraddhanand Desai	Senior General Manger- Controlling, Corporate Strategy
15	Ms. Shraddha Kavathekar	Company Secretary & Compliance Officer

* Mr. Farrokh Bhathena, Vice- president of Sales and Marketing retired with effect from end of the day 31st December 2023.

*Mr Prashant Kumar has been appointed as Vice- president of Sales and Marketing with effect from 01st January 2024.

* There is change in reporting of Mr. Mukesh Pattewar, Senior General Manger-Contract Management with effect from 01st January 2024. Accordingly, he is categorised in Senior management.

C. Corporate Social Responsibility Committee

i. Terms of Reference

The terms of reference of this Committee are wide enough covering the matters specified under Companies Act, 2013 and the Rules made thereunder.

ii. Composition, Name of Members and Chairperson

Name of Member	No. of Meetings held	No. of Meetings attended
Mr. D. N. Damania (Chairman)	3	3
Mr. Gaurav Swarup	3	3
Mr. Rajeev Jain	3	3

iii. Details of Corporate Social Responsibility Committee meetings held during the year under review

Meetings were held on 23rd February, 2023, 2nd August, 2023, 2nd November, 2023.

D. Stakeholders' Relationship Committee

i. Terms of Reference:

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Regulations, 2015 and the Act.

ii. Composition, Name of Members and Chairperson

Name of Member	No. of Meetings held	No. of Meetings attended
Mr. D. N. Damania (Chairman)	1	1
Mr. Gaurav Swarup	1	1
Mr. Rajeev Jain	1	1

iii. Details of Stakeholders' Relationship Committee Meetings held during the year under review:

Meeting was held on 2nd August, 2023.

iv. The Company Secretary Ms. Shraddha Kavathekar acts as Compliance Officer and as the secretary to the committee.

During the year under review five grievances were received based on the reports from Link in time India Private Limited. The grievances have been resolved to the satisfaction of the shareholder.

There are no pending Complaints as at the year end.

E. Risk Management Committee

i. Terms of Reference

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Regulations, 2015 and the Act.

ii. Composition, Name of Members and Chairperson

Name of Member	No. of Meetings held	No. of Meetings attended
Mr. Pradip Shah (Chairman)	3	3
Dr. Matthias Schmitz	3	3
Mr. Rajeev Jain	3	3

iii. Details of Risk Management Committee meetings held during the year under review

Meetings were held on 23rd February, 2023, 2nd August, 2023, 2nd November, 2023.

4. REMUNERATION OF DIRECTORS

The remuneration payable to the Executive Director is approved by the members at the general meeting of the Company. Remuneration of Executive Director consists of a fixed salary, perquisites, performance linked bonus, based on the individual and the Company's performance and commission based on net profits of the Company subject to a ceiling of 50% of the annual salary. The Board of Directors on the recommendation of Nomination and Remuneration Committee determine the performance linked bonus from year to year.

(a) Details of remuneration paid/payable to the Executive Director for the year under review

₹ '000s

Name of the Director	Salary	Commission	Performance linked bonus	Perquisites & Contribution to Provident Fund	Total	Terms of appointment
Mr. Rajeev Jain	12,743	6,371	16,195	17,164	52,473	For a term of 5 years effective from 1st July, 2021.

Notes:

i. The above remuneration to Mr. Rajeev Jain excludes contribution for gratuity, superannuation and personal accident insurance premium and the liability for encashable leave as the figures for the Director are not separately available.

ii. The Company does not have a stock option scheme.

iii. The notice period for Mr. Rajeev Jain will be as per the service contract mutually agreed between him and the Board. No severance fees are payable to the Director.

(b) The Board of Directors decide the remuneration of Non-Executive Directors which consists of a sitting fee as well as commission based on the net profits of the Company.

As approved by the members commission amount is limited to 1% of the net profits of the Company.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Details of remuneration to Non-Executive Directors for the period 1st January, 2023 to 31st December, 2023 are as under:

₹ '000s

Name of the Directors	Directors' Fees	Commission (to be proposed)
Mr. Gaurav Swarup	380	3,600
Mr. D. N. Damania	380	1,800
Mr. Pradip Shah	370	1,800
Mr. V. K. Viswanathan	280	1,800
Ms. Sharmila Barua Roychowdhury	280	1,800
Dr. Stephan Bross	160	1,800
Dr. Matthias Schmitz	325	1,800
Total	2,175	14,400

5. GENERAL BODY MEETINGS

(i) Location and time where last three Annual General Meetings were held

Financial Year	Date	Time	Venue
2020	29th April, 2021	3.00 pm	Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")
2021	11th May, 2022	12.00 pm	Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")
2022	11th May, 2023	1.00 pm	Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")

(ii) Special Resolution passed in the previous three Annual General Meetings

Financial Year	Special Resolution Passed
2020	Yes
2021	No
2022	Yes

(iii) Postal Ballot

No resolution was required to be passed by means of a postal ballot during the last year. Resolution, if required, shall be passed by Postal Ballot during the Financial Year 2023, as per the prescribed procedure.

6. MEANS OF COMMUNICATION

i. Quarterly Results	Published in the newspaper every quarter
ii. Newspapers wherein results are normally published	Business Standard, Economic Times, Sakal and Navashakti
iii. Any website, where results are displayed	On the website of the Company at www. ksbindia.co.in and on websites of BSE Limited and National Stock Exchange of India Ltd.
iv. Whether it also displays official news releases	Yes
v. The presentations made to institutional investors or to the analysts	Yes and the same is available on the website of the Company at www.ksbindia.co.in

7. GENERAL SHAREHOLDER INFORMATION

AGM: Date, Time and Venue	Thursday, 27th June 2024 at 1.30 p.m. IST through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM").
Financial Year	The financial year under review covers the period 1st January, 2023 to 31st December, 2023.
Date of Book Closure	Friday, 14th June, 2024 to Wednesday, 26th June, 2024 (both days inclusive).
Dividend Payment date	15th July, 2024 onwards
Listing on Stock Exchanges	1. BSE Limited, Mumbai 2. National Stock Exchange of India Limited (NSE), Mumbai The Company has paid the listing fees for the period 1st April, 2023 to 31st March, 2024.
Stock Code	1. BSE : 500249 2. NSE : KSB 3. ISIN : INE999A01015
Market Price Data: High, Low during each month in last Financial year	Please see Annexure 'A'.
Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.	The performance of the Company's share relative to the BSE sensitive index is given in Annexure 'B'.
Registrar and Transfer Agent	Link Intime India Pvt. Ltd.
Share Transfer System	Transfer of shares held in physical form is not permitted after 31st March, 2019 as per the SEBI notifications.

Updation of KYC details	Members are requested to update their KYC details with Company's RTA viz. Link in time India Pvt. Ltd. at the earliest.
Distribution of Shareholding and Shareholding pattern as on 31st December, 2023	Please see Annexure 'C'.
Dematerialisation of shares and liquidity	99.36% of the Paid-up Capital has been dematerialised as on 31st December, 2023.
Outstanding GDRs/ADRs/Warrants or any Convertible instruments conversion date and likely impact on equity	Not issued.
Plant Locations	The Company's plants are located at **Maharashtra-** Pimpri, Pune Chinchwad, Pune Vambori, Ahmednagar Sinnar, Nashik Kesurdi, Shirwal / Khandala **Tamil Nadu-** NSN Palayam, Coimbatore
Address for correspondence	Shareholders should address correspondence to Link Intime India Pvt. Ltd., C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No.: 022 49186270 write us: https://liiplweb.linkintime.co.in/rnthelpdesk/Service_Request.html
Credit Rating	The Company does not have any debt instruments, fixed deposit program or any scheme for mobilization of funds and accordingly it has not obtained any credit ratings during the financial year for these purposes. The details of Credit Rating obtained for borrowings are covered in the Board's Report annexed herewith.

8. DISCLOSURES

A. Pursuant to requirements of Listing Regulations, 2015 the Company has adopted the policy determining material subsidiaries and the policy on related party transactions and the said policies are available on the Company's website at: www.ksbindia.co.in

B. Disclosure on Material Related Party Transactions

The Company has not entered into any transactions of a material nature with the promoters, Directors or management their subsidiaries or relatives etc. that may have a potential conflict with the interests of the Company at large.

Normal trade transactions, sales commission agreement for exports and license and technical collaboration agreements are being entered into with KSB SE, Germany and other group Companies from time to time. Further, remuneration is paid to Directors, dividend is paid on shares held by Directors, etc. Full disclosures on related party transactions, as per the Ind AS 24 are given under Notes to the financial statements. The link of the Related Party Policy of the Company has been included in the annexure IX to the Board's Report.

Details of shareholdings of Non-Executive Directors and dividend paid thereon:

Name of the Directors	No. of shares held	Dividend paid (₹)
Mr. Gaurav Swarup	34,000	5,10,000
Mr. D. N. Damania	4,200	63,000

C. Details of non-compliance, penalties and strictures imposed on the Company by the Stock Exchanges/ SEBI/ Statutory Authorities on matters relating to capital markets during the last three years.

The Company has complied with the requirements of regulatory authorities on capital markets and no penalties / strictures have been imposed against it in the last three years.

D. Board Disclosures - Risk Management

The Company has laid down procedures and informed the Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

E. Whistle Blower Policy

The Whistle Blower Policy has been adopted to provide appropriate avenues to the stakeholders to bring to the attention of the management, the concerns about any unethical behaviour, by using the mechanism provided in the Policy. We affirm that no personnel has been denied access to the Chairman of the Audit Committee.

F. Details required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

i. number of complaints filed during the financial year: Nil

ii. number of complaints disposed of during the financial year: Nil

c. number of complaints pending as on end of the financial year: Nil

G. Certificate from practicing Company Secretary on eligibility of the Board of Directors to serve as Directors is annexed to this Report.

H. The Board has accepted the recommendations of its Committees, as applicable.

I. The total fees for all services paid by the Company to the statutory auditor are mentioned in financial statements.

J. The Company has not given any loans or advances to subsidiary /associate /firms / Companies in which Directors are interested during the year under review.

K. Disclosure of commodity price risks and commodity hedging activities: The details are provided in financial statements forming part of this report.

L. Disclosure of certain types of agreements binding listed entities : Information disclosed under clause 5A of paragraph A of Part A of Schedule III of Listing Regulations, 2015:

Link for the complete details of the agreements: www.ksbindia.co.in

The Company has disclosed to the Stock exchanges where it is listed, the following details during the year.

Sr. No.	Particulars of Disclosure	Details
1.	If the listed entity is a party to the agreement,	The listed entity (i.e., KSB Limited (the "Company") is not a party to the SHA (defined below) read with the Addendum (defined below) and the IA (defined below).
	i. details of the counterparties (including name and relationship with the listed entity).	Not Applicable.
2.	If listed entity is not a party to the agreement:	
	i. name of the party entering into such an agreement and the relationship with the listed entity;	Shareholders' Agreement dated October 01, 2008 ("SHA") between Canadian Kay Pump Limited ("Kay Pump") and Mr. Mahendra Swarup read with the Addendum to the SHA dated December 10, 2015 executed among Kay Pump, Mr. Gaurav Swarup and Mr. Vikram Swarup ("Addendum") and read with the Interpretation Agreement dated December 10, 2015, executed among Kay Pump, Mr. Gaurav Swarup and Mr. Vikram Swarup ("IA"). The SHA read with the Addendum and the IA will inure to the benefit of and is binding on each of the parties and their respective successors and assigns. A. Parties to the SHA: (a) Canadian Kay Pump Limited ("Kay Pump") and (b) Mr. Mahendra Swarup. B. Parties to the Addendum: (a) Kay Pump; (b) Mr. Gaurav Swarup; and (c) Mr. Vikram Swarup C. Parties to the IA: (a) Kay Pump; (b) Mr. Gaurav Swarup; and (c) Mr. Vikram Swarup D. Kay Pump and the Swarup family (including certain corporate entities controlled by the Swarup family) are members of the promoter/ promoter group of the Company.

Sr. No.	Particulars of Disclosure	Details
	ii. details of the counterparties to the agreement (including name and relationship with the listed entity); and	As mentioned in point 2 (i) above.
	iii. date of entering into the agreement.	A. SHA: October 1, 2008. B. Addendum: December 10, 2015 C. IA: December 10, 2015.
3.	Purpose of entering into the agreement.	The SHA read with the Addendum and read with the IA governs the relationship of Kay Pump and the Swarup family as shareholders of the Company and records the understanding between them in relation to management and governance matters of the Company.
4.	Shareholding, if any, in the entity with whom the agreement is executed.	As on date, Kay Pump holds 40.54% of the total share capital of the Company and the Swarup family (including certain corporate entities controlled by the Swarup family) hold 26.15% of the total share capital of the Company.
5.	Significant terms of the agreement (in brief). A. Board of Directors: (a) Kay Pump has right to nominate 3 (three) directors on the board of the Company as long as the entire board consists of 8 (eight) members; and (b) the Swarup family has the right to nominate 2 (two) directors on the board of the Company as long as the entire board consists of 8 (eight) members. The Swarup family has the right to nominate the chairman, who is to be a non-executive chairman. B. Rights pertaining to Management of the Company: With respect to the management of the Company, the parties agree to cause their respective nominees who are from time to time Directors of the Company to vote and act so as to require and assure that no resolution shall be passed by the Board at a meeting or by circulation, in respect of each and/or all of the following matters unless both parties have consulted each other and resolved and respective disagreements: (a) Any proposal for a change in the Memorandum and Articles of Association of the Company or in the share capital of the company; (b) Merger/demerger with any other Company or any other disposal of shares; (c) Increase or reduction of equity share capital of the Company or issue of securities convertible into equity shares of the Company; (d) Change of auditors; (e) Recommending dividends or any other distribution to the shareholders; (f) The appointment of operating directors- that is, senior managers not being members of the Board of Directors of the Company;	

Sr. No.	Particulars of Disclosure	Details
	(g) Enter into new businesses by the Company or through subsidiaries. With respect to matters pertaining to annual budgets, the Swarup family shall be under an obligation to vote their shares in the Company in support of any respective decision made by Kay Pump. C. Transfer Provisions: The parties have agreed to customary inter-se transfer processes in relation to a transfer of shares by the parties including rights and obligations of the parties before transferring shares and tag along rights. D. In case of voting on matters of importance relating to the Company which require shareholder action, Kay Pump and the Swarup family are required to consult and agree on such voting. Without limiting the generality of the foregoing, the parties have agreed that any change in the memorandum and articles of the Company, change in the share capital of the Company and election of directors of the Company by shareholders shall be deemed for the purpose of the SHA to be matters of importance.	
6.	Extent and the nature of impact on management or control of the listed entity.	As set out at S. No. 5 above, the SHA read with the Addendum and the IA confers rights pertaining to nomination of directors and chairman of the Company and rights pertaining to governance and management of the Company. These rights impact the management and control of the Company.
7.	Details and quantification of the restriction or liability imposed upon the listed entity.	Not ascertainable.
8.	Whether the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship.	Kay Pump and the Swarup family (including certain corporate entities controlled by the Swarup family) are members of the promoter/promoter group of the Company.
9.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length".	Not Applicable.
10.	In case of issuance of shares to the parties, details of issue price, class of shares issued.	Not Applicable.
11.	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.	Details of Board Nominees: A. Dr. Stephan Bross, Mr. Rajeev Jayantiprasad Jain and Dr. Matthias Gunter Schmitz are the appointees of Kay Pump currently on the board of the Company.

Sr. No.	Particulars of Disclosure	Details
		B. Mr. Gaurav Swarup is an appointee of the Swarup family currently on the board of the Company.
12.	In case of rescission, amendment or alteration, the listed entity shall disclose following additional details to the stock exchange: (a) name of parties to the agreement; (b) nature of the agreement; (c) date of execution of the agreement; (d) details and reasons for amendment or alteration and impact thereof (including impact on management or control and on the restriction or liability quantified earlier); and (e) reasons for recission and impact thereof (including impact on management or control and on the restriction or liability quantified earlier).	Not Applicable.

9. NON-MANDATORY REQUIREMENTS

The Company has complied with all requirements of corporate governance specified in Listing Regulations, 2015.

The status with regard to compliance by the Company with discretionary requirements as listed out in Part E of Schedule II of the SEBI Listing Regulations is as under:

a. The position and office of the Chairman of the Board of Directors and that of MD / CEO are separate.

b. The audit report of the Company's Financial Statements for the year ended 31st December, 2023 is unmodified.

c. The Company is in compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulation. The Internal Auditors engaged by the Company report directly to the Audit Committee.

d. The Company follows a robust process of communicating with the shareholders which has been elaborated in the Report under the Heading 'Means of Communication'.

On behalf of the Board of Directors
GAURAV SWARUP
Chairman

Mumbai, 26th April, 2024

Declaration by the Managing Director under Schedule V to SEBI Listing Regulations, 2015 regarding compliance with Business conduct Guidelines (Code of Conduct)

All Board members and senior management personnel have affirmed compliance with the Code of Conduct for the year 2023.

Rajeev Jain
Managing Director

Mumbai, 26th April, 2024

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members,
KSB Limited

We have examined the compliance of conditions of Corporate Governance by KSB LIMITED (hereinafter referred as "Company") for the Financial year ended December 31, 2023 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

We further state that such compliance is neither on 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.

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For Mehta & Mehta, Company Secretaries
(ICSI Unique Code P1996MH007500)
Ashwini Inamdar, Partner
FCS No: F 9409, CP No.: 11226
UDIN: F009409E003504111

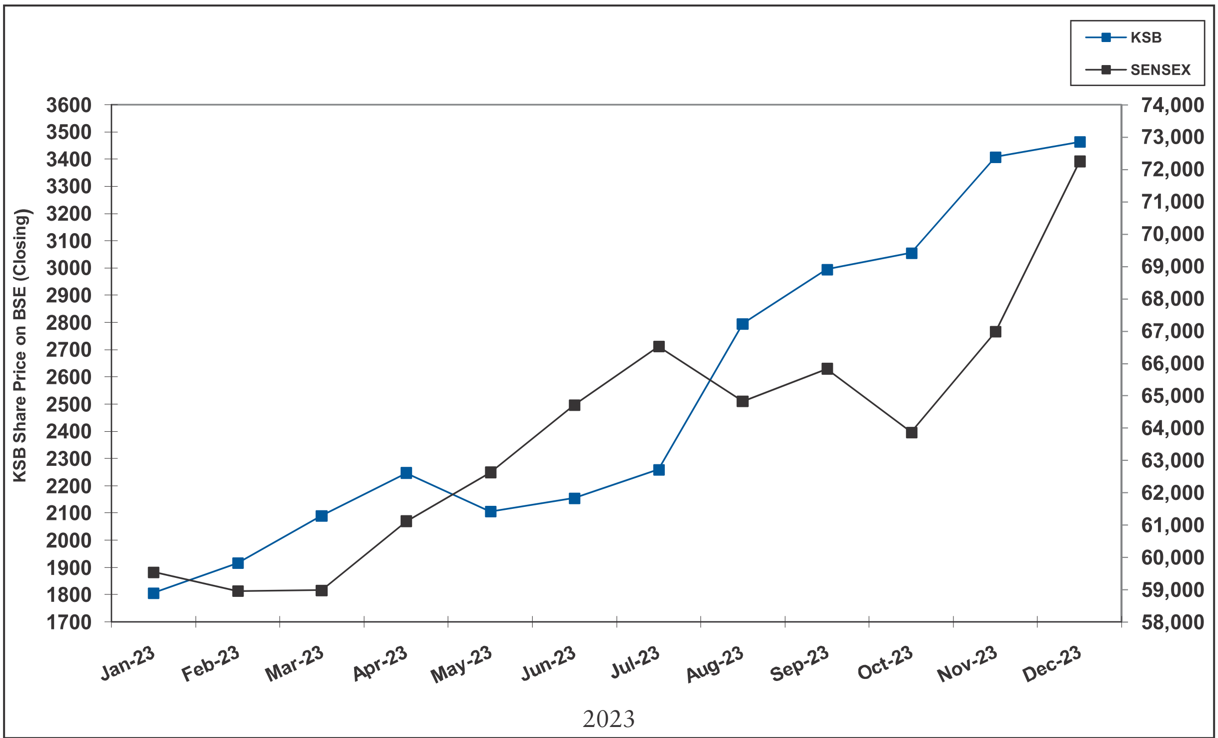
Mumbai, 28th February, 2024

ANNEXURE A

Price and volume of shares traded as on 31st December 2023

Month/Year	BSE Ltd.			National Stock Exchange of India Ltd.		
	High (₹)	Low (₹)	Volume traded	High (₹)	Low (₹)	Volume traded
January, 2023	1,949	1,706	15,747	1,960	1,717	1,82,105
February, 2023	2,017	1,765	29,035	2,020	1,761	7,99,521
March, 2023	2,136	1,915	84,078	2,140	1,913	13,06,980
April, 2023	2,293	2,137	55,381	2,300	2,130	6,31,431
May, 2023	2,357	2,067	39,747	2,357	2,075	6,46,572
June, 2023	2,262	2,057	17,030	2,265	2,080	3,61,380
July, 2023	2,239	2,015	11,066	2,287	2,013	6,82,443
August, 2023	2,886	2,370	1,31,594	2,892	2,243	31,65,352
September, 2023	3,220	2,624	1,06,479	3,228	2,626	28,24,460
October, 2023	3,340	2,800	1,23,259	3,348	2,795	12,85,826
November, 2023	3,497	2,907	36,653	3,496	2,892	7,43,756
December, 2023	3,549	3,249	30,989	3,550	3,231	7,90,143

ANNEXURE B



ANNEXURE C

Distribution of shareholding as on 31st December, 2023

Number of shares held	Members		Shares	
	Number	%	Number	%
1- 500	44,968	96.04	16,67,991	4.79
501-1,000	835	1.78	6,27,211	1.80
1,001-2,000	548	1.17	8,05,418	2.31
2,001-3,000	168	0.36	4,04,084	1.16
3,001-4,000	79	0.17	2,73,844	0.79
4,001-5,000	39	0.08	1,70,827	0.49
5,001-10,000	85	0.18	5,82,167	1.67
10,001 and above	100	0.21	3,02,76,302	86.98
Total	**46,822**	**100.00**	**3,48,07,844**	**100.00**

Categories of shareholders as on 31st December 2023

Category	No. of Shares held	% to the Capital
Indian Promoters	91,03,458	26.15
Foreign Promoters	1,41,10,848	40.54
Mutual Funds	25,91,558	7.45
Banks, Financial Institutions and Insurance Companies	8,76,613	2.52
Private Coprorate Bodies	13,85,792	3.98
Indian Public	48,37,608	13.90
Foreign Nationals/NRIs	18,50,891	5.32
Escrow and IEPF	51,076	0.15
Total	**3,48,07,844**	**100.00**

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
KSB LIMITED
Office No. 601, Runwal R-Square,
L.B.S. Marg, Mulund (West),
Mumbai - 400080.

We have examined the relevant registers, records, forms, returns, declarations and other disclosures received from the Directors of KSB LIMITED, having CIN : L29120MH1960PLC011635 and having registered office situated at Office No. 601, Runwal R-Square, L.B.S. Marg, Mulund (West), Mumbai - 400080 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and carried by us and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on December 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authorities:

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Gaurav Swarup	00374298	24/01/2000
2.	Pradip Panalal Shah	00066242	21/06/2008
3.	Dara Nadirshaw Damania	00403834	30/12/1981
4.	Stephan Bross	00423114	11/02/2014
5.	Vegulaparanan Kasi Viswanathan	01782934	16/01/2015
6.	Rajeev Jayantiprasad Jain	07475640	01/07/2016
7.	Matthias Gunter Schmitz	07884418	25/07/2017
8.	Sharmila Barua Roychowdhury	08242998	30/09/2018

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Mehta & Mehta, Company Secretaries
(ICSI Unique Code P1996MH007500)
Ashwini Inamdar, Partner
FCS No: F 9409, CP No.: 11226
UDIN: F009409E003504087

Mumbai, 28th February, 2024

ANNEXURE IV TO BOARD'S REPORT

STATEMENT OF DISCLOSURE OF REMUNERATION

under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2023, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and Company Secretary during the Financial year 2023.

No.	Name of the Director / KMP	Designation	Ratio of remuneration of each Director to the median remuneration of employees	% Increase in remuneration during FY 2023
1.	Mr. Rajeev Jain	Managing Director	52:1	Nil
2.	Mr. Mahesh Bhave	Chief Financial Officer	Not Applicable	Refer Note 2
3.	Ms. Shraddha Kavathekar	Company Secretary	Not Applicable	Refer Note 2

Notes:

1. The Independent Directors of the Company are entitled for sitting fees and commission as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration of Non-executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non-executive Directors' Remuneration is therefore not considered for the above purpose.
2. Mr. Mahesh Bhave, Chief Financial Officer and Ms. Shraddha Kavathekar, Company Secretary appointed from 1st January 2023. Hence % of increase for FY2023 is not applicable.

II. The percentage increase in the median remuneration of the employees in the financial year:

There has been an increase of 7.96% in median remuneration of employees in Financial Year 2023 as compared to Financial Year 2022.

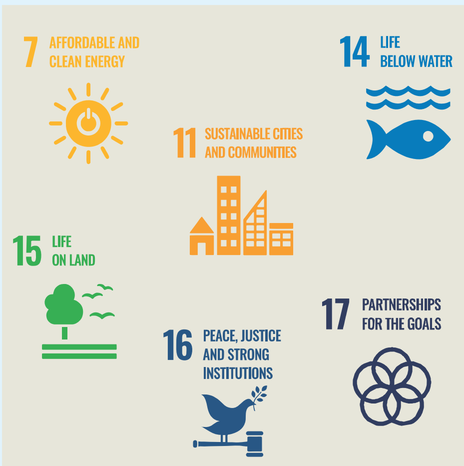
III. The number of permanent employees on the rolls of the Company: There were 2,055 employees on the rolls of the Company as on 31st December, 2023.

IV. Average percentile increase already made in the salaries of employees other than the key managerial personnel in Financial Year 2023 and its comparison with the percentile increase in the managerial remuneration: The aggregate remuneration of employees other than managerial personnel has increased by 11.00% and that of managerial personnel has also increased by 10.20%.

V. Affirmation that the remuneration is as per the remuneration policy of the Company: The remuneration of Directors was as per the Remuneration Policy of the Company.

Business Responsibility and Sustainability Report

ANNEXURE V TO THE BOARD'S REPORT



Achivements

ESG Champion of India 2024 Award in the Industrial Machinery Goods category at the Dun & Bradstreet 'ESG Leadership Summit 2024'

Felicitation for KSB Limited's contribution towards societal impact - Y4D Foundation Project

Felicitation by Government of Maharashtra skill employment entrepreneurship and innovation department - Government ITI, Satara

TÜVINDIA

Independent Assurance Statement

The inventory of Greenhouse Gas emission information from 01st January 2022 to 31st December 2022 has been verified in accordance with ISAE 3410 (GHG's) as meeting the requirement of ISO 14064-1 and GHG protocol. With application of the mentioned standard, the GHG emissions were examined by TUV India Pvt. Ltd. Regarding its correctness and the completeness and confirms below results:

KSB Limited
KSB Limited. Old Mumbai - Pune Highway, 411018
https://ww.ksb.com/en-in

Sr. No	Category	Activity	GHG Emissions (tCO_2e)
1	Direct GHG emissions and removals (scope 1)	LPG	1251
		Refrigerant -R22	104
		Refrigerant - R134	14
		Refrigerant - R410	432
		Refrigerant - R404	20
		Diesel Bus- Contract	583
		Petrol -Ambulance	1
		Diesel(process)	347
		Acetylene-Process	30
		CO_2 - Process	151
		Fire extinguisher-CO_2	0.35
2	Indirect GHG emissions from imported energy (Scope 2)	Grid Electricity usage	14767
Total Scope 1 and 2 GHG emissions			17700
Sum/0.95 (uncertainty factor)			18632

For and on behalf of TUV India Private Limited

Manojkumar Borekar
Project Manager and Reviewer
Head – Sustainability Assurance Service

Date: 26-11-2023
Place: Mumbai, India
Project Reference No: 8121962402

Note: This assurance statement is invalid without annexure 1 of this statement

Platinum Certification- Shirwal (EPD) Plant

Platinum Certification- Chennai Office

Strengthening Our Commitment to Workplace Safety

Occupational Health & Safety Management System - ISO 45001: 2018 is implemented at KSB Limited. In addition, all the EHS systems and procedures are developed considering the local health and safety regulations and requirements, to ensure a safe, healthy, and conducive working environment for all. Safety officers are appointed in each plant to create safety culture & safety awareness across the organization. To ensure safe working environment, the company adopts systematic processes to identify and assess work related hazards and risks on a routine basis.

Process identifying occupational risks

We keep arranging numerous activities to promote good safety practices and raise awareness among our employees and workmen regarding workplace risks. The awareness training sessions on safety, practical workshops, evacuation drill exercises, and safety exhibitions such as Fire Fighting, Mock drills, snake bite awareness training, Health and wellness training, and safety games like Safety Ladder and street plays have all been pivotal in fortifying our safety culture within the Company.

Fire Fighting Training

Health and Safety awareness Training

Safety and Health Pledge

Safety Instruments Exhibition

Health Checkup Camp

ESG GOALS

Environmental

30%	Absolute reduction in GHG Emissions by 2025 over base line of 2022	13 CLIMATE ACTION
80%	Preferred suppliers' (critical Tier I) assessment for their sustainability performance by 2025.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
40%	Green Energy generation by 2025	13 CLIMATE ACTION
80%	ESG awareness training completion for Employees, workmen & Suppliers by 2025.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
6%	Reduction in fresh water consumption in facilities by 2025 from 2022 level	6 CLEAN WATER AND SANITATION
Assurance	Zero waste to landfill 3rd party assurance by 2025	15 LIFE ON LAND
IGBC	Sinnar Plant Platinum certification by 2025	11 SUSTAINABLE CITIES AND COMMUNITIES
	Eco friendly packaging particularly cardboard sheet boxes by 2025	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Social

By 2024	3 Training Man Days per employee	8 DECENT WORK AND ECONOMIC GROWTH
By 2024	8.5 % of Female Employees	5 GENDER EQUALITY
By 2024	Differently abled employee/s at one of the plants	5 GENDER EQUALITY
By 2024	Complete Comprehensive training on Human Rights for all the employees and workmen	10 REDUCED INEQUALITIES
By 2024	Complete Human Rights Due Diligence audit through external party.	8 DECENT WORK AND ECONOMIC GROWTH

Governance

From 2024	100% coverage for detailed Risk Management trainings for new Managers & above employees, and other employees identified by HODs, annually. And Refresher training, once in 2 years for above stated employees	8 DECENT WORK AND ECONOMIC GROWTH
2023 to 2026	Year wise full implementation of the measures for issues identified during Comprehensive Cyber security assessment conducted in FY 2023, as approved by the Board	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

ANNEXURE V TO THE BOARD'S REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity:

S. No.	Question	Response
1.	Corporate Identity Number (CIN) of the Entity	L29120MH1960PLC011635
2.	Name of the Listed Entity	KSB Limited
3.	Year of Incorporation	**1960**
4.	Registered Office Address	Office No. 601, Runwal R-Square, L.B.S. Marg, Mulund (West), Mumbai Mumbai **City** - 400080, Maharashtra, India.
5.	Corporate Address	KSB Limited, Mumbai - Pune Road, Pimpri Pune- 411018, Maharashtra, India.
6.	E-mail	compsec.india@ksb.com
7.	Telephone	020 - 27101024
8.	Website	www.ksbindia.co.in
9.	Financial Year for which report is being done	1st January, 2023 to 31st December, 2023
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited, Mumbai, and National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital (INR.)	34,80,78,440
12.	Name and contact details (telephone, email) of the person who may be contacted in case of queries on the BRSR report	Ms. Shraddha Kavathekar Company Secretary compsec.india@ksb.com 020- 27101024
13.	Reporting Boundary (Standalone or Consolidated basis)	Standalone
14.	Name of Assurance provider	Not applicable in the current year
15.	Type of assurance	Not applicable in the current year
16.	Note for the report: Few numbers for previous year/s revised wherever required, pursuant to adoption of more accurate calculation methods during the year 2023.	

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

II. Products and Services:

16. Details of business activities (accounting for 90% of the turnover):			
S. No.	Description of Main Activity	Description of Business Activity	% Turnover of the entity
1.	Manufacturing of pumps, valves, systems and related services	Electrical equipment, general purpose and special purpose machinery and equipment.	100%

17. Product/ Services sold by the entity (accounting for 90% of the entity's turnover):			
S. No.	Product/ Service	NIC Code	% of total turnover contributed
1.	**Pumps and Valves** Manufacture of fluid power equipment, Manufacture of other pumps, compressors taps and valves	2812 and 2813	100 %

III. Operations:

18. Number of locations where plants and/or operations/ offices of the entity are situated:			
Location	Number of Plants	Number of Offices	Total
National	**6 Plants** **Maharashtra:** • Pimpri, District - Pune • Chinchwad, District - Pune • Vambori, District - Ahmednagar • Sinnar, District - Nashik • Kesurdi, Shirwal, District - Satara **Tamil Nadu:** • NSN Palayam, District - Coimbatore	**14 Branch Offices and 4 Zonal Offices** **North- Noida** (ZO) • Chandigarh, Jaipur, Lucknow & Noida **East- Kolkata** (ZO) • Bhubaneshwar, Jamshedpur, Raipur, Kolkata, Indore, Guwahati & Patna **West- Mumbai** (ZO) • Mumbai, Baroda, & Pune **South- Chennai** (ZO) • Bengaluru, Secunderabad, Chennai & Kochi	24
International	NIL	1 Liaison office in Bangladesh	1

19. Markets Served by the Entity:

a. Number of Locations:

Location	Number
National (No. of States)	Pan India
International (No. of Countries)	KSB exports to many countries worldwide

b. What is the contribution of exports as a percentage of the total turnover of the entity?

KSB India's export contribution is 13% of the total turnover of the entity.

c. A Brief on types of customers?

Our customers include different public sector enterprises, various EPC/LSTK/other contractors, dealers, retailers, direct customers, corporates, semi government bodies, online buyers, inter-company exports etc.

IV. Employees:

20. Details as at the end of the Year 2023:

a. Employees and Workers

Employees (including differently abled)						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	% (B/A)	Number (B)	% (B/A)
1.	Permanent Employees	1,321	1,223	92.58%	98	7.42%
2.	Other than Permanent Employees	132	99	75.00%	33	25.00%
3.	**Total Employees (1+2)**	**1,453**	**1,322**	**90.98%**	**131**	**9.02%**

Workers (including differently abled)						
S. No.	Particulars	Total (A)	Male		Female	
			Number (B)	% (B/A)	Number (B)	% (B/A)
4.	Permanent Workers	727	725	99.72%	2	0.28%
5.	Other than Permanent Workers	1,561	1,518	97.25%	43	2.75%
6.	**Total Workers (4+5)**	**2,294**	**2,249**	**98.04%**	**45**	**1.96%**

b. Differently abled Employees and Workers

The Company has employed one differently abled employee. The Company is in further process of diversifying its workforce strength and making its infrastructure accessible to all.

21. Participation/ Inclusion/ Representation of Women for year 2023			
Particulars	Total (A)	Number of Female (B)	% (B/A)
Board of Directors	8	1	12.50%
Key Management Personnel	3	1	33.33%

22. Turnover rate for permanent employees and workers:									
Particulars	Year 2023			Year 2022			Year 2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	4.97%	20.16%	**16.46%**	7.98%	0.91%	**8.89%**	6.39%	0.55%	**6.94%**
Permanent Workers	16.08%	40.00%	**5.09%**	-	-	-	-	-	-

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a). Names of holding/ subsidiary/ associate companies/ joint ventures				
S. No.	Name of the holding/ subsidiary/ associate company/ joint venture (A)	Indicate whether holding/ subsidiary/ associate company/ joint venture	% of shares held by listed entity	Does the entity indicated at Column A, participate in the Business Responsibility initiatives of the entity (Yes/No)
1.	Pofran Sales and Agency Limited	Subsidiary Company	100%	No
2.	KSB MIL Controls Limited	Associate Company	49%	No

VI. CSR Details

24. CSR related details	
(i). Whether CSR is applicable as per Section 135 of Companies Act, 2013 (Yes/No)	Yes
(ii). Turnover (in INR.)	22,472.38 Million
(iii). Net Worth (in INR.)	12,478.44 Million

VII. Transparency and Disclosures Compliances:

25.Complaints/ Grievances on any of the Principles (1-9) under the National Guidelines on Responsible Business Conduct:

Stakeholder Group	Grievance Redressal Mechanism in place (Y/N) (Provide web-link of policy)	Current Year 2023			Previous Year 2022		
		No. of comp-laints filed	No. of comp-laints pending at close of year	Remarks	No. of comp-laints filed	No. of comp-laints pending at close of year	Remarks
Investors (other than shareholders)	Yes	0	0	-	0	0	-
Shareholders	Yes	0	0	-	3^	0	-
Employees and Workers	Yes	0	0	-	0	0	-
Customers	Yes	23,275*	0	All reported complaints are registered in SAP system by claim management Monthly claim meetings are conducted across locations to decide needed corrective actions on complaints	10,283*	0	All reported complaints are registered in SAP system by claim management Monthly claim meetings are conducted across locations to decide needed corrective actions on complaints
Value Chain partners	Yes	0	0	-	0	0	-
Communities	Yes	0	0	-	0	0	-
Implementation Partners	Yes	0	0	-	0	0	-

**: The figure includes toll-free registrations*
^: The Complaints were closed during the respective quarters

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

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity	Rationale for identifying the risk/ opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity
1.	Energy management	Opportunity	Enhancing and utilizing green energy to reduce carbon footprint of the organization.	KSB is producing 20% of total energy requirement through 3.27MW roof top solar at our plants in Pimpri, Sinnar, Vambori and Shirwal. In addition, KSB Ltd has signed an official Power Purchase Agreement with Sunsure Energy which will supply us with approx. 10 mio kwh units of green power over the next 25 years	Reduced GHG emissions and less sensitivity to changes in cost of fossil fuel
2.	Climate Change	Risk	Preparedness for emergency situations.	To identify the different climate risks more concretely across our manufacturing sites, our parent company received concrete risk assessments data via our insurance broker for the climate risks based on the individual GPS data (geographic coordinates) of the plants. Risks identified for KSB India plants are Earthquake, Storm, Wildfire and Lightening. Accordingly, emergency preparedness plans have been modified and mock drills conducted for such situations at relevant locations.	Lack of adequate preparedness for some of these uncertain emergency situations may lead to employee health emergencies as well as loss of productivity of operations.
3.	Occupational Health & Safety	Risk & Opportunity	Non-compliance to set safe working procedures implemented by organization based on statutory norms and OHSMS ISO:45001:2018.	All manufacturing plants of KSB are certified for OHSMS ISO: 45001:2018. Safety officers are appointed in each manufacturing plant to create safety culture & safety awareness across the organization. Emergency plans/contingency plans for different situations are in place. Focus on safety basics, necessary training and awareness at all levels is ongoing and part of the DNA of the company. Mechanisms for incident investigations and reporting followed by remedial plan and engineering control are in place.	Lapses in Safety management may lead to loss of man-days, impact productivity of operations and loss of company reputation.

