SEC/ F:23

July 5, 2023

BSE Limited
Corporate Relationship Department,
2nd Floor, New Trading Ring,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001.

National Stock Exchange of India Ltd.
5th Floor, Exchange Plaza,
Bandra (East),
Mumbai – 400 051.

(BSE Scrip Code – 500241)

(NSE Symbol - KIRLOSBROS)

Dear Sir/Madam,

Sub.: Notice of the 103rd Annual General Meeting and Integrated Annual Report

Ref: Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

In terms of the subject referred regulations, we enclose herewith a copy of the Notice of 103rd Annual General Meeting ('AGM') of the Company along with the Integrated Annual Report for the Financial Year 2022-23.

In view of the General circular no. 14/2020, 17/2020, 20/2020, 22/2020, 33/2020, 39/2020, 02/2021, 02/2022 and 10/2022 issued by the Ministry of Corporate Affairs (MCA) and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 and all other applicable laws and circulars issued by the MCA, Government of India and the SEBI, Notice of the 103rd AGM of the Company along with the Integrated Annual Report for the Financial Year 2022-23, is being sent to the registered members of the Company, only via electronic mode (e-mail) and no physical copies are dispatched.

A copy of the Notice of 103rd AGM of the Company along with the Integrated Annual Report is also available on the website of the Company at www.kirloskarpumps.com.

You are requested take the above on your records.

Thanking you,

Yours faithfully,
For **KIRLOSKAR BROTHERS LIMITED**

DEVANG
BHARATKUMAR
TRIVEDI

Digitally signed by DEVANG BHARATKUMAR TRIVEDI
Date: 2023.07.05 17:26:57 +05'30'

Devang Trivedi
Company Secretary

Encl.: As above.

NOTICE

NOTICE is hereby given that the 103rd Annual General Meeting (AGM) of the Members of **KIRLOSKAR BROTHERS LIMITED** will be held on Tuesday, the 01st day of August, 2023 at 2.00 p.m., Indian Standard Time (IST), through Video Conferencing/ Other Audio Visual Means (VC/OAVM) facility 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 March 31, 2023, together with the Reports of Auditors and Board thereon; and
   b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Report of the Auditors thereon.

2. To declare Dividend on equity shares of the Company for the Financial Year 2022-23.

3. To appoint a Director in place of Mr. Alok Kirloskar (DIN 05324745), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Audit Committee, the remuneration amounting to ₹ 825,000/- (Rupees Eight Lakhs Twenty Five Thousand Only) excluding GST and other taxes as may be applicable and out of pocket and travelling expenses, if any, payable to M/s. Parkhi Limaye & Co., Cost Accountants, Pune (Firm Registration No. 000191), appointed by the Board of Directors of the Company as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year 2023-24, be and is hereby ratified and confirmed."

By order of the Board of Directors
For **KIRLOSKAR BROTHERS LIMITED**

Devang Trivedi
Company Secretary
ICSI Membership No. A13339

Pune: May 11, 2023

NOTES:

1. Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the Statement of Material Facts pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the business under Item Nos. 3 and 4 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company at its meeting held on May 11, 2023, considered that the Special Business under Item Nos. 4 being considered unavoidable, be transacted at the 103rd AGM of the Company.

2. General instructions for accessing and participating in the 103rd AGM through VC/OAVM facility and voting through electronic means including remote e-Voting.

   a. In terms of Ministry of Corporate Affairs ('MCA') in continuation to its previous General Circulars No. 20/2020 dated 5th May, 2020, No. 02/2021 dated 13th January, 2021, No. 21/2021 dated 14th December, 2021, No. 02/2022 dated 5th May 2022, further extended the relaxation vide Circular No. 10/2022 dated 28th December, 2022 ('MCA Circulars') and in terms of The Securities and Exchange Board of India ('SEBI') in continuation to its previous Circulars No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022, further extended the relaxation vide Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 ('SEBI Circulars'), and in compliance with the provisions of the Act and with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 ('SEBI Listing Regulations'), the AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.

b. In terms of the MCA Circulars, the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the AGM. However, in pursuance of Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the AGM through VC/OAVM facility and e-Voting during the AGM.

c. In line with the aforementioned MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Integrated Annual Report for the Financial Year 2022-23 ('the Integrated Annual Report') is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depository Participants, unless any member has requested for a physical copy of the same. The Members may note that notice of the AGM and the Integrated Annual Report is also available on the website of the Company at www.kirloskarpumps.com, on the website of BSE Limited (BSE) at www.bseindia.com, on the website of National Stock Exchange of India Limited (NSE) at www.nseindia.com and also on the website of National Securities Depositories Limited (NSDL) at www.evoting.nsdl.com.

d. Since the AGM will be held through VC/OAVM facility, the Route Map is not annexed in this Notice.