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity	Rationale for identifying the risk/ opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity
4.	Efficient Waste management	Risk & Opportunity	Poor waste management leads to legal noncompliance as well as hazard to environment.	We have effective waste management system that governs actions taken to ensure preventing waste, recycling, and environmentally responsible disposal of waste as well as internal collection and additional processing of waste for disposal and recycling.	Non-compliance certainly leads to environmental harm besides potential fines and penalties.
5.	Water Management	Risk & Opportunity	Poor water management leads to shortage of water and legal non-compliances.	Recent proactive measure we have conducted water audits at some of our plants through external agency which helped us in identifying and implementing water saving measures. Water meters are installed for close monitoring of water consumption across locations. At all plants of KSB, rainwater harvesting systems are in place which has percolating (approx.) 70 Mio+ Lit. of water into the ground every year. From ETP/STP plants we have treated approx. 39 Mio+ Lit. of water in year 2023. At all plants of KSB, sprinklers/ drip irrigation mechanism is being used for gardening which results into water savings.	Non-availability of water may hamper the operations & non-compliance of water norms leads to fines and penalties.
6.	Employee Engagement	Opportunity	Engaged employees are more productive and tend to stay with organization for longer durations.	As per latest employee engagement survey, KSB Limited reached the Top Quartile of Engagement (78% employees are highly engaged & standing as a preferred employer to work with). As part of continuous cultural enhancement, we are conducting multiple employee engagement activities focusing on employee well-being and happiness. We intend to continue and introduce new engagement initiatives.	Employee engagement activities will enhance the employee morale resulting in productive work environment.

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity	Rationale for identifying the risk/ opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity
7.	Diversity, Equality, and Inclusion (DE&I)	Opportunity	Creating a diverse and inclusive workplace isn't merely about intentions; it's a strategic decision with numerous advantages. Embracing diverse perspectives fosters collaboration, driving productivity and innovation. This environment also attracts and retains top talent, reducing recruitment expenses and ensuring ongoing contributions from skilled individuals. In essence, diversity and inclusion aren't just ethical imperatives; they're beneficial for our business, enhancing our competitive advantage and fostering lasting success.	At KSB, fostering a diverse and inclusive workplace is not just an aspiration, it's a core value embedded within our organizational fabric. We achieve this through a comprehensive framework that ensures equal opportunities and cultivates a welcoming environment for all employees, regardless of their background or identity. This framework is driven by clearly defined goals and targets, acting as measurable benchmarks that track our progress towards building a truly inclusive workspace. Furthermore, integrating these commitments into the performance evaluation process holds our leaders accountable for actively fostering a culture of inclusion. We understand that diversity benefits every aspect of our organization, and that's why we have implemented proactive initiatives specifically aimed at empowering female talent. This dedication to equal opportunities paves the way for women to not only participate but also thrive within KSB, enriching our talent pool and contributing to a more diverse and innovative organization. Through this multi-faceted approach, we actively strive to build a workforce that reflects the richness of the communities we serve, creating a positive and impactful legacy for future generations.	The opportunity can be evaluated in terms of the outcomes of a more diverse and inclusive workplace. Benefits are in terms of productivity, innovation and certainly retention of talent

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity	Rationale for identifying the risk/ opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity
8.	Sustainable impact on clients	Opportunity	KSB is in a unique position to help its clients in this market on sustainable solutions because it is a leader in nuclear pumps. Additionally, KSB solar products have a sustainable influence in those industries.	KSB firmly believes that unexplored opportunities carry inherent risks. In alignment with this principle, KSB has established a dedicated Innovation Centre with the primary goal of identifying sustainability-related opportunities and crafting customized solutions for our clients.	The immediate financial consequence will be the magnitude of new projects with clients. In a broader sense, the repercussions may include the advantages derived from environmental and social capital.
9.	IT security, data protection and system availability	Risk and Opportunity	As the company expands, there's an increased risk of data breaches and noncompliance with privacy regulations. With the growth of our services, there's a higher chance of operational failure, potentially disrupting continuity. System availability is crucial for productivity and impacts the services delivered to clients	The KSB group has established a Data Protection Management System (DPMS) to ensure ongoing compliance with data protection regulations. This system incorporates preventive measures to mitigate potential risks and supervisory measures for monitoring. It covers planning, organization, implementation, control, and monitoring to meet legal and operational data protection requirements, including GDPR compliance. Additionally, KSB has taken steps to guarantee system availability and has undertaken global and local cybersecurity initiatives. Several measures, including comprehensive cybersecurity assessments, have been completed to bolster overall security posture.	Any incident has a direct impact on the company's operational efficiency via its IT systems, leading to regulatory consequences and potential damage to reputation, which could translate into financial repercussions.

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity	Rationale for identifying the risk/ opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or the opportunity
10.	Governance and ethics	Risk and Opportunity	At KSB, Governance and Ethics are fundamental principles ingrained in our culture. We craft our governance framework to promote ethical conduct throughout the organization. It's clear that lasting success requires a strong governance structure and ethical culture. Regulatory expectations for governance are evolving, emphasizing accountability, transparency, and fairness. For KSB, compliance with current regulations is essential, but we also prioritize proactive readiness for future regulatory demands.	KSB has implemented policies, procedures, and structures to promote ethical conduct and ensure a strong governance framework. The KSB Group's Code of Conduct outlines expected behaviors for KSB and its employees during business activities. The whistle-blower policy, along with various reporting channels, is essential for identifying and resolving any issues that may arise. The Audit Committee conducts regular evaluations of these processes to confirm their efficiency and alignment with established norms.	Noncompliance with corporate governance regulations can result in adverse outcomes for the company, such as financial penalties and harm to its reputation. Moreover, incidents that, while not necessarily violating regulations, raise doubts about the ethical conduct of business activities, carry the risk of diminishing the company's prestige and reputation

SECTION B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies, and processes out in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)*	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the policies, if available	The Policies / Codes required to be Statutorily disclosed are available on website of the Company at www.ksbindia.co.in and other policies are available in company's internal network.								
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, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	• ISO 9001:2015 • ISO 14001:2015 • ISO 45001:2018 • PED 2014/68/EU								
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any.	In alignment with KSB Germany Group targets, our management vision and commitment to sustainable business practices, we have established key performance indicator (KPI) targets and goals to drive meaningful progress towards our corporate sustainability objectives. These targets include achieving a 30% absolute reduction in GHG emissions by 2025, assessing 80% of our critical Tier-I suppliers for sustainability performance, generating 40% of our energy from green sources, and completing ESG awareness training for employees and suppliers by 2025. Additionally, we are transitioning to eco-friendly packaging, ensuring zero waste to landfill through third-party assurance, and conducting comprehensive human rights due diligence audits. Our commitment to continuous improvement is further underscored by our focus on providing training opportunities for employees, with specific targets set for female employee representation and risk management training. Through these KPIs, we are dedicated to driving positive environmental, social, and governance outcomes while delivering long-term value to our stakeholders.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	The company allocates resources to targeted projects and measures aimed at conserving energy, managing water efficiently, improving waste management, reducing greenhouse gas emissions, and enhancing environmental processes. Regular monitoring, assessment, and review of specific key performance indicators (KPIs) are conducted to identify areas for improvement in line with our future plans.								
Governance, leadership, and oversight									

7. **Statement by the director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)**

At KSB Limited, our commitment to sustainability remains unwavering as we continue to navigate the dynamic landscape of environmental, social, and governance (ESG) challenges.
In the face of ongoing ESG challenges, including climate change and resource scarcity, we have reaffirmed our dedication to minimizing our environmental impact and promoting responsible resource management. Our efforts have been focused on enhancing the efficiency of our operations, reducing our carbon footprint, and conserving natural resources wherever possible.

Throughout the year, we have made significant strides in advancing our sustainability agenda. This includes continued improvements in our products, processes, and services to align with the principles of sustainable development and set new industry standards. Moreover, our production facilities maintain certifications to environmental and occupational health and safety management standards, underscoring our commitment to responsible business practices.

In line with our commitment to diversity, equity, and inclusion (DE&I), we have fostered an inclusive work environment that values diverse perspectives and promotes creativity and innovation. We recognize that diverse teams are essential for driving business success and enhancing our competitiveness in the global marketplace.

Furthermore, we have remained steadfast in our dedication to corporate social responsibility (CSR), with a focus on initiatives that contribute to the well-being of our communities and stakeholders. From skill development and education to healthcare and sanitation, our CSR programs aim to make a meaningful and sustainable impact in the areas where we operate.

One notable achievement this year has been the successful completion of the Fluid Mechanics and Machinery Laboratory upgrade at Government Polytechnic, Pune, as part of our industry-institute partnership project. This initiative exemplifies our commitment to supporting education and skill development initiatives that empower future generations and drive socioeconomic progress.

As we look ahead, we remain committed to driving positive change and creating long-term value for all our stakeholders. By integrating sustainability into every aspect of our business operations, we will continue to strive for excellence and uphold our role as a responsible corporate citizen.

Policy and Management Processes	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)	Mr. Rajeev Jain Managing Director (MD)

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.	Committed to sustainability, our internal ESG Committee drives company-wide initiatives. Led by the Managing Director, they develop and oversee ambitious goals, reporting progress to the Board alongside regular business updates. This ensures strong leadership and accountability for our ESG strategy.

**: The statutory policies are approved by the Board or Board Committees, as applicable. Other applicable policies are either approved by the Board or by the appropriate authority.*

10. Details of Review of NGRBCs by the Company:									
Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee And Frequency (Annually/ Half yearly/ Quarterly/ Any Other- please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The policies of the company as a practice are periodically reviewed by departmental or business heads and Directors of the company, basis the business needs and external changes. During the review, efficacy of the policies is assessed, and as applicable, necessary amendments are made to the policies and the associated procedures and processes. The policies on a periodic and need basis undergo review by the Board of the Directors, regarding regulation requirements and compliances.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances									

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If "Yes", provide name of the agency.								
P1	P2	P3	P4	P5	P6	P7	P8	P9
The policies of the company are reviewed internally by various committees on need basis and third-party agencies are engaged for carrying audits and assurance as part of compliance requirements, which inter-alia includes policy review and assessment on a periodic 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	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any Other Reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

SECTION C: Principle Wise Performance Disclosure

Entity demonstrates their performance in integrating the Principles and Core Elements with key processes and decisions.

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent, and Accountable

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

Essential Indicators

1. Percentage coverage by training and awareness programs on any of the Principles during the current year:

Segment	Total number of training and awareness programs held	Topics/ Principles covered under training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	4	Familiarisation/awareness programmes, plant visits for the Board of Directors of the Company are done periodically. The topics cover business, regulations, code of business conduct and ethics, economy and environmental, social and governance parameters, financial and taxation topics etc. In addition, frequent updates are shared with all the Board members apprising them on developments in the Company, key regulatory changes, risks, compliances, and legal cases, internal controls etc.	100%
Key Managerial Personnel	3	The KMP/employees of the Company undergo various training programmes throughout the year. Several training programmes happened through a hybrid learning approach which entailed virtual classroom initiatives, along with dissemination of e-learning modules. Various trainings were undertaken during the year. In addition to the individual training completed in respective desired areas, following training were offered in the Company at large with associated programmes e.g.Compliance trainings, Information and Cyber Security Awareness, Code of Conduct, POSH Awareness, and Introduction to ESG initiatives, awareness trainings and CSR programmes.	100%
Employees other than BoD and KMPs	214		100%
Workers	24	Safety Training sessions	100%

Essential Indicators

2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the current year, in the following format: (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as discussed on the entity's website)

Monetary					
Particulars	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (in INR.)	Brief of Case	Has an appeal been preferred? (yes/ No)
Penalty/ Fine	No penalties / fines were levied to the company during the period.				
Settlement					
Compounding Fee					

Non-Monetary					
Particulars	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutions	Amount (in INR.)	Brief of Case	Has an appeal been preferred? (yes/ No)
Imprisonment	No non-monetary implications during the period.				
Punishment					

3. Of the instances disclosed in Question 2, above detail of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide web-link to the policy.

The company has adopted 'Anti-Corruption and Anti-Bribery Policy' of KSB Germany. The company does not tolerate any bribery and corruption and continues to uphold the highest standards of integrity and transparency.

The policy forms part of the Code of Conduct of KSB Germany for the KSB Group, which is available on: www.ksbindia.co.in

5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	Current Year 2023	Previous Year 2022
Directors	Nil	Nil
Key Managerial Personnel (KMPs)	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	Current Year 2023		Previous Year 2022	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	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 2023	FY 2022
No. of days of account payables	98	116

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 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Concentration of Purchases	a. Purchase form Trading House	100%	100%
	b. Number of trading Houses where purchases are made	2,500	2,200

Parameter	Metrics	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Concentration of Purchases	c. Purchases from top 10 trading houses as% of total purchases from trading houses	36.00%	26.00%
Concentration of Sales	a. Sales to dealers/ distributors as% of total sales	48.66%	50.60%
	b. Number of dealers/ distributors to whom sales are made	966	904
	c. Number of dealers/ distributors to whom sales are made	24.27%	22.91%
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	0.13%	0.12%
	b. Sales (Sales to related parties/Total Sales)	0.06%	0.07%
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	-	-
	d. Investments (Investments in related parties / Total Investments made)	-	-

Leadership Indicators

1. Awareness programs conducted for the value chain partners on any of the Principles during the current year:		
Total number of awareness programmes held	Topics/ Principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
The Company does periodic awareness communication to suppliers in the form of “EHS Influencing Letters”. Sustainability initiatives, due diligence on human rights as well on environmental aspects are a part of our supplier questionnaire that forms part of initial audit with suppliers.		

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. As part of the Corporate Governance, the Company has adopted best practices on reviews of conflict of interest of Directors. The Director's disclosures are placed before the Board and conflict of interest, if any, is discussed and reviewed. The Board collectively is responsible for decision making on conflict of interest disclosed to the Board for any business decisions, wherein any of the Directors are interested. The Board strictly ensures ethical behavior and there are no instances of conflict of interest.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

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

	Current Year 2023	Previous Year 2022	Details of improvements in environmental and social impacts
R&D (₹)	25,97,600	57,62,000	-Pump-set supplied with solar panels -Pumps for Flue Gas Desulfurization application -Increase in efficiencies of motors from IE2 to IE3
Capex (₹)	8,43,17,453	5,83,57,349	

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No). b. If "Yes", what percentage of inputs were sourced sustainability?
The Company has formulated policies around Procurement, Outsourcing and Supplier diversity. The suppliers are selected basis the assessment and evaluation which includes elements of sustainability. Internal & external Audits are carried out for suppliers. The Company intends to carry out assessment of sustainability performance of select suppliers in 2024.

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, d. Other wastes
The company's most goods are made of steel or special steel, which can be easily recycled by authorized local vendors and have high resale value after it reaches its end of lifespan/ life cycle. Due to the nature of business, the company's utilization of recycled materials as processed input is limited. The company's products reach end of life at varied time periods depending upon the market segment requirements as well as the site working conditions and allied activities. Once the product reaches the end of life, some of them are refurbished through KSB authorized service centers based on specific customer's needs.

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 Board? • If "Not", provide steps taken to address the same.
Yes. Extended Producer Responsibility (EPR) is applicable to the Company. The recycling plan is made in line with EPR registration and submitted to Central Pollution control board as required.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/ Assessment (LCA) for any of its products (for manufacturing industries) 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 web-link
Currently, none of our products have been subjected to life cycle assessment (LCA). However, the company is developing a comprehensive framework to examine the lifecycle assessment of its goods, as well as its influence on the environment and society with necessary mitigation steps.					

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
There is no significant socio-environmental risk associated with the company's manufacturing processes, products, and services.		

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	
	Current Year 2023	Previous Year 2022
Due to the nature of business, the company's utilization of recycled materials as processed input is limited.		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, andsafely disposed, as per the following format:						
Particulars	Current Year 2023			Previous Year 2022		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
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 % total products sold in respective category
Not Applicable	

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of Employees:											
Category	Total (A)	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	1,223	1,223	100%	1,223	100%	NA	NA	NA	NA	NA	NA
Female	98	98	100%	98	100%	98	100%	NA	NA	59	60.2%
Total	1,321	1,321	100%	1,321	100%	98	7.41%	NA	NA	59	4.4%
Other than Permanent Employees											
Male	99	NA	NA	99	100%	NA	NA	NA	NA	NA	NA
Female	33	NA	NA	33	100%	33	100%	NA	NA	25	75.7%
Total	132	NA	NA	132	100%	33	25.1%	NA	NA	25	19.1%

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

1. b. Details of measures for the well-being of Workers:

Category	Total (A)	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	725	725	100%	725	100%	NA	NA	NA	NA	NA	NA
Female	2	2	100%	2	100%	2	100%	NA	NA	NA	NA
Total	727	727	100%	727	100%	2	0.3%	NA	NA	NA	NA
Other than Permanent Workers											
Male	1,518	NA	NA	1,518	100%	NA	NA	NA	NA	NA	NA
Female	43	NA	NA	43	100%	43	100%	NA	NA	17	39.5%
Total	1,561	NA	NA	1,561	100%	43	2.8%	NA	NA	17	1.1%

1. c. spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	Current Year 2023	Previous Year 2022
Cost incurred on well-being measures as a% of total revenue of the company*	0.02%	0.04%

**Above spending pertains to the costs incurred by the Company for well-being measures mentioned in point 1a and 1b. Additionally, the Company spends on several other well-being measures for employees and workers.*

2. Details of retirement benefits, for Current Year 2023 and Previous Year 2022

Benefits	Current Year 2023			Previous Year 2022		
	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and Deposited with the authority (Yes/ No/ NA)	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and Deposited with the authority (Yes/ No/ NA)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	NA	68%	Yes	NA	63%	Yes

3. Accessibility of Workplaces

Are the premises/ offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

If "Not", then whether any steps are being taken by the entity in this regard.

One of the administrative offices at KSB Ltd is fully accessible to differently abled employees, the company is actively engaged in making its premises and future offices universally accessible for all in the coming times.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, please provide the web-link of the policy.
Yes, the company believes in equal opportunity to all, which is embedded in company's Code of Conduct, which is available at the website of the Company at www.ksbindia.co.in

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	NA	NA	NA	NA

**: 1 Female Employee took maternity leave and has joined back in 2023.*

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:	
Permanent Workers	Issues and concerns are raised and resolved through workforce associations and unions through discussions and deliberations.
Permanent Employees	For our employees, we have grievance cell, where the employees can raise their complaint, without the fear of retaliation and their concerns will be resolved effectively and in a timely manner. There are various forums like communication meetings and functional meetings at periodic intervals in respective locations to gauge day-to-day issues/concerns. In addition to this, company carries out employee satisfaction survey (KSB Voice) at a set frequency.
Other than Permanent Workers Employees	Issues and concerns are raised to and resolved by concerned operational heads and/or HR coordinator in respective locations.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	Current Year 2023			Previous Year 2022		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of Association(s) or Unions (B)	% (B/A)	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of Association(s) or Unions (B)	% (B/A)
Total Permanent Employees	NA	NA	NA	NA	NA	NA
- Male	NA	NA	NA	NA	NA	NA
- Female	NA	NA	NA	NA	NA	NA
Total Permanent Workers	**727**	**727**	**100%**	**766**	**766**	**100%**
- Male	725	725	100%	763	763	100%
- Female	2	2	100%	3	3	100%

8. Details of training given to employees and workers.

Category	Current Year 2023					Previous Year 2022				
	Total (A)	On Health and safety Measures		On skill upgradation		Total (A)	On Health and safety Measures		On skill upgradation	
		Number (B)	% (B/A)	Number (B)	% (B/A)		Number (D)	% (D/C)	Number (D)	% (D/C)
Employees										
Male	Refer Note below									
Female										
Total	7,660	1,837	24%	5,823	76%	2,236	340	15%	1,896	85%
Workers										
Male	Refer Note below									
Female										
Total	220	-	-	220	100%	-	-	-	-	-

Note : Bifurcation data not monitored

9. Details of Performance and Career Development reviews of employees and workers:

Category	Current Year 2023			Previous Year 2022		
	Total (A)	Number (B)	% (B/A)	Total (C)	Number (D)	% (D/C)
Employees						
Male	1,223	1,223	100%	1,086	1,086	100%
Female	98	98	100%	85	85	100%
Total	**1,321**	**1,321**	**100%**	**1,171**	**1,171**	**100%**
Workers						
Male	725	0	0%	763	0	0%
Female	2	0	0%	3	0	0%
Total	**727**	**0**	**0%**	**766**	**0**	**0%**

Note:

- The career development figures are only for the Permanent employees, excluding other than permanent employee's category.
- Time to time, career development feedbacks are given to extended workforce to strengthen their skills and competencies. Basis the performance and contribution, due incentives are made available to them which act as a motivation for multi-skilling and internal job posting opportunities.

10. Heath and Safety Management System:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No) **If "Yes", then coverage of the system.**	Yes. Occupational Health & Safety Management System - ISO 45001: 2018 is implemented and the certificate is valid till July 2025. In addition, all the EHS systems and procedures are developed considering the local health and safety regulations and requirements, to ensure a safe, healthy, and conducive working environment for all.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis of the entity?	To ensure safe working environment, the company adopts following processes to identify and assess work related hazards and risks on a routine and non-routine basis, which are as follows:

	• Hazard Identification & Risk Assessment study (HIRA) • Job Safety Analysis (JSA) • Internal and External Safety Audit • Incident Investigation • Permit to Work System • HAZOP Study • Fire Audit
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/No)	Yes, the company has functional Safety Committee. Unsafe act/condition/near miss reporting system is in place and workers have direct access for reporting any work-related hazards to safety officer and/or to the plant manager, as applicable.
d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)	• Yes, Group Medical Policy and ESIC is available according to the employee categories. • The company has appointed a medical officer, who provides general healthcare services in OPD to all employees and workers. • Annual medical checkup • Financial assistance for eligible cases

11. Details of safety related incidents, in the following format:

Safety Incidents/ Number	Category	Current Year 2023	Previous Year 2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	3.51	8.02
Total recordable work-related injuries	Employees	2	11
	Workers	0	0
Number of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.
At KSB Limited, a 'Safety Officer' is appointed at all locations to ensure safe working environment, which is a mandatory practice to drive safe work culture, aim zero harm/ zero incident, timely risk assessment, and mitigation measures, with focus on EHS audits and compliances. The company has put in place and adopted various safety measures across all locations which includes the following: • Safety walks / observance to identify unsafe condition and undertake corrective action immediately and close any gap, as identified. • At all locations, a defined system is in place for hazard identification and control and is reviewed periodically to address new hazards and controls time to time. • Compulsorily providing safety training to new employees including contract labor on joining. • An effective training and education program developed and is delivered to enhance EHS awareness for all employees and workers. • A process of investigation of all the EHS related incidents is in place to avoid re-occurrences of such incidents and corrective measures are taken on time to eliminate all likely risks. • Various risk assessment studies, EHS audits and inspection of equipment's, machines, cranes, lifting gears is being carried out regularly. • Identified high risk areas and accordingly emergency preparedness plan is developed to mitigate the emergency within minimum possible time. • Every machine is provided with maximum possible safety controls and proper guarding to moving parts for the elimination of hazards to the best extent possible. • The company has facilities like dedicated ambulance availability 24X7, provision of emergency alarm system consists of smoke detectors, beam detectors, manual call points, hooters, etc.

13. Number of complaints on the following made by employees and workers:

Particulars	Current Year 2023			Previous Year 2022		
	Filed	Pending Resolution at end of year	Remark	Filed	Pending Resolution at end of year	Remark
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health and Safety	Nil	Nil	-	Nil	Nil	-

14. Assessment for the Year (2023):	
Particulars	% of plants and offices that were assessed (by entity or statutory authorities or third party
Health and Safety Practices	100%
Working Conditions	100%

Note: The company is ISO certified, besides the plants undergo timely regulatory safety audits & assessments.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risk/ concerns arising from assessment of health and safety practices and working conditions.

For KSB, prioritizing the safety of our employees and extended workforce remains paramount. This year, we continue to emphasize both leading and lagging indicators of health and safety through rigorous audits and assessments to ensure a conducive working environment. In response to recommendations, we have developed initiatives such as comprehensive trainings, safety manuals, and visual aids to educate employees and workers on safety measures. These efforts underscore our unwavering commitment to fostering a culture of safety and well-being across our organization.

Leadership Indicators

1. Does the entity extend any life insurance or compensatory package in the event of death of (A). Employees; and (B). Workers (Yes/No). Provide detail.

Yes, adequate compensation to the family member (nominee) of the deceased employee. Also, the company provides fast track settlement of benefits like provident fund, gratuity, and superannuation in the event of death of an employee and worker.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures ethical business practices and necessary compliances and disclosures by all its service providers, which is incorporated as part of individual business agreements and reviewed through periodic assessments.

3. Provide the number of employees/ workers having suffered high consequence work-related injury/ ill-health/ fatalities (as reported in Qs. 11 of Essential Indicators above), **who have been/ are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Particulars	Total Number of affected employees/ workers		No. of employees/ workers that are rehabilitated or whose family member have been placed in suitable employment	
	Year 2023	Year 2022	Year 2023	Year 2022
Employees	0	0	0	0
Workers	0	0	0	0

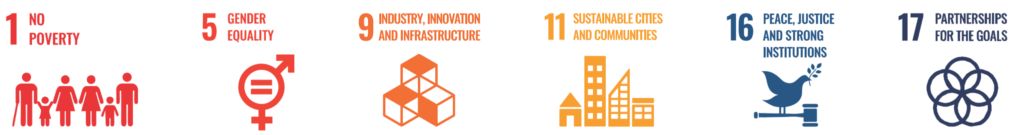
4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No).
Capacity building and skill upgradation training are conducted for all employees, which aids employees during their retirement phase. In some cases, depending upon the employee expertise and business needs, further suitable opportunities are offered to them.

5. Details on assessment of value chain partners (Year 2023) :

Particulars	**% of value chain partners** (by value of business done with such partners) **that were assessed**
Health and Safety Practices	Major/critical value chain partners are being assessed through planned supplier audits on periodic basis. Approximately, 10% of the overall supplier base was assessed during the reporting year.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners.
No significant risk identified in the above assessment during the reporting period. The company has adopted a comprehensive vendor assessment framework which includes requesting declarations via registration forms, understanding EHS practices during the onboarding practices, and validating necessary certifications from local statutory bodies as well as other system related certifications.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders



Essential Indicators

1. Describe the process for identifying key stakeholder groups of the entity.
Stakeholder groups are identified based on the nature of their engagement with the entity. The Company considers government bodies, regulators, employees, suppliers, dealers, retailers, shareholders and investors, direct customers, contractors, plumbers, communities, NGOs, and media as our key stakeholders that contribute to shaping our business. Our stakeholders add value and constitute a core part of our business value chain, therefore, ensuring continuous engagement and interaction through various channels which strengthens our relationship with identified stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.				
Stakeholder Group	Identified as Vulnerable or Marginalized Group (Yes/No)	Channels of Communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during each engagement
Investors and Shareholders	No	Annual General Meeting (AGM), Investors Meet, Newsletter, Forum Meetings, Website, & Press Release (PR)	Regularly	Key topics: Updates on the company's financial performance, strategic initiatives, growth potential, opportunities, risks, ESG objectives, actions, and significant events that could affect the company's performance and brand reputation.
Communities Beneficiaries	Yes	Email, telephone, in-person meetings, and field visits	Regularly and need based	Identifying areas for CSR activities, assessing community needs, prioritizing CSR initiatives, and gathering feedback on the impact and outcomes of CSR projects.
NGO (Implementing partners for CSR activities)	No	Email, telephone, in-person meetings, and field visits	Monthly and need based	Assessment of needs, development of project implementation plans, review and corrective actions, and monitoring the progress of CSR projects.
Dealers	No	Dealer meets, Field visits, Physical and virtual meetings, Training sessions, Dealer Conferences, and Email communication	Fortnightly and need based	Regularly communicate with our dealers to keep them updated on new products and the latest developments in our offerings. Additionally, collaborate with dealers to enhance the reach of our products through various marketing initiatives. Organize dealer meetings and exhibitions regularly to foster interactions and gain insights into evolving customer expectations.

Stakeholder Group	Identified as Vulnerable or Marginalized Group (Yes/No)	Channels of Communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during each engagement
Direct Customers/ Consumers	No	Physical meets, Calls, Email, Events, Exhibitions, Plant visits, and Demonstrations	Regularly and need based	We continuously strive to enhance our processes and systems to gather valuable feedback and ideas from our stakeholders. KSB arranges plant visits for our esteemed customers, and we conduct periodic Customer Satisfaction Surveys to assess their feedback.
Employees and Workers	No	Email, in-person meetings, website, Newsletter, Press Release, Forums, communication meets and employee surveys	Daily and need based	Employee involvement, human resource enhancement, skill development, career advancement, safety education, ESG and CSR endeavors, and the company's dedication to ESG.
Government Bodies and Industry Associations	No	Email, website, Press Release, and Regulatory Forums	Regularly and need based	New initiatives, regulations and statutory reporting and project implementation
Media	No	Press Release and Email	Regularly and need based	We nurture connections with the media through press releases, plant tours, and interviews to build the company's credibility, trustworthiness, and transparency.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The consultation with various stakeholders generally happens through the management team. These consultations are part of regular interactions with various stakeholders and the board is appraised of the important issues.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topic? (Yes/No)

If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the CSR projects taken for implementation have inputs from the stakeholders and the projects are taken based on the needs identified by the communities and implementation agency.

3. Provide detail of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.
The Company identifies the needs of the communities in local areas and engages with the communities and implement the suitable projects for addressing the needs of the community. The details are provided in Principle 8 to this report.

Principle 5: Businesses should respect and promote human rights

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Essential Indicators

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

Category	Year 2023			Previous Year 2022		
	Total	Number	%	Total	Number	%
	(A)	(B)	(B/A)	(C)	(D)	(D/C)
Employees						
Permanent	1,321	1,321	100%	1,171	1,171	100%
Other than permanent	132	132	100%	132	132	100%
Total Employees	**1,453**	**1,453**	**100%**	**1,303**	**1,303**	**100%**

*: *Human Rights trainings include Code of conduct, POSH and other related topics.*

2. Details of minimum wages paid to employees and workers, in the following format:

Category	Current Year 2023					Previous Year 2022				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Permanent	1,321	-	-	1,321	100%	1,171	-	-	1,171	100%
- Male	1,223	-	-	1,223	100%	1,086	-	-	1,086	100%
- Female	98	-	-	98	100%	85	-	-	85	100%
Other than Permanent	132	-	-	132	100%	132	-	-	132	100%
- Male	99	-	-	99	100%	90	-	-	90	100%
- Female	33	-	-	33	100%	42	-	-	42	100%

Category	Current Year 2023					Previous Year 2022				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Workers										
Permanent	728	-	-	766	100%	766	-	-	766	100%
Male	726	-	-	763	100%	763	-	-	763	100%
Female	2	-	-	3	100%	3	-	-	3	100%
Other than Permanent	1,561	946	60.7%	615	39.3%	1,473		-	1,473	100%
Male	1,518	926	61.0%	592	39.0%	1,465	-	-	1,465	100%
Female	43	20	46.5%	23	53.5%	8	-	-	8	100%

3. a. Details of remuneration / salary / wages, Median remuneration/ Wages in the following format:

Particulars	Male		Female	
	Number	Median salary/ wage of respective category (INR)	Number	Median salary/ wage of respective category (INR)
Board of Directors (BoD)	Refer Annexure V of the Board's Report			
Key Managerial Personnel				
Employees other than BoD and KMP	1,215	9,97,656	97	6,15,000
Workers	725	10,29,575	2	10,42,779

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

	FY 2023 Current Financial Year	FY 2022 Current Financial Year
Gross wages paid to females as% of total wages	3.92%	3.70%

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)

The Human Resource (HR) Head of the company is responsible for ensuring ethical behavior within the organization. In the event of any violation, he is accountable for promptly and transparently addressing concerns or issues without any form of retaliation. Additionally, the Audit Committee oversees the whistleblower mechanism, and the POSH Internal Committee supervises sexual harassment complaints.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Code of Conduct serves as a robust deterrent against misconduct and fosters equal opportunities for all. The company has established policies including the POSH Policy (Internal Complaints Committee), Code of Conduct (Ombudsman), and Whistleblower system (Designated email id and drop box). These policies outline specific mechanisms for addressing grievances.

6. Number of complaints on the following made by employees and workers:

Particulars	Current Year 2023			Previous Year 2022		
	Filed during the year	Pending resolution at end of year	Remark	Filed during the year	Pending resolution at end of year	Remark
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

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

	Current Year 2023	Previous Year 2022
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company upholds a robust Code of Conduct and has established a whistle-blower mechanism. Additionally, an Internal Complaints Committee (ICC) is in place to address any instances of sexual harassment in the workplace. The Company actively promotes reporting of harassment, discrimination, or offensive behavior without the fear of retaliation. Investigations and necessary actions will be carried out as deemed appropriate. Regular training and awareness sessions, including mandatory modules, are conducted periodically to ensure employees are fully equipped.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. At KSB, human rights are fundamental to our business, and all matters and concerns are diligently addressed throughout our operations and across the value chain by following the policies and guidelines outlined in our code. We anticipate our value chain partners to uphold high standards of business ethics and integrity.

10. Assessment for the Year 2023:

Particulars	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	No such assessments were carried out during the reporting period.
Forced/ Involuntary Labour	
Sexual harassment	
Discrimination at workplace	
Wages	

11. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Qs. 10, above.

The company maintains robust human rights standards, resulting in no reported cases of child labor, forced or involuntary labor, sexual harassment, or discrimination of any kind in the workplace against any of our employees or extended workforce.

Leadership Indicators

1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/complaints.

The Company strives to uphold basic principles of human rights in all its operations through its codes and policies. There is a Code of Conduct that sensitizes the employees periodically about ethical behavior.

2. Details of the scope and coverage of any Human Rights due-diligence conducted.

The Company conducts various internal audits and human rights forms an integral part of these audits which are conducted on a regular basis to check the compliance requirements and recommend remedial action plan, wherever required. However, no formal human rights due diligence was conducted during the reporting period.

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?

One of the administrative offices at KSB Ltd is fully accessible to differently abled employees, the company is actively engaged in making its premises and future offices universally accessible for all in the coming times.

4. Details on assessment of Value Chain Partners:

Particulars	**% of value chain partners** (by value of business done with such partners) **that were assessed:**
Child Labour	No such assessments were carried out during the reporting period.
Forced/ Involuntary Labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others - please specify	

5. Provide details of any corrective actions taken or underway to address significant risks /concerns arising from the assessment at Qs. 4 above.

Whenever deviations from the principles of the Code of Conduct/ human rights principles defined in the Code are identified, the Company works with the supplier to clarify how lasting corrective action can be taken within a reasonable time frame and takes necessary remedial actions.

Principle 6 :Businesses should respect and make efforts to protect and restore the environment

3 GOOD HEALTH AND WELL-BEING · 6 CLEAN WATER AND SANITATION · 7 AFFORDABLE AND CLEAN ENERGY · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION · 13 CLIMATE ACTION · 14 LIFE BELOW WATER · 15 LIFE ON LAND

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) **and energy intensity, in the following format:** (in Megajoules - MJ)

Parameter	Current Year 2023	Previous Year 2022
Total Energy Consumption (A)	1,54,32,009	1,50,36,477
Total Fuel Consumption (B)	0	0
Energy consumption through Other Sources (C)	0	0
Total Energy Consumption (A+B+C)	1,54,32,009	1,50,36,477

From non-renewable sources.		
Total electricity consumption (D)	6,08,42,596	6,56,64,623
Total Fuel consumption (E)	3,06,55,886	3,51,22,015
Energy consumption through other sources (F)	0	0
Total Energy consumed from non-renewable energy sources (D+E+F)	9,14,98,482	10,07,86,638
Total energy consumed (A+B+C+D+E+F)	10,69,30,491	11,58,23,115
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	0.004758388	0.006357271
Energy intensity per rupee of turnover adjusted for purchasing power parity (PPP) (Total energy consumed / revenue from operations adjusted for PPP)	0.000207337	0.000281669
Energy intensity in terms of physical output	173#	*
Energy intensity (optional)- The relevant metric may be selected by entity.	0	0

*Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency: NO *Data not monitored.*
#Only Products manufactured/assembled in our facilities are considered (traded products and spares sold by entity are excluded)

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? (Yes/No)

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.

Not applicable, as the company does not fall in the category of industries mandated under PAT scheme.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	Current Year 2023	Previous Year 2022
Water withdrawal by source (in Kilo-Litres- Kl)		
(i). Surface Water	0	0
(ii). Groundwater	16,879	39,285

Parameter	Current Year 2023	Previous Year 2022
Water withdrawal by source (in Kilo-Litres- Kl)		
(iii). Third Party Water	1,82,978	1,58,163
(iv). Seawater/ Desalinated water	0	0
(v). Others (Please specify)	0	0
Total Volume of water withdrawal (in KL) (i + ii + iii + iv + v)	1,99,858	1,97,448
Total volume of water consumption (in KL)	1,99,626	1,97,448
Water intensity per rupee of turnover (Total water consumed/ Revenue from operation)	0.000009	0.000011
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.000000381	0.0000000451
Water intensity in terms of physical output	0.3225184	*
Water intensity (optional) – the relevant metric may be selected by the entity	0	0

Note: 1. The totals are for all plants., 2. Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency.: NO
**Data not monitored.*

4. Provide the following details related to water discharged:			
Porometer		FY 2023 Current Financial Year	FY 2022 Previous Financial Year
Water discharge by destination on level of treatment (in kiloliters)			
i	To Surface water	0	0
	- No treatment	0	0
	- With treatment - please specify level of treatment	0	0
ii	To Groundwater	0	0
	- No treatment	0	0
	- With treatment - please specify level of treatment	0	0
ii	To Seawater	0	0
	- No treatment	0	0
	- With treatment - please specify level of treatment	0	0

Porometer		FY 2023 Current Financial Year	FY 2022 Previous Financial Year
Water discharge by destination on level of treatment (in kiloliters)			
iv	Sent to third-parties	0	0
	- No treatment	0	0
	- With treatment - please specify level of treatment	0	0
v	Others	0	0
	- No treatment	0	0
	- With treatment - level of treatment - Secondary Treatment method (used for gardening)	39,566	50,531
	Total water discharged (in kiloliters)	39,566	50,531

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.*

5. Has the entity implemented a mechanism for Zero Liquid Discharge (ZLD) ? If "Yes", provide details of its coverage and implementation.

The organization has been rigorously taking many projects and initiatives to reduce its water consumption and the dependency on fresh water. The Company has implemented efficient mechanisms to treat effluents, conserve water, and maintain zero liquid discharge sites. The organization has Sewage Treatment Plants (STP) and Effluent Treatment Plants (ETP) at all locations, including secondary and tertiary treatment facilities.