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

f. Members may join the AGM through VC/OAVM facility by following the procedure as mentioned below which shall be kept open for the Members from 1:30 p.m. IST i.e. 30 minutes before the time scheduled to start the AGM and the Company may close the window for joining the VC/OAVM facility at 2.30 p.m. IST i.e. 30 minutes after the scheduled time to start the AGM.

g. Members may note that the VC/OAVM facility, provided by NSDL, allows participation of 1,000 Members on a first-come-first-serve basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the AGM without any restriction on account of first-come-first-serve principle.

h. Attendance of the Members participating in the AGM through VC/OAVM facility shall be counted for the purpose of considering the quorum under Section 103 of the Act.

i. Pursuant to the provisions of Section 108 of the Act and any other applicable provisions, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and Regulation 44 of SEBI Listing Regulations, 2015 read with MCA Circulars and SEBI Circulars, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the AGM and facility for those Members participating in the AGM to cast vote through e-Voting system during the AGM.

3. Instructions for Members for remote e-Voting are as under:

a. The remote e-Voting period will commence on **Saturday, July 29, 2023 (9:00 am IST)** and will end on **Monday, July 31, 2023 (5:00 pm IST).** The remote e-Voting module shall be disabled by NSDL for voting thereafter. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of July 25, 2023**, may cast their vote by remote e-Voting. Once the vote on a resolution is cast, the Member shall not be allowed to change it subsequently.

b. A person who is not a Member as on the cut-off date i.e. **July 25, 2023,** should treat this Notice of AGM for information purpose only.

c. The details of the process and manner for remote e-Voting are explained herein below:

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

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

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

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by the Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. Existing **IDeAS** user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “**Beneficial Owner**” icon under “**Login**” which is available under ‘**IDeAS**’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “**Access to e-Voting**” under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider** i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “**Register Online for IDeAS Portal**” or click at https://eservices.nsdl.com/ SecureWeb/ IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “**Login**” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider** i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi/Easiest facility, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi/Easiest are requested to visit www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will also be able to see the e-Voting Menu. The Menu will have **links of e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/ EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN, from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the **e-Voting service provider** i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 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

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

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

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

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

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices. nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company. For example, if Folio number is 001*** and EVEN is 101456 then user ID is 101456001***

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

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

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

   c) How to retrieve your 'initial password'?

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

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

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    a) Click on "**Forgot User Details/Password**?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
    b) "**Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
    c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "**Login**" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "**Submit**" and also "**Confirm**" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
8. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 022-4886 7000 and 022-2499 7000 or send a request at evoting@nsdl.co.in or contact Mr. Amit Vishal, Assistant Vice President or Ms. Pallavi Mhatre, Senior Manager, National Securities Depository Ltd., at the designated email ID: evoting@nsdl.co.in or at telephone nos.: 022-4886 7000 and 022-2499 7000 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the Company's email address grievance.redressal@kbl.co.in.
9. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. July 25, 2023 may obtain the login ID and password at sending a request at evoting@nsdl.co.in or issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 022-4886 7000 and 022-2499 7000.

    In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. July 25, 2023 may follow steps mentioned in the notice of the AGM under "Access to NSDL e-voting system".

4. Process for those Members whose email ids are not registered for procuring User id and password and registration of email ids for e-Voting on the resolutions set out in this Notice:

a. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to grievance.redressal@kbl.co.in.

b. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account Statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to grievance.redressal@kbl.co.in. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

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

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

5. Instructions for Members for participating in the AGM through VC/OAVM are as under:

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

b. Members are encouraged to join the Meeting through Laptops for better experience.