6. Please provide details of air emissions(other than GHG emissions) **by the entity, in the following format:**

Pimpri Location - Stacks

Parameter	Please specify unit	Current Year 2023	Previous Year 2022
NOx	ug/m3	Nil	Nil
SOx	Kg/Day	5.96	8.54
Particulate Matter (PM)	ug/m3	70.40	61.63
Persistent organic pollutant (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutant (HAP)	-	-	-

Chinchwad Location – Stacks			
Parameter	Please specify unit	Current Year 2023	Previous Year 2022
NOx	ug/m3	Nil	Nil
SOx	Kg/Day	4	4.29
Particulate Matter (PM)	ug/m3	71	60.33
Persistent organic pollutant (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutant (HAP)	-	-	-
Shirwal Location – Stacks			
Parameter	Please specify unit	Current Year 2023	Previous Year 2022
NOx	ug/m3	Nil	Nil
SOx	Kg/Day	7	8.54
Particulate Matter (PM)	ug/m3	72	61.63
Persistent organic pollutant (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutant (HAP)	-	-	-
Sinner Location – Stacks			
Parameter	Please specify unit	Current Year 2023	Previous Year 2022
NOx	ug/m3	Nil	Nil
SOx	Kg/Day	29.6	28.75
Particulate Matter (PM)	ug/m3	36.7	43.25
Persistent organic pollutant (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutant (HAP)	-	-	-

Foundry Location – Stacks			
Parameter	Please specify unit	Current Year 2023	Previous Year 2022
NOx	ug/m3	Nil	Nil
SOx	Kg/Day	0.5	18.12
Particulate Matter (PM)	ug/m3	26	26.63
Persistent organic pollutant (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutant (HAP)	-	-	-
Coimbatore Location – Stacks			
Parameter	Please specify unit	Current Year 2023	Previous Year 2022
NOx	ug/m3	37.79	32.92
SOx	ug/m3	13.61	10.48
Particulate Matter (PM)	ug/m3	15.63	12.66
Persistent organic pollutant (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutant (HAP)	-	-	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency: NO

7. Please provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:

Parameter	Please specify unit	Current Year 2023	Previous Year 2023
Total Scope 1 **Emissions** (Break - *up*) of the GHG into CO_2 , CH4, N_2O, HFCs, PFCs, SF6, NF3, if available	Metric tonnes of CO_2 equivalent	2,297	2,933
Total Scope 2 **Emissions** (Break - *up* of the GHG into CO_2 , CH4, N_2O, HFCs, PFCs, SF6, NF3, if available	Metric tonnes of CO_2 equivalent	13,690	14,767
Total Scope 1 and Scope 2 **emissions per rupee of turnover** Total Scope 1 and **Scope 2 GHG emission s/ Revenue from operations)**	-	0.00000071	0.00000097
Total Scope 1 and Scope 2 **emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	-	0.0000000310	0.000000097
Total Scope 1 and Scope 2 **emission intensity in terms of physical output**	-	0.012647699	-
Total Scope 1 and Scope 2 **emission intensity (optional)** – the relevant metric may be selected by the entity	-	0	0

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency: YES, We have conducted independent assurance of GHG emission for year 2022 from TUV NORD.

8. Does the entity have any project related to reducing Greenhouse gas emissions? If "Yes", then provide details.

The company strives extensively to monitor all of its energy consumption in order to find ways to optimize its operations and conserve energy. Through energy audits, the company has been progressively integrating a number of energy-efficient processes to lower energy use and ultimately lower the organization's carbon footprint. In addition, various sustainable initiatives, such as the growing utilization of solar energy, installation of windmill are ongoing.

KSB Limiated has achieved 25% reduction in carbon emission by 2023 with baseline of 2018 and 10% reduction in carbon emission by 2023 with baseline of 2022.

Other key initiatives are:

- Officially signed Power Purchase Agreement with Sunsure energy. Sunsure energy will supply KSB nearly one crore units of green power annually for the next 25 years, with this 70 to 75 % of our total power consumption will be green power.
- Entered in solar pumps market and sold pumps which are helping environment by saving energy.
- Green Building Platinum Certification of Chennai Office and shirwal plant are obtained in years 2022-23 & planning for other locations in year 2024.
- Setting up hybrid solar and windmill at Shirwal Plant of capacity 48 MWH contributing further to the renewable use of energy.

9. Provide details related to waste management by the entity, in the following format:

Parameter	Current Year 2023	Previous Year 2022
Total Waste Generated (in metric tonnes)		
Plastic Waste (A)	3.84	*
E-Waste (B)	0.05	0.98
Bio-medical Waste (C)	0.01	0.06
Construction and Demolition Waste (C&D) (D)	12	*
Battery Waste (E)	4.40	0
Radioactive Waste (F)	0.23	0
Other Hazardous Waste (G) (Please specify, if any)	122.10	83.05
Other Non-Hazardous Waste generated (H) (Please specify, if any)	7,685.79	7,949.36
Total Waste Generated (A+B+C+D+E+F+G+H)	**7,828.42**	**8,033.45**

Parameter	Current Year 2023	Previous Year 2022
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.00000035	0.00000044
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.0000000152	0.0000000183
Waste intensity in terms of physical output	0	0
Waste intensity (optional) – the relevant metric may be selected by the entity	0	0
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category Waste Name:		
(i). Recycled	680	-
(ii). Re-used	211	-
(iii). Other recovery operations	9	-
Total	**900**	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category Waste Name:		
(i). Incineration	677	44
(ii). Landfilling	13	3
(iii). Other disposal operations	6,225	7,987
Total	**6,915**	**8,034**

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency : NO

Out of total waste generated, 14.42 metric tone waste is not recycled/reused/incinerate/landfilled within reporting period.

**Data not monitored.*

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.

The organization separates its waste into two categories: hazardous and non-hazardous waste during its operations. Separate bins are kept to collect respective waste. Regular awareness sessions on importance of waste management are conducted for responsibility owners. Non-hazardous waste is sold to authorized recyclers for further processing. Disposal of hazardous waste is as per statutory norms.

11. If the entity has operations/ offices in & around ecologically sensitive areas *(such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.)* **where environmental approvals/ clearances are required, please specify details in the following format:**

S. No.	Location of operations / offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Yes/No) If "No", the reasons thereof and corrective action taken, if any.
None of KSB Limited's production facilities are in ecologically sensitive areas.			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current year

Name and brief of the project	EIA Notification No.	Date	Whether conducted by independent agency (Yes/No)	Results communicated in public domain(Yes/No)	Relevant Web-link
KSB has Integrated Management System with 'ISO9001:2015', 'ISO14001:2015' and 'ISO 45001:2018' certifications which assess all business activities for its impact on environmental, health and safety aspects. The company meets all the regulatory requirements in associated with projects undertaken in 2023 and further the company has been developing a mechanism to undergo environmental impact assessment / certification for several projects that can significantly reduce carbon footprint, water consumption and energy consumption of the organization.					

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 there under (Yes/ No).
If "Not", provide details of all such non-compliances, in the following format:

S. No.	Specify the law/ regulation/ guidelines which is not compliant	Provide details of the non-compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control board or by courts	Corrective action taken if any
The Company is compliant with all applicable environment law, regulations, and guidelines in India.				

Leadership Indicators

1.Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:
(i) Name of the area & (ii) Nature of operations
a. Vambori, Ahmednagar, Maharashtra - Foundry Division
b. Narasimmanaickenpalayam, Coimbatore, Tamilnadu - Valves Operations
(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	Current Year 2023	Previous Year 2022
Water withdrawal by source (in Kilo-Litres- Kl)		
(i). Surface Water	0	0
(ii). Groundwater	16,879	39,285
(iii). Sent to Third Party Water	18,434	23,523
(iv). Into Seawater	0	0
(v). Others)	0	0
Total Volume of water withdrawal (in kilolitres)	35,313	62,808
Total volume of water consumption (in kilolitres)	35,313	62,808
Water intensity per rupee of turnover (Water consumed / turnover)	0	0
Provide the following details related to water discharge:		
Water discharge by destination and level of treatment (in kilo-litres)		
(i). To Surface Water		
- No treatment	0	0
- With treatment- please specify level of treatment	0	0
(ii). To Ground Water		
- No treatment	0	0
- With treatment- please specify level of treatment	0	0
(iii). To Seawater		
- No treatment	0	0
- With treatment- please specify level of treatment	0	0
(iv). Sent to Third Parties		
- No treatment	0	0
- With treatment- please specify level of treatment	0	0

(v). Others		
- No treatment	0	0
- With treatment- Secondary Treatment method	14,973	16,371
Total water discharged (in kilo-litres)	14,973	16,371

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/No). If "Yes", name the external agency.

2. Please provide details of total Scope 3 emissions and its intensity, in the following format:

Parameter	Please specify unit	Current Year 2023	Previous Year 2022
Total Scope 3 Emissions (Break-up of the GHG intoCO2, Ch4, N2O, HFCs,PFCs, SF6, NF3, ifavailable)	Metric tonnes of Co_2 quivalent	KSB Limited has created awareness amongst process owners and designed framework for measurement of scope 3 for limited categories	
Total Scope 3 emissions per rupee of turnover	-		
Total Scope 3 emission intensity (optional) -the relevant metric may be selected by the entity	-		

3. **With respect to the ecologically sensitive areas reported 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, as per the following format:**

Sr. no	Initiative undertaken	Details of the initiative (**Web-link, if any, may be provided along-with** summary)	Outcome of the initiative
1.	Solar pump to be used for utility.	Solar pump is used for ETP operation at one of anufacturing plant.	8,404 kWh potential energy saving per year.

2.	Replacing the heaters of washing machine by heat pump	Electric heaters was use to warm the water in component washing machine total 5 numbers, this heaters are replaced by heat pumps providing same temperature of water	46,800 kWh Potential energy saving per year.
3.	Motion sensor for paint booth blower operation	Blower used in paint section are integrated with motion sensors so blowers can turn on/off automatically as per set conditions.	38,095 kWh potential energy saving per year.
4.	Compressor Operation interlinked with Variable Frequency Drive (VFD)	Installation of VFD to the existing air compressor which will reduce the energy consumption of the air compressor during unloading time.	1,09,421 Kwh Potential Energy saving per year.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web-link.

At KSB Limited, an emergency / disaster management procedure is integrated into its management system for dealing with such situations to minimize hazards to environment and human health.

A list of potential emergency situations has been identified and the roles and responsibilities of all concerned personnel are also defined to handle the emergencies effectively. Training and awareness sessions are conducted for the employees and emergency handling teams to prepare them for actual emergency situations. Fire-fighting teams, first aid teams have been formed and displayed all over the plants.

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.

No adverse impact to the environment as result of value chain activities during the reporting period. We have assessed selected top 10 supplier on their sustainability performance, in year 2023.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Assessment of selected 10 major suppliers on their sustainability performance, has been completed in year 2023.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. (a). Number of affiliations with trade and industry chambers/ associations.
6

(b). List the top 10 trade and industry chambers/ associations (determined based on the total numbers of such body) **the entity is member of / affiliated to**

S. No.	Name the trade and industry chambers / associations	Reach of trade and industry chambers/ associations (State/ National)
1.	Maharashtra Chamber of Commerce Industries and Agriculture (MCCIA)	State
2.	Indian Pumps Manufacturers' Association (IPMA)	National
3.	Confederation of Indian Industries (CII)	National
4.	Indo-German Chamber of Commerce (IGCC)	National*
5.	Indian Plumbing Association	National
6.	German Machinery and Plant Manufacturer's Association	National*

**: International Partnership- helps Indian and German companies to collaborate and work jointly.*

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

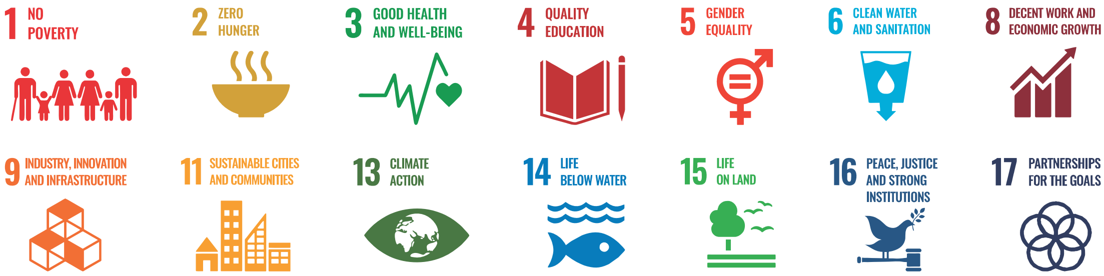
Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of Review by Board	Web Link, if available
The Company does not have a separate policy on "policy advocacy". For advocacy on policies related to the Pumps Industry, the Company works through industry associations such as Maharashtra Chamber of Commerce Industries and Agriculture (MCCIA), Indian Pumps Manufacturers' Association (IPMA), Confederation of Indian Industries, Indian Plumbing Association etc. There are specified officials in the Company who are authorized for communicating with industrial bodies and managing Government affairs in accordance with Communication Policy of the Company.					

Principle 8: Businesses should promote inclusive growth and equitable development



Essential Indicators

1. Details of Social Impact Assessments (SIA) projects undertaken by the entity based on applicable laws, in the current year 2023:

Name and brief detail 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, in the following format:

S. No.	Name of the project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	%of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR.)
Not Applicable, none of our projects have affected the habitation of our near-by communities across our plants.						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has a process to ensure all the complaints and feedback from all stakeholders including communities are received and addressed. This includes:
(i) A dedicated toll-free number
(ii) A dedicated contact page on the website
(iii) Complaints / Feedback received on contact Email
(iv) Complaints / Feedback received directly by Company representatives
(v) Complaints / Feedback received through Social Media Platforms
Dedicated teams within the Company manage all the complaints and feedback to ensure timely response.

4. Percentage of input material (input to total inputs by value) **sourced from suppliers:**

Particulars	Current Year 2023	Previous Year 2022
Directly sourced from MSMEs/ Small producers	The company sources its input material from suppliers including MSMEs within the district and across India as well as imports, wherever required.	
Sourced directly from within the district and neighboring districts		

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost		
Location	Current Year 2023	Previous Year 2022
Rural	-	
Semi-Urban	-	
Urban	-	
Metropolitan	-	

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)
Note : Data not monitored.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference Qs. 1 of Essential Indicators, above).	
Details of negative social impact identified	**Corrective action taken**
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:			
S. No.	State	Aspirational District	Amount Spent (in INR.)
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?
Nil
(c) What percentage of total procurement (by value) does it constitute?
Nil

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current year 2023), 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
Nil				

**Traditional knowledge: knowledge that has ancient roots and is often informal and oral - is not protected by conventional intellectual property systems.*

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 Case	Corrective action taken
Nil		

6. Details of beneficiaries of CSR Projects		
S. No.	CSR Project	No. of persons benefited from CSR Projects (Tentatively)
1	Seva Sahayog- Support to the existing study centres	100
2	Seva Sahayog - Support to the Women Empowerment programme	100
3	Seva Sahayog - School kit distribution project	400
4	Grow tree.com - Tree plantations in identified areas	1,000
5	Don Bosco Vywasaik Prashikshan Kendra - Sponsor Skill development programmes and hostel facility for students under poverty line	10
6	Vidya Mahamandal - Sponsor annual expense of 40 specially abled students	40
7	Vidyadaan Sahayyak Mandal (VSM) - Support skill development programme (BSC Nursing) for underprivileged girls from rural area	7
8	Bal kalyan Sanstha - 45 seater school bus donation	45
9	Snehwan – Chakan - Roof top solar Panels with battery back up (15 kwp)	50
10	Snehwan – Chakan - Solar water heaters	50
11	Maher (Bokari)- Renovation and toilets for girls home	140
12	Government Polytechnic (Phase 2) - Kaplan Turbine	120
13	Maher (Bokari) - Solar panel installation	140
14	ZP Primary School, Pisalwadi Grampanchayat- Renovation and roof replacement	22
15	ZP Primary School, Pisalwadi Grampanchayat - Installation of drinking water purifier	
16	ITI College Satara - Infrastructure and developing CNC Lab	100
17	Kesurdi village Grampanchayat - Donation of Garbage / waste collection vehicle	1,200
18	CYDA - Center for Youth Development & Activities - Women Skill Development	60
19	Yuva Mitra - Skill Development - Fashion Design	60
20	Yuva Mitra - Skill Development - Beauty Parlour	60
21	New English School, Panchale, Sinnar - Solar panel installation (10kw on-grid, 3hp solar pump)	100
22	ZP Girls School - Construction of classrooms, Head master room, staff room , store room	200
23	Snehalaya MIDC - Donation of School Bus (36 seats)	36

S. No.	CSR Project	No. of persons benefited from CSR Projects
24	Anamprem - Donation of School Bus	24
25	Anamprem - Donation of Chapati dough kneading machine	50
26	Government Primary healthcare/ PHC Donation of Gen-Set for Operation Theatre	1,000
27	Don Bosco - Skill Development programme	60
28	Youth For Development - Women Skill Development programme	133
29	Col Bhagat English School – Solar - 20kw on grid roof top solar	800
30	Family For Children – Coimbatore - Kitchen equipments and storage	50
% beneficiaries from vulnerable & marginalized groups: 100% for all projects.		

Principle 9: Business should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

An active toll-free service to register the customer complaint is available. For complaint resolution, complaint allocation is done by toll-free agent through S3 (Portal) AM Module, and the complaint resolution activity is monitored by the 'Regional Service Coordinator'.

The Mechanism to resolve Online complaints:

Receipt of complaint on contactusksbindia@ksb.com which is mentioned on KSB India website, Social Media handles like FB, Instagram, LinkedIn, and Twitter.

- If the Contact and location details are mentioned in the complaint, then the following steps are followed:
  - i. Digital Media Team sends the complaint details by email to the authorized person of that product and location. Authorized person contacts the customer and resolves the issue in the time frame provided to the customer.
  - ii. After the issue is resolved the authorized person writes back to the customer keeping Digital Media Team about the resolution of the issue.
  - iii. Digital Media Team responds to the customer appropriately for necessary feedback.
- Contact and location details not provided in the complaint
  - a. Digital Media Team asks for the contact and location details of the customer.
  - b. Once the details are received, step i., ii., and iii., as mentioned above are followed.

2. Turnover of products and/services as a percentage of turnover from all products/ services that carry information about:	
Particulars	As percentage to total turnover
Environmental and social parameters relevant to the product	The Company complies with all applicable environmental standards, product quality and product safety requirements.
Safe and responsible usage	
Recycling and / or safe disposal	

3. Number of consumer complaints in respect of the following:

Complaints	Current Year 2023		Remarks	Previous Year 2022		Remarks
	Received	Pending at end of year		Received	Pending at end of year	
Data Privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Customer Complaints	0	0		63	0	Social media complaints

4. Details of instances of product recalls on account of safety issues:

Recalls	Number	Reasons for recall
Voluntary Recalls	Nil	There have been no instances of product recall on account of safety issues during the reporting period.
Forced Recalls	Nil	

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.

Yes, a cyber security policy is available at KSB intranet which is shared internally by the parent company.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services, cyber security, and data privacy of customers; re-occurrence of instances of product recalls, penalty / action taken by regulatory authorities on safety of products / services.

KSB has taken initiatives at global and local level to strengthen the cyber security posture. These include introduction of two factor authentication for applications, Implementation of EDR/MDR (End point detection and response / Managed detection and response) solution for the complete group, regular IT security audits and VAPT for group countries etc. There are host of other initiatives that will ensure in further improving the overall security footprint.

No corrective actions were needed for other regulatory topics.

7. Provide the following information relating to data breaches:

(a). Number of instances of data breaches along-with impact:

None

(b). Percentage of data breaches involving personally identifiable information of customers.

Nil

Leadership Indicators

1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if possible)

- The company ensures that all the information required to be displayed on the product labels are as per the applicable rules and regulation. Dealer management portal is also equipped with all the information.
- Product related all information is available on the website of the company www.ksbindia.co.in
- We also have our Toll-Free no. 18002331299, which allow our existing as well as prospective customers to reach out to us in case of any queries or complaints.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.

The company educates its consumers through product manuals and providesthem with troubleshooting manual for each product category which includes vital details on product do's and don'ts, circuit diagrams of pump electrical connections, and procedure for operating pumps. Further, training workshops for educating consumers on the safe and responsible usage of products and services are organized.

3. Mechanism in place to inform consumers of any risk of disruption/ discontinuation of essential services.

Necessary emailers and updated product information circulars are communicated to applicable customers in event of product discontinuation, modifications, and introductions.

4. Does the entity display product information on the product over and above what is mandated as per the local laws? (Yes/ No/ Not Applicable).

If "Yes", provide details in brief.

Did your entity carry out any survey with regard to customer 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).

The company does display the fundamental product information on the product as per local laws:

i. Name plate for product specificationlike heads, discharge, serial no. power rating, Motor HP etc.

ii. Troubleshooting guides

iii. MRP sticker/ Bar code for warranty, wherever applicable

ANNEXURE VI TO BOARD'S REPORT

A. CONSERVATION OF ENERGY

Steps taken or impact on conservation of energy, for utilising alternate source of energy, Capital Investment on Energy Conservation: Covered in the Business Responsibility and Sustainability Report annexed to the Board's Report as annexure V.

TECHNOLOGY ABSORPTION

Efforts made towards technology absorption, Benefits derived as a result of the above efforts, imported technology, expenditure incurred on research and development:

The Company continues with its efforts to introduce various products for market segments by technology absorption. Line synchronous motor concept motor concept is under trials for submersible range of products. Various improvements in castings and it's processes are under implementation to fine tune the use of castings in terms of consumption, wastage and environmental impact. Company has a special focus on solar market and are developing a range of products suitable for the same.

The Refinery and Petrochemical market is market that calls for latest technology and engineered products. Company has developed axial split casing pumps and vertical cannister pumps as per latest API standards for this market. Company is also focussing on expanding the range of these products to meet customer specific requirements. General industry is an expanding market and company has specifically targeted to absorb technology from its parent company to meet specific market requirements in this sector. A Product to meet requirements in railway sector for Vande Bharat and metro rail as well as in wind energy generation is complete. Mining sector is a new market segment where the company plans to enter and development of special material under license to cater to slurry pumping in this industry is being undertaken. Various product mix to meet market requirement in submersible pumps of sheet metal stain less steel is a focus area. In industry segments like paper and pulp newer models and sizes are being developed to cater to market requirements. In the water transportation segment, development of light weight efficient pump series for water handling HSC Gamma pump with better efficiencies and better metallurgy has been undertaken in current year. Modifications in design to suit market requirements like bidirectional rotation are completed for this series. In this same sector to meet extended requirements of market, localised production of Omega series under license has been undertaken. Company has also established a Innovation Lab which is working on various projects in internet based pump condition monitoring and various projects for gardening, domestic water supply etc.

Company continues its efforts to reduced its dependence on import of special impellers and develop new impellers locally. This has helped in availability of requisite material for the Company.

The Company plans to strengthen the product range in fire fighting & building services segments to meet the needs of these sector. Looking at the growing needs of mechanical seals, the Company continues to offer new sizes and variants to the market. Localisation of Mechanical seals to meet market requirements is also a main focus. Solar is another segment where company would like to continue adding surface pumps, controllers and motors.

Company has concentrated on localisation plank as an effective way to support the govt Initiative of make in India. Reduction in import content and saving foreign exchange has long term benefits to the company and the nation. Company moves ahead with its progress in process digitisation, RPA robotic process automation, helping to move toward paperless process, this will reduce in paper consumption. The Company also has a focussed approach on energy efficient pumps for Industrial application there by reducing the energy consumption of the products. This is undertaken as part of development in new products as well as in replacement and retrofit sectors to upgrade installed base to meet better efficiency standards in energy consumption. Company also introduced several adaptions of submersible Agriculture and Domestic products.

The details of expenditure incurred on research and development are included in the Annexure V to the Board's Report.

The Company has been importing technology from the parent company KSB SE, Germany in various segments like water, waste water, petrochemicals, energy and industrial applications.

B. FOREIGN EXCHANGE EARNINGS AND OUTGO

Exports during the year were ₹ 2,999 Million. Details of foreign exchange are covered in the Financial Statements forming part of this Annual Report.

On behalf of the Board of Directors
Gaurav Swarup

Mumbai, 26th April, 2024

ANNEXURE VII TO BOARD'S REPORT

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
KSB Limited,
Office No. 601, Runwal R-Square,
L.B.S. Marg, Mulund (West),
Mumbai

Dear Sir / Madam,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KSB Limited (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on December 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on December 31, 2023 according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, ~~Overseas Direct Investment and External Commercial Borrowings;~~

(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; (during the period under review not applicable to the Company)

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 (during the period under review not applicable to the Company);

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (during the period under review not applicable to the Company)

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (during the period under review not applicable to the Company)

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (during the period under review not applicable to the Company);

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (during the period under review not applicable to the Company); and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (during the period under review not applicable to the Company);

The Company follows system driven Legal Compliance System, which tracks compliances and generates necessary certificates and ensures compliance of other applicable laws, however, the same has not been verified and audited by us.

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

a. Secretarial Standards issued by the Institute of Company Secretaries of India;

b. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of Act, Rules,

Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. Generally, all e-Forms are filed within the prescribed due date under the Companies Act, 2013 except few delays in filing of (AOC-4 XBRL, MGT-6, IEPF-1, IEPF-2, IEPF-4 and IEPF-7). Further, Form DIR-12 and MGT-14 were delayed due to technical glitch of MCA website; and

2. It is observed that under the requirements of Regulation 30(6): Disclosure with respect to events specified in sub-para 4 of Para A of Part A of Schedule III, there was delay in filing of outcome of the Board Meeting held on 23rd February 2023 with BSE by one minute and seventeen seconds on account of technical and network connectivity issue. The Company has immediately informed the facts to the BSE officials. The Company has shared with us the mail sent to BSE informing about the technical glitch. The same intimation has been submitted in due time with NSE.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of the Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at shorter notice, 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.

As per minutes of the meetings recorded and noted by the Chairman, no dissenting views have been recorded.

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

We further report that during the audit period the Company had the following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Mehta & Mehta, Company Secretaries
(ICSI Unique Code P1996MH007500)
Ashwini Inamdar, Partner
PCS No: F 9409, CP No: 11226
UDIN: F009409E003504032

Place: Pune, Date: 28.02.2024

Note: This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

'ANNEXURE A'

To,
The Members,
KSB Limited,
Office No. 601, Runwal R-Square,
L.B.S. Marg, Mulund (West), Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred to in our Secretarial Audit Report in Form No. MR-3 the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Mehta & Mehta, Company Secretaries
(ICSI Unique Code P1996MH007500)
Ashwini Inamdar, Partner
PCS No: F 9409, CP No: 11226
UDIN: F009409E003504032

Place: Pune, Date: 28.02.2024

Education

Impact in FY 2023

850 +

Students and Children supported through Seva Sahayog's initiatives, like the School Kit donation project, support for study centres; and through Families for Children's Project, we cater to differently abled children and young adults.

Skill Development

Impact in FY 2023

300 +

Youth trained with establishment of a CNC lab with CNC Simulator and CNC Workshop at ITI Satara. Through this program, we are imparting skills and shaping their futures.

Women Empowerment

Impact in FY 2023

550 +

Women and girls in the rural communities are trained and empowered through our Projects with Centre For Youth Development and Activities (CYDA), Youth For Development (Y4D),Yuva Mitra. By investing in the potential of rural women and girls, we are not just changing lives but also building stronger, more resilient communities for a brighter future.

Integrated Social Welfare

Promoting livelihood enchancement, health care & sanitation, providing facilities for senior citizens/ destitute care, ensuring environmental sustainability etc.

Impact in FY 2023

3,300 +

Destitute, Senior citizen and differently abled persons supported through our projects with Anamprem; Family For Children; Snehwan; ZP Primary School, Kesurdi; New English School, Sinnar and other old age homes.

Donation of Garbage Collection Vehicle

Renovation of kitchen room at old age home

Installation of bore well

Installation of Solar Panels

KSB Care Charitable Trust

Corporate Social Responsibility

KSB Care Charitable Trust, is the Company's initiative that undertakes social welfare projects in and around the manufacturing plants, with an objective to enhance the quality of life of underprivileged children, women and the elderly; skill development and education; infrastructure support to schools and colleges; healthcare; sanitation; environment etc.

KSB Care Charitable Trust is KSB the heart that pumps compassion and warmth into the society it lives in.

Pumps and Valves are our business. Social welfare is our responsibility

ANNEXURE VIII TO THE BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES

1. Brief outline on CSR Policy of the company:

   The CSR policy of the Company contains the activities that can be undertaken by the Company for CSR, composition of CSR committee, details of existing charitable trust, annual allocation for CSR activities, areas of CSR projects, criteria for selection of CSR projects, modalities of execution /implementation of CSR activities and the monitoring mechanism of CSR activities/projects.

   The CSR activities of the Company are aligned with the activities specified in Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. D.N. Damania	Chairman	3	3
2	Mr. Gaurav Swarup	Member	3	3
3	Mr. Rajeev Jain	Member	3	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

   The link for CSR Committee composition, CSR Policy and approved CSR Projects is: www.ksbindia.co.in

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable):NotApplicable

5. (a) Average net profit of the company as per section 135(5): ₹ 2,000.76 Million

   (b) Two percent of average net profit of the company as per section 135(5): ₹ 40.02 Million

   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

   (d) Amount required to be set off for the financial year, if any: NIL

   (e) Total CSR obligation for the financial year : ₹ 40.02 Million

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). **Mode of implementation** - No direct spending by the Company.

   CSR Amount is spent through implementing agency - **Name of the implementing Agency:** KSB Care Charitable Trust, **CSR Registration Number of the implementing Agency:** CSR00012480

ANNEXURE TO BOARD'S REPORT (Contd.)

(1) Sl. No.	(2) Name of The Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project (District, State.)	(6) Amount spent (INR Million)
1.	Support to the existing study centers (Seva Sahayog)	Education	Yes	Pune, Maharashtra	0.81
2.	Support to the 1 Women Empowerment Program & School Kit Donation Project(Seva Sahayog)	Education	Yes	Pune, Maharashtra	0.71
3.	Tree plantations (Grow tree.com)	Environment	Yes	Delhi, Maharashtra	1.00
4.	Sponsor Skill development programmes and hostel facility for students under poverty line (Don Bosco Vyawasaik Prashikshan Kendra)	Skill development, Education and Destitute Care	Yes	Pune, Maharashtra	0.78
5.	Sponsor annual expense of 40 differently abled students (Vidya Mahamandal)	Education and Destitute Care	Yes	Pune, Maharashtra	0.56
6.	Support skill development programme (BSC Nursing) and hostel expenses for underprivileged girls from rural area (Vidyadaan Sahayyak Mandal)	Skill development and Destitute Care	Yes	Pune, Maharashtra	0.50
7.	Support women skill development programme (Center for Youth Development)	Skill development and Destitute Care	Yes	Pune, Maharashtra	0.50
8.	Donation of Vehicle School Bus (Bal Kalyan Sanstha)	Destitute Care	Yes	Pune, Maharashtra	2.68
9.	Donation of solar power panels (Snehwan)	Environment and Destitute Care	Yes	Chakan, Pune, Maharashtra	1.02
10.	Donation of solar Water Heater (Snehwan)	Environment and Destitute Care	Yes	Chakan, Pune, Maharashtra	0.20
11.	Support to Renovation and toilet-Girls Home (Maher)	Environment and Destitute Care	Yes	Pune, Maharashtra	0.37
12.	Donation of Various training Kit for skill development of students (Government Polytechnic Pune,)	Skill Development and Eductation	Yes	Pune, Maharashtra	1.42
13.	Donation of solar power panels (Maher)	Environment and Destitute Care	Yes	Bakori, Pune, Maharashtra	0.78
14.	Support to Renovation and roof replacement of ZP Primary School Pisalwadi Grampanchyayat)	Education	Yes	Shirwal, Pune, Maharashtra	1.47

(1) Sl. No.	(2) Name of The Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project (District, State.)	(6) Amount spent (INR Million)
15.	Support to Renovation Works for Developing CNC Lab (ITI College Satara)	Education	Yes	Satara, Maharashtra	5.36
16.	Donation of Garbage Collection Vehicle (Kesurdi Vilage Grampanchayat)	Environment and Destitute Care	Yes	Shirwal, Satara, Maharashtra	0.78
17.	Support skill development programme for women from rural area (Yuva Mitra Foundation-Sinnar)	Skill development and Destitute Care	Yes	Sinnar, Nashik, Maharashtra	1.83
18.	Donation of solar power panels (New English School Pachale)	Environment and Destitute Care	Yes	Sinnar, Nashik, Maharashtra	0.97
19.	Support to construct School Building (ZP Primary Girls School)	Education	Yes	Vambori Ahemdnagar, Maharashtra	3.33
20.	Donation of School Bus (Snehalay)	Destitute Care	Yes	Ahmednagar, Maharashtra	2.32
21.	Donation of School Bus to (Anamprem Trust)	Destitute Care	Yes	Ahmednagar, Maharashtra	1.77
22.	Donation of Chapati dough kneading machine (Anamprem Trust)	Destitute Care	Yes	Ahmednagar, Maharashtra	0.35
23.	Donation of Genset for operation Theater to (PHC-Primary Health Center Coimbatore)	Helath care	Yes	Coimbatore, Tamil Nadu	0.57
24.	Sponsor Various tool kit & Equipments for Skill development programmes (Don Bosco Vywasaik Prashikshan Kendra)	Skill development, Education and Destitute Care	Yes	Pune, Maharashtra	1.78
25.	Support skill development programme for womens from rural area (Y4D Foundation)	Skill development and Destitute Care	Yes	Pune, Maharashtra	2.50
26.	Donation of rooftop solar power panels with battery (Col Bhagat English School)	Environment and Destitute Care	Yes	Pune, Maharashtra	1.02
27.	Support for Civil Work in Kitchen Room (Families for children)	Destitute Care	Yes	Coimbatore, Tamil Nadu	0.04
28.	Support for Construction for Solar light fixing(Families for children)	Destitute Care	Yes	Coimbatore, Tamil Nadu	35.41
29.	Support for destitute students (Seva Sahayog)	Destitute Care	Yes	Pune, Maharashtra	0.29
30.	Construction of ladies toilet (Chinchwad Police Station)	Sanitation and Health care	Yes	Pune, Maharashtra	1.37

(1) Sl. No.	(2) Name of The Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project (District, State.)	(6) Amount spent (INR Million)
31.	Support for basic furniture for each inmate (Niwara old age home)	Destitute Care	Yes	Pune, Maharashtra	1.30
32.	Renovation of premises of existing Lab and Setting up of new lab for skill development of students (Government Polytechnic,)	Skill Development and Eductation	Yes	Pune, Maharashtra	4.31
33.	Support for repairs of toilet blocks and changing room near swimming pool, renovation of the pumping room along with filtration plant (Bal Kalyan Sanstha)	Destitute Care and Sanitation	Yes	Pune, Maharashtra	0.98
34.	Installation of Rooftop Solar Power	Environment and Destitute Care	Yes	Pune, Maharashtra	0.54
	Total				**45.39**

(b) Amount spent in Administrative Overheads: ₹ 0.99 Million

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the Financial Year (a+b+c): ₹40.02 Million for the financial year 2023 by the company and spent ₹ 45.39 Million by the KSB Care Charitable Trust during 2023.

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

Total Amount Spent for the Financial Year. (₹)	Amount Unspent (₹ Million)				
	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 the Fund	Amount.	Date of transfer.
40.02	NA	NA	NA	NA	NA

(f) Excess amount for set off, if any: Nil

Sl. No.	Particular	Amount (₹ Million)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	40.02
(ii)	Total amount spent for the Financial Year	40.02
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial years, if any	0
(v)	Amount available for set off in succeeding Financial years [(iii)- (iv)]	0

7. Details of Unspent CSR amount for the preceding three financial years: Nil

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
1		NIL						
	Total							

8. Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year: No
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

	Rajeev Jain	Mr. D. N. Damania
Mumbai, 26th April, 2024	Managing Director	Chairman, CSR Committee

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KSB LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of KSB Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2023, and 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 then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2023, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. 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.

Key audit matter	How our audit addressed the key audit matter
Appropriateness of Revenue Recognition (Refer to Note 1(d), 2(ii) and 20 to the standalone financial statements) The Company recognises revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers". This involves application of significant judgement by Management with respect to: • Combining multiple contracts as a single contract. • Identification of distinct performance obligations; • Allocation of consideration to identified performance obligations; • Determination of timing of recognition of revenue either over a period of time or at a point in time on transfer of control to customers. This includes assessment of alternative use of the products to the	**Our audit procedures included the following:** • Understanding and evaluation of the design and testing the operating effectiveness of controls surrounding the recording of revenue in accordance with the principles of Ind AS 115. • Testing of customer contracts on a sample basis to assess the terms for identification of performance obligations in accordance with Ind AS 115 and comparing those to the management assessment; • Assessing appropriateness of management's judgements and estimates involved in accounting for a sample of customer contracts including inquiry and discussion with appropriate client personnel especially regarding the nature of products and alternative use of the products to the Company.

Company based on technical analysis as well as legal assessment of right to payment. Considering the above-mentioned factors, appropriateness of revenue recognition has been considered as a Key Audit Matter.	• Evaluation of the Company's in-house legal counsel's views regarding the Company's right to payment for performance to date; • Testing the appropriateness of timing of recognition of revenue (including procedures related to cut off testing) in line with the terms of the customer contracts; • Testing the key assumptions used by the management to estimate contract risks, claims, liquidated damages etc.; • Verifying the reports used by management for monitoring contracts and their progress; • Evaluating appropriateness of the disclosures made in the standalone financial statements. Based on above procedures, we did not identify any significant exceptions in the judgement applied by the management in recognition of revenue.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Board report alongwith its Annexures included in the Company's Annual report but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Management Discussion & Analysis Report which are expected to be made available to us after that date.

   Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

   When we read the Management Discussion & Analysis Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulation.

Responsibilities of management and those charged with governance for the standalone financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and

prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Standalone financial statements

8. 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.

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

   - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. 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.

11. 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.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of certain books of account and other books and papers maintained in electronic mode has not been kept on a daily basis on servers physically located in India during the period from March 6, 2023 to June 18, 2023, and in the absence of sufficient appropriate audit evidence we are unable to verify whether the backup of certain books of account and other books and papers as aforesaid, has been maintained on a daily basis during the period January 1, 2023 to March 5, 2023. Refer note 38 to the standalone financial statements.

    (c) The Balance Sheet, the Statement of Profit and Loss(including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on December 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 14(b) above.

    (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (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 standalone financial statements – Refer Note 18 (b) and 30 (a) to the standalone financial statements;

        ii. The Company was not required to recognise a provision as at December

31, 2023 under the applicable law or accounting standards, as it does 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 during the year.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, 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 (Refer Note 37 (h) to the standalone financial statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, 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 (Refer Note 37 (h) to the standalone financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning January 1, 2024 [as the proviso to Rule 3 (1) is applicable for the financial year commencing on or after April 1, 2023], the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Vivian Pillai
Partner
Membership Number: 127791
UDIN: 24127791BKEMEU8792

Mumbai
February 28, 2024

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14(g) of the Independent Auditor's Report of even date to the members of KSB Limited on the standalone financial statements for the year ended December 31, 2023

Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of KSB Limited ("the Company") as of December 31, 2023 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

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") 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 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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to 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 controls with reference to 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 financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at December 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Vivian Pillai
Partner
Membership Number: 127791
UDIN: 24127791BKEMEU8792

Mumbai
February 28, 2024

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of KSB Limited on the standalone financial statements as of and for the year ended December 31, 2023

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B)The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee, as disclosed in Note 3 to the standalone financial statements, are held in the name or erstwhile name of the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii. (a) The physical verification of inventory excluding stocks with third parties and third party managed warehouse has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties and third party managed warehouse, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. As informed to us, the Company is not required to file quarterly returns or statements with such banks and accordingly, the question of our commenting on whether these returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. (a) The Company has granted unsecured loans to its employees. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans to 448 employees are as per the table given below:

Particulars	Loans (Amount in ₹ Millions)
Aggregate amount of loans granted to employees during the year	33.93
Balance outstanding as at balance sheet date in respect of the above case	94.35

(Also refer Note 6(b) to the financial statements)

(b) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(c) In respect of the aforesaid loans, the schedule of repayment of principal has been stipulated, and the parties are repaying the principal amounts, as stipulated. However, no interest has been charged by the Company. Consequently, the question of our commenting on payment of interest does not arise.

(d) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.

(e) There were no loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.

(f) There were no loans/advances in nature of loans which were granted during the year, including to promoters/related parties.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 of the Companies Act, 2013 in respect of the investments made. The Company has not granted any loans or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, to that extent the reporting under clause 3(iv) of the Order is not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues, including goods and services tax, provident fund, sales tax, service tax, duty of excise, employees' state insurance, income tax, duty of customs, cess, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of duty of customs and employees' state insurance which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub clause (a) as at December 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ In millions)	Amount paid under protest (₹ in millions)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax (including interest and penalty, if applicable)	85.97	29.70	AY 2017-18	Income Tax Appellate Tribunal (ITAT)
	Income Tax (including interest and penalty, if applicable)	3.90	-	AY 2020-21	Commissioner (Appeal)
	Income Tax (including interest and penalty, if applicable)	459.53	25.00	AY 2021-22	Commissioner (Appeal)
Central Excise Act, 1944	Excise Duty (including interest and penalty, if applicable)	1.79	0.12	March 2002	Customs, Excise and Service tax Appellate Tribunal (CESTAT)
	Excise Duty (including interest and penalty, if applicable)	574.29	191.20	April 2013 to June 2017	Customs, Excise and Service tax Appellate Tribunal (CESTAT)
	Excise Duty (including interest and penalty, if applicable)	24.07	7.87	August 2013 to June 2017	The commissioner of CGST & Central Excise
Goods and Service Tax Act, 2017	Goods and Service Tax act (including interest and penalty, if applicable)	12.48	0.55	July 2017	Commissioner (Appeal)
	Goods and Service Tax act (including interest and penalty, if applicable)	5.33	1.85	July 2017	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
	Goods and Service Tax act (including interest and penalty, if applicable)	47.89	-	FY 2017-18	Commissioner (Appeal) Coimbatore.
	Goods and Service Tax act (including interest and penalty, if applicable)	0.23	-	FY 2017-18	Additional Commissioner (Appeal) Guwahati
	Goods and Service Tax act (including interest and penalty, if applicable)	1.35	-	FY 2017-18	Additional Commissioner (Appeals) Bhubaneswar, Odisha

Name of the statute	Nature of dues	Amount (₹ In millions)	Amount paid under protest (₹ in millions)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Duty (including interest and penalty, if applicable)	542.92	9.49	September 2004 to March 2009	Principal commissioner of Central Excise and Service Tax
Employees Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund (including interest and penalty, if applicable)	4.90	1.84	October 2007 to February 2021	Regional Provident Fund Commissioner-II, Nashik, Maharashtra

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary or associate company. The Company does not have a joint venture.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary or associate company. The Company does not have a joint venture.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 37 (a) to the financial statements), 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 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. (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.

(b) As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Vivian Pillai
Partner
Membership Number: 127791
UDIN: 24127791BKEMEU8792

Mumbai
February 28, 2024

Balance Sheet as at December 31, 2023

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes	As at December 31, 2023	As at December 31, 2022
ASSETS			
I. Non-current assets			
Property, plant and equipment	3	3,710.40	3,214.64
Right-of-use assets	4	269.25	269.08
Capital work-in-progress	3	310.25	251.43
Other Intangible assets	5	210.24	17.05
Intangible assets under development	5	13.75	-
Financial assets			
(a) Investments	6 (a)	63.15	63.15
(b) Trade receivables	7	42.34	98.24
(c) Loans	6 (b)	73.91	91.19
(d) Other financial assets	9	42.28	46.33
Deferred tax assets (net)	13 (a)	177.85	166.85
Assets for current tax (net)	13 (b)	183.49	209.18
Other non-current assets	11	343.23	569.66
Total non-current assets		5,440.14	4,996.80
II. Current assets			
Inventories	10	6,426.34	5,610.89
Financial assets			
(a) Trade receivables	7	4,917.19	4,036.53
(b) Cash and cash equivalents	8 (a)	1,195.13	319.34
(c) Bank balances other than (b) above	8 (b)	1,550.40	2,290.53
(d) Loans	6 (b)	27.96	39.34
(e) Other financial assets	9	114.75	89.94
Other current assets	12	429.41	351.34
Total current assets		14,661.18	12,737.91
Total Assets		20,101.32	17,734.71
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14 (a)	348.08	348.08
Other equity	14 (b)	12,130.36	10,582.60
Total Equity		12,478.44	10,930.68
LIABILITIES			
I. Non-current liabilities			
Financial liabilities			
(a) Lease liabilities	15	21.02	19.51
Provisions	18 (a)	437.00	433.10
Total non-current liabilities		458.02	452.61
II. Current liabilities			
Financial liabilities			
(a) Lease liabilities	15	11.34	9.31
(b) Trade payables	16		
-Total outstanding dues of micro enterprises and small enterprises		473.09	482.97k
-Total outstanding dues of creditors other than micro enterprises and small enterprises		2,959.40	2,659.65
(c) Other financial liabilities	17	925.02	733.89
Other current liabilities	19	2,258.52	1,962.66
Provisions	18 (b)	537.49	502.94
Total current liabilities		7,164.86	6,351.42
Total Liabilities		7,622.88	6,804.03
Total Equity and Liabilities		20,101.32	17,734.71
Summary of significant accounting policies	1		

The accompanying notes are an integral part of these financial statements.
This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Vivian Pillai
Partner
Membership No.: 127791

Place : Mumbai
Date : February 28, 2024

For and on behalf of the Board of Directors

Gaurav Swarup
Chairman
(DIN : 00374298)

D. N. Damania
Director
(DIN : 00403834)

Rajeev Jain
Managing Director
(DIN : 07475640)

Mahesh Bhave
Chief Financial Officer

Place : Mumbai
Date : February 28, 2024

Shraddha Kavathekar
Company Secretary

Statement of Profit and Loss for the year ended December 31, 2023

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes	Year ended December 31, 2023	Year ended December 31, 2022
Income			
Revenue from operations	20	22,472.38	18,219.60
Other income	21	362.69	454.18
Total Income		22,835.07	18,673.78
Expenses			
Cost of materials consumed	22	10,688.97	8,942.33
Purchases of stock-in-trade	23	1,907.05	1,687.73
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	179.08	(750.05)
Employee benefits expense	25	2,696.83	2,438.97
Finance costs	26	52.90	61.26
Depreciation and amortisation expense	27	496.78	452.61
Other expenses	28	4,064.69	3,434.07
Total Expenses		20,086.30	16,266.92
Profit before tax		2,748.77	2,406.86
Tax expense			
Current tax	13 (b)	721.62	538.51
Deferred tax	13 (a), (b)	(18.98)	75.66
Total tax expense		702.64	614.17
Profit for the year		2,046.13	1,792.69
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	31	31.73	(90.56)
Income tax relating to items that will not be reclassified to profit or loss	13 (a), (b)	(7.98)	22.79
Total other comprehensive income for the year, net of tax		23.75	(67.77)
Total comprehensive income for the year		2,069.88	1,724.92
Earnings per equity share			
Basic and Diluted (face value of ₹ 10/- each)	29	58.78	51.50
Summary of significant accounting policies	1		

The accompanying notes are an integral part of these financial statements.
This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

For and on behalf of the Board of Directors

Vivian Pillai
Partner
Membership No.: 127791

Gaurav Swarup
Chairman
(DIN : 00374298)

D. N. Damania
Director
(DIN : 00403834)

Rajeev Jain
Managing Director
(DIN : 07475640)

Mahesh Bhave
Chief Financial Officer

Place : Mumbai
Date : February 28, 2024

Place : Mumbai
Date : February 28, 2024

Shraddha Kavathekar
Company Secretary

Statement of Changes in Equity for the year ended December 31, 2023

(All amounts in ₹ million, unless otherwise stated)

A. Equity Share Capital

	Notes	
As at January 1, 2022		348.08
Change in equity share capital	14 (a)	-
As at December 31, 2022		348.08
Change in equity share capital	14 (a)	-
As at December 31, 2023		348.08

B. Other equity [Refer note 14 (b)]

	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Amalgamation reserve	Retained earnings	Total
As at January 1, 2022	0.09	0.10	3.20	1,085.08	0.06	8,204.25	**9,292.78**
Profit for the year	-	-	-	-	-	1,792.69	**1,792.69**
Other Comprehensive Income							
Remeasurement of post-employment benefit obligations (net of tax)	-	-	-	-	-	(67.77)	**(67.77)**
Total Comprehensive Income	-	-	-	-	-	1,724.92	**1,724.92**
Transactions with owners in their capacity as owners:							
Dividend paid	-	-	-	-	-	(435.10)	**(435.10)**
As at December 31, 2022	0.09	0.10	3.20	1,085.08	0.06	9,494.07	**10,582.60**

	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Amalgamation reserve	Retained earnings	Total
As at January 1, 2023	0.09	0.10	3.20	1,085.08	0.06	9,494.07	**10,582.60**
Profit for the year	-	-	-	-	-	2,046.13	**2,046.13**
Other Comprehensive Income							
Remeasurement of post-employment benefit obligations (net of tax)	-	-	-	-	-	23.75	**23.75**
Total Comprehensive Income	-	-	-	-	-	2,069.88	**2,069.88**
Transactions with owners in their capacity as owners:							
Dividend paid	-	-	-	-	-	(522.12)	**(522.12)**
As at December 31, 2023	0.09	0.10	3.20	1,085.08	0.06	11,041.83	**12,130.36**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.
This is the Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Vivian Pillai
Partner
Membership No.: 127791

Place : Mumbai
Date : February 28, 2024

For and on behalf of the Board of Directors

Gaurav Swarup
Chairman
(DIN : 00374298)

D. N. Damania
Director
(DIN : 00403834)

Rajeev Jain
Managing Director
(DIN : 07475640)

Mahesh Bhave
Chief Financial Officer

Place : Mumbai
Date : February 28, 2024

Shraddha Kavathekar
Company Secretary

Statement of Cash Flows for the year ended December 31, 2023

(All amounts in ₹ million, unless otherwise stated)

Particulars		Year ended December 31, 2023		Year ended December 31, 2022
A. Cash flows from operating activities				
Profit before tax		2,748.77		2,406.86
Adjustments for :				
Depreciation and amortisation expense	496.78		452.61	
Net gain on disposal of property, plant and equipment and intangible assets	(2.21)		(13.49)	
Finance costs	52.90		61.26	
Interest income	(163.27)		(193.80)	
Dividend from investment in associate	(39.32)		(32.34)	
Fair value (gain)/loss in derivative financial instruments	(2.72)		3.14	
Sundry credit balances and provisions no longer required, written back	(3.45)		(14.42)	
Unrealised foreign exchange (gain)/loss	8.61		(18.93)	
Allowance for doubtful trade and other receivables	(55.49)		(41.64)	
		291.83		202.39
Operating profit before working capital changes		3,040.60		2,609.25
Adjustment for changes in working capital:				
(Increase) / decrease in operating assets:				
Inventories	(815.45)		(1,380.05)	
Trade receivables	(789.75)		(1,138.18)	
Loans	28.66		(19.88)	
Other financial assets	(46.75)		(7.63)	
Other assets	(83.94)		166.28	
Increase / (decrease) in operating liabilities:				
Trade payables	301.27		349.05	
Other financial liabilities	110.27		(81.06)	
Other liabilities	295.86		700.95	
Provisions	70.18		(211.94)	
		(929.65)		(1,622.46)
Cash generated from operations		2,110.95		986.79
Income taxes paid (net of refunds)		(695.93)		(604.35)
Net cash flows generated from operating activities (A)		1,415.02		382.44

Statement of Cash Flows for the year ended December 31, 2023 (Contd.)

(All amounts in ₹ million, unless otherwise stated)

Particulars		Year ended December 31, 2023		Year ended December 31, 2022
B. Cash flows from investing activities				
Purchase of property, plant and equipment and intangible assets	(932.76)		(1,069.20)	
Proceeds from disposal of property, plant and equipment and intangible assets	8.34		15.72	
Investment in fixed deposits	(3,098.26)		(11,525.43)	
Redemption of fixed deposits	3,838.88		12,215.12	
Interest received	189.80		204.14	
Dividend from investment in associate	39.32		32.34	
Net cash flows generated from/(used in) investing activities (B)		45.32		(127.31)
C. Cash flows from financing activities				
Proceeds from current borrowings	400.00		580.00	
Repayment of current borrowings	(400.00)		(580.00)	
Interest paid	(49.92)		(58.39)	
Repayment of lease liabilities	(13.15)		(12.13)	
Dividend paid	(522.12)		(435.10)	
Net cash flows used in financing activities (C)		(585.19)		(505.62)
Net increase/(decrease) in Cash and cash equivalents (A+B+C)		875.15		(250.49)
Cash and cash equivalents at the beginning of the year		319.34		565.39
Effects of exchange rate changes on cash and cash equivalents		0.64		4.44
Cash and cash equivalents at the end of the year		1,195.13		319.34

Reconciliation of Cash and cash equivalents as per Statement of Cash Flows

Cash and cash equivalents as per above comprise of following:	As at December 31, 2023	As at December 31, 2022
Cash and cash equivalents [Refer note 8 (a)]	1,195.13	319.34
Balances as per Statement of Cash Flows	1,195.13	319.34

Notes:

(i) Statement of Cash Flows has been prepared under the 'Indirect Method' in accordance with 'Ind AS 7 : Statement of Cash Flows'.

(ii) Refer note 36 (a) for Net debt reconciliation.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

This is the Statement of Cash Flows referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Vivian Pillai
Partner
Membership No.: 127791

Place : Mumbai
Date : February 28, 2024

For and on behalf of the Board of Directors

Gaurav Swarup
Chairman
(DIN : 00374298)

D. N. Damania
Director
(DIN : 00403834)

Rajeev Jain
Managing Director
(DIN : 07475640)

Mahesh Bhave
Chief Financial Officer

Place : Mumbai
Date : February 28, 2024

Shraddha Kavathekar
Company Secretary

(All amounts in ₹ million, unless otherwise stated)

Background: KSB Limited (the 'Company') is a public limited Company domiciled in India with its registered office located at Office No. 601, Runwal R-Square, L.B.S Marg, Mulund (West), Mumbai – 400 080. The Company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange of India (NSE). The Company is engaged in the business of manufacture of different types of power-driven pumps and industrial valves. Castings are mainly produced for captive consumption. CIN of the Company is L29120MH1960PLC011635.

The financial statements have been authorized for issue by the Board of Directors on February 28, 2024.

1. Summary of significant 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. Basis of preparation

i. Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time] and other relevant provisions of the Act.

ii. Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Derivative instruments that are measured at fair value
- Defined benefit plans - plan assets measured at fair value.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for all products and services except for certain set of products for which operating cycle has been ascertained as 48 months for the purpose of current and non-current classification of assets and liabilities.

b. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the Company's board of directors. Refer note 33 for segment information presented.

c. Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end are recognised in profit and loss and are presented in the Statement of Profit and Loss on a net basis.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(All amounts in ₹ million, unless otherwise stated)

d. Revenue recognition

The Company recognises the revenue when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The five-step process is applied for recognition of revenue:

i. identify contracts with customers

ii. identify the separate performance obligation

iii. determine the transaction price of the contract

iv. allocate the transaction price to each of the separate performance obligations, and

v. recognise the revenue as each performance obligation is satisfied.

i. Revenue from sale of products

The Company accounts for a contract when it has approval and commitment from parties involved, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

Company generate revenue from sale of pumps, valves and related support services. The Company may promise to provide distinct goods or services within a contract, for example when a contract covers multiple promises (e.g., supply of pumps, motors and spares), in which case the Company separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost-plus margin approach to allocate the transaction price to each distinct performance obligation.

The Company assesses for the timing of revenue recognition in case of each distinct performance obligation. The Company first assesses whether the revenue can be recognized over time as it performs if any of the following criteria is met:

a. The customer simultaneously consumes the benefits as the Company performs, or

b. The customer controls the work-in-progress, or

c. The Company's performance does not create an asset with alternative use to the Company and the Company has right to payment for performance completed till date

If none of the criteria above are met, the Company recognizes revenue at a point-in-time. The point of recognition of revenue is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining whether the control has been transferred.

In case of revenue to be recognized over time, the Company uses input method to measure the progress for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the input method measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred.

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Due to the nature of the work required to be performed, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. It is common for project contracts to contain penalties, bonuses or other provisions that can either increase or decrease the transaction price. These variable amounts generally are awarded upon achievement of certain performance metrics, program milestones or cost targets and may be based upon customer discretion. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

The Company estimates variable consideration using expected value method of probability-weighted values at an amount to which it expects to be entitled. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur and the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available.

The Company does not expect material financing component adjustments to contracts where the period between the transfer of the promised goods or services to the customer and payment exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Contracts are modified to account for changes in contract specifications and requirements. The Company considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of the contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

When estimates of total costs to be incurred exceed total estimates of revenue to be earned on a performance obligation related to a contract, a provision for the entire loss on the performance obligation is recognized in the period.

(ii) Revenue from sale of services

Company generate revenue from sale of pumps, valves and related support services. Revenue from services is recognised in the accounting period in which the services are rendered.

(iii) Other operating revenue

Revenue comprising of income from ancillary activities incidental to the operations of the Company is recognized when the right to receive the income is established as per the terms of the contract. Revenue from export incentives majorly comprises of Duty drawback, Merchandise Export Incentive Scheme (MEIS) and Remission of Duties and Taxes on Exported Products (RoDTEP) which are recognised on an accrual basis at specified rates. Refer note 20.

(iv) Other income

Interest income:

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in Other income in the Statement of Profit and Loss.

(All amounts in ₹ million, unless otherwise stated)

Dividends:

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

e. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

f. Government grants

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 recognised in the Statement of Profit and Loss. Refer note 1(d)(iii) for accounting policy related to Duty drawback, Merchandise Export Incentive Scheme (MEIS) and Remission of Duties and Taxes on Exported Products (RoDTEP).

When government or related institutions provide concession in interest on borrowings or loans availed by the Company from financial institutions, such interest concession is regarded as a government grant. The Company accounts for the interest paid at concessional rate on packing credit facility availed for export of goods.

g. Leases

As a lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the principal (liability) and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(All amounts in ₹ million, unless otherwise stated)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable. Company does not have any variable lease payments.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the Statement of Profit and Loss. Short-term leases are leases with a lease term of 12 months or less.

h. Impairment of assets

The management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. If an asset is impaired, the Company recognises an impairment loss as the excess of the carrying amount of the asset over the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

i. Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks in current accounts and EEFC accounts, fixed deposits with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet. Other bank balances include fixed deposits with original maturities of more than three months and earmarked accounts which includes unpaid dividend.

j. Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects the Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

k. Borrowing and Borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are

(All amounts in ₹ million, unless otherwise stated)

subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the year in which they are incurred.

l. Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost of raw materials, components, stores, spares, loose tools and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

m. Financial assets

i. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the 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 the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss. However, trade receivables that do not contain a significant financing component are measured at transaction price

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments at amortised cost as below:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Equity instruments

The Company subsequently measures equity investment at fair value. The Company's Management elects to present fair value gains and losses on equity investments in other comprehensive income on an instrument by instrument basis.

Investment in subsidiaries and associates

The investments in subsidiaries and associates are carried in the financial statements at historical cost except when the investment, or a portion thereof, is classified as held for sale, in which case measured at lower of carrying amount and fair value less costs to sell.

Investments in subsidiaries carried at cost are tested for impairment in accordance with Ind AS 36 Impairment of Assets. The carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount, any impairment loss recognised reduces the carrying amount of the investment.

iii. Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer note 35(A) for details of credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv. Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(All amounts in ₹ million, unless otherwise stated)

n. Derivatives

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

o. Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

p. Property, plant and equipment

Freehold land is stated at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on the straight-line method/ written down value method over the useful lives of assets which has been assessed as under the technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, maintenance support, etc., which are different from those prescribed in Schedule II to the Companies Act, 2013 (Act) except for server and networking (SLM) and furniture and fixtures (WDV) which are same as prescribed in Schedule II to the Act. Estimated useful lives of assets are as follows:

Asset	Useful life and method of depreciation
Buildings	43 to 90 years (WDV)
Plant and equipment	09 to 21 years (SLM)
Vehicles	05 to 11 years (WDV)
Office equipment	10 years (SLM)
Computer equipment	06 years (SLM)

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at the end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Net gains or net losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss under other income or other expenses respectively.

q. Intangible assets

Intangible assets are stated at acquisition cost net of tax/ duty credits availed, if any, and net of accumulated amortisation. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

or expense in the Statement of Profit and Loss. Intangible assets are amortized on the straight-line method as follows:

Asset	Useful life
Copyrights, patents, intellectual property rights and operating rights	7 to 15 years
Computer software	3 years

r. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are unsecured and are presented as current liabilities unless payment is not due within operating cycle determined by the Company after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

s. Provisions and Contingent liabilities

Provisions are recognised when the Company has a present, legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined based on the best estimate required to settle the obligation at the Balance Sheet date. Provisions are reviewed at each Balance Sheet date and adjusted to reflect current best estimates. Provisions are not recognised for future operating losses. Provision for warranty is computed as a percentage of sales based on the past trends observed.

Contingent liabilities are disclosed by way of a note to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

t. Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for Other long-term employee benefits such as long service award, privileged leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees 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 to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss. The Company does not have an unconditional right to defer settlement for any of these obligations. However, based on the past experience, the Company does not expect payment of the entire amount of accrued leaves or availment of the entire number of accrued leaves by employees within twelve months and accordingly, amounts have been classified as current and non-current.

(All amounts in ₹ million, unless otherwise stated)

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) Defined benefit plans - gratuity and superannuation

(b) Defined contribution plans - provident fund

(a) Defined benefit plans - gratuity and superannuation

(i) Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972, as amended from time to time. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in finance cost in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.

(ii) Superannuation

Superannuation is a benefit to certain employees (depending on the grade / category of the employee and completed years of service) per month for each completed year of service. The accounting policy followed by the Company for Superannuation is consistent with accounting policy followed for Gratuity [Refer note 1(t)(a)(I)].

(b) Defined Contribution Plans

The Company pays provident fund contributions for all employees to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due.

u. Dividends

The Company recognizes provision for Dividend and the tax thereupon, if any, once the Dividend is approved by the shareholders in the annual general meeting.

v. Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(All amounts in ₹ million, unless otherwise stated)

w. Earnings per share

i. Basic Earnings per share

Basic earnings per share is calculated by dividing:

- the net profit for the period attributable to equity shareholders
- by the weighted average number of equity shares outstanding during the financial year.

Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

ii. Diluted Earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- 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.

x. Rounding of amounts:

Amounts disclosed in the financial statements are presented in INR in million rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013, unless otherwise stated.

2. Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies. Estimates and assumptions are continuously evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reliable and relevant under the circumstances. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Management believes that the estimates are the most likely outcome of future events. Detailed information about each of these estimates and judgements is described below.

Judgements

In the process of applying the Company's accounting policies, Management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

i. Legal contingencies

The Company has received various orders and notices from 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 analyzes current information about these matters and provides provisions for probable contingent losses including the estimate of legal expense to resolve the matters. In making the decision regarding the need for loss provisions, 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

(All amounts in ₹ million, unless otherwise stated)

of a suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

ii. **Revenue Recognition on Contracts with Customers**

Company generate revenue from sale of Pumps, valves and related support services. Company uses judgement with respect to accounting of multiple contracts which need to be combined and considered as single contract. The Company exercises judgement with respect to identifying contracts for which revenue need to be recognised point in time or over time, depending upon when customer consumes the benefit, when the control is passed to customer, whether asset created has an alternative use and whether the Company has right to payment for performance completed till date, either contractually or legally.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. **Warranty**

The Company generally offers an 18 months warranty for its products, except for certain projects where the warranty offered may be higher to meet specific project requirements. Warranty costs are determined as a percentage of sales based on the past trends of the costs required to be incurred for repairs, replacements, material costs and servicing cost. Management estimates the related closing provision as at Balance Sheet date for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past information may differ from future claims. The assumptions made in current period are consistent with those in the prior year. As the time value of money is not considered to be material, warranty provisions are not discounted. Refer note 18 for further information.

ii. **Gratuity**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation 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, attrition rate, mortality rates and expected return on planned assets. 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 the year end. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is

(All amounts in ₹ million, unless otherwise stated)

based on Indian Assured Lives Mortality (2012-14) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. For further details about gratuity obligations are given in note 31.

iii. Recoverability of trade receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment. Refer note 35(A) for further details.

iv. Inventories

An inventory provision is recognized for cases where the realizable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sale prices of inventory item and losses associated with obsolete / slow moving / redundant inventory items. The Company has, based on these assessments, made adequate provision in the books.

(All amounts in ₹ million, unless otherwise stated)

3 Property, plant and equipment

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Gross carrying amount as at							
January 1, 2022	3.01	2,021.59	4,604.08	138.37	57.58	174.54	6,999.17
Additions	-	278.25	481.28	7.32	21.90	39.24	827.99
Disposals	-	(0.68)	(32.29)	(1.15)	(8.80)	(3.39)	(46.31)
Balance as at December 31, 2022	3.01	2,299.16	5,053.07	144.54	70.68	210.39	7,780.85
Accumulated depreciation							
January 1, 2022	-	892.53	3,014.51	118.76	49.01	104.83	4,179.64
Charge for the year (Refer note 27)	-	127.63	271.26	8.81	9.44	13.51	430.65
Disposals	-	(0.64)	(30.35)	(1.14)	(8.63)	(3.32)	(44.08)
Balance as at December 31, 2022	-	1,019.52	3,255.42	126.43	49.82	115.02	4,566.21
Net carrying amount as at							
December 31, 2022	3.01	1,279.64	1,797.65	18.11	20.86	95.37	3,214.64

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Gross carrying amount as at							
January 1, 2023	3.01	2,299.16	5,053.07	144.54	70.68	210.39	7,780.85
Additions	-	327.88	420.24	52.87	23.55	147.72	972.26
Disposals	-	(1.67)	(131.88)	(1.83)	(3.79)	(16.13)	(155.30)
Balance as at December 31, 2023	3.01	2,625.37	5,341.43	195.58	90.44	341.98	8,597.81
Accumulated depreciation as at							
January 1, 2023	-	1,019.52	3,255.42	126.43	49.82	115.02	4,566.21
Charge for the year (Refer note 27)	-	130.72	288.78	11.39	19.71	19.78	470.38
Disposals	-	(1.50)	(126.30)	(1.76)	(3.71)	(15.91)	(149.18)
Balance as at December 31, 2023	-	1,148.74	3,417.90	136.06	65.82	118.89	4,887.41
Net carrying amount as at							
December 31, 2023	3.01	1,476.63	1,923.53	59.52	24.62	223.09	3,710.40

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

Notes:

(i) Refer to note 30 (b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Capital work-in-progress mainly includes building under construction and plant and machinery in the process of installation.

(iii) The additions to capital work-in-progress are net after considering the transfers to property, plant and equipment. Gross additions to capital work-in-progress and transfers to property, plant and equipment are as follows:

Particulars	Capital work-in-progress As at December 31, 2023	As at December 31, 2022
Opening carrying value	251.43	391.76
Additions	1,007.53	665.76
Transfers to property, plant and equipment	(948.71)	(806.09)
Closing carrying value	310.25	251.43

(a) Aging of Capital work-in-progress:

Particulars	As at December 31, 2022				
	Less than one year	1 – 2 year	2 – 3 year	More than 3 years	Total
(i) Projects in progress	242.38	7.58	0.19	1.28	251.43
(ii) Projects temporarily suspended	-	-	-	-	-
Total	242.38	7.58	0.19	1.28	251.43

Particulars	As at December 31, 2023				
	Less than one year	1 – 2 year	2 – 3 year	More than 3 years	Total
(i) Projects in progress	281.04	23.72	5.49	-	310.25
(ii) Projects temporarily suspended	-	-	-	-	-
Total	281.04	23.72	5.49	-	310.25

(b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

Particulars	As at December 31, 2022				
	Less than one year	1 – 2 year	2 – 3 year	More than 3 years	Total
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Particulars	As at December 31, 2023				
	Less than one year	1 – 2 year	2 – 3 year	More than 3 years	Total
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

(All amounts in ₹ million, unless otherwise stated)

4 Right-of-use assets

	Leasehold land	Buildings	Total
Gross carrying amount as at January 1, 2022	265.15	43.14	308.29
Additions	-	9.06	9.06
Disposals	(0.06)	(1.82)	(1.88)
Balance as at December 31, 2022	265.09	50.38	315.47
Accumulated depreciation as at January 1, 2022	19.82	15.04	34.86
Charge for the year (Refer note 27)	2.81	9.74	12.55
Disposals	(0.02)	(1.00)	(1.02)
Balance as at December 31, 2022	22.61	23.78	46.39
Net carrying amount as at December 31, 2022	242.48	26.60	269.08

	Leasehold land	Buildings	Total
Gross carrying amount as at January 1, 2023	265.09	50.38	315.47
Additions	-	13.71	13.71
Disposals	-	(12.21)	(12.21)
Balance as at December 31, 2023	265.09	51.88	316.97
Accumulated depreciation as at January 1, 2023	22.61	23.78	46.39
Charge for the year (Refer note 27)	2.81	10.73	13.54
Disposals	-	(12.21)	(12.21)
Balance as at December 31, 2023	25.42	22.30	47.72
Net carrying amount as at December 31, 2023	239.67	29.58	269.25

Details of Leases : The Company's leasing arrangements include land and building for office premises and service stations. Leasehold land mainly pertains to manufacturing plant located at Shirwal. Rental contracts for office premises and service stations are typically made for fixed periods of 3 to 15 years, but have extension options.

(i) Amount recognised in the Consolidated Statement of Profit and Loss

	Note	December 31, 2023	December 31, 2022
Interest expense on lease liabilities	26	2.98	2.87
Depreciation on right-of-use assets	27	13.54	12.55
Expenses related to short term leases (included in Miscellaneous expenses in Other expenses)	28	10.44	3.16

The total cash outflow for the year ended December 31, 2023 for leases is INR 23.59 million (December 31, 2022: INR 15.29 million).

(ii) Extension and Termination option :

Extension and termination options are included in a number of lease contracts. These terms are used to maximise operational flexibility in terms of managing contracts.

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

5 Other Intangible assets

	Copyrights, patents, intellectual property rights and operating rights	Computer software	Total
Gross carrying amount			
as at January 1, 2022	-	105.92	105.92
Additions	-	13.05	13.05
Disposals	-	-	-
Balance as at December 31, 2022	-	118.97	118.97
Accumulated Amortisation			
Balance as at January 1, 2022	-	92.51	92.51
Charge for the year (Refer note 27)	-	9.41	9.41
Disposals	-	-	-
Balance as at December 31, 2022	-	101.92	101.92
Net carrying amount			
as at December 31, 2022	-	17.05	17.05

	Copyrights, patents, intellectual property rights and operating rights	Computer software	Total
Gross carrying amount			
as at January 1, 2023	-	118.97	118.97
Additions	181.81	24.25	206.06
Disposals	-	(3.42)	(3.42)
Balance as at December 31, 2023	181.81	139.80	321.61
Accumulated Amortisation			
Balance as at January 1, 2023	-	101.92	101.92
Charge for the year (Refer note 27)	1.25	11.61	12.86
Disposals	-	(3.41)	(3.41)
Balance as at December 31, 2023	1.25	110.12	111.37
Net carrying amount			
as at December 31, 2023	180.56	29.68	210.24

(a) Aging of Intangible assets under development:

	As at December 31, 2022				
	Less than one year	1 – 2 year	2 – 3 year	More than 3 years	Total
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

	As at December 31, 2023				
	Less than one year	1 – 2 year	2 – 3 year	More than 3 years	Total
(i) Projects in progress	13.75	-	-	-	13.75
(ii) Projects temporarily suspended	-	-	-	-	-
Total	13.75	-	-	-	13.75

(All amounts in ₹ million, unless otherwise stated)

(b) Completion schedule for Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan:

	As at December 31, 2022				
	Less than one year	1 – 2 year	2 – 3 year	More than 3 years	Total
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

	As at December 31, 2023				
	Less than one year	1 – 2 year	2 – 3 year	More than 3 years	Total
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

(c) Intangible assets under development

	As at December 31, 2023	As at December 31, 2022
Opening carrying value	-	-
Additions	219.81	13.05
Transfers to Intangible assets	(206.06)	(13.05)
Closing carrying value	13.75	-

6(a) Investments

	As at December 31, 2023	As at December 31, 2022
Investment in subsidiary		
Pofran Sales & Agency Ltd. - 5,000 equity shares (December 31, 2022 - 5,000 equity shares) of INR 100 each fully paid	0.50	0.50
Investment in associate		
KSB MIL Controls Ltd. - 735,000 equity shares (December 31, 2022 - 735,000 equity shares) of INR 10 each fully paid	62.65	62.65
Investment in equity instruments of other entities		
Mula Pravara Electric Co - operative Society Ltd. - 15,995 equity shares (December 31, 2022 - 15,995 equity shares) of INR 25 each fully paid	0.40	0.40
Total (unquoted investments)	63.55	63.55
Less : Aggregate amount of provision for impairment in the value of investments	(0.40)	(0.40)
Total Investments	63.15	63.15

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

6(b) Loans

Non-current	As at December 31, 2023	As at December 31, 2022
Unsecured, considered good		
Loans to employees	73.91	91.19
Total	73.91	91.19

Current	As at December 31, 2023	As at December 31, 2022
Unsecured, considered good		
Loans and advances to employees	27.96	39.34
Total	27.96	39.34

7 Trade receivables

	As at December 31, 2023	As at December 31, 2022
Trade receivables	4,542.68	3,818.04
Trade receivables from related parties (Refer note 32)	569.56	525.73
	5,112.24	4,343.77
Less: Loss allowance	(152.71)	(209.00)
Total	4,959.53	4,134.77
Current portion	4,917.19	4,036.53
Non-current portion	42.34	98.24

Break-up of security details

	As at December 31, 2023	As at December 31, 2022
Trade receivables considered good - Unsecured	4,959.53	4,134.77
Trade receivables - credit impaired	152.71	209.00
	5,112.24	4,343.77
Less: Loss allowance	(152.71)	(209.00)
Total	4,959.53	4,134.77

(All amounts in ₹ million, unless otherwise stated)

Aging of trade receivables

	As at December 31, 2022						
	Not due	Outstanding for following periods from the due date					
		Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables							
considered good	1,375.78	2,171.40	257.31	130.89	66.39	133.00	4,134.77
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	80.95	4.00	13.69	12.12	51.71	162.47
Disputed trade receivables							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	2.96	14.23	29.34	46.53
Total	1,375.78	2,252.35	261.31	147.54	92.74	214.05	4,343.77

	As at December 31, 2023						
	Not due	Outstanding for following periods from the due date					
		Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables							
considered good	1,812.36	2,883.69	126.51	64.55	18.68	53.74	4,959.53
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	1.81	1.09	55.74	23.52	15.05	97.21
Disputed trade receivables							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	3.60	0.35	1.81	49.74	55.50
Total	1,812.36	2,885.50	131.20	120.64	44.01	118.53	5,112.24

8 (a) Cash and cash equivalents

	As at December 31, 2023	As at December 31, 2022
Balances with banks		
In current accounts	191.63	135.23
In EEFC accounts	283.28	143.68
Deposits with original maturity of less than three months	720.00	40.00
Cash on hand	0.22	0.43
Total	1,195.13	319.34

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

8 (b) Bank balances other than 8 (a) above

	As at December 31, 2023	As at December 31, 2022
Balances with banks		
Fixed deposits*	1,542.96	2,283.58
In earmarked accounts		
Unpaid dividend accounts	7.44	6.95
Total	1,550.40	2,290.53

*Includes INR 988.44 million (December 31, 2022: INR 1,018.91 million) held as lien by bank against credit facilities.

9 Other financial assets

Non-current	As at December 31, 2023	As at December 31, 2022
Unsecured, considered good		
Security deposits	42.28	46.33
Unsecured, considered doubtful		
Security deposits	5.30	5.30
	47.58	51.63
Less: Provision for doubtful security deposits	(5.30)	(5.30)
Total	42.28	46.33

Current	As at December 31, 2023	As at December 31, 2022
Interest accrued on deposits with banks	63.41	89.94
Derivative asset	0.54	-
Others*	50.80	-
Total	114.75	89.94

*Others include export incentives receivable and security deposit.

10 Inventories

	As at December 31, 2023	As at December 31, 2022
Raw materials (includes in transit INR 104.2 million; December 31, 2022: INR 132.14 million)	2,670.49	1,671.97
Work-in-progress	2,719.16	2,797.47
Finished goods (includes in transit INR 192.15 million; December 31, 2022: INR 255.97 million)	774.98	867.69
Stock-in-trade	184.83	192.89
Stores and spares	71.14	74.38
Loose tools	5.74	6.49
Total	6,426.34	5,610.89

The cost of inventories recognised as an expense during the year is disclosed in Note 22, 23 and 24. The cost of inventories recognised as an expense include write-down of inventories of INR 124.76 million (December 31, 2022: INR 120.51 million) and reversal of write-down of inventories of INR 189.30 million (December 31, 2022: INR 174.21 million).

(All amounts in ₹ million, unless otherwise stated)

11 Other non-current assets

		As at December 31, 2023	As at December 31, 2022
Capital advances		130.73	366.31
Advances other than capital advances			
Prepaid expenses		13.43	4.28
Balances with government authorities			
Considered good		199.07	199.07
Considered doubtful		-	3.28
		199.07	202.35
Less: Provision for doubtful balances		-	(3.28)
		199.07	199.07
	Total	343.23	569.66

12 Other current assets

		As at December 31, 2023	As at December 31, 2022
Prepaid expenses		23.69	17.79
Balances with government authorities			
Considered good		45.48	49.09
Considered doubtful		28.65	28.65
		74.13	77.74
Less: Provision for doubtful balances		(28.65)	(28.65)
		45.48	49.09
Others*			
Considered good		360.24	284.46
Considered doubtful		11.59	11.59
		371.83	296.05
Less: Provision for doubtful balances		(11.59)	(11.59)
		360.24	284.46
	Total	429.41	351.34

*Others mainly include advances paid to suppliers which would be subsequently settled against purchases.