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

d. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

e. For smooth conduct of proceedings of the AGM, Members can submit questions/queries in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered email address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address grievance.redressal@kbl.co.in at least seven (7) days before the start of the meeting i.e. by July 25, 2023 by 2:00 p.m. IST. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.

f. Members, who would like to ask questions during the AGM with regard to the financial statements or any other matter to be placed at the AGM, need to register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address grievance.redressal@kbl.co.in at least seven (7) days before the start of the AGM i.e. by July 25, 2023 by 2:00 p.m. IST. Those Members who have registered themselves as speakers only shall be allowed to ask questions during the AGM, on first-come-first-serve basis and subject to availability of time.

g. The Company reserves the right to restrict the number of questions and number of speakers as appropriate, for smooth conduct of AGM.

h. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the AGM through VC/OAVM Facility. Institutional/corporate shareholders (i.e. other than individual, HUF, NRI etc.) are required to send scanned copy (PDF/JPEG Format) of the relevant Board Resolution/Power of Attomey/Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to cssdlimaye@gmail.com with a copy marked to evoting@nsdl.com. Such shareholders can also upload their Board Resolution/Power of Attomey/Authority Letter etc. by clicking on **"Upload Board Resolution/Authority Letter"** displayed under **"e- voting"** tab in their login.

6. Instructions for Members for e-Voting during the AGM are as under:

a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

b. Only those Members/Shareholders, who will be 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 at the AGM.

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.

d. The details of the persons who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same persons mentioned for Remote e-voting i.e. Mr. Amit Vishal, Assistant Vice President - NSDL or Ms. Pallavi Mhatre, Senior Manager- NSDL at the designated email ID: evoting@nsdl.co.in or at telephone number 022-4886 7000 and 022-2499 7000.

7. Other Guidelines for Members:

a. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Log in to the e-Voting website will be disabled upon 5 unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

b. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the **cut-off date of July 25, 2023**.

c. 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 or casting vote through e-Voting system during the AGM. Mr. Shyamprasad Limaye, Practicing Company Secretary from Pune, has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and vote cast through e-Voting system during the AGM in a fair and transparent manner. Mr. Limaye has communicated his willingness to be appointed and will be available for the said purpose.

d. During the AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC/OAVM Facility and who have not voted earlier, to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the AGM.

e. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated Scrutinizer’s Report of the total votes cast in favour or against, invalid votes, if any, and whether the resolutions have been carried or not, and such Report shall then be sent to the Chairman within 2 working days from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.

f. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.kirloskarpumps.com and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of Results by the Chairman. The Results shall also be immediately forwarded to the BSE and NSE.

8. Pursuant to the MCA Circulars and SEBI Circulars, the Notice of the AGM and the Integrated Annual Report for the Financial Year 2022-23 are being sent only by email to the Members. Therefore, Members, whose email addresses are not registered with the Company or with their respective Depository Participant/s and who wish to receive the Notice of the AGM and the Integrated Annual Report for the Financial Year 2022-23 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below: -

a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, Aadhaar) supporting the registered address of the Member, by email to the Company’s email address grievance.redressal@kbl.co.in

b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

9. The Notice of the AGM and the Integrated Annual Report for the Financial Year 2022-23, will be available on the website of the Company at www.kirloskarpumps.com and the website of BSE and NSE. The Notice of AGM will also be available on the website of NSDL at www.evoting.nsdl.com.

10. Income tax on Dividend will be deducted as per the prescribed rates in the Income Tax Act, 1961 (the IT Act). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address at KBL@bigshareonline.com.

11. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended (IEPF Rules) read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government.

The Company has been sending reminders to the Members having unpaid/unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/unclaimed dividends are also uploaded on the website of the Company at www.kirloskarpumps.com. Members who have not encashed Dividend 2016-17 or any subsequent dividend declared by the Company, are advised to write to the Company immediately.

12. The unclaimed dividend (final) of ₹ 11,27,160/- for the Financial Year 2014-15 and unclaimed dividend (interim) of ₹ 10,82,902/- for the Financial Year 2015-16 has been transferred to IEPF, pursuant to the applicable provisions of Section 124 of the Act. In terms of the said Section read with relevant rules, the amount transferred to the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of 7 consecutive years or more from the date of such transfer, shall be transferred by the Company to IEPF. Accordingly, the unpaid/unclaimed dividend for the Financial Year 2016-17 onwards will become transferable at the end of 7 years from the respective dates of transfer of such amount to the Unclaimed Dividend Account to IEPF.

As per the provisions of the IEPF Rules, the underlying shares in respect of which the dividend has remained unclaimed /unpaid for 7 years or more are required to be transferred to IEPF. Accordingly, the Company has transferred 40,541 and 27,196 shares, for the Financial Year 2014-15 and 2015-16 (interim) respectively, in respect of which the dividend has remained unpaid/unclaimed for consecutive 7 years.

In terms of the provisions under the IEPF Rules, the said shares and the dividend transferred to IEPF can be claimed by the shareholders or his or her legal heir/successor/nominee subject to the compliance of certain conditions as mentioned in the IEPF Rules. The procedure for the same is available on the website of the Company at www.kirloskarpumps.com.

The details of transfer of unpaid/unclaimed dividend to IEPF are given below:

Financial Year	Type of dividend	Dividend in ₹ per share	Date of declaration	Due Date of transfer to the IEPF Account
2016-17	Final	1.00	27-Jul-17	September, 2024
2017-18	Final	2.50	27-Jul-18	September, 2025
2018-19	Final	2.50	12-Aug-19	September, 2026
2019-20	Interim	2.00	14-Feb-20	March, 2027
2019-20	Final	0.50	25-Sept-20	October, 2027
2020-21	Final	3.00	09-Sept-21	October, 2028
2021-22	Final	3.00	10-Aug-22	September, 2029

In terms of the IEPF (Uploading of information regarding unpaid dividend amount lying with the Companies) Rules, 2012, the details of unclaimed dividend up to 2021-22 have been uploaded on the Company's website www.kirloskarpumps.com. This will facilitate the Members to claim their unclaimed dividend. Members are therefore, requested to check and send their claims if any, for the relevant Financial Years from 2016-17 onwards before the respective amounts become due for transfer to IEPF.

13. In terms of the SEBI Listing Regulations, 2015, securities of listed companies can only be transferred in dematerialized form. Further, SEBI vide its Circular dated January 25, 2022, has mandated that listed companies shall issue the securities in dematerialized form only, while processing service requests such as issue of duplicate share certificates, transmission, transposition etc. Accordingly, Members are advised to dematerialize shares held by them in physical form.

14. SEBI has vide circular dated November 3, 2021 read with circular dated March 16, 2023, mandated the furnishing of PAN, address with pin code, mobile number, bank account details and nomination by the holders of physical securities. Folios wherein any one of the cited documents/details are not available on or after October 1, 2023, shall be frozen by Big Share Limited, the Registrar and Transfer Agent of the Company ('RTA'). The Members who have not updated KYC, are requested to furnish required details to the RTA at the earliest.

15. Electronic copies of all the documents referred to in the accompanying Notice of the AGM and the Statement of material facts shall be available for inspection in the Investor Section of the website of the Company at www.kirloskarpumps.com.

16. During the AGM, Members with prior intimation of 48 hours, may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested, maintained under Section 189 of the Act, upon Login to NSDL e-Voting system at https://www.evoting.nsdl.com.

ANNEXURE TO THE NOTICE OF 103rd ANNUAL GENERAL MEETING

I. DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS (SS-2)

Item No. 3

Mr. Alok S. Kirloskar (DIN 05324745), age 39, is a Non-Executive, Non-Independent Director on the Board of the Company. He has done his Bachelor of Science in Business Administration with concentration in Finance from Carnegie Mellon University, Pittsburgh, PA, USA. He had the honor to be on the Dean's list for his academic excellence throughout the course.

Mr. Alok Kirloskar has been associated with the Company since September, 2007. He was first entrusted with responsibilities of international marketing business and he acquainted himself with the functioning of various departments/sectors. Later, he was head of the Industry sector of the Company, before he became the Director. He is on the Board of the Company since July 18, 2012.

Before joining the Company, he worked with Sonasoft Corporation (Microsoft GPC) at San Jose, California, USA, as Business Development Manager. He had also interned at Nasa Girvan Institute of Technology, Santa Clara, USA and Toyota Motor Corporation, Torrance, USA.