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

13 (a) Deferred tax assets (net)

The balance of deferred tax comprises temporary differences attributable to:

	As at December 31, 2023	As at December 31, 2022
Deferred tax assets		
Provision for compensated absences, gratuity, superannuation and long service award	112.51	106.37
Provision for loss allowance on trade and other receivables	50.00	64.98
Fair value loss on derivative instruments	-	0.55
Others (including allowances on payment basis)	99.19	74.66
	261.70	246.56
Deferred tax liabilities		
Impact of difference between income tax depreciation and Ind AS depreciation/amortisation	83.71	79.71
Fair value gain on derivative instruments	0.14	-
	83.85	79.71
Deferred tax assets (net)	177.85	166.85

Changes in Deferred tax assets/ (liabilities) in Statement of Profit and Loss including Other Comprehensive Income [credited / (charged) during the year]

	Year Ended December 31, 2023	Year Ended December 31, 2022
Provision for compensated absences, gratuity, superannuation and long service award	6.14	(40.96)
Provision for loss allowance on trade and other receivables	(14.98)	(11.44)
Impact of difference between income tax depreciation and Ind AS depreciation/amortisation	(4.00)	3.55
Fair value of derivative instruments	(0.69)	0.79
Others	24.53	(4.81)
Total	11.00	(52.87)

13 (b) Income taxes

The major components of income tax expense for the year ended December 31, 2023 and December 31, 2022 are:

Statement of Profit and Loss

	Year ended December 31, 2023	Year ended December 31, 2022
Current income tax		
- Current tax on profit for the current year	713.15	533.63
- Adjustments for current tax of prior periods	8.47	4.88
	721.62	538.51
Deferred tax	(18.98)	75.66
Total tax expense reported in the Statement of Profit and Loss	702.64	614.17

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

Other comprehensive income	Year ended December 31, 2023	Year ended December 31, 2022
Deferred tax relating to remeasurement of post employment benefit obligations	(7.98)	22.79
Income tax credit to Other comprehensive income	(7.98)	22.79

Movement in income tax liabilities / (assets) (net)

	As at December 31, 2023	As at December 31, 2022
Opening balance [payable/ (receivable)]	(209.18)	(143.34)
Add : Current tax payable (including tax for prior period)	721.62	538.51
Less : Taxes paid (including tax paid for prior period, net of refunds)	(695.93)	(604.35)
Closing balance [payable/ (receivable)]	(183.49)	(209.18)
Assets for current tax (net)	(183.49)	(209.18)
Current tax liabilities (net)	-	-

Reconciliation of tax expense and accounting profit multiplied by statutory income tax rate :

	Year ended December 31, 2023	Year ended December 31, 2022
Accounting profit before tax	2,748.77	2,406.86
Tax at statutory income tax rate of 25.17% (2022: 25.17%)	691.81	605.76
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Dividend Income	(9.90)	(8.14)
- Donations	10.07	7.71
- Other items	2.19	3.96
Adjustments for current-tax of prior periods	8.47	4.88
Income tax expense	702.64	614.17

14 (a) Equity share capital

		As at December 31, 2023	As at December 31, 2022
Authorised equity share capital : 4,00,00,000 (December 31, 2022 : 4,00,00,000) Equity shares of INR 10 each		400.00	400.00
	Total	400.00	400.00
Issued, subscribed and paid up : 3,48,07,844 (December 31, 2022 : 3,48,07,844) Equity shares of INR 10 each		348.08	348.08
	Total	348.08	348.08

(i) Reconciliation of number of equity shares

	As at December 31, 2023	As at December 31, 2022
Shares outstanding at the beginning and end of the year	3,48,07,844	3,48,07,844

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

(ii) Rights, preferences and restrictions attached to equity shares

The company has only one class of shares referred to as equity shares having a face value of INR 10 per share. Each equity shareholder is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Shares of the Company held by Ultimate Holding Company / Holding Company and/ or their Subsidiaries/ Associates

	As at December 31, 2023	As at December 31, 2022
Canadian Kay Pump Ltd. (Holding Company)	1,41,10,848	1,41,10,848

(iv) Details of equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company

Name of the shareholder	As at December 31, 2023		As at December 31, 2022	
	% holding	No. of shares	% holding	No. of shares
Canadian Kay Pump Ltd	40.54%	1,41,10,848	40.54%	1,41,10,848
Industrial & Prudential Investment Co. Ltd.	21.55%	75,00,000	21.55%	75,00,000

(v) Details of shareholding of promoters:

Name of the shareholder	As at December 31, 2023			As at December 31, 2022		
	No. of shares	% holding	% change during the year	No. of shares	% holding	% change during the year
Canadian Kay Pump Ltd.	1,41,10,848	40.54%	-	1,41,10,848	40.54%	-
Vikram Swarup Family Trust	60,400	0.17%	-	60,400	0.17%	-
Vikram Swarup	40,000	0.11%	-	40,000	0.11%	-
Gaurav Swarup	34,000	0.10%	-	34,000	0.10%	-
Bindu Vikram Swarup	16,000	0.05%	-	16,000	0.05%	-
Parul Swarup	3,058	0.01%	-	3,058	0.01%	-
Paharpur Cooling Towers Limited	14,50,000	4.17%	-	14,50,000	4.17%	-
Industrial & Prudential Investment Co. Ltd.	75,00,000	21.55%	-	75,00,000	21.55%	0.75%

(vi) There were neither shares bought back nor allotted either as fully paid bonus shares or under any contract without payment being received in cash, during the five years immediately preceding December 31, 2023.

(All amounts in ₹ million, unless otherwise stated)

14 (b) Other equity

(i) Retained earnings

	As at December 31, 2023	As at December 31, 2022
Opening balance	9,494.07	8,204.25
Profit for the year	2,046.13	1,792.69
	11,540.20	9,996.94
Items of other comprehensive income recognised directly in retained earnings		
Remeasurement of post-employment benefit obligations (net of tax)	23.75	(67.77)
Less: Dividend paid	(522.12)	(435.10)
Closing Balance	11,041.83	9,494.07
Total Retained earnings	11,041.83	9,494.07

(ii) Other reserves

	As at December 31, 2023	As at December 31, 2022
Capital reserve [Refer note (i) below]	0.09	0.09
Capital redemption reserve [Refer note (i) below]	0.10	0.10
Securities premium [Refer note (i) below]	3.20	3.20
General reserve [Refer note (ii) below]	1,085.08	1,085.08
Amalgamation reserve [Refer note (i) below]	0.06	0.06
Total Other reserves	1,088.53	1,088.53
Total Other equity	12,130.36	10,582.60

Nature and purpose of Other reserves:

(i) These reserves pertain to reserve arising on amalgamations in the past, which is required to be statutorily maintained and cannot be distributed to the shareholders.

(ii) This reserve represents amounts transferred from retained earnings in earlier years as per the requirements of the erstwhile Companies Act, 1956. The reserve is a free reserve.

15 Lease liabilities

	As at December 31, 2023	As at December 31, 2022
Non-current lease liabilities	21.02	19.51
Current lease liabilities	11.34	9.31
Total	32.36	28.82

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

Movement in lease liabilities

	As at December 31, 2023	As at December 31, 2022
Opening balance	28.82	29.88
Add: Additions during the year (Refer note 4)	13.71	9.06
Add: Interest expense on lease liabilities (Refer note 26)	2.98	2.87
Less: Repayment of lease liabilities	(13.15)	(12.13)
Less: Deletions during the year (Refer note 4)	-	(0.86)
Closing balance	32.36	28.82

16 Trade payables

	As at December 31, 2023	As at December 31, 2022
Total outstanding dues of micro enterprises and small enterprises	473.09	482.97
	473.09	482.97
Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Related parties (Refer note 32)	772.06	479.95
(ii) Others	2,187.34	2,179.70
	2,959.40	2,659.65
Total	3,432.49	3,142.62

Aging of trade payables

	As at December 31, 2022						
	Unbilled	Not due	Outstanding for following periods from the due date				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables							
Micro enterprises and small enterprises	-	364.90	118.07	-	-	-	482.97
Others	688.24	1,082.45	750.54	38.26	39.91	33.18	2,632.58
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	0.58	26.49	27.07
Total	688.24	1,447.35	868.61	38.26	40.49	59.67	3,142.62

	As at December 31, 2023						
	Unbilled	Not due	Outstanding for following periods from the due date				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables							
Micro enterprises and small enterprises	-	256.78	216.31	-	-	-	473.09
Others	834.32	948.54	1,084.05	29.10	16.35	46.46	2,958.82
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	0.58	0.58
Total	834.32	1,205.32	1,300.36	29.10	16.35	47.04	3,432.49

(All amounts in ₹ million, unless otherwise stated)

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The information as required to be disclosed under MSMED Act has been determined to the extent such parties have been identified on the basis of information available with the Company.

			December 31, 2023	December 31, 2022
a)	i)	The principal amount remaining unpaid to any supplier as at the year end	471.77	482.35
	ii)	The interest due remaining unpaid to any supplier as at the year end	0.54	0.53
b)		The amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	7.15	27.43
c)		The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
d)		The amount of interest accrued and remaining unpaid as at the year end	1.32	0.62
e)		The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

17 Other financial liabilities-current

	As at December 31, 2023	As at December 31, 2022
Security deposits	119.74	111.56
Unclaimed dividend	7.44	6.95
Payable for purchase of property, plant and equipment	257.46	174.91
Derivative liability	-	2.18
Dealer incentive schemes	387.49	298.36
Payable to employees	152.89	139.93
Total	925.02	733.89

18 (a) Provisions - Non-current

	As at December 31, 2023	As at December 31, 2022
Provision for employee benefits (Refer note 31)	339.13	355.93
Provision for warranty [Refer note (ii) below]	97.87	77.17
Total	437.00	433.10

(b) Provisions - Current

	As at December 31, 2023	As at December 31, 2022
Provision for employee benefits [Refer note (i) below]	349.60	312.46
Provision for warranty [Refer note (ii) below]	47.96	50.55
Provision for litigations / contingencies [Refer note (iii) below]	139.93	139.93
Total	537.49	502.94

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

Notes :

(i) Includes provision for employee bonus and incentives. For details of gratuity, superannuation, compensated absences and long service award, refer note 31.

(ii) The Company offers warranty for its products. Provision for warranty is computed as a percentage of sales based on the past trends observed. The time value of money is considered to be not material and hence the provisions are not discounted. It is expected that this expenditure will be incurred over the contractual warranty period.

(iii) Provision is towards contingencies in respect of disputed claims against the Company, the quantum of outflow and timing of which is presently unascertainable.

Movement in provisions

	Provision for warranty	Provision for litigations / contingencies
As at January 1, 2022		
Balance at the beginning	153.61	139.66
Charged to the Statement of Profit and Loss		
Provision recognised (net of reversal)	32.81	0.27
Amounts used during the year	(58.70)	-
As at December 31, 2022	127.72	139.93

	Provision for warranty	Provision for litigations / contingencies
As at January 1, 2023		
Balance at the beginning	127.72	139.93
Charged to the Statement of Profit and Loss		
Provision recognised (net of reversal)	76.16	-
Amounts used during the year	(58.05)	-
As at December 31, 2023	145.83	139.93

19 Other current liabilities

	As at December 31, 2023	As at December 31, 2022
Statutory dues payable	207.67	49.99
Advances from customers*	2,050.85	1,912.67
Total	2,258.52	1,962.66

*Notes:

i) During the year ended December 31, 2023, the Company have recognised INR 667.26 million (December 31, 2022: INR 359.97 million) as revenue from the Advances from customer outstanding as at the beginning of the year.

ii) Advances from customers have increased in current year mainly on account of advance received during the year ended December 31, 2023 as per the contractual terms with the customers.

(All amounts in ₹ million, unless otherwise stated)

20 Revenue from operations

	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from contracts with customers		
Sale of products	22,067.08	17,870.54
Sale of services	249.91	212.16
	22,316.99	18,082.70
Other operating revenue		
Sale of scrap	59.97	67.54
Export incentives	95.42	69.36
	155.39	136.90
Revenue from operations	22,472.38	18,219.60

Notes:

(i) Disaggregated revenue information

The table below presents disaggregated revenue from contracts with customers for the year ended December 31, 2023 and December 31, 2022. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Geographical location of customer	Year ended December 31, 2023	Year ended December 31, 2022
Within India	19,317.91	15,531.70
Outside India	2,999.08	2,551.00
Revenue from contracts with customers	22,316.99	18,082.70

Segment	Year ended December 31, 2023	Year ended December 31, 2022
Pumps	18,838.22	15,105.12
Valves	3,478.77	2,977.58
Revenue from contracts with customers	22,316.99	18,082.70

(ii) Reconciliation of revenue recognized with contract price :

	Year ended December 31, 2023	Year ended December 31, 2022
Contract price	22,876.33	18,394.03
Adjustments for discounts, incentives, liquidated damages, price reductions	(559.34)	(311.33)
Revenue from contracts with customers	22,316.99	18,082.70

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

21 Other income

		Year ended December 31, 2023	Year ended December 31, 2022
Interest income			
- Interest income from financials assets measured at amortised cost		126.89	152.53
- Others		36.38	41.27
Dividend from investment in associate		39.32	32.34
Sundry credit balances and provisions no longer required, written back		3.45	14.42
Net gain on disposal of property, plant and equipment and intangible assets		2.21	13.49
Net gain on foreign currency transactions and translations		58.81	120.52
Fair value gain in derivative financial instruments		2.72	-
Miscellaneous income		92.91	79.61
	Total	362.69	454.18

22 Cost of materials consumed

	Year ended December 31, 2023	Year ended December 31, 2022
Opening stock of raw materials	1,671.97	1,052.21
Add: Purchases	11,687.49	9,562.09
Less: Closing stock of raw materials	2,670.49	1,671.97
	10,688.97	8,942.33

23 Purchases of stock-in -trade

		Year ended December 31, 2023	Year ended December 31, 2022
Purchases of stock-in-trade		1,907.05	1,687.73
	Total	1,907.05	1,687.73

24 Change in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended December 31, 2023	Year ended December 31, 2022
Opening inventory		
- Finished goods	867.69	746.42
- Work-in-progress	2,797.47	2,197.82
- Stock-in-trade	192.89	163.76
	3,858.05	3,108.00
Less: Closing inventory		
- Finished goods	774.98	867.69
- Work-in-progress	2,719.16	2,797.47
- Stock-in-trade	184.83	192.89
	3,678.97	3,858.05
Net change in inventories	179.08	(750.05)

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

25 Employee benefit expense

	Year ended December 31, 2023	Year ended December 31, 2022
Salaries and wages	2,328.66	2,094.99
Contributions to provident and other funds	170.28	160.51
Staff welfare expenses	197.89	183.47
Total	2,696.83	2,438.97

26 Finance costs

	Year ended December 31, 2023	Year ended December 31, 2022
Interest and other finance charges	41.33	41.11
Interest expense on lease liabilities (Refer note 4)	2.98	2.87
Net interest expense on defined benefit obligations (Refer note 31)	8.59	17.28
Total	52.90	61.26

27 Depreciation and amortisation expenses

	Year ended December 31, 2023	Year ended December 31, 2022
Depreciation of property, plant and equipment (Refer note 3)	470.38	430.65
Depreciation of right-of-use assets (Refer note 4)	13.54	12.55
Amortisation of intangible assets (Refer note 5)	12.86	9.41
Total	496.78	452.61

28 Other expenses

	Year ended December 31, 2023	Year ended December 31, 2022
Processing and machining charges	1,069.39	866.20
Stores consumed	483.66	408.02
Tools consumed	40.42	50.86
Water, power and fuel	246.06	247.82
Rates and taxes	14.22	2.95
Insurance	37.88	35.98
Repairs and maintenance		
- Buildings	48.71	50.09
- Machinery	60.14	56.71
- Others	59.34	69.16
Travelling and conveyance	177.97	140.80
Packing and forwarding charges (Net of recoveries - ₹ 43.65 million; December 31, 2022 - ₹ 27.29 million)	497.33	421.38
Export selling agents	13.51	1.19
Other selling agents	41.39	22.84
Royalty charges (Includes Trademark charges - ₹ 12.92 million; December 31, 2022 - ₹ 28.66 million)	339.42	324.39
Expenditure on Corporate Social Responsibility [Refer note (i) below]	40.02	32.62
Fair value losses in derivative financial instruments	-	3.14
Legal and professional fees	72.46	50.67
Other computer services	190.60	45.15
Advertisements and catalogues	58.94	87.58
Miscellaneous expenses	573.23	516.52
Total	4,064.69	3,434.07

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

(i) Expenditure on Corporate Social Responsibility

		December 31, 2023	December 31, 2022
Contribution to KSB Care Charitable Trust		39.03	32.62
Expenditure towards other CSR activities		-	-
Administrative overheads		0.99	-
	Total	40.02	32.62
Gross amount required to be spent by the Company during the year		40.02	32.62
	Total	40.02	32.62

Amount spent during the year on : In cash

		December 31, 2023	December 31, 2022
a. Construction/ acquisition of any asset		-	-
b. On purposes other than (a) above		40.02	32.62
	Total	40.02	32.62

Nature of CSR activities - Education, Skill development, Healthcare, Destitute care, Environment, Sanitation.

(ii) Payment to auditors (included in legal and professional fees)

		Year ended December 31, 2023	Year ended December 31, 2022
As auditor			
Audit fee (Including limited review)		3.50	2.90
In Other Capacities			
Fees for other services		0.80	0.80
Reimbursement of expenses		0.53	0.04
	Total	4.83	3.74

29 Earnings per equity share

	As at December 31, 2023	As at December 31, 2022
Profit for the year attributable to the equity shareholders of the Company	2,046.13	1,792.69
Weighted average number of equity shares	3,48,07,844	3,48,07,844
Basic and Diluted Earnings per share (in ₹)	58.78	51.50

30 Contingencies and commitments

a) Contingent liabilities

		As at December 31, 2023	As at December 31, 2022
Claims against the Company not acknowledged as debts		110.65	96.13
Income tax		549.40	548.71
Goods and Services Tax, Excise and Service tax		1,207.27	1,120.51
Others		4.90	-
	Total	1,872.22	1,765.35

b) Capital commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is INR 405.66 million (December 31, 2022: INR 475.22 million)

(All amounts in ₹ million, unless otherwise stated)

31 Employee benefit obligations

	As at December 31, 2023	As at December 31, 2022
Compensated absences (Refer note B)	297.58	304.80
Non-current	242.19	245.61
Current	55.39	59.19
Long service award (Refer note C)	36.19	51.09
Non-current	12.41	23.88
Current	23.78	27.21
Gratuity (Refer note D)	127.12	100.37
Non-current	72.20	71.51
Current	54.92	28.86
Superannuation (Refer note E)	22.33	17.46
Non-current	12.33	14.93
Current	10.00	2.53

A Defined contribution plan

Contributions are made to provident fund at a fixed percentage of employee's salary as per the regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards contribution to provident fund is ₹ 107.46 million (December 31, 2022 - ₹ 96.85 million).

B Compensated absences

The leave obligations cover the Company's liability for privilege leave and sick leave. The amount of provision made during the year is ₹ 32.61 million (December 31, 2022 - INR 82.93 million). The Company does not have an unconditional right to defer settlement for any of these obligations. However, based on the past experience, the Company does not expect payment of the entire amount of accrued leaves or availment of the entire number of accrued leaves by employees within twelve months and accordingly, amounts have been classified as current and non-current.

C Long service award

The Company award all the employees who complete 25 years of service in the Company and the Workmen employees who complete 20 or more years of service in the Company but unable to complete 25 years due to superannuation. The amount of provision made during the year is ₹ 9.22 million (December 31, 2022 - ₹ 14.75 million).

Significant estimates

The significant actuarial assumptions were as follows :

	As at December 31, 2023	As at December 31, 2022
Discount rate	7.40%	7.30%
Gold Inflation rate	8.00%	8.00%
Attrition rate	7.00%	7.00%

D Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days to one month's salary multiplied for the number of years of service. The gratuity plan is a funded plan.

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

(I) The amounts recognised in balance sheet and movements in the net benefit obligation over the year are as follows :

Particulars	Present value of obligation	Fair value of plan assets	Net amount
January 1, 2022	796.82	(548.61)	248.21
Current service cost	59.05	-	59.05
Interest expense/(income)	50.56	(34.82)	15.74
Total amount recognised in Statement of Profit and Loss	109.61	(34.82)	74.79
(Gain)/loss from experience changes	143.71	-	143.71
(Gain)/loss from change in financial assumptions	(51.66)	-	(51.66)
Total amount recognised in Other Comprehensive Income	92.05	-	92.05
Employer contributions	-	(314.68)	(314.68)
Benefits paid	(58.31)	58.31	-
December 31, 2022	940.17	(839.80)	100.37

Particulars	Present value of obligation	Fair value of plan assets	Net amount
January 1, 2023	940.17	(839.80)	100.37
Current service cost	59.91	-	59.91
Interest expense/(income)	68.58	(61.26)	7.32
Total amount recognised in Statement of Profit and Loss	128.49	(61.26)	67.23
(Gain)/loss from experience changes	(29.41)	-	(29.41)
(Gain)/loss from change in financial assumptions	(5.16)	-	(5.16)
(Gain)/loss from change in demographic assumptions	0.81	-	0.81
Total amount recognised in Other Comprehensive Income	(33.76)	-	(33.76)
Employer contributions	-	(6.72)	(6.72)
Benefits paid	(62.81)	62.81	-
December 31, 2023	972.09	(844.97)	127.12

(II) The net liability disclosed above relates to funded plans are as follows:

Particulars	As at December 31, 2023	As at December 31, 2022
Present value of funded obligation	972.09	940.17
Fair value of plan assets	(844.97)	(839.80)
Deficit	127.12	100.37

(III) Significant estimates

The significant actuarial assumptions were as follows :

	As at December 31, 2023	As at December 31, 2022
Discount rate	7.40%	7.30%
Salary growth rate	7.50%	7.50%
Attrition rate	7.00%	7.00%

(All amounts in ₹ million, unless otherwise stated)

(IV) Sensitivity of actuarial assumptions

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation [Increase / (Decrease)]	
	As at December 31, 2023	As at December 31, 2022
Discount rate		
1 % increase	(46.77)	(49.37)
1 % decrease	51.78	54.60
Salary growth rate		
1 % increase	54.44	56.69
1 % decrease	(51.24)	(54.02)
Attrition rate		
1 % increase	(2.01)	(2.07)
1 % decrease	2.67	2.74

The above sensitivity analysis have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method is used to calculate the liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Projected benefits payable from the fund in future years from the date of reporting:

	As at December 31, 2023	As at December 31, 2022
Upto 1 year	164.14	102.29
Between 2 to 5 years	445.58	445.31
Between 6 to 10 years	483.11	527.36
More than 10 years	425.56	451.06
Total	1,518.39	1,526.02

The weighted average duration of the defined benefit obligation is 5 years. (December 31, 2020: 6 years)

(V) The major categories of plan assets are as follows:

Particulars	As at December 31, 2023	As at December 31, 2022
Funds managed by insurer	100%	100%

The Company expects to contribute INR 54.92 million towards plan assets in the next 12 months.

E Superannuation

The Company provides for superannuation for employees qualifying specified eligibility criteria. The amount of superannuation payable on retirement/termination is computed on the basis of employee's category and number of years of service. The superannuation plan is a funded plan.

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

(I) The amounts recognised in balance sheet and movements in the net benefit obligation over the year are as follows :

Particulars	Present value of obligation	Fair value of plan assets	Net amount
January 1, 2022	30.36	(6.22)	24.14
Current service cost	1.77	-	1.77
Interest expense/(income)	1.93	(0.39)	1.54
Total amount recognised in Statement of Profit and Loss	3.70	(0.39)	3.31
(Gain)/loss from experience changes	(0.24)	-	(0.24)
(Gain)/loss from change in financial assumptions	(1.25)	-	(1.25)
Total amount recognised in Other Comprehensive Income	(1.49)	-	(1.49)
Employer contributions	-	(8.50)	(8.50)
Benefits paid	(3.85)	3.85	-
December 31, 2022	28.72	(11.26)	17.46

Particulars	Present value of obligation	Fair value of plan assets	Net amount
January 1, 2023	28.72	(11.26)	17.46
Current service cost	1.57	-	1.57
Interest expense/(income)	2.09	(0.82)	1.27
Total amount recognised in Statement of Profit and Loss	3.66	(0.82)	2.84
Return on plan assets	-	2.46	2.46
(Gain)/loss from experience changes	(1.50)	-	(1.50)
(Gain)/loss from change in financial assumptions	(0.12)	-	(0.12)
(Gain)/loss from change in demographic assumptions	1.19	-	1.19
Total amount recognised in Other Comprehensive Income	(0.43)	2.46	2.03
Employer contributions	-	-	-
Benefits paid	(3.63)	3.63	-
December 31, 2023	28.32	(5.99)	22.33

(II) The net liability disclosed above relates to funded plans are as follows:

	As at December 31, 2023	As at December 31, 2022
Present value of funded obligation	28.32	28.72
Fair value of plan assets	(5.99)	(11.26)
Deficit	22.33	17.46

(III) Significant estimates

The significant actuarial assumptions were as follows :

	As at December 31, 2023	As at December 31, 2022
Discount rate	7.40%	7.30%
Attrition rate	7.00%	7.00%

(All amounts in ₹ million, unless otherwise stated)

(IV) Sensitivity of actuarial assumptions

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation [Increase / (Decrease)]	
	As at December 31, 2023	As at December 31, 2022
Discount rate		
1 % increase	(1.08)	(1.22)
1 % decrease	1.17	1.32
Attrition rate		
1 % increase	0.21	(0.32)
1 % decrease	(0.27)	0.26

The above sensitivity analysis have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method is used to calculate the liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Projected benefits payable from the fund in future years from the date of reporting:

	As at December 31, 2023	As at December 31, 2022
Upto 1 year	11.08	6.46
Between 2 to 5 years	11.33	15.69
Between 6 to 10 years	12.22	13.48
More than 10 years	5.34	5.94
Total	39.97	41.57

The weighted average duration of the defined benefit obligation is 4 years. (December 31, 2022: 4 years)

(V) The major categories of plan assets are as follows:

Particulars	As at December 31, 2023	As at December 31, 2022
Funds managed by insurer	100%	100%

The Company expects to contribute INR 10 million towards plan assets in the next 12 months.

Risk exposure for the above plans

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

(i) Asset-liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. In managing the plan assets, Board of Trustees reviews and manages these risks associated with the funded plan. Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes asset - liability matching strategy and investment risk management policy (which includes contributing to plans that invest in risk averse markets).

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

(ii) Asset volatility

All plan assets are maintained in a trust fund managed by a public sector insurer i.e., LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence, 100% liquidity is ensured.

(iii) Discount rate risk

The present value of the defined benefit obligation is calculated using discount rate based on Government bonds. The decrease in the bond yield will increase the defined benefit obligation, however the same will be partially offset by an increase in value of plan assets.

(iv) Future salary escalation risk

The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the defined benefit obligation.

32 Disclosure pursuant to Ind AS 24 'Related party transactions':

A Name of the related parties and nature of relationship

a.	Ultimate Parent Entity / Ultimate Controlling Party KSB Stiftung and Kuborth Stiftungs GmbH
b.	Parent Entities Canadian Kay Pump Ltd. (Direct parent) KSB SE & Co. KGaA (previously KSB AG) (next most senior parent that produces Consolidated Financials for public use)
c.	Subsidiary Pofran Sales and Agency Limited
d.	Associate KSB MIL Controls Limited
e.	Other Related Parties with whom transactions have taken place during the year: Fellow Subsidiaries: 1 KSB S.A.S France 2 KSB Inc., USA 3 KSB Pumps and Valves Pty Ltd South Africa 4 KSB Australia Pty Limited 5 KSB Chile S.A. 6 KSB Singapore (Asia Pacific) PTE Ltd. 7 KSB Limited, Hongkong 8 KSB Pumps Co.Ltd., Thailand 9 P.T. KSB., Indonesia 10 KSB Taiwan Co. Ltd. 11 KSB Ltd, Tokyo 12 KSB Brazil LtdA. 13 KSB Korea Limited 14 KSB de Mexico S.A. de C.V.

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

32 A Name of the related parties and nature of relationship (continued):

	15	KSB Nederland B.V.
	16	DP Industries B.V., Netherland
	17	KSB Pumps Arabia Ltd.
	18	KSB Limited United Kingdom
	19	KSB Italia S.p.A., Italy
	20	KSB Pompa Armatur Sanayi ve Ticaret AS Turkey
	21	KSB Shanghai Pump Co. Ltd., China
	22	Dalian KSB AMRI Valves Co., Ltd.
	23	KSB Finland Oy
	24	KSB ITUR S.A., Spain
	25	KSB Tech Private Limited, India
	26	GIW Industries Inc., USA
	27	KSB Middle East FZE, Dubai
	28	KSB Polska Sp. z o.o, Poland
	29	KSB Bombas e Válvulas, SA
	30	KSB Malaysia Pumps & Valves Sdn. Bhd.
	31	KSB Sverige Aktiebolag
	32	KSB Pompes ET Robintteries Sarl, Morocco
	33	KSB Service GmbH, Germany
	34	KSB New Zealand
	35	KSB Vietnam Company Ltd.
	36	KSB Philippines
	37	KSB Colombia SAS
	38	KSB Valves (Changzhou) Co.,Ltd., China
	39	SISTO Armaturen S.A., Luxembourg
	40	Shanghai Electric KSB Nuclear Pumps and Valves Co. Ltd., China
	41	PT. KSB Sales Indonesia
	42	KSB Zambia Limited
	43	KSB Pumps and Valves L.t.d., Slovenia
	44	KSB Pumps and Valves Limited, Kenya
	45	Pumpen-Service Bentz GmbH
	46	KSB Algérie Eurl
	47	KSB Pump & Valve Technology service
	48	KSB (Schweiz) AG
	49	KSB Peru S.A.
	50	KSB Belgium S.A.
	51	KSB Compañia Sudamericana
	52	KSB Panama S.A.
	53	REEL s.r.l. A socio Unico
	54	KSB Pumps & Valves (Pty) Ltd.
	55	KSB Pumps (SA) Prop Ltd.
	56	KSB Sverige AB, Sweden

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

32 A Name of the related parties and nature of relationship (continued):

	57 KSB Pumps Inc (CA)
	58 KSB Pumps & Valves Ltd (NG)
	59 KSB-Pumpy+Armatury s.r.o., Koncern
	60 KSB Pompes ET Robinetteries s.à.r.l.
	61 KSB Service LLC, UAE
	62 KSB Service Egypt LLC
	63 KSB OOO, Russia
f.	Key Management Personnel:
	1 Mr. Rajeev Jain
	2 Mr. Gaurav Swarup
	3 Mr. D. N. Damania
	4 Mr. Pradip Shah
	5 Dr. Stephan Bross
	6 Mr. V. K. Vishwanathan
	7 Dr. Matthias Schmitz
	8 Ms. Sharmila Roy Chowdhury
g.	Individuals having significant influence over the enterprise
	1 Mr. Gaurav Swarup
h.	Relatives of individuals having significant influence over the enterprise
	1 Mrs. Gyan M Swarup
	2 Vikram Swarup Family Trust
	3 Mr. Vikram Swarup
	4 Mrs. Bindu Swarup
	5 Mrs. Parul Swarup
i.	Enterprises over which individuals having significant influence over the reporting enterprise exercise significant influence
	1 The Industrial & Prudential Investment Co. Ltd.
	2 New Holding and Trading Company Ltd. (merged with 'The Industrial & Prudential Investment Co. Ltd.')
	3 Paharpur Cooling Towers Ltd.
	4 KSB Care Charitable Trust
j.	Post employment benefit Trusts
	1 KSB Pumps Employee's Gratuity Trust
	2 Grade-O-Castings Employee's Gratuity Trust
	3 KSB Pumps (Core Employee's) Superannuation Trust

(All amounts in ₹ million, unless otherwise stated)

32 B. Transactions with related parties:

Nature of transactions	Parent Entities	Subsidiary Company	Associate Company	Fellow Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Individuals having significant influence over the reporting enterprise	Relatives of individuals having significant influence over the enterprise	Enterprises over which individuals having significant influence over the reporting enterprise exercise significant influence	Post employment benefit Trusts	Total
Purchase of goods	753.75	-	111.85	253.74	-	-	-	-	-	-	1,119.34
	(424.90)	(-)	(89.44)	(155.72)	(-)	(-)	(-)	(-)	(-)	(-)	(670.06)
Purchase of Property,	0.16	-	1.58	-	-	-	-	-	0.53	-	2.27
plant and equipment	(-)	(-)	(1.18)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.18)
Sale of goods	386.59	-	6.25	1,733.97	-	-	-	-	17.18	-	2,143.99
	(378.92)	(-)	(5.87)	(1,583.53)	(-)	(-)	(-)	(-)	(17.91)	(-)	(1,986.23)
Sale of services	2.90	-	-	14.40	-	-	-	-	-	-	17.30
	(2.81)	(-)	(-)	(13.48)	(-)	(-)	(-)	(-)	(-)	(-)	(16.29)
Site expenses	-	-	-	2.95	-	-	-	-	-	-	2.95
	(0.63)	(-)	(-)	(3.63)	(-)	(-)	(-)	(-)	(-)	(-)	(4.26)
Commission income	18.16	-	-	1.65	-	-	-	-	-	-	19.81
	(1.34)	(-)	(-)	(1.47)	(-)	(-)	(-)	(-)	(-)	(-)	(2.81)
Commission expenses	-	-	-	1.07	-	-	-	-	-	-	1.07
	(0.46)	(-)	(-)	(0.74)	(-)	(-)	(-)	(-)	(-)	(-)	(1.20)
Commission expenses	-	-	-	-	-	-	-	-	-	-	-
written back	(-)	(-)	(-)	(8.54)	(-)	(-)	(-)	(-)	(-)	(-)	(8.54)
Dividend income	-	-	39.32	-	-	-	-	-	-	-	39.32
	(-)	(-)	(32.34)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(32.34)
Liquidated damages	-	-	-	-	-	-	-	-	0.32	-	0.32
	(1.94)	(-)	(-)	(2.07)	(-)	(-)	(-)	(-)	(-)	(-)	(4.01)
Liquidated damages income	6.80	-	-	-	-	-	-	-	-	-	6.80
	(-)	(-)	(-)	(8.83)	(-)	(-)	(-)	(-)	(-)	(-)	(8.83)
Charges for technical /	192.60	-	-	7.36	-	-	-	-	-	-	199.96
professional services	(41.10)	(-)	(-)	(16.44)	(-)	(-)	(-)	(-)	(-)	(-)	(57.54)
Royalty charges	323.99	-	-	13.20	-	-	-	-	-	-	337.19
	(310.10)	(-)	(-)	(10.03)	(-)	(-)	(-)	(-)	(-)	(-)	(320.13)
Warranty charges	0.81	-	-	4.51	-	-	-	-	-	-	5.32
	(2.00)	(-)	(-)	(3.15)	(-)	(-)	(-)	(-)	(-)	(-)	(5.15)
Recovery of expenses	16.38	-	13.83	2.44	-	-	-	-	-	-	32.65
	(14.09)	(-)	(14.68)	(0.84)	(-)	(-)	(-)	(-)	(-)	(-)	(29.61)

(All amounts in ₹ million, unless otherwise stated)

32 B. Transactions with related parties (Contd.):

Nature of transactions	Parent Entities	Subsidiary Company	Associate Company	Fellow Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Individuals having significant influence over the reporting enterprise	Relatives of individuals having significant influence over the enterprise	Enterprises over which individuals having significant influence over the reporting enterprise exercise significant influence	Post employment benefit Trusts	Total
Reimbursement	0.76	-	-	2.08	-	-	-	-	-	-	2.84
of expenses	(2.01)	(-)	(-)	(0.94)	(-)	(-)	(-)	(-)	(-)	(-)	(2.95)
Remuneration	-	-	-	-	56.50	-	-	-	-	-	56.50
	(-)	(-)	(-)	(-)	(53.03)	(-)	(-)	(-)	(-)	(-)	(53.03)
Sitting fees paid	-	-	-	-	1.80	-	0.38	-	-	-	2.18
	(-)	(-)	(-)	(-)	(2.22)	(-)	(0.47)	(-)	(-)	(-)	(2.68)
Dividend paid	211.66	-	-	-	0.08	-	0.51	1.79	134.25	-	348.29
	(176.39)	(-)	(-)	(-)	(0.06)	(-)	(0.43)	(1.49)	(111.88)	(-)	(290.25)
Commission to	-	-	-	-	9.60	-	3.19	-	-	-	12.79
Directors	(-)	(-)	(-)	(-)	(8.70)	(-)	(2.91)	(-)	(-)	(-)	(11.61)
Expenditure on Corporate	-	-	-	-	-	-	-	-	39.03	-	39.03
Social Responsibility	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(32.62)	(-)	(32.62)
Contribution to post	-	-	-	-	-	-	-	-	-	6.72	6.72
employment benefits	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(323.18)	(323.18)
Outstanding balances arising from sales/ purchases of goods and services											
Trade receivables	80.37	-	-	481.47	-	-	-	-	7.72	-	569.56
(Refer note 7)	(70.59)	(-)	(-)	(452.83)	(-)	(-)	(-)	(-)	(2.31)	(-)	(525.73)
Trade payables	665.90	-	8.33	97.83	-	-	-	-	-	-	772.06
(Refer note 16)	(416.41)	(-)	(4.98)	(58.56)	(-)	(-)	(-)	(-)	(-)	(-)	(479.95)
Advances from	41.81	-	-	39.29	-	-	-	-	4.00	-	85.10
related parties	(35.54)	(-)	(-)	(77.00)	(-)	(-)	(-)	(-)	(-)	(-)	(112.54)
Security deposits	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(0.12)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.12)

Notes :
1. Previous year's figures are shown in brackets.
2. The Company enters into a variety of transactions with the related parties on arm's length basis.
Terms and conditions for outstanding balances
3. All outstanding balances are unsecured and payable in cash.

(All amounts in ₹ million, unless otherwise stated)

32 C. Transactions with related parties:

I Key management personnel compensation

	Year ended December 31, 2023	Year ended December 31, 2022
Short term employee benefits	52.47	52.63
Post-employment benefits	4.03	0.40
Total	56.50	53.03

II Material transactions with related parties

Sr. No.	Nature of transactions	Name of the party	Year ended December 31, 2023	Year ended December 31, 2022
1	Purchase of goods	KSB SE & Co. KGaA	753.75	424.90
		KSB MIL Controls Limited	111.85	89.44
2	Purchase of Property, plant and equipment	KSB MIL Controls Limited	1.58	1.18
		Paharpur Cooling Towers Limited	0.53	-
3	Sale of goods	KSB SE & Co. KGaA	386.59	378.92
		KSB Australia Pty Limited	130.34	233.52
		PT. KSB Sales Indonesia	192.98	224.82
		KSB Middle East FZE	326.33	123.36
4	Sale of services	KSB SE & Co. KGaA	2.90	2.81
		KSB Tech Private Limited	14.40	13.48
5	Site expenses	KSB SE & Co. KGaA	-	0.63
		PT KSB INDONESIA	-	3.11
		KSB Service GmbH	-	0.45
		KSB Algérie Eurl	0.61	-
		KSB Malaysia Pumps & Valves	1.94	-
		KSB Ltd, Tokyo	0.37	-
6	Commission income	KSB SE & Co. KGaA	18.16	1.34
		KSB S.A.S, France	1.65	0.83
		KSB Service GmbH	-	0.64
7	Commission expenses	KSB SE & Co. KGaA	-	0.46
		KSB Ltd, Tokyo	-	0.12
		KSB Malaysia Pumps & Valves	-	0.59
		KSB Pompa Armatur Sanayi ve Ticaret	0.99	-
8	Commission expenses written back	KSB Middle East FZE	-	8.54
9	Dividend income	KSB MIL Controls Limited	39.32	32.34

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

32 C. Transactions with related parties:

II Material transactions with related parties (continued)

Sr. No.	Nature of transactions	Name of the party	Year ended December 31, 2023	Year ended December 31, 2022
10	Liquidated damages	KSB SE & Co. KGaA	-	1.94
		KSB ITALIA S.P.A.	-	2.04
		Paharpur Cooling Towers Limited	0.32	-
11	Liquidated damages income	KSB SE & Co. KGaA	6.80	-
		KSB Pumps and Valves (PTY)LTD.	-	6.92
		KSB Shanghai Pump Co., LTD	-	1.91
12	Charges for technical / professional services	KSB SE & Co. KGaA	192.60	41.10
		KSB Tech Private Limited	7.36	18.85
13	Royalty charges	KSB SE & Co. KGaA	323.99	310.10
14	Warranty charges	KSB SE & Co. KGaA	0.81	2.00
		PT KSB INDONESIA	-	2.80
		KSB Vietnam Co., Ltd.	1.80	-
		KSB Pumps Co. Ltd, Thailand	1.37	-
		KSB Pumps and Valves (PTY) LTD.	0.72	-
15	Recovery of expenses	KSB MIL Controls Limited	13.83	14.68
		KSB SE & Co. KGaA	16.38	14.09
16	Reimbursement of expenses	KSB SE & Co. KGaA	0.76	2.01
		KSB Valves (Changzhou) Co.,Ltd.	0.71	0.03
		KSB Service GmbH	1.14	-
		PT KSB INDONESIA	-	0.29
17	Remuneration	Mr. Rajeev Jain	56.50	53.03
18	Sitting fees paid	Mr. G. Swarup	0.38	0.47
		Mr. D. N. Damania	0.38	0.47
		Mr. Pradip Shah	0.37	0.46
		Mr. V. K. Vishwanathan	0.28	0.35
		Dr. Matthias Schmitz	0.33	0.40
		Ms. Sharmila Roy Chowdhury	0.28	0.35
19	Dividend paid	Canadian Kay Pump Ltd.	211.66	176.39
		The Industrial & Prudential Investment Co. Ltd.	112.50	90.50

(All amounts in ₹ million, unless otherwise stated)

32 C. Transactions with related parties:

II Material transactions with related parties (continued)

Sr. No.	Nature of transactions	Name of the party	Year ended December 31, 2023	Year ended December 31, 2022
20	Commission to Directors	Mr. G. Swarup	3.19	2.91
		Mr. D. N. Damania	1.60	1.45
		Mr. Pradip Shah	1.60	1.45
		Dr. Stephan Bross	1.60	1.45
		Mr. V. K. Vishwanathan	1.60	1.45
		Dr. Matthias Schmitz	1.60	1.45
		Ms. Sharmila Roy Chowdhury	1.60	1.45
21	Expenditure on Corporate Social Responsibility	KSB Care Charitable Trust	39.03	32.62
22	Contribution to post employment benefits	KSB Pumps Employee's Gratuity Trust	6.72	306.13
		Grade-O-Castings Employee's Gratuity Trust	-	8.55
		KSB Pumps (Core Employee's) Superannuation Trust	-	8.50

Note :

1. "Material transactions with related parties" denote entities accounting for 10% or more of the aggregate for that category of balance during respective period.