Mr. Alok Kirloskar, is presently Managing Director – SPP Pumps Limited, Britain's leading pump manufacturer and a subsidiary of the Company. He is also the Managing Director of Kirloskar Brothers International B.V. (KBI B.V). KBI B.V. is the holding company for the international business of Kirloskar Brothers Ltd. Mr. Alok Kirloskar is also a Director of SPP International Pty. Limited, SPP Pumps Inc, Micawber 784 (Proprietary) Limited, Braybar Pumps (Proprietary) Limited, Syncroflo Inc., SPP Pumps MENA LLC, SPP Pumps Real Estate LLC, Rodelta Pumps International B.V., Rotaserve Overhaul B.V., SPP Pumps (South Aftica Pty.) Limited, SPP Pumps (Asia) Company Limited which are subsidiaries of KBI B.V. He is also the Chairman of Kirloskar Corrocoat Pvt. Ltd., Kirloskar Pompen B.V. and Kirloskar Brothers (Thailand) Limited.

Mr. Alok Kirloskar holds 6,187 (0.01%) equity shares of ₹ 2/- each of the Company.

Mr. Alok Kirloskar attended 7 (Seven) Board meetings of the Company held during the year 2022-23. He is also a member of the Stakeholders' Relationship Committee of the Board.

During the last three years, Mr. Alok Kirloskar did not hold directorship in any other Listed entity.

Mr. Alok Kirloskar will be entitled for sitting fees as may be decided by the Board from time to time and commission, if any, as may be approved by the Board. For details of his remuneration drawn last year, one can refer reporting under 'Report on Corporate Governance'.

Apart from Mr. Alok Kirloskar, his father Mr. Sanjay Kirloskar and his sister Ms. Rama Kirloskar, none of the Directors, Key Managerial Personnel and/or their relatives are deemed to be concerned or interested, directly or indirectly, financially or otherwise, in the proposed resolution.

The Board recommends his re-appointment as a Non-Executive Director, liable to retire by rotation and passing of this resolution as an Ordinary Resolution.

II. STATEMENT OF MATERIAL FACTS AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT 2013

Item No. 4

In terms of Section 148 of the Act read with The Companies (Cost Records and Audit) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, the Company is required to get its cost records audited by a Cost Accountant and the remuneration to be paid to such Cost Accountant would be required to be approved by the Members of the Company. The Board of Directors of the Company at its meeting held on May 11, 2023 has appointed M/s. Parkhi Limaye & Co., Pune, as Cost Auditors in terms of the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, for the purpose of auditing the cost records of the Company for the Financial Year 2023-24 on a yearly remuneration of ₹ 825,000/- (Rupees Eight Lacs Twenty-Five Thousand Only) excluding GST and other taxes as may be applicable and out of pocket and travelling expenses, if any.

None of the Directors, Key Managerial Personnel and/or their relatives are deemed to be concerned or interested, directly or indirectly financially or otherwise, in the proposed resolution.

The Board recommends passing of this resolution as an Ordinary Resolution.

By order of the Board of Directors
For **KIRLOSKAR BROTHERS LIMITED**

Devang Trivedi
Company Secretary
ICSI Membership No. A13339

Pune: May 11, 2023

KIRLOSKAR BROTHERS LIMITED
A Kirloskar Group Company

Enriching Lives

Transformation

INTEGRATED ANNUAL REPORT 2022-23

WELCOME TO THE WORLD OF KIRLOSKAR

In a moment of great pride, a business transformation journey is underway at Kirloskar Brothers Limited (KBL). In a bid to become future-ready and customer-centric, we are raring to go with our key pillars of enhancing product leadership, targeting digital first, strengthening the processes and empowering our people, well-guided by our vision and mission. We remain steadfast on an accelerated growth path with strong corporate values and an agile business model.

Innovation is at the core of the Group's business philosophy, and hence, we are bringing innovation to products aligned with our business goals and adopting new-age and energy-efficient, tech solutions. With people playing a central role in our business transformation journey, we are setting a unique culture and also building a high-performing technology team who are passionate about their work and are aligned with organisational growth.

This transformation journey also encompasses making disruptive changes in our business processes, re-examining our strategies and practices, driving the digital agenda, bringing newer disciplines, building a strong ecosystem of supply chain partners and vendors and moving up the value chain. Our endeavour is to set new industry benchmarks and capitalise on the growing opportunity with our building blocks of safety, quality and integrity.

We shall continue to drive our multi-dimensional approach towards value creation to consolidate market position, improve profitability and leverage our strong potential, and in the process, unlocking stakeholder value. With the foundation of our transformation having been laid, we are strengthening our competitiveness and delivering sustainable growth, going forward.

CONTENTS

Read the report online at
www.kirloskarpumps.com

BASIS OF REPORTING

REPORTING APPROACH

Developed in accordance with the International Integrated Reporting Council's (IIRC) <IR> framework, Kirloskar Brothers Limited (KBL) is pleased to present its Integrated Report for FY 2022-23. The report provides key insights into how the Company creates value in the short, medium and long-term for its stakeholders.

In addition to this and as mandated by SEBI, stakeholder relevant performance is also reported by KBL through a Business Responsibility Sustainability Report. Both reports have been combined to avoid duplication and ensure comprehensive yet concise information to all shareholders.

As a Company, we are committed to achieving the highest governance standards essential for sustainable value creation. This is reflected in our reporting philosophy which is founded on the principles of accountability, transparency, accuracy, integrity, responsibility and compliance.

FRAMEWORK, GUIDELINES AND STANDARDS

The Report covers key performance indicators in line with the <IR> framework. It also links the Company's capital-wise performance to the United Nations Sustainable Development Goals (UN SDGs). Sections of the document also comply with the requirements of the Companies Act, 2013 (and the rules made thereunder); Indian Accounting Standards; the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015; and the Secretarial Standards issued by the Institute of Company Secretaries of India. Stakeholders are encouraged to read them in conjunction with the contents prepared using the <IR> format to get a holistic view of the Company's annual performance.

BOUNDARY AND SCOPE OF REPORTING

The Report covers information pertaining to, but not limited to, manufacturing facilities, products and solutions, operations and maintenance, office premises of KBL and its material subsidiaries. Disclosures pertaining to the period April 1, 2022, to March 31, 2023, are also covered under this Report, unless stated otherwise. KBL publishes its integrated report on an annual basis.

FORWARD-LOOKING STATEMENTS

Certain statements in this Report regarding KBL's business operations may constitute forward-looking statements. While these statements reflect the Company's future expectations, it is important to remain mindful that a number of risks, uncertainties and other important factors could cause actual results to differ materially.

AUDIT AND ASSURANCE

The financial statements presented in the report have been audited by M/s. Sharp and Tannan Associates - Chartered Accountants, Mumbai and the information contained in page no. 42 to 83 in line with <IR> framework has been independently assured by M/s Ernst and Young Associates LLP Mumbai.

KBL invites its readers to share their recommendations and feedback as part of its ongoing engagement with stakeholders to support the company's continual progress. Any suggestions and feedback can be sent to grievance.redressal@kbl.co.in

OUR STAKEHOLDERS P. 36

- Shareholders / Investors
- Customers
- Dealers and Distributors
- Employees
- Suppliers
- Society
- Financial Institutions

OUR CAPITALS

- Financial Capital Read more P. 42
- Manufactured Capital Read more P. 46
- Intellectual Capital Read more P. 54
- Human Capital Read more P. 60
- Social and Relationship Capital Read more P. 70
- Natural Capital Read more P. 76

KEY STRATEGIC OBJECTIVES

- **S1** Widening Market Reach
- **S2** Improving Profitability
- **S3** Digital Transformation
- **S4** Environment Protection
- **S5** Talent Management and Competency Development
- **S6** Improving plant productivity
- **S7** Supply Chain Management

Diversified product portfolio

250+
Products

100,000+
SKUs

12+
Industries

130+ Years of engineering excellence

₹ 28,800 Million
Consolidated Order Book

1.1+ Million
Pumps manufactured every year

120

Countries globally

6

Continents

14

Manufacturing Facilities (09 Domestic; 05 Overseas)

One of Asia's largest Hydraulic Research Centre at Kirloskarvadi

Supported by best-in-class network of 650+ Authorised Service Centres and 16,250 Channel Partners