33 Segment reporting

As per Ind AS 108 Operating Segments, when a financial report contains both consolidated financial statements and separate financial statements for the parent, segment information needs to be presented only in case of consolidated financial statements. Accordingly, segment information has been provided only in the consolidated financial statements.

34 Fair value measurements

Except derivative instruments, all financial assets and financial liabilities are measured at amortised cost. Derivative instruments are classified as fair value through profit or loss. The fair value is determined using forward exchange rates at the balance sheet date. The instruments fall under level 2 of the fair value hierarchy as per Ind AS 113 Fair Value Measurements. Level 2 fair value financial instruments are those which are not traded in an active market, which maximise the use of observable market data and rely as little as possible on entity specific estimates. Significant inputs required to measure a level 2 fair value are observable. The fair value of all the instruments measured at amortised cost is not significantly different from the carrying value of such instruments.

35 Financial risk management

The Company's activities exposes it to credit risk, liquidity risk and market risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

forward contracts are taken. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

The Company's risk management is carried out by the Company's treasury department under policies approved by the board of directors. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. For banks and other financial institutions, only high rated banks/ financial institutions are accepted. The balances with banks, loans given to employees, security deposits are subject to low credit risk and the risk of default is negligible or nil. The Company has recognized provision based on assumptions about risk of default, expected loss rates and specific identification method.

I Trade receivables

Credit risk arises from the possibility that customer will not be able to settle their obligations as and when agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly. The Company has recognized the provision based on assumptions about risk of default, expected loss rates and specific identification method.

Expected credit loss for trade receivables under simplified approach

Trade receivables	Year ended December 31, 2022				
	Weighted average loss rate	Gross	Allowance	Net	Credit impaired
Outstanding for following periods from the due date Not due	0%	1,375.78	-	1,375.78	No
Less than 6 months	4%	2,252.35	(80.95)	2,171.40	No
6 months - 1 year	2%	261.31	(4.00)	257.31	No
1-2 years	11%	147.54	(16.65)	130.89	No
2-3 years	28%	92.74	(26.35)	66.39	No
More than 3 years	38%	214.05	(81.05)	133.00	No
Total		4,343.77	(209.00)	4,134.77	

Trade receivables	Year ended December 31, 2023				
	Weighted average loss rate	Gross	Allowance	Net	Credit impaired
Outstanding for following periods from the due date Not due	0%	1,812.36	-	1,812.36	No
Less than 6 months	0%	2,885.50	(1.81)	2,883.69	No
6 months - 1 year	4%	131.20	(4.69)	126.51	No
1-2 years	46%	120.64	(56.09)	64.55	No
2-3 years	58%	44.01	(25.33)	18.68	No
More than 3 years	55%	118.53	(64.79)	53.74	No
Total		5,112.24	(152.71)	4,959.53	

(All amounts in ₹ million, unless otherwise stated)

Movement of provision for loss allowance :

	Provision for Loss allowance
Provision as at January 1, 2022	253.21
Change during the year	(44.21)
Provision as at December 31, 2022	209.00
Change during the year	(56.29)
Provision as at December 31, 2023	152.71

II Other financial assets

The Company's exposure to investments, loans, security deposits and other financial assets are considered to be low risk.

The loss allowance as at year end reconciles to the opening loss allowance as follows:

Movement of provision for loss allowance :

	Provision for Loss allowance
Provision as at January 1, 2022	5.30
Change during the year	-
Provision as at December 31, 2022	5.30
Change during the year	-
Provision as at December 31, 2023	5.30

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying business, the Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

"The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for :

1) all non-derivative financial liabilities, and

2) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows."

Maturity profile of financial liabilities based on undiscounted cash flows:

	December 31, 2023		December 31, 2022	
	Upto 1 year	Above 1 year	Upto 1 year	Above 1 year
Trade payables	3,432.49	-	3,142.62	-
Lease liabilities	12.42	26.73	10.18	26.31
Other financial liabilities	925.02	-	733.89	-

(C) Market risk

I) Foreign currency risk

The Company is engaged in international trade and thereby exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the EUR and USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The Company uses foreign exchange forward contracts to hedge its exposure in foreign currency risk.

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

i) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR million, are as follows :-

	December 31, 2023					December 31, 2022				
	EUR	USD	AUD	GBP	BDT	EUR	USD	AUD	GBP	BDT
Financial assets										
Trade receivables	153.94	653.68	-	-	0.20	143.76	558.60	-	0.01	-
Balances with banks										
- In current accounts	-	-	-	-	0.76	-	-	-	-	1.03
- In EEFC accounts	54.31	228.97	-	-	-	5.46	138.22	-	-	-
Derivative assets - Foreign exchange forward contracts (Sell Foreign Currency)	-	(37.49)	-	-	-	-	(253.85)	-	-	-
Net exposure to foreign currency risk (assets)	208.25	845.16	-	-	0.96	149.22	442.97	-	0.01	1.03
Financial liabilities										
Trade payables	351.94	110.11	0.11	1.10	1.36	181.72	105.23	0.26	1.96	0.48
Derivative liabilities - Foreign exchange forward contracts (Buy Foreign Currency)	-	-	-	-	-	-	-	-	-	-
Net exposure to foreign currency risk (liabilities)	351.94	110.11	0.11	1.10	1.36	181.72	105.23	0.26	1.96	0.48

ii) Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financials instruments:

	Impact on profit before tax	
	December 31, 2023	December 31, 2022
EUR sensitivity		
INR/EUR - Increase by 5% (December 31, 2022-5%)*	(7.18)	(1.63)
INR/EUR - Decrease by 5% (December 31, 2022-5%)*	7.18	1.63
USD sensitivity		
INR/USD - Increase by 5% (December 31, 2022-5%)*	36.75	16.89
INR/USD - Decrease by 5% (December 31, 2022-5%)*	(36.75)	(16.89)

* Holding all other variables constant

II) Interest rate risk

The Group's main interest rate risk arises from short term borrowings and deposits taken / placed over a period of time on frequent basis thereby exposing the Group to interest rate risk. The Group's policy is to have fixed interest rate at the time of deal execution.

36 Capital management

a) Risk management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. 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 parent. The primary objective of the Company's capital management is to maximise the shareholders value. The Company manages its capital structure and makes adjustments in light of

(All amounts in ₹ million, unless otherwise stated)

changes in economic conditions and the requirements of the financial covenants. The Company is debt-free and has net cash and bank balance as at years ended December 31, 2023 and December 31, 2022

No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2023 and December 31, 2022.

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	Year ended December 31, 2023	Year ended December 31, 2022
Cash and bank balance		
Cash and cash equivalents [Refer note 8 (a)]	1,195.13	319.34
Other bank balance* [Refer note 8 (b)]	1,542.96	2,283.58
Borrowings		
Current borrowings	-	-
Net cash and bank balance	2,738.09	2,602.92

*Other bank balance consists of fixed deposits which are considered as short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

The amount of net cash and bank balance considering the amount of lease liability of INR 32.36 million (December 31, 2022: INR 28.82 million) is INR 2,705.73 million (December 31, 2022: INR 2,574.10 million)

Net debt reconciliation - Current borrowings

	Year ended December 31, 2023	Year ended December 31, 2022
Nebt debt at the beginning of the year	-	-
Net cashflows [Inflow/(Outflow)]	-	-
Interest on borrowings	27.31	41.11
Interest paid on borrowings	(27.31)	(41.11)
Nebt debt at the end of the year	-	-

b) Dividends

	December 31, 2023	December 31, 2022
(i) Equity shares		
Final dividend paid for the year ended December 31, 2022 of ₹ 15.00 (December 31, 2021 of ₹ 12.50) per fully paid share	522.12	435.10
(ii) Dividends not recognised at the end of the reporting period		
The directors have recommended the payment of a final dividend of ₹ 17.50 per fully paid equity share (December 31, 2022 - ₹ 15.00). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	609.14	522.12

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

37 Additional regulatory information

(a) Analytical ratios

Sr. No.	Ratio	Numerator	Denominator	December 31, 2023	December 31, 2022	Change %
(i)	Current ratio	Current assets	Current liabilities	2.05	2.01	1.99%
(ii)	Return on equity ratio	Net profit after tax	Average* share holders equity	17.48%	17.43%	0.30%
(iii)	Inventory turnover	Cost of goods sold ratio	Average* inventory	2.12	2.01	5.47%
(iv)	Trade receivables turnover ratio	Total Sales	Average* Trade receivables	4.92	5.14	-4.28%
(v)	Trade payables turnover ratio	Purchases	Average* Trade payables	5.42	5.01	8.18%
(vi)	Net capital turnover ratio	Total Sales	Working capital	2.99	2.84	5.28%
(vii)	Net profit ratio	Net profit after tax	Total Sales	9.14%	9.88%	-7.49%
(viii)	Return on capital employed	Earnings before interest and tax	Capital employed	23.17%	22.97%	0.87%
(ix)	Return on investment	Earnings before interest and tax	Average* total assets	14.81%	14.80%	0.07%

Total Sales = Revenue from operations less Export incentives

Capital employed = Tangible Net Worth less Deferred tax assets

Working capital = Current assets less Current liabilities

*Average = ((Opening + Closing) / 2)

Note - Debt-equity ratio and Debt service coverage ratio are not applicable as there are no borrowings as at December 31, 2023 and December 31, 2022.

(b) Details of benami property held

No proceedings have been initiated on or are pending against the company under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(c) Borrowing secured against current assets

The Company has placed fixed deposits of INR 988.44 million (December 31, 2022: INR 1018.91 million) under lien with banks and has availed the overdraft facilities against the same. Thus, the Company is not required to file quarterly returns or statement of current assets with the banks.

(d) Wilful defaulter

The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(e) Relationship with struck off companies

Below are the details of transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

Sr	Name of the struck off Company	Nature of transactions	Balance outstanding as at December 31, 2022	Relationship
1	Soares Engineers Private Limited	Payables	0.15	Non related party
2	Vertex Safety Products Private Limited	Receivables	-	Non related party

(All amounts in ₹ million, unless otherwise stated)

Sr	Name of the struck off Company	Nature of transactions	Balance outstanding as at December 31, 2023	Relationship
1	Soares Engineers Private Limited	Payables	0.27	Non related party
2	Hi-Tech Engineering Corporation	Payables	3.27	Non related party
3	Airmech Engineers Private Limited	Payables	-*	Non related party

* amount below rounding off norms of the Group

(f) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(g) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact in the year ended December 31, 2023 and December 31, 2022.

(h) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

i. 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

ii. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any funds from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

i. 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

ii. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(i) Undisclosed income

There is no income surrendered or disclosed as income during the year ended December 31, 2023 and December 31, 2022 in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(j) Details of cryptocurrency or virtual currency

The Company has not traded or invested in cryptocurrency or virtual currency during the year ended December 31, 2023 and December 31, 2022.

(k) Valuation of Property, plant and equipment, Right-of-use assets and Other intangible assets

The Company has not revalued its property, plant and equipment or right-of-use assets or intangible assets during the year ended December 31, 2023 and December 31, 2022.

38 With effect from August 5, 2022, the Ministry of Corporate Affairs (MCA) has amended the Companies (Accounts) Rules, 2014 as per which backup of books of accounts and other books and papers maintained in electronic mode is required to be kept on servers physically located in India on a daily basis.

The Company has process in place to take backup on daily basis. During the year ended December 31, 2023, the Company has taken the backup of its ERP system used for maintaining books of accounts. However, due to a technical issue, daily backup of certain books of accounts and other relevant books and papers could not be taken during the period March 6, 2023 to June 18, 2023 and also logs for the daily backup for the period January 1, 2023 to March 5, 2023 could not be retrieved by the Company. With effect from June 19, 2023, the Company has taken the daily backup of those certain books of account and other relevant books and papers on a daily basis.

Notes forming part of the financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

39 Recent Accounting Pronouncements:

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective for financial year commencing from April 1, 2023. The Rules predominantly amend Ind AS 12 - Income taxes and Ind AS 1 - Presentation of financial statements. The amendment in Ind AS 12 clarifies accounting for deferred tax on transactions such as leases and decommissioning obligations. The amendment in Ind AS 1 requires disclosure of material accounting policies rather than the significant accounting policies. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

40 During the year ended December 31, 2023, the Company has filed for renewal application with Income Tax authorities for Unilateral Advance Pricing Agreement for the period from April 01, 2023 to March 31, 2028 and is awaiting the approval. The initial application for Unilateral Advance Pricing Agreement for the period from April 01, 2018 to March 31, 2023 was filed in the year ended December 31, 2018 and the same is under approval with the Income Tax authorities.

41 Events occurring after the reporting period

Refer to note 36 (b) (ii) for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing general meeting.

42 During year ended December 31, 2022, the Company was informed by the parent entity, KSB SE & Co. KGaA, that the parent entity has encountered a cyber-attack on their IT systems in Germany. The Company's IT systems and infrastructure is part of the aforesaid IT systems. As an immediate measure, the parent entity had temporarily shut down all actual or potentially affected IT systems in a controlled manner for security reasons which led to temporary disruption in some of the Company's business services. The Company had put in place alternative control mechanisms in the temporary absence of the said systems. After taking all the possible necessary measures, the said systems were restored in a phased manner. Based on the assessment carried out (with the assistance of external specialist consultants) there was no impact on the financial statements of the Company for the year ended December 31, 2022.

In terms of our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Vivian Pillai
Partner
Membership No.: 127791

Place : Mumbai
Date : February 28, 2024

For and on behalf of the Board of Directors

Gaurav Swarup
Chairman
(DIN : 00374298)

D. N. Damania
Director
(DIN : 00403834)

Rajeev Jain
Managing Director
(DIN : 07475640)

Mahesh Bhave
Chief Financial Officer

Place : Mumbai
Date : February 28, 2024

Shraddha Kavathekar
Company Secretary

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KSB LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of KSB Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") and its associate (refer Note 34 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at December 31, 2023, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at December 31, 2023, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 14 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. 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 period. 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.

Key audit matter	How our audit addressed the key audit matter
Appropriateness of Revenue Recognition (Refer to Note 1(d), 2(ii) and 20 to the consolidated financial statements) The Group recognises revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers". This involves application of significant judgement by Management with respect to: • Combining multiple contracts as single contract. • Identification of distinct performance obligations; • Allocation of consideration to identified performance obligations;	**Our audit procedures included the following:** • Understanding and evaluation of the design and testing the operating effectiveness of controls surrounding the recording of revenue in accordance with the principles of Ind AS 115. • Testing of customer contracts on a sample basis to assess the terms for identification of performance obligations in accordance with Ind AS 115 and comparing those to the management assessment; • Assessing appropriateness of management's judgements and estimates involved in accounting

• Determination of timing of recognition of revenue either over a period of time or at a point in time on transfer of control to customers. This includes assessment of alternative use of the products to the Group based on technical analysis as well as legal assessment of right to payment. Considering the above-mentioned factors, appropriateness of revenue recognition has been considered as a Key Audit Matter.	for a sample of customer contracts including inquiry and discussion with appropriate client personnel especially regarding the nature of products and alternative use of the products to the Group. • Evaluation of the Holding Company's in-house legal counsel's views regarding the Group's right to payment for performance to date; • Testing the appropriateness of timing of recognition of revenue (including procedures related to cut off testing) in line with the terms of the customer contracts; • Testing the key assumptions used by the management to estimate contract risks, claims, liquidated damages etc.; • Verifying the reports used by management for monitoring contracts and their progress; • Evaluating appropriateness of the disclosures made in the consolidated financial statements. Based on above procedures, we did not identify any significant exceptions in the judgement applied by the management in recognition of revenue.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in Board report alongwith its Annexures included in the Company's Annual report but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Management Discussion & Analysis Report which are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Management Discussion & Analysis Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulation.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position,

consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate 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.

8. The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. 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.

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements 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 ability of the Group and its associate 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 and its associate 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 the entities or business activities within the Group and its associate 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 included in the consolidated financial statements of which we are the independent auditors.

11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. 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.

13. 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

14. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 1.75 million and net assets of Rs. 1.69 million as at December 31, 2023, total revenue of Rs. Nil, total comprehensive loss (comprising of loss and other comprehensive income) of Rs 0.06 million and net cash flows amounting to Rs 0.04 million for the year ended on that date, as considered in the consolidated financial statements. 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 this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary 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.

    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 financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

15. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

16. As required by Section 143(3) of the Act, 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, except that the backup of certain books of account and other books and papers maintained in electronic mode has not been kept by the Holding Company on a daily basis on servers physically located in India during the period from March 6, 2023 to June 18, 2023, and in the absence of sufficient appropriate audit evidence we are unable to verify whether the backup of certain books of account and other books and papers as aforesaid, has been maintained on a daily basis during the period January 1, 2023 to March 5, 2023. Further, in case of associate, in the absence of sufficient appropriate audit evidence, we are unable to verify the evidence whether the backup of books of account and other books and papers maintained in electronic mode has been kept on a daily basis on servers physically located in India during the period from January 1 to 11, 2023 and on every Sunday during the financial year. Further, based on our examination, we noted a few instances in associate during the year where the backup could not be taken due to system related issues. Refer note 40 to the consolidated financial statements.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company and its associate company incorporated in India as on December 31, 2023 taken on record by the Board of Directors of the Holding Company and its associate company incorporated in India, none of the directors of the Group and its associate incorporated in India is disqualified as on December 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 16(b) above.

(g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(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 Auditor's) Rules, 2014, 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, if any, of pending litigations on the consolidated financial position of the Group and its associate – Refer Note 18 (b) and 30 (a) to the consolidated financial statements.

ii The Group and its associate were not required to recognise a provision as at December 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts including derivative contracts as at December 31, 2023.

iii There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its associate company incorporated in India during the year.

iv (a) The respective Managements of the Holding Company and its associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, 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 Holding Company or its associate 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, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or its associate from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its associate shall, 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 has been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v The dividend declared and paid during the year by the Holding Company and its associate, is in compliance with Section 123 of the Act.

vi As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Group and associate, is applicable to the Group and associate only with effect from financial year beginning January 1, 2024 [as the proviso to Rule 3 (1) is applicable for the financial year commencing on or after April 1, 2023], the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

17. The Group and its associate have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Vivian Pillai
Partner
Membership Number: 127791
UDIN: 24127791BKEMEV6392

Mumbai
February 28, 2024

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 16(g) of the Independent Auditor's Report of even date to the members of KSB Limited on the consolidated financial statements for the year ended December 31, 2023

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended December 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of KSB Limited (hereinafter referred to as "the Holding Company") and its associate, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its associate, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") 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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to 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 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 financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at December 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Vivian Pillai
Partner
Membership Number: 127791
UDIN: 24127791BKEMEV6392

Mumbai
February 28, 2024

Consolidated Balance Sheet as at December 31, 2023

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes	As at December 31, 2023	As at December 31, 2022
ASSETS			
I. Non-current assets			
Property, plant and equipment	3	3,710.40	3,214.64
Right-of-use assets	4	269.25	269.08
Capital work-in-progress	3	310.25	251.43
Other Intangible assets	5	210.24	17.05
Intangible assets under development	5	13.75	-
Financial assets			
(a) Investments	6 (a)	795.36	741.61
(b) Trade receivables	7	42.34	98.24
(c) Loans	6 (b)	73.91	91.19
(d) Other financial assets	9	42.28	46.33
Assets for current tax (net)	13 (b)	185.07	210.77
Other non-current assets	11	343.23	569.66
Total non-current assets		5,996.08	5,510.00
II. Current assets			
Inventories	10	6,426.34	5,610.89
Financial assets			
(a) Trade receivables	7	4,917.19	4,036.53
(b) Cash and cash equivalents	8 (a)	1,195.28	319.54
(c) Bank balances other than (b) above	8 (b)	1,550.40	2,290.53
(d) Loans	6 (b)	27.96	39.34
(e) Other financial assets	9	114.75	89.94
Other current assets	12	429.43	351.35
Total current assets		14,661.35	12,738.12
Total Assets		20,657.43	18,248.12
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14 (a)	348.08	348.08
Other equity	14 (b)	12,671.01	11,083.08
Total Equity		13,019.09	11,431.16
LIABILITIES			
I. Non-current liabilities			
Financial liabilities			
(a) Lease liabilities	15	21.02	19.51
Provisions	18 (a)	437.00	433.10
Deferred tax liabilities (net)	13 (a)	15.40	12.88
Total non-current liabilities		473.42	465.49
II. Current liabilities			
Financial liabilities			
(a) Lease liabilities	15	11.34	9.31
(b) Trade payables	16		
-Total outstanding dues of micro enterprises and small enterprises		473.09	482.97
-Total outstanding dues of creditors other than micro enterprises and small enterprises		2,959.46	2,659.70
(c) Other financial liabilities	17	925.02	733.89
Other current liabilities	19	2,258.52	1,962.66
Provisions	18 (b)	537.49	502.94
Total current liabilities		7,164.92	6,351.47
Total Liabilities		7,638.34	6,816.96
Total Equity and Liabilities		20,657.43	18,248.12
Summary of significant accounting policies	1		

The accompanying notes are an integral part of these consolidated financial statements.
This is the Consolidated Balance Sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Vivian Pillai
Partner
Membership No.: 127791

Place : Mumbai
Date : February 28, 2024

For and on behalf of the Board of Directors

Gaurav Swarup
Chairman
(DIN : 00374298)

D. N. Damania
Director
(DIN : 00403834)

Rajeev Jain
Managing Director
(DIN : 07475640)

Mahesh Bhave
Chief Financial Officer

Place : Mumbai
Date : February 28, 2024

Shraddha Kavathekar
Company Secretary

Consolidated Statement of Profit and Loss for the year ended December 31, 2023

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes	Year ended December 31, 2023	Year ended December 31, 2022
Income			
Revenue from operations	20	22,472.38	18,219.60
Other income	21	323.37	421.84
Total Income		22,795.75	18,641.44
Expenses			
Cost of materials consumed	22	10,688.97	8,942.33
Purchases of stock-in-trade	23	1,907.05	1,687.73
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	179.08	(750.05)
Employee benefits expense	25	2,696.83	2,438.97
Finance costs	26	52.90	61.26
Depreciation and amortisation expense	27	496.78	452.61
Other expenses	28	4,064.75	3,434.13
Total Expenses		20,086.36	16,266.98
Profit before share of net profit of associate accounted for using the equity method and tax		2,709.39	2,374.46
Share of net profit of associate accounted for using the equity method		94.10	78.23
Profit before tax		2,803.49	2,452.69
Tax expense			
Current tax	13 (b)	721.62	538.51
Deferred tax	13 (a), (b)	(5.46)	86.77
Total tax expense		716.16	625.28
Profit for the year		2,087.33	1,827.41
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	31	31.73	(90.56)
Income tax relating to items that will not be reclassified to profit or loss	13 (a), (b)	(7.98)	22.79
Share of Other comprehensive income of associate accounted for using the equity method		(1.03)	(1.76)
Total other comprehensive income for the year, net of tax		22.72	(69.53)
Total comprehensive income for the year		2,110.05	1,757.88
Earnings per equity share			
Basic and Diluted (face value of INR 10/- each)	29	59.97	52.50

Summary of significant accounting policies 1

The accompanying notes are an integral part of these consolidated financial statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Vivian Pillai
Partner
Membership No.: 127791

Place : Mumbai
Date : February 28, 2024

For and on behalf of the Board of Directors

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Managing Director
(DIN : 07475640)

Mahesh Bhave
Chief Financial Officer

Place : Mumbai
Date : February 28, 2024

Shraddha Kavathekar
Company Secretary

Consolidated Statement of Changes in Equity for the year ended December 31, 2023

(All amounts in ₹ million, unless otherwise stated)

A. Equity Share Capital

	Notes	
As at January 1, 2022		348.08
Change in equity share capital	14 (a)	-
As at December 31, 2022		348.08
Change in equity share capital	14 (a)	-
As at December 31, 2023		348.08

B. Other equity [Refer note 14 (b)]

	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Amalgamation reserve	Retained earnings	Total
As at January 1, 2022	0.09	0.10	3.20	1,085.97	0.06	8,670.88	9,760.30
Profit for the year	-	-	-	-	-	1,827.41	1,827.41
Other Comprehensive Income							
Remeasurement of post-employment benefit obligations (net of tax)	-	-	-	-	-	(69.53)	(69.53)
Total Comprehensive Income	-	-	-	-	-	1,757.88	1,757.88
Transactions with owners in their capacity as owners:							
Dividend paid	-	-	-	-	-	(435.10)	(435.10)
As at December 31, 2022	0.09	0.10	3.20	1,085.97	0.06	9,993.66	11,083.08

	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Amalgamation reserve	Retained earnings	Total
As at January 1, 2023	0.09	0.10	3.20	1,085.97	0.06	9,993.66	11,083.08
Profit for the year	-	-	-	-	-	2,087.33	2,087.33
Other Comprehensive Income							
Remeasurement of post-employment benefit obligations (net of tax)	-	-	-	-	-	22.72	22.72
Total Comprehensive Income	-	-	-	-	-	2,110.05	2,110.05
Transactions with owners in their capacity as owners:							
Dividend paid	-	-	-	-	-	(522.12)	(522.12)
As at December 31, 2023	0.09	0.10	3.20	1,085.97	0.06	11,581.59	12,671.01

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.
This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Vivian Pillai
Partner
Membership No.: 127791

Place : Mumbai
Date : February 28, 2024

For and on behalf of the Board of Directors

Gaurav Swarup
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(DIN : 00374298)

D. N. Damania
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(DIN : 00403834)

Rajeev Jain
Managing Director
(DIN : 07475640)

Mahesh Bhave
Chief Financial Officer

Place : Mumbai
Date : February 28, 2024

Shraddha Kavathekar
Company Secretary

Consolidated Statement of Cash Flows for the year ended December 31, 2023

(All amounts in ₹ million, unless otherwise stated)

Particulars	Year ended December 31, 2023		Year ended December 31, 2022	
A. Cash flows from operating activities				
Profit before tax		2,803.49		2,452.69
Adjustments for :				
Depreciation and amortisation expense	496.78		452.61	
Net gain on disposal of property, plant and equipment and intangible assets	(2.21)		(13.49)	
Finance costs	52.90		61.26	
Interest income	(163.27)		(193.80)	
Fair value (gain)/loss in derivative financial instruments	(2.72)		3.14	
Sundry credit balances and provisions no longer required, written back	(3.45)		(14.42)	
Unrealised foreign exchange (gain)/loss	8.61		(18.93)	
Allowance for doubtful trade and other receivables	(55.49)		(41.64)	
Share of net profit of associate	(94.10)		(78.23)	
		237.05		156.50
Operating profit before working capital changes		3,040.54		2,609.19
Adjustment for changes in working capital:				
(Increase) / decrease in operating assets:				
Inventories	(815.45)		(1,380.05)	
Trade receivables	(789.75)		(1,138.18)	
Loans	28.66		(19.88)	
Other financial assets	(46.75)		(7.63)	
Other assets	(83.95)		166.28	
Increase / (decrease) in operating liabilities:				
Trade payables	301.28		349.05	
Other financial liabilities	110.27		(81.06)	
Other liabilities	295.86		700.95	
Provisions	70.18		(211.94)	
		(929.65)		(1,622.46)
Cash generated from operations		2,110.89		986.73
Income taxes paid (net of refunds)		(695.92)		(604.35)
Net cash flows generated from operating activities (A)		1,414.97		382.38
B. Cash flows from investing activities				
Purchase of property, plant and equipment and intangible assets	(932.76)		(1,069.20)	
Proceeds from disposal of property, plant and equipment and intangible assets	8.34		15.72	
Investment in fixed deposits	(3,098.26)		(11,525.43)	
Redemption of fixed deposits	3,838.88		12,215.12	
Interest received	189.80		204.14	
Income from trade investments (non-current)	39.32		32.34	
Net cash flows generated from/(used in) investing activities (B)		45.32		(127.31)

Consolidated Statement of Cash Flows for the year ended December 31, 2023 (Contd.)

(All amounts in ₹ million, unless otherwise stated)

Particulars		Year ended December 31, 2023		Year ended December 31, 2022
C. Cash flows from financing activities				
Proceeds from current borrowings	400.00		580.00	
Repayment of current borrowings	(400.00)		(580.00)	
Interest paid	(49.92)		(58.39)	
Repayment of lease liabilities	(13.15)		(12.13)	
Dividend paid	(522.12)		(435.10)	
Net cash flows used in financing activities (C)		(585.19)		(505.62)
Net increase/(decrease) in Cash and cash equivalents (A+B+C)		875.10		(250.55)
Cash and cash equivalents at the beginning of the year		319.54		565.65
Effects of exchange rate changes on cash and cash equivalents		0.64		4.44
Cash and cash equivalents at the end of the year		1195.28		319.54

Reconciliation of Cash and cash equivalents as per Consolidated Statement of Cash Flows

Cash and cash equivalents as per above comprise of following:	As at December 31, 2023	As at December 31, 2022
Cash and cash equivalents [Refer note 8 (a)]	1,195.28	319.54
Balances as per Consolidated Statement of Cash Flows	1,195.28	319.54

Notes:

(i) Consolidated Statement of Cash Flows has been prepared under the 'Indirect Method' in accordance with 'Ind AS 7 : Statement of Cash Flows'.

(ii) Refer note 38 (a) for Net debt reconciliation.

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

This is the Consolidated Statement of Cash Flows referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Vivian Pillai
Partner
Membership No.: 127791

Place : Mumbai
Date : February 28, 2024

For and on behalf of the Board of Directors

Gaurav Swarup
Chairman
(DIN : 00374298)

D. N. Damania
Director
(DIN : 00403834)

Rajeev Jain
Managing Director
(DIN : 07475640)

Mahesh Bhave
Chief Financial Officer

Place : Mumbai
Date : February 28, 2024

Shraddha Kavathekar
Company Secretary

Notes forming part of the Consolidated financial statements

(All amounts in ₹ million, unless otherwise stated)

Background: KSB Limited (the 'Company') is a public limited Company domiciled in India with its registered office located at Office No. 601, Runwal R-Square, L.B.S Marg, Mulund (West), Mumbai – 400 080. The Company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company is engaged in the business of manufacture of different types of power-driven pumps and industrial valves. Castings are mainly produced for captive consumption. CIN of the Company is L29120MH1960PLC011635.

The consolidated financial statements comprise the financial statements of KSB Limited and its subsidiary company (jointly referred to as the 'Group') and its associate company (Refer Note 34 to the attached consolidated financial statements).

The consolidated financial statements have been authorized for issue by the Board of Directors on February 28, 2024.

1. Summary of significant accounting policies:

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

i. Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time] and other relevant provisions of the Act.

ii. Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Derivative instruments that are measured at fair value
- Defined benefit plans - plan assets measured at fair value.

All assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for all products and services except for certain set of products for which operating cycle has been ascertained as 48 months for the purpose of current and non-current classification of assets and liabilities.

b. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the Group's board of directors. Refer note 33 for segment information presented.

c. Principles of consolidation and equity accounting

(I) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group. The group combines the financial statements

(All amounts in ₹ million, unless otherwise stated)

of the company and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

ii. Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

iii. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment. When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in this entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group. The carrying amount of equity accounted investments are tested for impairment in accordance with the policy of the Group.

d. Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end are recognised in profit and loss and are presented in the Consolidated Statement of Profit and Loss on a net basis.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

e. Revenue recognition

The Group recognises the revenue when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

(All amounts in ₹ million, unless otherwise stated)

The five-step process is applied for recognition of revenue:

i. identify contracts with customers

ii. identify the separate performance obligation

iii. determine the transaction price of the contract

iv. allocate the transaction price to each of the separate performance obligations, and

v. recognise the revenue as each performance obligation is satisfied.

i. Revenue from sale of products

The Group accounts for a contract when it has approval and commitment from parties involved, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

Group generate revenue from sale of pumps, valves and related support services. The Group may promise to provide distinct goods or services within a contract, for example when a contract covers multiple promises (e.g., supply of pumps, motors and spares), in which case the Group separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Group allocates the total transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost-plus margin approach to allocate the transaction price to each distinct performance obligation.

The Group assesses for the timing of revenue recognition in case of each distinct performance obligation. The Group first assesses whether the revenue can be recognized over time as it performs if any of the following criteria is met:

a. The customer simultaneously consumes the benefits as the Group performs, or

b. The customer controls the work-in-progress, or

c. The Group's performance does not create an asset with alternative use to the Group and the Group has right to payment for performance completed till date

If none of the criteria above are met, the Group recognizes revenue at a point-in-time. The point of recognition of revenue is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Group also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining whether the control has been transferred.

In case of revenue to be recognized over time, the Group uses input method to measure the progress for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the input method measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Due to the nature of the work required to be performed, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. It is common for project contracts to contain penalties, bonuses or other provisions that can either increase or decrease the transaction price. These variable amounts generally are awarded upon achievement of certain performance metrics, program milestones or cost targets and may be based upon customer discretion. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.

(All amounts in ₹ million, unless otherwise stated)

The Group estimates variable consideration using expected value method of probability-weighted values at an amount to which it expects to be entitled. The Group includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur and the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available.

The Group does not expect material financing component adjustments to contracts where the period between the transfer of the promised goods or services to the customer and payment exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Contracts are modified to account for changes in contract specifications and requirements. The Group considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of the contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

When estimates of total costs to be incurred exceed total estimates of revenue to be earned on a performance obligation related to a contract, a provision for the entire loss on the performance obligation is recognized in the period.

(ii) **Revenue from sale of services**

Group generate revenue from sale of pumps, valves and related support services. Revenue from services is recognised in the accounting period in which the services are rendered.

(iii) **Other operating revenue**

Revenue comprising of income from ancillary activities incidental to the operations of the Group is recognized when the right to receive the income is established as per the terms of the contract. Revenue from export incentives majorly comprises of Duty drawback, Merchandise Export Incentive Scheme (MEIS) and Remission of Duties and Taxes on Exported Products (RoDTEP) which are recognised on an accrual basis at specified rates. Refer note 20.

(iv) **Other income**

Interest income:

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in Other income in the Consolidated Statement of Profit and Loss.

Dividends:

Dividends are recognised in the Consolidated Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

f. **Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(All amounts in ₹ million, unless otherwise stated)

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

g. **Government grants**

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 recognised in the Consolidated Statement of Profit and Loss. Refer note 1(d)(iii) for accounting policy related to Duty drawback, Merchandise Export Incentive Scheme (MEIS) and Remission of Duties and Taxes on Exported Products (RoDTEP).

When government or related institutions provide concession in interest on borrowings or loans availed by the Group from financial institutions, such interest concession is regarded as a government grant. The Group accounts for the interest paid at concessional rate on packing credit facility availed for export of goods.

h. **Leases**

As a lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the principal (liability) and finance cost. The finance cost is charged to the Consolidated Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable. Group does not have any variable lease payments.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

(All amounts in ₹ million, unless otherwise stated)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the Consolidated Statement of Profit and Loss. Short-term leases are leases with a lease term of 12 months or less.

i. Impairment of assets

The management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. If an asset is impaired, the Group recognises an impairment loss as the excess of the carrying amount of the asset over the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

j. Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks in current accounts and EEFC accounts, fixed deposits with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet. Other bank balances include fixed deposits with original maturities of more than three months and earmarked accounts which includes unpaid dividend.

k. Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

l. Borrowing and Borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the year in which they are incurred.

Notes forming part of the Consolidated financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

m. Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost of raw materials, components, stores, spares, loose tools and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

n. Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the 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 the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Consolidated Statement of Profit and Loss. However, trade receivables that do not contain a significant financing component are measured at transaction price

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments at amortised cost as below:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

(All amounts in ₹ million, unless otherwise stated)

Equity instruments

The Group subsequently measures equity investment at fair value. The Group's Management elects to present fair value gains and losses on equity investments in other comprehensive income on an instrument by instrument basis.

(iii) Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer note 37(A) for details of credit risk.

For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

o. Derivatives

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

p. Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the consolidated balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

q. Property, plant and equipment

Freehold land is stated at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Consolidated Statement of Profit and Loss during the reporting period in which they are incurred.

(All amounts in ₹ million, unless otherwise stated)

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on the straight-line method/ written down value method over the useful lives of assets which has been assessed as under the technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, maintenance support, etc., which are different from those prescribed in Schedule II to the Companies Act, 2013 (Act) except for server and networking (SLM) and furniture and fixtures (WDV) which are same as prescribed in Schedule II to the Act. Estimated useful lives of assets are as follows:

Asset	Useful life and method of depreciation
Buildings	43 to 90 years (WDV)
Plant and equipment	09 to 21 years (SLM)
Vehicles	05 to 11 years (WDV)
Office equipment	10 years (SLM)
Computer equipment	06 years (SLM)

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at the end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Net gains or net losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit and Loss under other income or other expenses respectively.

r. **Intangible assets**

Intangible assets are stated at acquisition cost net of tax/ duty credits availed, if any, and net of accumulated amortisation. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Consolidated Statement of Profit and Loss. Intangible assets are amortized on the straight-line method as follows:

Asset	Useful life
Copyrights, patents, intellectual property rights and operating rights	7 to 15 years
Computer software	3 years

s. **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are unsecured and are presented as current liabilities unless payment is not due within operating cycle determined by the Group after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

t. **Provisions and Contingent liabilities**

Provisions are recognised when the Group has a present, legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined based on the best estimate required to settle the obligation at the Balance Sheet date. Provisions are reviewed at each Balance Sheet date and adjusted to reflect current best estimates. Provisions are not recognised for future operating losses. Provision for warranty is computed as a percentage of sales based on the past trends observed.

Contingent liabilities are disclosed by way of a note to the consolidated financial statements when there is a

(All amounts in ₹ million, unless otherwise stated)

possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

u. Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for Other long-term employee benefits such as long service award, privileged leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees 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 to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Consolidated Statement of Profit and Loss. The Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within twelve months and accordingly, amounts have been classified as current and non-current

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

(a) Defined benefit plans - gratuity and superannuation

(b) Defined contribution plans - provident fund

(a) Defined benefit plans - gratuity and superannuation

(I) Gratuity

The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972, as amended from time to time. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the consolidated balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined

Notes forming part of the Consolidated financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

benefit obligation and the fair value of plan assets. This cost is included in finance cost in the Consolidated Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Consolidated Statement of Changes in Equity and in the Consolidated Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Consolidated Statement of Profit and Loss as past service cost.

(ii) **Superannuation**

Superannuation is a benefit to certain employees (depending on the grade / category of the employee and completed years of service) per month for each completed year of service. The accounting policy followed by the Group for Superannuation is consistent with accounting policy followed for Gratuity [Refer note 1(u)(a)(I)].

(b) **Defined Contribution Plans**

The Group pays provident fund contributions for all employees to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due.

v. **Dividends**

The Group recognizes provision for Dividend and the tax thereupon, if any, once the Dividend is approved by the shareholders in the annual general meeting.

w. **Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

x. **Earnings per share**

(i) Basic Earnings per share

Basic earnings per share is calculated by dividing:

- the net profit for the period attributable to equity shareholders
- by the weighted average number of equity shares outstanding during the financial year.