6,000+

Employee strength

AT THE FOREFRONT OF ATMANIRBHAR BHARAT. A PROUD PROPONENT OF MAKE IN INDIA

Being one of the first AtmaNirbhar organisations in India

Being India's first and largest pump manufacturing company

Honoured by India Post with a unique stamp with picture of KBL pump for contributing towards nation-building

Manufactured some of India's first engineering products including Iron Plough, Centrifugal Pumps, Diesel Engines, Motors and Air Compressors

First and leading manufacturer in India of critical pumps for nuclear power plants

Serving Millions of farmers, households and industries everyday

Strengthening India's core sectors by supplying pumps to iconic structures

Supplying products that run the wheels of most industries

Providing cutting-edge, energy-efficient and environmentally sustainable innovations

Recognised as India's Most Ethical company in Industrial Manufacturing category by CMO Asia

UPHOLDING THE SPIRIT OF KIRLOSKAR GROUP

ABOUT KIRLOSKAR GROUP

Focussed on progress of economic self-sufficiency and industrial growth

The Kirloskar Group is built on the foundation of strong business ethics, growth-driven innovation, quality products and a strong commitment to corporate responsibility, ensuring the co-existence of the industry and the environment. Our in-depth understanding of the dynamics of industrialisation and evolving market requirements have greatly aided in expanding global reach to over 120 countries.

As one of India's largest engineering companies, our responsibility towards customers and the country is to keep addressing their needs and transform the lives of as many as possible. And in the process, we transform ourselves as well. We are the pioneers in India in consistently adopting the latest technologies.

A RICH LEGACY

Valuable legacy of 134+ years (Established in 1888 and incorporated in 1920)

One of the few Indian companies who design and develop products which are sold globally under its own brand

5th generation inheritors and flagship company Kirloskar Group, one of India's first industrial organisations in the engineering business

At the forefront of the spirit of Swadeshi philosophy, by establishing first-of-its-kind industrial township "Kirloskarvadi" for manufacturing engineering products in India

Presence in 6 Continents and 120+ Countries

KIRLOSKAR BROTHERS LIMITED - AT A GLANCE

Established in 1888 and incorporated in 1920, Kirloskar Brothers Limited (KBL) is the flagship company of the Kirloskar Group. We are a world-class pump manufacturing company with proficiency in engineering and fluid management systems. We are one of the largest pump companies with a diverse range of offerings in pumps, valves and turbines.

We engineer, manufacture and develop a range of leading-edge solutions for Total Fluid Management. Our capabilities span from large infrastructure projects such as water supply, irrigation, power generation, oil & gas, building construction, industry and marine & defence to small pumps for domestic and agricultural use.

SPP Pumps Limited (our group company) is the largest pump manufacturing company in the United Kingdom. We also have facilities in the United States of America, The Netherlands, Republic of South Africa and Thailand.

OUR VALUE SYSTEM

Purpose

Enriching lives.
Transcending boundaries.

Vision

Enriching lives across communities through innovative and sustainable engineering solutions

Mission

To lead the industry through reliable, intelligent hydraulic machines and systems providing superior value and ensuring customer delight

Values

- Teamwork with mutual trust and empathy
- Commitment towards the environment
- Integrity and accountability
- Speed and accuracy
- Progressive and proactive
- Process centric

GROUP STRUCTURE

- Kirloskar Brothers Limited (India)
  - The Kolhapur Steel Ltd. (99.74%)
  - Karad Projects & Motors Ltd. (100%)
  - Kirloskar Corrocoat Pvt. Ltd.* (65%)
  - Kirloskar Ebara Pumps Ltd. (45%)
  - Kirloskar Brothers International B. V. (The Netherlands) (100%)
    - SPP Pumps International Pty. Ltd. (South Africa) (100%)
      - Braybar Pumps Pty. Ltd. (South Africa)(100%)
      - SPP Pumps (S. Africa) Pty. Ltd. (100%)
    - Kirloskar Pompen B. V. (The Netherlands) (100%)
      - Rotaserve B. V. (The Netherlands) (100%)
    - Rodelta Pumps International B.V. (The Netherlands) (100%)
    - Kirloskar Brothers (Thailand) Ltd. (Thailand) (100%)
    - SPP Mena LLC (Egypt) (100%)
    - SPP Pumps (UK) Ltd. (UK) (100%)
      - SPP Pumps Inc. (USA) (100%)
        - SyncroFlo Inc. (USA) (100%)
        - SPP Pumps Real Estate LLC (USA) (100%)
      - SPP France S A S (100%)
    - Micawber 784 Pty. Ltd. (S. Africa) (100%)
    - SPP Pumps (Asia) Ltd. (Thailand) (100%)
    - SPP Pumps (Singapore) Ltd. (Singapore) (100%)