Earnings considered in ascertaining the Group's earnings per share is the net profit for the period after deducting any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

(ii) Diluted Earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- 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

(All amounts in ₹ million, unless otherwise stated)

the conversion of all dilutive potential equity shares.

(y) **Rounding of amounts:**

Amounts disclosed in the consolidated financial statements are presented in INR in million rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013, unless otherwise stated.

2. Significant accounting judgements, estimates and assumptions

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. Estimates and assumptions are continuously evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reliable and relevant under the circumstances. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Management believes that the estimates are the most likely outcome of future events. Detailed information about each of these estimates and judgements is described below.

Judgements

In the process of applying the Group's accounting policies, Management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

i. **Legal contingencies**

The Group has received various orders and notices from 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 analyzes current information about these matters and provides provisions for probable contingent losses including the estimate of legal expense to resolve the matters. In making the decision regarding the need for loss provisions, 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.

ii. **Revenue Recognition on Contracts with Customers**

Group generate revenue from sale of Pumps, valves and related support services. Group uses judgement with respect to accounting of multiple contracts which need to be combined and considered as single contract. The Group exercises judgement with respect to identifying contracts for which revenue need to be recognised point in time or over a period of time, depending upon when customer consumes the benefit, when the control is passed to customer, whether asset created has an alternative use and whether the Group has right to payment for performance completed till date, either contractually or legally.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances

(All amounts in ₹ million, unless otherwise stated)

arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i. Warranty

The Group generally offers an 18 months warranty for its products, except for certain projects where the warranty offered may be higher to meet specific project requirements. Warranty costs are determined as a percentage of sales based on the past trends of the costs required to be incurred for repairs, replacements, material costs and servicing cost. Management estimates the related closing provision as at Balance Sheet date for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past information may differ from future claims. The assumptions made in current period are consistent with those in the prior year. As the time value of money is not considered to be material, warranty provisions are not discounted. Refer note 18 for further information.

ii. Gratuity

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation 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, attrition rate, mortality rates and expected return on planned assets. 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 the year end. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on Indian Assured Lives Mortality (2012-14) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. For further details about gratuity obligations are given in note 31.

iii. Recoverability of trade receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment. Refer note 37(A) for further details.

iv. Inventories

An inventory provision is recognized for cases where the realizable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sale prices of inventory item and losses associated with obsolete / slow moving / redundant inventory items. The Group has, based on these assessments, made adequate provision in the books.

(All amounts in ₹ million, unless otherwise stated)

3 Property, plant and equipment

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Gross carrying amount as at							
January 1, 2022	3.01	2,021.59	4,604.08	138.37	57.58	174.54	6,999.17
Additions	-	278.25	481.28	7.32	21.90	39.24	827.99
Disposals	-	(0.68)	(32.29)	(1.15)	(8.80)	(3.39)	(46.31)
Balance as at December 31, 2022	3.01	2,299.16	5,053.07	144.54	70.68	210.39	7,780.85
Accumulated depreciation							
January 1, 2022	-	892.53	3,014.51	118.76	49.01	104.83	4,179.64
Charge for the year (Refer note 27)	-	127.63	271.26	8.81	9.44	13.51	430.65
Disposals	-	(0.64)	(30.35)	(1.14)	(8.63)	(3.32)	(44.08)
Balance as at December 31, 2022	-	1,019.52	3,255.42	126.43	49.82	115.02	4,566.21
Net carrying amount as at							
December 31, 2022	3.01	1,279.64	1,797.65	18.11	20.86	95.37	3,214.64

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Gross carrying amount as at							
January 1, 2023	3.01	2,299.16	5,053.07	144.54	70.68	210.39	7,780.85
Additions	-	327.88	420.24	52.87	23.55	147.72	972.26
Disposals	-	(1.67)	(131.88)	(1.83)	(3.79)	(16.13)	(155.30)
Balance as at December 31, 2023	3.01	2,625.37	5,341.43	195.58	90.44	341.98	8,597.81
Accumulated depreciation as at							
January 1, 2023	-	1,019.52	3,255.42	126.43	49.82	115.02	4,566.21
Charge for the year (Refer note 27)	-	130.72	288.78	11.39	19.71	19.78	470.38
Disposals	-	(1.50)	(126.30)	(1.76)	(3.71)	(15.91)	(149.18)
Balance as at December 31, 2023	-	1,148.74	3,417.90	136.06	65.82	118.89	4,887.41
Net carrying amount as at							
December 31, 2023	3.01	1,476.63	1,923.53	59.52	24.62	223.09	3,710.40

Notes forming part of the Consolidated financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

Notes:

(i) Refer to note 30 (b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Capital work-in-progress mainly includes building under construction and plant and machinery in the process of installation.

(iii) The additions to capital work-in-progress are net after considering the transfers to property, plant and equipment. Gross additions to capital work-in-progress and transfers to property, plant and equipment are as follows:

Particulars	Capital work-in-progress As at December 31, 2023	As at December 31, 2022
Opening carrying value	251.43	391.76
Additions	1,007.53	665.76
Transfers to property, plant and equipment	(948.71)	(806.09)
Closing carrying value	310.25	251.43

(a) Aging of Capital work-in-progress:

Particulars	As at December 31, 2022				
	Less than one year	1 – 2 year	2 – 3 year	More than 3 years	Total
(i) Projects in progress	242.38	7.58	0.19	1.28	251.43
(ii) Projects temporarily suspended	-	-	-	-	-
Total	242.38	7.58	0.19	1.28	251.43

Particulars	As at December 31, 2023				
	Less than one year	1 – 2 year	2 – 3 year	More than 3 years	Total
(i) Projects in progress	281.04	23.72	5.49	-	310.25
(ii) Projects temporarily suspended	-	-	-	-	-
Total	281.04	23.72	5.49	-	310.25

(b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

Particulars	As at December 31, 2022				
	Less than one year	1 – 2 year	2 – 3 year	More than 3 years	Total
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Particulars	As at December 31, 2023				
	Less than one year	1 – 2 year	2 – 3 year	More than 3 years	Total
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

(All amounts in ₹ million, unless otherwise stated)

4 Right-of-use assets

Particulars	Leasehold land	Buildings	Total
Gross carrying amount as at January 1, 2022	265.15	43.14	308.29
Additions	-	9.06	9.06
Disposals	(0.06)	(1.82)	(1.88)
Balance as at December 31, 2022	265.09	50.38	315.47
Accumulated depreciation as at January 1, 2022	19.82	15.04	34.86
Charge for the year (Refer note 27)	2.81	9.74	12.55
Disposals	(0.02)	(1.00)	(1.02)
Balance as at December 31, 2022	22.61	23.78	46.39
Net carrying amount as at December 31, 2022	242.48	26.60	269.08

Particulars	Leasehold land	Buildings	Total
Gross carrying amount as at January 1, 2023	265.09	50.38	315.47
Additions	-	13.71	13.71
Disposals	-	(12.21)	(12.21)
Balance as at December 31, 2023	265.09	51.88	316.97
Accumulated depreciation as at January 1, 2023	22.61	23.78	46.39
Charge for the year (Refer note 27)	2.81	10.73	13.54
Disposals	-	(12.21)	(12.21)
Balance as at December 31, 2023	25.42	22.30	47.72
Net carrying amount as at December 31, 2023	239.67	29.58	269.25

Details of Leases : The Group's leasing arrangements include land and building for office premises and service stations. Leasehold land mainly pertains to manufacturing plant located at Shirwal. Rental contracts for office premises and service stations are typically made for fixed periods of 3 to 15 years, but have extension options.

(i) Amount recognised in the Consolidated Statement of Profit and Loss

Particulars	Note	December 31, 2023	December 31, 2022
Interest expense on lease liabilities	26	2.98	2.87
Depreciation on right-of-use assets	27	13.54	12.55
Expenses related to short term leases (included in Miscellaneous expenses in Other expenses)	28	10.44	3.16

The total cash outflow for the year ended December 31, 2023 for leases is INR 23.59 million (December 31, 2022: INR 15.29 million).

(ii) Extension and Termination option :

Extension and termination options are included in a number of lease contracts. These terms are used to maximise operational flexibility in terms of managing contracts.

(All amounts in ₹ million, unless otherwise stated)

5 **Other Intangible assets**

Particulars	Copyrights, patents, intellectual property rights and operating rights	Computer software	Total
Gross carrying amount			
as at January 1, 2022	-	105.95	105.95
Additions	-	13.05	13.05
Disposals	-	-	-
Balance as at December 31, 2022	-	119.00	119.00
Accumulated Amortisation			
Balance as at January 1, 2022	-	92.54	92.54
Charge for the year (Refer note 27)	-	9.41	9.41
Disposals	-	-	-
Balance as at December 31, 2022	-	101.95	101.95
Net carrying amount			
as at December 31, 2022	-	17.05	17.05

Particulars	Copyrights, patents, intellectual property rights and operating rights	Computer software	Total
Gross carrying amount			
as at January 1, 2023	-	119.00	119.00
Additions	181.81	24.25	206.06
Disposals	-	(3.42)	(3.42)
Balance as at December 31, 2023	181.81	139.83	321.64
Accumulated Amortisation			
Balance as at January 1, 2023	-	101.95	101.95
Charge for the year (Refer note 27)	1.25	11.61	12.86
Disposals	-	(3.41)	(3.41)
Balance as at December 31, 2023	1.25	110.15	111.40
Net carrying amount			
as at December 31, 2023	180.56	29.68	210.24

(a) **Aging of Intangible assets under development:**

Particulars	As at December 31, 2022				
	Less than one year	1 – 2 year	2 – 3 year	More than 3 years	Total
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Particulars	As at December 31, 2023				
	Less than one year	1 – 2 year	2 – 3 year	More than 3 years	Total
(i) Projects in progress	13.75	-	-	-	13.75
(ii) Projects temporarily suspended	-	-	-	-	-
Total	13.75	-	-	-	13.75

(All amounts in ₹ million, unless otherwise stated)

(b) Completion schedule for Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan:

Particulars	As at				
	Less than one year	1 – 2 year	2 – 3 year	More than 3 years	Total
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

	As at				
	Less than one year	1 – 2 year	2 – 3 year	More than 3 years	Total
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

(c) Intangible assets under development

	As at December 31, 2023	As at December 31, 2022
Opening carrying value	-	-
Additions	219.81	13.05
Transfers to Intangible assets	(206.06)	(13.05)
Closing carrying value	13.75	-

6(a) Investments

	As at December 31, 2023	As at December 31, 2022
Investment in associate		
KSB MIL Controls Ltd. - 735,000 equity shares (December 31, 2022 - 735,000 equity shares) of INR 10 each fully paid	795.36	741.61
Investment in equity instruments of other entities	0.40	0.40
Mula Pravara Electric Co - operative Society Ltd. - 15,995 equity shares (December 31, 2022 - 15,995 equity shares) of INR 25 each fully paid		
Total (unquotentsd investments)	795.76	742.01
Less : Aggregate amount of provision for impairment in the value of investme	(0.40)	(0.40)
Total Investments	795.36	741.61

Notes forming part of the Consolidated financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

6(b) Loans

Non-current	As at December 31, 2023	As at December 31, 2022
Unsecured, considered good		
Loans to employees	73.91	91.19
Total	73.91	91.19

Current	As at December 31, 2023	As at December 31, 2022
Unsecured, considered good		
Loans and advances to employees	27.96	39.34
Total	27.96	39.34

7 Trade receivables

	As at December 31, 2023	As at December 31, 2022
Trade receivables	4,542.68	3,818.04
Trade receivables from related parties (Refer note 32)	569.56	525.73
	5,112.24	4,343.77
Less: Loss allowance	(152.71)	(209.00)
Total	4,959.53	4,134.77
Current portion	4,917.19	4,036.53
Non-current portion	42.34	98.24

Break-up of security details

	As at December 31, 2023	As at December 31, 2022
Trade receivables considered good - Unsecured	4,959.53	4,134.77
Trade receivables - credit impaired	152.71	209.00
	5,112.24	4,343.77
Less: Loss allowance	(152.71)	(209.00)
Total	4,959.53	4,134.77

(All amounts in ₹ million, unless otherwise stated)

Aging of trade receivables

Particulars	As at December 31, 2022						
	Not due	Outstanding for following periods from the due date					
		Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables							
considered good	1,375.78	2,171.40	257.31	130.89	66.39	133.00	4,134.77
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	80.95	4.00	13.69	12.12	51.71	162.47
Disputed trade receivables							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	2.96	14.23	29.34	46.53
Total	1,375.78	2,252.35	261.31	147.54	92.74	214.05	4,343.77

Particulars	As at December 31, 2023						
	Not due	Outstanding for following periods from the due date					
		Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables							
considered good	1,812.36	2,883.69	126.51	64.55	18.68	53.74	4,959.53
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	1.81	1.09	55.74	23.52	15.05	97.21
Disputed trade receivables							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	3.60	0.35	1.81	49.74	55.50
Total	1,812.36	2,885.50	131.20	120.64	44.01	118.53	5,112.24

8 (a) Cash and cash equivalents

	As at December 31, 2023	As at December 31, 2022
Balances with banks		
In current accounts	191.78	135.43
In EEFC accounts	283.28	143.68
Deposits with original maturity of less than three months	720.00	40.00
Cash on hand	0.22	0.43
Total	1,195.28	319.54

Notes forming part of the Consolidated financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

8 (b) Bank balances other than 8 (a) above

	As at December 31, 2023	As at December 31, 2022
Balances with banks		
Fixed deposits*	1,542.96	2,283.58
In earmarked accounts		
Unpaid dividend accounts	7.44	6.95
Total	1,550.40	2,290.53

*Includes INR 988.44 million (December 31, 2022: INR 1,018.91 million) held as lien by bank against credit facilities.

9 Other financial assets-current

Non-current	As at December 31, 2023	As at December 31, 2022
Unsecured, considered good		
Security deposits	42.28	46.33
Unsecured, considered doubtful		
Security deposits	5.30	5.30
	47.58	51.63
Less: Provision for doubtful security deposits	(5.30)	(5.30)
Total	42.28	46.33

Current	As at December 31, 2023	As at December 31, 2022
Interest accrued on deposits with banks	63.41	89.94
Derivative asset	0.54	-
Others*	50.80	-
Total	114.75	89.94

*Others include export incentives receivable and security deposit.

10 Inventories

	As at December 31, 2023	As at December 31, 2022
Raw materials (includes in transit INR 104.2 million; December 31, 2022: INR 132.14 million)	2,670.49	1,671.97
Work-in-progress	2,719.16	2,797.47
Finished goods (includes in transit INR 192.15 million; December 31, 2022: INR 255.97 million)	774.98	867.69
Stock-in-trade	184.83	192.89
Stores and spares	71.14	74.38
Loose tools	5.74	6.49
Total	6,426.34	5,610.89

The cost of inventories recognised as an expense during the year is disclosed in Note 22, 23 and 24. The cost of inventories recognised as an expense include write-down of inventories of INR 124.76 million (December 31, 2022: INR 120.51 million) and reversal of write-down of inventories of INR 189.30 million (December 31, 2022: INR 174.21 million).

(All amounts in ₹ million, unless otherwise stated)

11 Other non-current assets

		As at December 31, 2023	As at December 31, 2022
Capital advances		130.73	366.31
Advances other than capital advances			
Prepaid expenses		13.43	4.28
Balances with government authorities			
Considered good		199.07	199.07
Considered doubtful		-	3.28
		199.07	202.35
Less: Provision for doubtful balances		-	(3.28)
		199.07	199.07
	Total	343.23	569.66

12 Other current assets

		As at December 31, 2023	As at December 31, 2022
Prepaid expenses		23.69	17.79
Balances with government authorities			
Considered good		45.50	49.10
Considered doubtful		28.65	28.65
		74.15	77.75
Less: Provision for doubtful balances		(28.65)	(28.65)
		45.50	49.10
Others*			
Considered good		360.24	284.46
Considered doubtful		11.59	11.59
		371.83	296.05
Less: Provision for doubtful balances		(11.59)	(11.59)
		360.24	284.46
	Total	429.43	351.35

*Others mainly include advances paid to suppliers which would be subsequently settled against purchases.

Notes forming part of the Consolidated financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

13 (a) Deferred tax assets (net)

The balance of deferred tax comprises temporary differences attributable to:

	As at December 31, 2023	As at December 31, 2022
Deferred tax assets		
Provision for compensated absences, gratuity, superannuation and long service award	112.51	106.37
Provision for loss allowance on trade and other receivables	50.00	64.98
Fair value loss on derivative instruments	-	0.55
Others (including allowances on payment basis)	99.19	74.66
	261.70	246.56
Deferred tax liabilities		
Impact of difference between income tax depreciation and Ind AS depreciation/amortisation	83.71	79.71
Fair value gain on derivative instruments	0.14	-
Unremitted earnings of associate	193.25	179.73
	277.10	259.44
Deferred tax assets / (liabilities) (net)	(15.40)	(12.88)

Changes in Deferred tax assets/ (liabilities) in Consolidated Statement of Profit and Loss including Other Comprehensive Income [credited / (charged) during the year]

	Year Ended December 31, 2023	Year Ended December 31, 2022
Provision for compensated absences, gratuity, superannuation and long service award	6.14	(40.96)
Provision for loss allowance on trade and other receivables	(14.98)	(11.44)
Impact of difference between income tax depreciation and Ind AS depreciation/amortisation	(4.00)	3.55
Fair value of derivative instruments	(0.69)	0.79
Unremitted earnings of associate	(13.52)	(11.11)
Others	24.53	(4.81)
Total	(2.52)	(63.98)

13 (b) Income taxes

The major components of income tax expense for the year ended December 31, 2023 and December 31, 2022 are:

Statement of Consolidated Profit and Loss

	Year ended December 31, 2023	Year ended December 31, 2022
Current income tax		
- Current tax on profit for the current year	713.15	533.63
- Adjustments for current tax of prior periods	8.47	4.88
	721.62	538.51
Deferred tax	(5.46)	86.77
Total tax expense reported in the Consolidated Statement of Profit and Loss	716.16	625.28

Notes forming part of the Consolidated financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

Other comprehensive income	Year ended December 31, 2023	Year ended December 31, 2022
Deferred tax relating to remeasurement of post employment benefit obligations	(7.98)	22.79
Income tax credit to Other comprehensive income	(7.98)	22.79

Movement in income tax liabilities / (assets) (net)

	As at December 31, 2023	As at December 31, 2022
Opening balance [payable/ (receivable)]	(210.77)	(144.93)
Add : Current tax payable (including tax for prior period)	721.62	538.51
Less : Taxes paid (including tax paid for prior period, net of refunds)	(695.92)	(604.35)
Closing balance [payable/ (receivable)]	(185.07)	(210.77)
Assets for current tax (net)	(185.07)	(210.77)
Current tax liabilities (net)	-	-

Reconciliation of tax expense and accounting profit multiplied by statutory income tax rate :

	Year ended December 31, 2023	Year ended December 31, 2022
Accounting profit before tax	2,803.49	2,452.69
Tax at statutory income tax rate of 25.17% (2022: 25.17%)	705.58	617.29
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Dividend Income	(9.90)	(8.14)
- Donations	10.07	7.71
- Other items	1.94	3.54
Adjustments for current-tax of prior periods	8.47	4.88
Income tax expense	716.16	625.28

14 (a) Equity share capital

		As at December 31, 2023	As at December 31, 2022
Authorised equity share capital : 4,00,00,000 (December 31, 2022 : 4,00,00,000) Equity shares of INR 10 each		400.00	400.00
	Total	400.00	400.00
Issued, subscribed and paid up : 3,48,07,844 (December 31, 2022 : 3,48,07,844) Equity shares of INR 10 each		348.08	348.08
	Total	348.08	348.08

(i) Reconciliation of number of equity shares

	As at December 31, 2023	As at December 31, 2022
Shares outstanding at the beginning and end of the year	3,48,07,844	3,48,07,844

Notes forming part of the Consolidated financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

(ii) Rights, preferences and restrictions attached to equity shares

There is only one class of shares referred to as equity shares having a face value of INR 10 per share. Each equity shareholder is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the Group, the equity shareholders will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Shares of the Company held by Ultimate Holding Company / Holding Company and/ or their Subsidiaries/ Associates

	As at December 31, 2023	As at December 31, 2022
Canadian Kay Pump Ltd. (Holding Company)	1,41,10,848	1,41,10,848

(iv) Details of equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company

Name of the shareholder	As at December 31, 2023		As at December 31, 2022	
	% holding	No. of shares	% holding	No. of shares
Canadian Kay Pump Ltd	40.54%	1,41,10,848	40.54%	1,41,10,848
Industrial & Prudential Investment Co. Ltd.	21.55%	75,00,000	21.55%	75,00,000

(v) Details of shareholding of promoters:

	As at December 31, 2023			As at December 31, 2022		
	No. of shares	% holding	% change during the year	No. of shares	% holding	% change during the year
Canadian Kay Pump Ltd.	1,41,10,848	40.54%	-	1,41,10,848	40.54%	-
Vikram Swarup Family Trust	60,400	0.17%	-	60,400	0.17%	-
Vikram Swarup	40,000	0.11%	-	40,000	0.11%	-
Gaurav Swarup	34,000	0.10%	-	34,000	0.10%	-
Bindu Vikram Swarup	16,000	0.05%	-	16,000	0.05%	-
Parul Swarup	3,058	0.01%	-	3,058	0.01%	-
Paharpur Cooling Towers Limited	14,50,000	4.17%	-	14,50,000	4.17%	-
Industrial & Prudential Investment Co. Ltd.	75,00,000	21.55%	-	75,00,000	21.55%	0.75%

(vi) There were neither shares bought back nor allotted either as fully paid bonus shares or under any contract without payment being received in cash, during the five years immediately preceding December 31, 2023.

(All amounts in ₹ million, unless otherwise stated)

14 (b) Other equity

(i) Retained earnings

	As at December 31, 2023	As at December 31, 2022
Opening balance	9,993.66	8,670.88
Profit for the year	2,087.33	1,827.41
	12,080.99	10,498.29
Items of other comprehensive income recognised directly in retained earnings		
Remeasurement of post-employment benefit obligations (net of tax)	22.72	(69.53)
Less: Dividend paid	(522.12)	(435.10)
Closing Balance	11,581.59	9,993.66
Total Retained earnings	11,581.59	9,993.66

(ii) Other reserves

	As at December 31, 2023	As at December 31, 2022
Capital reserve [Refer note (i) below]	0.09	0.09
Capital redemption reserve [Refer note (i) below]	0.10	0.10
Securities premium [Refer note (i) below]	3.20	3.20
General reserve [Refer note (ii) below]	1,085.97	1,085.97
Amalgamation reserve [Refer note (i) below]	0.06	0.06
Total Other reserves	1,089.42	1,089.42
Total Other equity	12,671.01	11,083.08

Nature and purpose of Other reserves:

(i) These reserves pertain to reserve arising on amalgamations in the past, which is required to be statutorily maintained and cannot be distributed to the shareholders.

(ii) This reserve represents amounts transferred from retained earnings in earlier years as per the requirements of the erstwhile Companies Act, 1956. The reserve is a free reserve.

15 Lease liabilities

	As at December 31, 2023	As at December 31, 2022
Non-current lease liabilities	21.02	19.51
Current lease liabilities	11.34	9.31
Total	32.36	28.82

Notes forming part of the Consolidated financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

Lease liabilities

	As at December 31, 2023	As at December 31, 2022
Opening balance	28.82	29.88
Add: Additions during the year (Refer note 4)	13.71	9.06
Add: Interest expense on lease liabilities (Refer note 26)	2.98	2.87
Less: Repayment of lease liabilities	(13.15)	(12.13)
Less: Deletions during the year (Refer note 4)	-	(0.86)
Closing balance	32.36	28.82

16 Trade payables

	As at December 31, 2023	As at December 31, 2022
Total outstanding dues of micro enterprises and small enterprises	473.09	482.97
	473.09	482.97
Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Related parties (Refer note 32)	772.06	479.95
(ii) Others	2,187.40	2,179.75
	2,959.46	2,659.70
Total	3,432.55	3,142.67

Aging of trade payables

Particulars	As at December 31, 2022						
	Unbilled	Not due	Outstanding for following periods from the due date				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables							
Micro enterprises and small enterprises	-	364.90	118.07	-	-	-	482.97
Others	688.29	1,082.45	750.54	38.26	39.91	33.18	2,632.63
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	0.58	26.49	27.07
Total	688.29	1,447.35	868.61	38.26	40.49	59.67	3,142.67

Particulars	As at December 31, 2023						
	Unbilled	Not due	Outstanding for following periods from the due date				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables							
Micro enterprises and small enterprises	-	256.78	216.31	-	-	-	473.09
Others	834.38	948.54	1,084.05	29.10	16.35	46.46	2,958.88
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	0.58	0.58
Total	834.38	1,205.32	1,300.36	29.10	16.35	47.04	3,432.55

(All amounts in ₹ million, unless otherwise stated)

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The information as required to be disclosed under MSMED Act has been determined to the extent such parties have been identified on the basis of information available with the Group.

			December 31, 2023	December 31, 2022
a)	i)	The principal amount remaining unpaid to any supplier as at the year end	471.77	482.35
	ii)	The interest due remaining unpaid to any supplier as at the year end	0.54	0.53
b)		The amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	7.15	27.43
c)		The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
d)		The amount of interest accrued and remaining unpaid as at the year end	1.32	0.62
e)		The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

17 Other financial liabilities-current

	As at December 31, 2023	As at December 31, 2022
Security deposits	119.74	111.56
Unclaimed dividend	7.44	6.95
Payable for purchase of property, plant and equipment	257.46	174.91
Derivative liability	-	2.18
Dealer incentive schemes	387.49	298.36
Payable to employees	152.89	139.93
Total	925.02	733.89

18 (a) Provisions - Non-current

	As at December 31, 2023	As at December 31, 2022
Provision for employee benefits (Refer note 31)	339.13	355.93
Provision for warranty [Refer note (ii) below]	97.87	77.17
Total	437.00	433.10

(b) Provisions - Current

	As at December 31, 2023	As at December 31, 2022
Provision for employee benefits [Refer note (i) below]	349.60	312.46
Provision for warranty [Refer note (ii) below]	47.96	50.55
Provision for litigations / contingencies [Refer note (iii) below]	139.93	139.93
Total	537.49	502.94

Notes forming part of the Consolidated financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

Notes :

(i) Includes provision for employee bonus and incentives. For details of gratuity, superannuation, compensated absences and long service award, refer note 31.

(ii) The Group offers warranty for its products. Provision for warranty is computed as a percentage of sales based on the past trends observed. The time value of money is considered to be not material and hence the provisions are not discounted. It is expected that this expenditure will be incurred over the contractual warranty period.

(iii) Provision is towards contingencies in respect of disputed claims against the Group, the quantum of outflow and timing of which is presently unascertainable.

Movement in provisions

	Provision for warranty	Provision for litigations / contingencies
As at January 1, 2022		
Balance at the beginning	153.61	139.66
Charged to the Consolidated Statement of Profit and Loss		
Provision recognised (net of reversal)	32.81	0.27
Amounts used during the year	(58.70)	-
As at December 31, 2022	127.72	139.93

	Provision for warranty	Provision for litigations / contingencies
As at January 1, 2023		
Balance at the beginning	127.72	139.93
Charged to the Consolidated Statement of Profit and Loss		
Provision recognised (net of reversal)	76.16	-
Amounts used during the year	(58.05)	-
As at December 31, 2023	145.83	139.93

19 Other current liabilities

	As at December 31, 2023	As at December 31, 2022
Statutory dues payable	207.67	49.99
Advances from customers*	2,050.85	1,912.67
Total	2,258.52	1,962.66

*Notes:

i) During the year ended December 31, 2023, the Group have recognised INR 667.26 million (December 31, 2022: INR 359.97 million) as revenue from the Advances from customer outstanding as at the beginning of the year.

ii) Advances from customers have increased in current year mainly on account of advance received during the year ended December 31, 2023 as per the contractual terms with the customers.

(All amounts in ₹ million, unless otherwise stated)

20 Revenue from operations

	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from contracts with customers		
Sale of products	22,067.08	17,870.54
Sale of services	249.91	212.16
	22,316.99	18,082.70
Other operating revenue		
Sale of scrap	59.97	67.54
Export incentives	95.42	69.36
	155.39	136.90
Revenue from operations	22,472.38	18,219.60

Notes:

(i) Disaggregated revenue information

The table below presents disaggregated revenue from contracts with customers for the year ended December 31, 2023 and December 31, 2022. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Geographical location of customer	Year ended December 31, 2023	Year ended December 31, 2022
Within India	19,317.91	15,531.70
Outside India	2,999.08	2,551.00
Revenue from contracts with customers	22,316.99	18,082.70

	Year ended December 31, 2023	Year ended December 31, 2022
Pumps	18,838.22	15,105.12
Valves	3,478.77	2,977.58
Revenue from contracts with customers	22,316.99	18,082.70

(ii) Reconciliation of revenue recognized with contract price :

	Year ended December 31, 2023	Year ended December 31, 2022
Contract price	22,876.33	18,394.03
Adjustments for discounts, incentives, liquidated damages, price reductions	(559.34)	(311.33)
Revenue from contracts with customers	22,316.99	18,082.70

Notes forming part of the Consolidated financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

21 Other income

	Year ended December 31, 2023	Year ended December 31, 2022
Interest income		
- Interest income from financials assets measured at amortised cost	126.89	152.53
- Others	36.38	41.27
Sundry credit balances and provisions no longer required, written back	3.45	14.42
Net gain on disposal of property, plant and equipment and intangible assets	2.21	13.49
Net gain on foreign currency transactions and translations	58.81	120.52
Fair value gain in derivative financial instruments	2.72	-
Miscellaneous income	92.91	79.61
Total	323.37	421.84

22 Cost of materials consumed

	Year ended December 31, 2023	Year ended December 31, 2022
Opening stock of raw materials	1,671.97	1,052.21
Add: Purchases	11,687.49	9,562.09
Less: Closing stock of raw materials	2,670.49	1,671.97
	10,688.97	8,942.33

23 Purchases of stock-in -trade

	Year ended December 31, 2023	Year ended December 31, 2022
Purchases of stock-in-trade	1,907.05	1,687.73
Total	1,907.05	1,687.73

24 Change in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended December 31, 2023	Year ended December 31, 2022
Opening inventory		
- Finished goods	867.69	746.42
- Work-in-progress	2,797.47	2,197.82
- Stock-in-trade	192.89	163.76
	3,858.05	3,108.00
Less: Closing inventory		
- Finished goods	774.98	867.69
- Work-in-progress	2,719.16	2,797.47
- Stock-in-trade	184.83	192.89
	3,678.97	3,858.05
Net change in inventories	179.08	(750.05)

(All amounts in ₹ million, unless otherwise stated)

25 Employee benefit expense

	Year ended December 31, 2023	Year ended December 31, 2022
Salaries and wages	2,328.66	2,094.99
Contributions to provident and other funds	170.28	160.51
Staff welfare expenses	197.89	183.47
Total	2,696.83	2,438.97

26 Finance costs

	Year ended December 31, 2023	Year ended December 31, 2022
Interest and other finance charges	41.33	41.11
Interest expense on lease liabilities (Refer note 4)	2.98	2.87
Net interest expense on defined benefit obligations (Refer note 31)	8.59	17.28
Total	52.90	61.26

27 Depreciation and amortisation expenses

	Year ended December 31, 2023	Year ended December 31, 2022
Depreciation of property, plant and equipment (Refer note 3)	470.38	430.65
Depreciation of right-of-use assets (Refer note 4)	13.54	12.55
Amortisation of intangible assets (Refer note 5)	12.86	9.41
Total	496.78	452.61

28 Other expenses

	Year ended December 31, 2023	Year ended December 31, 2022
Processing and machining charges	1,069.39	866.20
Stores consumed	483.66	408.02
Tools consumed	40.42	50.86
Water, power and fuel	246.06	247.82
Rates and taxes	14.22	2.95
Insurance	37.88	35.98
Repairs and maintenance		
- Buildings	48.71	50.09
- Machinery	60.14	56.71
- Others	59.34	69.16
Travelling and conveyance	177.97	140.80
Packing and forwarding charges	497.33	421.38
(Net of recoveries - ₹ 43.65 million; December 31, 2022 - ₹ 27.29 million)		
Export selling agents	13.51	1.19
Other selling agents	41.39	22.84
Royalty charges	339.42	324.39
(Includes Trademark charges - ₹ 12.92 million; December 31, 2022 - ₹ 28.66 million)		
Expenditure on Corporate Social Responsibility [Refer note (i) below]	40.02	32.62
Fair value losses in derivative financial instruments	-	3.14
Legal and professional fees	72.46	50.67
Other computer services	190.60	45.15
Advertisements and catalogues	58.94	87.58
Miscellaneous expenses	573.29	516.58
Total	4,064.75	3,434.13

Notes forming part of the Consolidated financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

(i) Expenditure on Corporate Social Responsibility

		December 31, 2023	December 31, 2022
Contribution to KSB Care Charitable Trust		39.03	32.62
Expenditure towards other CSR activities		-	-
Administrative overheads		0.99	-
	Total	40.02	32.62
Gross amount required to be spent by the Company during the year		40.02	32.62
	Total	40.02	32.62

Amount spent during the year on : In cash

		December 31, 2023	December 31, 2022
a. Construction/ acquisition of any asset		-	-
b. On purposes other than (a) above		40.02	32.62
	Total	40.02	32.62

Nature of CSR activites - Education, Skill development, Healthcare, Destitute care, Environment, Sanitation.

(ii) Payment to auditors (included in legal and professional fees)

		Year ended December 31, 2023	Year ended December 31, 2022
As auditor			
Audit fee (Including limited review)		3.50	2.90
In Other Capacities			
Fees for other services		0.80	0.80
Reimbursement of expenses		0.53	0.04
	Total	4.83	3.74

29 Earnings per equity share

	As at December 31, 2023	As at December 31, 2022
Profit for the year attributable to the equity shareholders of the Company	2,087.33	1,827.41
Weighted average number of equity shares	3,48,07,844	3,48,07,844
Basic and Diluted Earnings per share (in ₹)	59.97	52.50

30 Contingencies and commitments

a) Contingent liabilities

		As at December 31, 2023	As at December 31, 2022
Claims against the Group not acknowledged as debts		110.65	96.13
Income tax		549.40	548.71
Goods and Services Tax, Excise and Service tax		1,207.27	1,120.51
Others		4.90	-
	Total	1,872.22	1,765.35

b) Capital commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is INR 405.66 million (December 31, 2022: INR 475.22 million)

(All amounts in ₹ million, unless otherwise stated)

31 Employee benefit obligations

Particulars	As at December 31, 2023	As at December 31, 2022
Compensated absences (Refer note B)	297.58	304.80
Non-current	242.19	245.61
Current	55.39	59.19
Long service award (Refer note C)	36.19	51.09
Non-current	12.41	23.88
Current	23.78	27.21
Gratuity (Refer note D)	127.12	100.37
Non-current	72.20	71.51
Current	54.92	28.86
Superannuation (Refer note E)	22.33	17.46
Non-current	12.33	14.93
Current	10.00	2.53

A Defined contribution plan

Contributions are made to provident fund at a fixed percentage of employee's salary as per the regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards contribution to provident fund is ₹ 107.46 million (December 31, 2022 - ₹ 96.85 million).

B Compensated absences

The leave obligations cover the Group's liability for privilege leave and sick leave. The amount of provision made during the year is ₹ 32.61 million (December 31, 2022 - INR 82.93 million). The Group does not have an unconditional right to defer settlement for any of these obligations. However, based on the past experience, the Group does not expect payment of the entire amount of accrued leaves or availment of the entire number of accrued leaves by employees within twelve months and accordingly, amounts have been classified as current and non-current.

C Long service award

The Group award all the employees who complete 25 years of service in the Group and the Workmen employees who complete 20 or more years of service in the Group but unable to complete 25 years due to superannuation. The amount of provision made during the year is ₹ 9.22 million (December 31, 2022 - ₹ 14.75 million).

Significant estimates

The significant actuarial assumptions were as follows :

	As at December 31, 2023	As at December 31, 2022
Discount rate	7.40%	7.30%
Gold Inflation rate	8.00%	8.00%
Attrition rate	7.00%	7.00%

D Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days to one month's salary multiplied for the number of years of service. The gratuity plan is a funded plan.

Notes forming part of the Consolidated financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

(I) The amounts recognised in balance sheet and movements in the net benefit obligation over the year are as follows :

Particulars	Present value of obligation	Fair value of plan assets	Net amount
January 1, 2022	796.82	(548.61)	248.21
Current service cost	59.05	-	59.05
Interest expense/(income)	50.56	(34.82)	15.74
Total amount recognised in Statement of Profit and Loss	109.61	(34.82)	74.79
(Gain)/loss from experience changes	143.71	-	143.71
(Gain)/loss from change in financial assumptions	(51.66)	-	(51.66)
Total amount recognised in Other Comprehensive Income	92.05	-	92.05
Employer contributions	-	(314.68)	(314.68)
Benefits paid	(58.31)	58.31	-
December 31, 2022	940.17	(839.80)	100.37

Particulars	Present value of obligation	Fair value of plan assets	Net amount
January 1, 2023	940.17	(839.80)	100.37
Current service cost	59.91	-	59.91
Interest expense/(income)	68.58	(61.26)	7.32
Total amount recognised in Statement of Profit and Loss	128.49	(61.26)	67.23
(Gain)/loss from experience changes	(29.41)	-	(29.41)
(Gain)/loss from change in financial assumptions	(5.16)	-	(5.16)
(Gain)/loss from change in demographic assumptions	0.81	-	0.81
Total amount recognised in Other Comprehensive Income	(33.76)	-	(33.76)
Employer contributions	-	(6.72)	(6.72)
Benefits paid	(62.81)	62.81	-
December 31, 2023	972.09	(844.97)	127.12

(II) The net liability disclosed above relates to funded plans are as follows:

Particulars	As at December 31, 2023	As at December 31, 2022
Present value of funded obligation	972.09	940.17
Fair value of plan assets	(844.97)	(839.80)
Deficit	127.12	100.37

(III) Significant estimates

The significant actuarial assumptions were as follows :

Particulars	As at December 31, 2023	As at December 31, 2022
Discount rate	7.40%	7.30%
Salary growth rate	7.50%	7.50%
Attrition rate	7.00%	7.00%

(All amounts in ₹ million, unless otherwise stated)

(IV) Sensitivity of actuarial assumptions

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation [Increase / (Decrease)]	
	As at December 31, 2023	As at December 31, 2022
Discount rate		
1 % increase	(46.77)	(49.37)
1 % decrease	51.78	54.60
Salary growth rate		
1 % increase	54.44	56.69
1 % decrease	(51.24)	(54.02)
Attrition rate		
1 % increase	(2.01)	(2.07)
1 % decrease	2.67	2.74

The above sensitivity analysis have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method is used to calculate the liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Projected benefits payable from the fund in future years from the date of reporting:

	As at December 31, 2023	As at December 31, 2022
Upto 1 year	164.14	102.29
Between 2 to 5 years	445.58	445.31
Between 6 to 10 years	483.11	527.36
More than 10 years	425.56	451.06
Total	1,518.39	1,526.02

The weighted average duration of the defined benefit obligation is 5 years. (December 31, 2020: 6 years)

(V) The major categories of plan assets are as follows:

Particulars	As at December 31, 2023	As at December 31, 2022
Funds managed by insurer	100%	100%

The Group expects to contribute INR 54.92 million towards plan assets in the next 12 months.

E Superannuation

The Group provides for superannuation for employees qualifying specified eligibility criteria. The amount of superannuation payable on retirement/termination is computed on the basis of employee's category and number of years of service. The superannuation plan is a funded plan.

Notes forming part of the Consolidated financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

(I) The amounts recognised in balance sheet and movements in the net benefit obligation over the year are as follows :

Particulars	Present value of obligation	Fair value of plan assets	Net amount
January 1, 2022	30.36	(6.22)	24.14
Current service cost	1.77	-	1.77
Interest expense/(income)	1.93	(0.39)	1.54
Total amount recognised in Statement of Profit and Loss	3.70	(0.39)	3.31
(Gain)/loss from experience changes	(0.24)	-	(0.24)
(Gain)/loss from change in financial assumptions	(1.25)	-	(1.25)
Total amount recognised in Other Comprehensive Income	(1.49)	-	(1.49)
Employer contributions	-	(8.50)	(8.50)
Benefits paid	(3.85)	3.85	-
December 31, 2022	28.72	(11.26)	17.46

Particulars	Present value of obligation	Fair value of plan assets	Net amount
January 1, 2023	28.72	(11.26)	17.46
Current service cost	1.57	-	1.57
Interest expense/(income)	2.09	(0.82)	1.27
Total amount recognised in Statement of Profit and Loss	3.66	(0.82)	2.84
Return on plan assets	-	2.46	2.46
(Gain)/loss from experience changes	(1.50)	-	(1.50)
(Gain)/loss from change in financial assumptions	(0.12)	-	(0.12)
(Gain)/loss from change in demographic assumptions	1.19	-	1.19
Total amount recognised in Other Comprehensive Income	(0.43)	2.46	2.03
Employer contributions	-	-	-
Benefits paid	(3.63)	3.63	-
December 31, 2023	28.32	(5.99)	22.33

(II) The net liability disclosed above relates to funded plans are as follows :

Particulars	As at December 31, 2023	As at December 31, 2022
Present value of funded obligation	28.32	28.72
Fair value of plan assets	(5.99)	(11.26)
Deficit	22.33	17.46

(III) Significant estimates

The significant actuarial assumptions were as follows :

Particulars	As at December 31, 2023	As at December 31, 2022
Discount rate	7.40%	7.30%
Attrition rate	7.00%	7.00%

(All amounts in ₹ million, unless otherwise stated)

(IV) Sensitivity of actuarial assumptions

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation [Increase / (Decrease)]	
	As at December 31, 2023	As at December 31, 2022
Discount rate		
1 % increase	(1.08)	(1.22)
1 % decrease	1.17	1.32
Attrition rate		
1 % increase	0.21	(0.32)
1 % decrease	(0.27)	0.26

The above sensitivity analysis have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method is used to calculate the liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Projected benefits payable from the fund in future years from the date of reporting:

	As at December 31, 2023	As at December 31, 2022
Upto 1 year	11.08	6.46
Between 2 to 5 years	11.33	15.69
Between 6 to 10 years	12.22	13.48
More than 10 years	5.34	5.94
Total	39.97	41.57

The weighted average duration of the defined benefit obligation is 6 years. (December 31, 2020: 6 years)

(V) The major categories of plan assets are as follows:

Particulars	As at December 31, 2023	As at December 31, 2022
Funds managed by insurer	100%	100%

The Group expects to contribute INR 10 million towards plan assets in the next 12 months.

Risk exposure for the above plans

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

(i) Asset-liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. In managing the plan assets, Board of Trustees reviews and manages these risks associated with the funded plan. Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes asset - liability matching strategy and investment risk management policy (which includes contributing to plans that invest in risk averse markets).

(All amounts in ₹ million, unless otherwise stated)

(ii) Asset volatility

All plan assets are maintained in a trust fund managed by a public sector insurer i.e., LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Group has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Group has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence, 100% liquidity is ensured.

(iii) Discount rate risk

The present value of the defined benefit obligation is calculated using discount rate based on Government bonds. The decrease in the bond yield will increase the defined benefit obligation, however the same will be partially offset by an increase in value of plan assets.

(iv) Future salary escalation risk

The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the defined benefit obligation.

32 Disclosure pursuant to Ind AS 24 'Related party transactions':

A Name of the related parties and nature of relationship

a.	Ultimate Parent Entity / Ultimate Controlling Party KSB Stiftung and Kuborth Stiftungs GmbH
b.	Parent Entities Canadian Kay Pump Ltd. (Direct parent) KSB SE & Co. KGaA (previously KSB AG) (next most senior parent that produces Consolidated Financials for public use)
c.	Subsidiary Pofran Sales and Agency Limited
d.	Associate KSB MIL Controls Limited
e.	Other Related Parties with whom transactions have taken place during the year: Fellow Subsidiaries: 1 KSB S.A.S France 2 KSB Inc., USA 3 KSB Pumps and Valves Pty Ltd South Africa 4 KSB Australia Pty Limited 5 KSB Chile S.A. 6 KSB Singapore (Asia Pacific) PTE Ltd. 7 KSB Limited, Hongkong 8 KSB Pumps Co.Ltd., Thailand 9 P.T. KSB., Indonesia 10 KSB Taiwan Co. Ltd.

Notes forming part of the Consolidated financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

32 A Name of the related parties and nature of relationship (continued):

	11	KSB Ltd, Tokyo
	12	KSB Brazil LtdA.
	13	KSB Korea Limited
	14	KSB de Mexico S.A. de C.V.
	15	KSB Nederland B.V.
	16	DP Industries B.V., Netherland
	17	KSB Pumps Arabia Ltd.
	18	KSB Limited United Kingdom
	19	KSB Italia S.p.A., Italy
	20	KSB Pompa Armatur Sanayi ve Ticaret AS Turkey
	21	KSB Shanghai Pump Co. Ltd., China
	22	Dalian KSB AMRI Valves Co., Ltd.
	23	KSB Finland Oy
	24	KSB ITUR S.A., Spain
	25	KSB Tech Private Limited, India
	26	GIW Industries Inc., USA
	27	KSB Middle East FZE, Dubai
	28	KSB Polska Sp. z o.o, Poland
	29	KSB Bombas e Válvulas, SA
	30	KSB Malaysia Pumps & Valves Sdn. Bhd.
	31	KSB Sverige Aktiebolag
	32	KSB Pompes ET Robintteries Sarl, Morocco
	33	KSB Service GmbH, Germany
	34	KSB New Zealand
	35	KSB Vietnam Company Ltd.
	36	KSB Philippines
	37	KSB Colombia SAS
	38	KSB Valves (Changzhou) Co.,Ltd., China
	39	SISTO Armaturen S.A., Luxembourg
	40	Shanghai Electric KSB Nuclear Pumps and Valves Co. Ltd., China
	41	PT. KSB Sales Indonesia
	42	KSB Zambia Limited
	43	KSB Pumps and Valves L.t.d., Slovenia
	44	KSB Pumps and Valves Limited, Kenya
	45	Pumpen-Service Bentz GmbH
	46	KSB Algérie Eurl
	47	KSB Pump & Valve Technology service
	48	KSB (Schweiz) AG
	49	KSB Peru S.A.
	50	KSB Belgium S.A.
	51	KSB Compañia Sudamericana
	52	KSB Panama S.A.

Notes forming part of the Consolidated financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

32 A Name of the related parties and nature of relationship (continued):

	53	REEL s.r.l. A socio Unico
	54	KSB Pumps & Valves (Pty) Ltd.
	55	KSB Pumps (SA) Prop Ltd.
	56	KSB Sverige AB, Sweden
	57	KSB Pumps Inc (CA)
	58	KSB Pumps & Valves Ltd (NG)
	59	KSB-Pumpy+Armatury s.r.o., Koncern
	60	KSB Pompes ET Robinetteries s.à.r.l.
	61	KSB Service LLC, UAE
	62	KSB Service Egypt LLC
	63	KSB OOO, Russia
f.	Key Management Personnel:	
	1	Mr. Rajeev Jain
	2	Mr. Gaurav Swarup
	3	Mr. D. N. Damania
	4	Mr. Pradip Shah
	5	Dr. Stephan Bross
	6	Mr. V. K. Vishwanathan
	7	Dr. Matthias Schmitz
	8	Ms. Sharmila Roy Chowdhury
g.	Individuals having significant influence over the enterprise	
	1	Mr. Gaurav Swarup
h.	Relatives of individuals having significant influence over the enterprise	
	1	Mrs. Gyan M Swarup
	2	Vikram Swarup Family Trust
	3	Mr. Vikram Swarup
	4	Mrs. Bindu Swarup
	5	Mrs. Parul Swarup
i.	Enterprises over which individuals having significant influence over the reporting enterprise exercise significant influence	
	1	The Industrial & Prudential Investment Co. Ltd.
	2	New Holding and Trading Company Ltd. (merged with 'The Industrial & Prudential Investment Co. Ltd.')
	3	Paharpur Cooling Towers Ltd.
	4	KSB Care Charitable Trust
j.	Post employment benefit Trusts	
	1	KSB Pumps Employee's Gratuity Trust
	2	Grade-O-Castings Employee's Gratuity Trust
	3	KSB Pumps (Core Employee's) Superannuation Trust

(All amounts in ₹ million, unless otherwise stated)

32 B. Transactions with related parties:

Nature of transactions	Parent Entities	Associate Company	Fellow Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Individuals having significant influence over the reporting enterprise	Relatives of individuals having significant influence over the enterprise	Enterprises over which individuals having significant influence over the reporting enterprise exercise significant influence	Post employment benefit Trusts	Total
Purchase of goods	753.75	111.85	253.74	-	-	-	-	-	-	1,119.34
	(424.90)	(89.44)	(155.72)	(-)	(-)	(-)	(-)	(-)	(-)	(670.06)
Purchase of Property,	0.16	1.58	-	-	-	-	-	0.53	-	2.27
plant and equipment	(-)	(1.18)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.18)
Sale of goods	386.59	6.25	1,733.97	-	-	-	-	17.18	-	2,143.99
	(378.92)	(5.87)	(1,583.53)	(-)	(-)	(-)	(-)	(17.91)	(-)	(1,986.23)
Sale of services	2.90	-	14.40	-	-	-	-	-	-	17.30
	(2.81)	(-)	(13.48)	(-)	(-)	(-)	(-)	(-)	(-)	(16.29)
Site expenses	-	-	2.95	-	-	-	-	-	-	2.95
	(0.63)	(-)	(3.63)	(-)	(-)	(-)	(-)	(-)	(-)	(4.26)
Commission income	18.16	-	1.65	-	-	-	-	-	-	19.81
	(1.34)	(-)	(1.47)	(-)	(-)	(-)	(-)	(-)	(-)	(2.81)
Commission expenses	-	-	1.07	-	-	-	-	-	-	1.07
	(0.46)	(-)	(0.74)	(-)	(-)	(-)	(-)	(-)	(-)	(1.20)
Commission expenses	-	-	-	-	-	-	-	-	-	-
written back	(-)	(-)	(8.54)	(-)	(-)	(-)	(-)	(-)	(-)	(8.54)
Dividend income	-	39.32	-	-	-	-	-	-	-	39.32
	(-)	(32.34)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(32.34)
Liquidated damages	-	-	-	-	-	-	-	0.32	-	0.32
	(1.94)	(-)	(2.07)	(-)	(-)	(-)	(-)	(-)	(-)	(4.01)
Liquidated damages	6.80	-	-	-	-	-	-	-	-	6.80
income	(-)	(-)	(8.83)	(-)	(-)	(-)	(-)	(-)	(-)	(8.83)
Charges for technical /	192.60	-	7.36	-	-	-	-	-	-	199.96
professional services	(41.10)	(-)	(16.44)	(-)	(-)	(-)	(-)	(-)	(-)	(57.54)
Royalty charges	323.99	-	13.20	-	-	-	-	-	-	337.19
	(310.10)	(-)	(10.03)	(-)	(-)	(-)	(-)	(-)	(-)	(320.13)
Warranty charges	0.81	-	4.51	-	-	-	-	-	-	5.32
	(2.00)	(-)	(3.15)	(-)	(-)	(-)	(-)	(-)	(-)	(5.15)
Recovery of expenses	16.38	13.83	2.44	-	-	-	-	-	-	32.65
	(14.09)	(14.68)	(0.84)	(-)	(-)	(-)	(-)	(-)	(-)	(29.61)

(All amounts in ₹ million, unless otherwise stated)

32 B. Transactions with related parties (Contd.):

Nature of transactions	Parent Entities	Associate Company	Fellow Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Individuals having significant influence over the reporting enterprise	Relatives of individuals having significant influence over the enterprise	Enterprises over which individuals having significant influence over the reporting enterprise exercise significant influence	Post employment benefit Trusts	Total
Reimbursement of expenses	0.76	-	2.08	-	-	-	-	-	-	2.84
	(2.01)	(-)	(0.94)	(-)	(-)	(-)	(-)	(-)	(-)	(2.95)
Remuneration	-	-	-	56.50	-	-	-	-	-	56.50
	(-)	(-)	(-)	(53.02)	(-)	(-)	(-)	(-)	(-)	(53.02)
Sitting fees paid	-	-	-	1.80	-	0.38	-	-	-	2.18
	(-)	(-)	(-)	(2.22)	(-)	(0.47)	(-)	(-)	(-)	(2.68)
Dividend paid	211.66	-	-	0.08	-	0.51	1.79	134.25	-	348.29
	(176.39)	(-)	(-)	(0.06)	(-)	(0.43)	(1.49)	(111.88)	(-)	(290.25)
Commission to	-	-	-	9.60	-	3.19	-	-	-	12.79
Directors	(-)	(-)	(-)	(8.70)	(-)	(2.91)	(-)	(-)	(-)	(11.61)
Expenditure on Corporate	-	-	-	-	-	-	-	39.03	-	39.03
Social Responsibility	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(32.62)	(-)	(32.62)
Contribution to post	-	-	-	-	-	-	-	-	6.72	6.72
employment benefits	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(323.18)	(323.18)
Outstanding balances arising from sales/ purchases of goods and services										
Trade receivables	80.37	-	481.47	-	-	-	-	7.72	-	569.56
(Refer note 7)	(70.59)	(-)	(452.83)	(-)	(-)	(-)	(-)	(2.31)	(-)	(525.73)
Trade payables	665.90	8.33	97.83	-	-	-	-	-	-	772.06
(Refer note 16)	(416.41)	(4.98)	(58.56)	(-)	(-)	(-)	(-)	(-)	(-)	(479.95)
Advances from	41.81	-	39.29	-	-	-	-	4.00	-	85.10
related parties	(35.54)	(-)	(77.00)	(-)	(-)	(-)	(-)	(-)	(-)	(112.54)
Security deposits	-	-	-	-	-	-	-	-	-	-
	(-)	(0.12)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.12)

Notes :
1. Previous year's figures are shown in brackets.
2. The Group enters into a variety of transactions with the related parties on arm's length basis.
Terms and conditions for outstanding balances
3. All outstanding balances are unsecured and payable in cash.

(All amounts in ₹ million, unless otherwise stated)

32 C. Transactions with related parties:

I Key management personnel compensation

	Year ended December 31, 2023	Year ended December 31, 2022
Short term employee benefits	52.47	52.63
Post-employment benefits	4.03	0.40
Termination benefits	-	-
Total	56.50	53.03

II Material transactions with related parties

Sr. No.	Nature of transactions	Name of the party	Year ended December 31, 2023	Year ended December 31, 2022
1	Purchase of goods	KSB SE & Co. KGaA	753.75	424.90
		KSB MIL Controls Limited	111.85	89.44
2	Purchase of Property, plant and equipment	KSB MIL Controls Limited	1.58	1.18
		Paharpur Cooling Towers Limited	0.53	-
3	Sale of goods	KSB SE & Co. KGaA	386.59	378.92
		KSB Australia Pty Limited	130.34	233.52
		PT. KSB Sales Indonesia	192.98	224.82
		KSB Middle East FZE	326.33	123.36
4	Sale of services	KSB SE & Co. KGaA	2.90	2.81
		KSB Tech Private Limited	14.40	13.48
5	Site expenses	KSB SE & Co. KGaA	-	0.63
		PT KSB INDONESIA	-	3.11
		KSB Service GmbH	-	0.45
		KSB Algérie Eurl	0.61	-
		KSB Malaysia Pumps & Valves	1.94	-
		KSB Ltd, Tokyo	0.37	-
6	Commission income	KSB SE & Co. KGaA	18.16	1.34
		KSB S.A.S, France	1.65	0.83
		KSB Service GmbH	-	0.64
7	Commission expenses	KSB SE & Co. KGaA	-	0.46
		KSB Ltd, Tokyo	-	0.12
		KSB Malaysia Pumps & Valves	-	0.59
		KSB Pompa Armatur Sanayi ve Ticaret	0.99	-
8	Commission expenses written back	KSB Middle East FZE	-	8.54
9	Dividend income	KSB MIL Controls Limited	39.32	32.34

Notes forming part of the Consolidated financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

32 C. Transactions with related parties:

II Material transactions with related parties (continued)

Sr. No.	Nature of transactions	Name of the party	Year ended December 31, 2023	Year ended December 31, 2022
10	Liquidated damages	KSB SE & Co. KGaA	-	1.94
		KSB ITALIA S.P.A.	-	2.04
		Paharpur Cooling Towers Limited	0.32	-
11	Liquidated damages income	KSB SE & Co. KGaA	6.80	-
		KSB Pumps and Valves (PTY)LTD.	-	6.92
		KSB Shanghai Pump Co., LTD	-	1.91
12	Charges for technical / professional services	KSB SE & Co. KGaA	192.60	41.10
		KSB Tech Private Limited	7.36	18.85
13	Royalty charges	KSB SE & Co. KGaA	323.99	310.10
14	Warranty charges	KSB SE & Co. KGaA	0.81	2.00
		PT KSB INDONESIA	-	2.80
		KSB Vietnam Co., Ltd.	1.80	-
		KSB Pumps Co. Ltd, Thailand	1.37	-
		KSB Pumps and Valves (PTY) LTD.	0.72	-
15	Recovery of expenses	KSB MIL Controls Limited	13.83	14.68
		KSB SE & Co. KGaA	16.38	14.09
16	Reimbursement of expenses	KSB SE & Co. KGaA	0.76	2.01
		KSB Valves (Changzhou) Co.,Ltd.	0.71	0.03
		KSB Service GmbH	1.14	-
		PT KSB INDONESIA	-	0.29
17	Remuneration	Mr. Rajeev Jain	56.50	53.03
18	Sitting fees paid	Mr. G. Swarup	0.38	0.47
		Mr. D. N. Damania	0.38	0.47
		Mr. Pradip Shah	0.37	0.46
		Dr. Stephan Bross	-	-
		Mr. V. K. Vishwanathan	0.28	0.35
		Dr. Matthias Schmitz	0.33	0.40
		Ms. Sharmila Roy Chowdhury	0.28	0.35
19	Dividend paid	Canadian Kay Pump Ltd.	211.66	176.39
		The Industrial & Prudential Investment Co. Ltd.	112.50	90.50

(All amounts in ₹ million, unless otherwise stated)

32 C. Transactions with related parties:

II Material transactions with related parties (continued)

Sr. No.	Nature of transactions	Name of the party	Year ended December 31, 2023	Year ended December 31, 2022
20	Commission to Directors	Mr. G. Swarup	3.19	2.91
		Mr. D. N. Damania	1.60	1.45
		Mr. Pradip Shah	1.60	1.45
		Dr. Stephan Bross	1.60	1.45
		Mr. V. K. Vishwanathan	1.60	1.45
		Dr. Matthias Schmitz	1.60	1.45
		Ms. Sharmila Roy Chowdhury	1.60	1.45
21	Expenditure on Corporate Social Responsibility	KSB Care Charitable Trust	39.03	32.62
22	Contribution to post employment benefits	KSB Pumps Employee's Gratuity Trust	6.72	306.13
		Grade-O-Castings Employee's Gratuity Trust	-	8.55
		KSB Pumps (Core Employee's) Superannuation Trust	-	8.50

Note :

1. "Material transactions with related parties" denote entities accounting for 10% or more of the aggregate for that category of balance during respective period.

33 Segment reporting

(A) Description of segments and principal activities

1 Pumps segment includes manufacturing / trading of all types of pumps like industrial pumps, submersible pumps, effluent treatment pumps, etc. and spares and services in respect thereof.

2 Valves segment consists basically manufacturing and trading of industrial valves and spares and services in respect thereof.

	Year ended December 31, 2023			Year ended December 31, 2022		
	Pumps	Valves	Total	Pumps	Valves	Total
(B) Segment revenue						
Total segment revenue	18,968.66	3,535.87	22,504.53	15,219.04	3,023.19	18,242.23
Inter segment revenue	-	(32.15)	(32.15)	-	(22.63)	(22.63)
Revenue from external customers	18,968.66	3,503.72	22,472.38	15,219.04	3,000.56	18,219.60
(C) Segment profit	2,147.56	451.51	2,599.07	1,971.63	270.35	2,241.98
Share of net profit of associate accounted for using the equity method			94.10			78.23

Notes forming part of the Consolidated financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

33 Segment reporting

	Year ended December 31, 2023			Year ended December 31, 2022		
	Pumps	Valves	Total	Pumps	Valves	Total
"Unallocated corporate income / (expenses)"			(0.06)			(0.06)
Finance cost			(52.90)			(61.26)
Interest income and Dividend Income			163.28			193.80
Profit before tax			2,803.49			2,452.69
Tax expense			(716.16)			(625.28)
Profit for the year			2,087.33			1,827.41
(D) Segment assets	15,342.66	1,525.23	16,867.89	13,291.01	1,304.72	14,595.73
Investment in associate			795.36			741.61
Unallocated corporate assets			2,994.18			2,910.78
Total assets			20,657.43			18,248.12
(E) Segment liabilities	6,664.74	950.70	7,615.44	5,956.39	840.69	6,797.08
Unallocated corporate liabilities			22.90			19.88
Total liabilities			7,638.34			6,816.96
(F) Cost incurred during the period to acquire segment property, plant and equipment and intangible assets	945.77	69.54	1,015.31	997.42	43.78	1,041.20
(G) Depreciation and amortisation	453.16	43.62	496.78	414.26	38.35	452.61

(H) Geographical Segments

	Year ended December 31, 2023			Year ended December 31, 2022		
	Within India	Outside India	Total	Within India	Outside India	Total
Segment revenue by geographical area based on geographical location of customers	19,473.30	2,999.08	22,472.38	15,668.60	2,551.00	18,219.60

(I) The total of non-current assets other than financial instruments, investments and deferred tax assets broken down by location of the assets is as under:

	As at December 31, 2023	As at December 31, 2022
India	5,040.64	4,530.81
Other countries	1.55	1.82
Total	5,042.19	4,532.63

(All amounts in ₹ million, unless otherwise stated)

34 Interests in other entities

(a) Subsidiary

Name of the entity	Place of business/Country of incorporation	Ownership interest held by the Group		Principal activities
		As at December 31, 2023	As at December 31, 2022	
Pofran Sales and Agency Limited	India	100%	100%	Commission agency

(b) Interest in associate

Name of the entity	Place of business	Percentage of ownership interest held by Group	Accounting method	Principal activities
KSB MIL Controls Limited	India	49%	Equity method	Manufacturing of control valves and accessories

KSB MIL Controls Limited is an unlisted entity and no quoted price is available.

(c) Summarized financial information for associate

The summarized financial information for associate disclosed below, reflects the amounts presented in the financial statements of the relevant associate and not Group's share of those amounts.

(i) Summarized balance sheet

	KSB MIL Controls Limited	
	As at December 31, 2023	As at December 31, 2022
Total current assets	1,902.41	1,699.16
Total non-current assets	499.04	520.60
Total current liabilities	807.41	699.91
Total non-current liabilities	20.90	56.40
Net assets	1,573.14	1,463.45

(ii) Reconciliation of carrying amounts

	KSB MIL Controls Limited	
	As at December 31, 2023	As at December 31, 2022
Opening net assets	1,463.45	1,373.39
Profit for the year	192.04	159.65
Other comprehensive income	(2.10)	(3.59)
Dividends paid	(80.25)	(66.00)
Closing net assets	1,573.14	1,463.45
Group’s share in %	49%	49%
Group’s share in INR	770.84	717.09
Goodwill	24.52	24.52
Carrying amount	795.36	741.61

Notes forming part of the Consolidated financial statements (Contd.)

(All amounts in ₹ million, unless otherwise stated)

(iii) Summarized Statement of Profit and Loss

KSB MIL Controls Limited

	Year ended December 31, 2023	Year ended December 31, 2022
Revenue	2,410.00	2,038.23
Profit for the period	192.04	159.65
Other comprehensive income	(2.10)	(3.59)
Total comprehensive income	189.94	156.06
Dividends received	-	-

(d) Commitments and contingent liabilities in respect of associates

	As at December 31, 2023	As at December 31, 2022
Share of contingent liabilities incurred jointly with other investors of the associate		
Excise and Service tax matters	-	0.13
Goods and Service Tax related matters	1.52	-
Income tax matters	1.08	-
Commitments of associate		
Commitment to provide funding for associate's capital commitments, if called	6.03	13.92
Total	8.63	14.05

35 Additional information required by Schedule III

Particulars	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ Million)	As % of consolidated profit or loss	Amount (₹ Million)
Parent				
KSB Limited				
December 31, 2023	93.88%	12,222.04	95.49%	1,993.29
December 31, 2022	93.50%	10,687.80	95.72%	1,749.24
Subsidiary - Indian				
Pofran Sales and Agency Limited				
December 31, 2023	0.01%	1.69	0.00%	(0.06)
December 31, 2022	0.02%	1.75	0.00%	(0.06)
"Associate - Indian (Investment as per equity method)"				
KSB MIL Controls Limited				
December 31, 2023	6.11%	795.36	4.51%	94.10
December 31, 2022	6.48%	741.61	4.28%	78.23
Total - December 31, 2023	100%	13,019.09	100%	2,087.33
Total - December 31, 2022	100%	11,431.16	100%	1,827.41

All eliminations and adjustments are netted off against balances of the Parent Company for disclosure purpose.

(All amounts in ₹ million, unless otherwise stated)

Particulars	Share in other comprehensive income total liabilities		Share in total comprehensive income	
	As % of consolidated other comprehensive income	Amount (₹ Million)	As % of total comprehensive income	Amount (₹ Million)
Parent				
KSB Limited				
December 31, 2023	104.53%	23.75	95.59%	2,017.04
December 31, 2022	97.47%	(67.77)	95.65%	1,681.47
Subsidiary - Indian				
Pofran Sales and Agency Limited				
December 31, 2023	0.00%	-	0.00%	(0.06)
December 31, 2022	0.00%	-	0.00%	(0.06)
"Associate - Indian (Investment as per equity method)"				
KSB MIL Controls Limited				
December 31, 2023	-4.53%	(1.03)	4.41%	93.07
December 31, 2022	2.53%	(1.76)	4.35%	76.47
Total - December 31, 2023	100%	22.72	100%	2,110.05
Total - December 31, 2022	100%	(69.53)	100%	1,757.88

All eliminations and adjustments are netted off against balances of the Parent Company for disclosure purpose.

36 Fair value measurements

Except derivative instruments, all financial assets and financial liabilities are measured at amortised cost. Derivative instruments are classified as fair value through profit or loss. The fair value is determined using forward exchange rates at the balance sheet date. The instruments fall under level 2 of the fair value hierarchy as per Ind AS 113 Fair Value Measurements. Level 2 fair value financial instruments are those which are not traded in an active market, which maximise the use of observable market data and rely as little as possible on entity specific estimates. Significant inputs required to measure a level 2 fair value are observable. The fair value of all the instruments measured at amortised cost is not significantly different from the carrying value of such instruments.

37 Financial risk management

The Group's activities exposes it to credit risk, liquidity risk and market risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are taken. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

The Group's risk management is carried out by the Group's treasury department under policies approved by the board of directors. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit risk

The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. For banks and other financial

(All amounts in ₹ million, unless otherwise stated)

institutions, only high rated banks/ financial institutions are accepted. The balances with banks, loans given to employees, security deposits are subject to low credit risk and the risk of default is negligible or nil. The Group has recognized provision based on assumptions about risk of default, expected loss rates and specific identification method.

I Trade receivables

Credit risk arises from the possibility that customer will not be able to settle their obligations as and when agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly. The Group has recognized the provision based on assumptions about risk of default, expected loss rates and specific identification method.

Expected credit loss for trade receivables under simplified approach

Trade receivables	Year ended December 31, 2022				
	Weighted average loss rate	Gross	Allowance	Net	Credit impaired
Outstanding for following periods from the due date					
Not due	0%	1,375.78	-	1,375.78	No
Less than 6 months	4%	2,252.35	(80.95)	2,171.40	No
6 months - 1 year	2%	261.31	(4.00)	257.31	No
1-2 years	11%	147.54	(16.65)	130.89	No
2-3 years	28%	92.74	(26.35)	66.39	No
More than 3 years	38%	214.05	(81.05)	133.00	No
Total		4,343.77	(209.00)	4,134.77	No

Trade receivables	Year ended December 31, 2023				
	Weighted average loss rate	Gross	Allowance	Net	Credit impaired
Outstanding for following periods from the due date					
Not due	0%	1,812.36	-	1,812.36	No
Less than 6 months	0%	2,885.50	(1.81)	2,883.69	No
6 months - 1 year	4%	131.20	(4.69)	126.51	No
1-2 years	46%	120.64	(56.09)	64.55	No
2-3 years	58%	44.01	(25.33)	18.68	No
More than 3 years	55%	118.53	(64.79)	53.74	No
Total		5,112.24	(152.71)	4,959.53	No

Movement of provision for loss allowance :

	Provision for Loss allowance
Provision as at January 1, 2022	253.21
Change during the year	(44.21)
Provision as at December 31, 2022	209.00
Change during the year	(56.29)
Provision as at December 31, 2023	152.71

(All amounts in ₹ million, unless otherwise stated)

II Other financial assets

The Group's exposure to investments, loans, security deposits and other financial assets are considered to be low risk.

The loss allowance as at year end reconciles to the opening loss allowance as follows:

Movement of provision for loss allowance :

	Provision for Loss allowance
Provision as at January 1, 2022	5.30
Change during the year	-
Provision as at December 31, 2022	5.30
Change during the year	-
Provision as at December 31, 2023	5.30

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying business, the Group's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for :

1) all non-derivative financial liabilities, and
2) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

Maturity profile of financial liabilities based on undiscounted cash flows:

	December 31, 2023		December 31, 2022	
	Upto 1 year	Above 1 year	Upto 1 year	Above 1 year
Trade payables	3,432.55	-	3,142.67	-
Lease liabilities	12.42	26.73	10.18	26.31
Other financial liabilities	925.02	-	733.89	-

(C) Market risk

I) Foreign currency risk

The Group is engaged in international trade and thereby exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the EUR and USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The Group uses foreign exchange forward contracts to hedge its exposure in foreign currency risk.

i) Foreign currency risk exposure

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR million, are as follows :-

	December 31, 2023					December 31, 2022				
	EUR	USD	AUD	GBP	BDT	EUR	USD	AUD	GBP	BDT
Financial assets										
Trade receivables	153.94	653.68	-	-	0.20	143.76	558.60	-	0.01	-
Balances with banks										
- In current accounts	-	-	-	-	0.76	-	-	-	-	1.03
- In EEFC accounts	54.31	228.97	-	-	-	5.46	138.22	-	-	-
Derivative assets - Foreign exchange forward contracts (Sell Foreign Currency)	-	(37.49)	-	-	-	-	(253.85)	-	-	-
Net exposure to foreign currency risk (assets)	208.25	845.16	-	-	0.96	149.22	442.97	-	0.01	1.03
Financial liabilities										
Trade payables	351.94	110.11	0.11	1.10	1.36	181.72	105.23	0.26	1.96	0.48
Derivative liabilities - Foreign exchange forward contracts (Buy Foreign Currency)	-	-	-	-	-	-	-	-	-	-
Net exposure to foreign currency risk (liabilities)	351.94	110.11	0.11	1.10	1.36	181.72	105.23	0.26	1.96	0.48

ii) Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financials instruments:

	Impact on profit before tax	
	December 31, 2023	December 31, 2022
EUR sensitivity		
INR/EUR - Increase by 5% (December 31, 2022-5%)*	(7.18)	(1.63)
INR/EUR - Decrease by 5% (December 31, 2022-5%)*	7.18	1.63
USD sensitivity		
INR/USD - Increase by 5% (December 31, 2022-5%)*	36.75	16.89
INR/USD - Decrease by 5% (December 31, 2022-5%)*	(36.75)	(16.89)

* Holding all other variables constant

II) Interest rate risk

The Group's main interest rate risk arises from short term borrowings and deposits taken / placed over a period of time on frequent basis thereby exposing the Group to interest rate risk. The Group's policy is to have fixed interest rate at the time of deal execution.

38 Capital management

a) Risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. 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 parent. The primary objective of the Group's capital management is to maximise the shareholders value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group is debt-free and has net cash and bank balance as at years ended December 31, 2023 and December 31, 2022

(All amounts in ₹ million, unless otherwise stated)

No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2023 and December 31, 2022.

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	Year ended December 31, 2023	Year ended December 31, 2022
Cash and bank balance		
Cash and cash equivalents [Refer note 8 (a)]	1,195.28	319.54
Other bank balance* [Refer note 8 (b)]	1,542.96	2,283.58
Borrowings		
Current borrowings	-	-
Net cash and bank balance	2,738.24	2,603.12

*Other bank balance consists of fixed deposits which are considered as short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

The amount of net cash and bank balance considering the amount of lease liability of ₹ 32.36 million (December 31, 2022: ₹ 28.82 million) is ₹ 2,705.88 million (December 31, 2022: ₹ 2,574.30 million)

b) Dividends

	December 31, 2023	December 31, 2022
(i) Equity shares		
Final dividend paid for the year ended December 31, 2022 of ₹ 15.00 (December 31, 2021 of ₹ 12.60) per fully paid share	522.12	435.10
Dividend distribution tax on final dividend		
(ii) Dividends not recognised at the end of the reporting period		
The directors have recommended the payment of a final dividend of ₹ 17.50 per fully paid equity share (December 31, 2022 - ₹ 15.00). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	609.14	522.12

39 Additional regulatory information

(a) Details of benami property held

No proceedings have been initiated on or are pending against the Group under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(b) Borrowing secured against current assets

The Group has placed fixed deposits of INR 988.44 million (December 31, 2022: INR 1018.91 million) under lien with banks and has availed the overdraft facilities against the same. Thus, the Group is not required to file quarterly returns or statement of current assets with the banks.

(All amounts in ₹ million, unless otherwise stated)

(c) Wilful defaulter

None of the entities in the Group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(d) Relationship with struck off companies

Below are the details of transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

Sr	Name of the struck off Company	Nature of transactions	Balance outstanding as at December 31, 2022	Relationship
1	Soares Engineers Private Limited	Payables	0.15	Non related party
2	Vertex Safety Products Private Limited	Receivables	-	Non related party

Sr	Name of the struck off Company	Nature of transactions	Balance outstanding as at December 31, 2023	Relationship
1	Soares Engineers Private Limited	Payables	0.27	Non related party
2	Hi-Tech Engineering Corporation	Payables	3.27	Non related party
3	Airmech Engineers Private Limited	Payables	-*	Non related party

* amount below rounding off norms of the Group

(e) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

(f) Utilisation of borrowed funds and share premium

The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

ii. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group has not received any funds from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

i. 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

ii. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(g) Undisclosed income

There is no income surrendered or disclosed as income during the year ended December 31, 2023 and December 31, 2022 in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(h) Valuation of Property, plant and equipment, Right-of-use assets and Other intangible assets

The Group has not revalued its property, plant and equipment or right-of-use assets or intangible assets during the year ended December 31, 2023 and December 31, 2022.

40 With effect from August 5, 2022, the Ministry of Corporate Affairs (MCA) has amended the Companies (Accounts) Rules, 2014 as per which backup of books of accounts and other books and papers maintained in electronic mode is required to be kept on servers physically located in India on a daily basis. The Company and its associate has process to take backup on daily basis.

During the year ended December 31, 2023, the Company has taken the backup of its ERP system used for maintaining books of accounts. However, due to a technical issue, daily backup of certain books of accounts and other relevant books and papers could not be taken during the period March 6, 2023 to June 18, 2023 and also

(All amounts in ₹ million, unless otherwise stated)

logs for the daily backup for the period January 1, 2023 to March 5, 2023 could not be retrieved by the Company. With effect from June 19, 2023, the Company has taken the daily backup of those certain books of account and other relevant books and papers on a daily basis.

In case of associate company, there are two processes for backup of books of accounts and other records, one is RMAN backup of primary server which is configured for Mondays to Saturdays for which logs are available for one year's time and further there is mechanism for Primary Server database replication to Disaster Recovery Server which takes place every 30 mins for which logs are available only for 7 days post replication. For backup of other books and records i.e file server, backup activity was configured for the whole year but logs of the same were available from January 12, 2023 onwards. Further, few instances during the year were noted, where the backup as stated above, could not be taken due to technical issues.

41 **Recent Accounting Pronouncements:**

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective for financial year commencing from April 1, 2023. The Rules predominantly amend Ind AS 12 - Income taxes and Ind AS 1 - Presentation of financial statements. The amendment in Ind AS 12 clarifies accounting for deferred tax on transactions such as leases and decommissioning obligations. The amendment in Ind AS 1 requires disclosure of material accounting policies rather than the significant accounting policies. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

42 During the year ended December 31, 2023, the Company has filed for renewal application with Income Tax authorities for Unilateral Advance Pricing Agreement for the period from April 01, 2023 to March 31, 2028 and is awaiting the approval. The initial application for Unilateral Advance Pricing Agreement for the period from April 01, 2018 to March 31, 2023 was filed in the year ended December 31, 2018 and the same is under approval with the Income Tax authorities.

43 Events occurring after the reporting period

Refer to note 38 (b) (ii) for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing general meeting.

44 During year ended December 31, 2022, the Company was informed by the parent entity, KSB SE & Co. KGaA, that the parent entity has encountered a cyber-attack on their IT systems in Germany. The Company's IT systems and infrastructure is part of the aforesaid IT systems. As an immediate measure, the parent entity had temporarily shut down all actual or potentially affected IT systems in a controlled manner for security reasons which led to temporary disruption in some of the Company's business services. The Company had put in place alternative control mechanisms in the temporary absence of the said systems. After taking all the possible necessary measures, the said systems were restored in a phased manner. Based on the assessment carried out (with the assistance of external specialist consultants) there was no impact on the financial statements of the Company for the year ended December 31, 2022.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Vivian Pillai
Partner
Membership No.: 127791

For and on behalf of the Board of Directors

Gaurav Swarup
Chairman
(DIN : 00374298)

D. N. Damania
Director
(DIN : 00403834)

Rajeev Jain
Managing Director
(DIN : 07475640)

Mahesh Bhave
Chief Financial Officer

Place : Mumbai
Date : February 28, 2024

Place : Mumbai
Date : February 28, 2024

Shraddha Kavathekar
Company Secretary

KSB Limited inks Power Purchase Agreement with Sunsure Energy for supply of one crore units of green power annually

KSB Limited has officially signed Power Purchase Agreement (PPA) with Sunsure Energy (renewable energy producer). Sunsure Energy will supply us nearly one crore units of green power annually for the next 25 years.

This captive renewable energy initiative will cater to our power needs. This green power commitment will be fulfilled through the open access supply of power to our multiple facilities in Maharashtra.

It will enable us to source clean power to off set around 221 million kgs of carbon dioxide over the next 25 years, which is equivalent to planting 3.5 lakh trees.

In Continuation to our efforts to move towards a green energy transition and contribute to our role in India's mission of net-zero emissions, we have entered into this partnership with Sunsure.

The agreement will support to achieve our sustainability goals by offsetting a major chunk of our overall CO_2 emissions and thus demonstrates our commitment to ensuring a cleaner and healthier future. Also, 70-75% of our power consumption will be green power after this project is implemented.

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