**KCPL is domestic subsidiary and Joint Venture*

Domestic Subsidiaries (Considered for consolidation)
Domestic Joint Ventures (Share of profits consolidated)
International Subsidiaries (Considered for consolidation)

STANDALONE ORDER BOOK (AS OF MARCH 31, 2023)

₹ 18,200 Million

Irrigation and Water Management	8,510 Million
Marine and Defence	420 Million
Power	5,040 Million
Building and Construction	900 Million
Industry	1,020 Million
Valves	690 Million
Customer Support & ESD	910 Million
Oil & Gas	710 Million

Note: Pending Orderbook does not include orders for small pump business as this is a made to stock business. Orders received include small pump business orders received and executed in the same month from stock

UPHOLDING THE SPIRIT OF KIRLOSKAR GROUP

OUR DIVERSIFIED PRODUCT PORTFOLIO

250+
Product Offerings

100,000+
SKUs

12+
Catering to diversified application

A DIFFERENTIATED PRODUCT LINE

75+
Types of pumps

Flow of up to 120,000 m^3/hr (528,000 US GPM)

30 MW
Pumps up to 30 MW (40,000 HP)

28+
Types of Valves

PICO and Mini Hydel Turbines (3KW-10MW)

3,200 M
Pump Head up to 3,200 m (4,539 psi)

50 to 5,000
Valves with diameter 50 mm to 5,000 mm

Special coatings for energy saving and life enhancement

1,000+
Lowest life-cycle cost (LLC™) pumps supplied worldwide

STRONG BRAND PORTFOLIO

OUR CAPABILITIES

- Expertise in engineering and manufacturing of systems for fluid management
- Making in India since 1901
- 28 types of valves with size up to 5,000 mm
- 16,000 channel partners in India and 250 overseas
- 650+ authorised service centres
- One of Asia's largest hydraulic research centres for testing pumps at duty conditions up to 5,000 kW and with up to 50,000 m³/hr discharge
- One of the few pump manufacturing companies in the world to have a dedicated 3D printing machine
- India's first leading manufacturer of primary and secondary sodium pumps for Fast Breeder Reactors
- Among the world leaders in pumping solutions for critical applications in nuclear segment
- Manufacturing capabilities benchmarked to the highest quality standards and supported by an integrated network of services
- Producing a wide range of energy-efficient and lowest life-cycle cost pumps

KEY CLIENTELE

ROOTED LOCALLY. SERVING GLOBALLY.

Corporate Office and Global Headquarters

1. Pune, India

Overseas Presence

2. Atlanta, US
3. Coleford, UK
4. Almelo, The Netherlands
5. Johannesburg, South Africa
6. Jebel Ali, UAE
7. Cairo, Egypt
8. Bangkok, Thailand

The above map is not to scale and for illustrative purposes only.

Manufacturing Plants

9. Kirloskarvadi, India
10. Shirwal, India
11. Sanand, India
12. Kaniyur, India
13. Dewas, India

Domestic Subsidiaries and Associate companies

14. Karad Projects and Motors Limited, Karad
15. The Kolhapur Steel Limited, Kolhapur
16. Kirloskar Corrocoat Private Limited, Kirloskarvadi
17. Kirloskar Ebara Pumps Limited, Kirloskarvadi

CHAIRMAN'S MESSAGE

Greetings to all the Shareholders!

In my earlier communications with you, I have remarked on the ever-changing and dynamic nature of this world. In such an evolving world, our lives must be like water that constantly pursues its course and changes the environment it encounters. Life at KBL is no different, as we prepare to transform in all senses of the term.

This new chapter of our evolutionary journey is truly exciting. For us, transformation is not merely a shift in routine, but an overall process of growth. This journey that commenced with the genesis of the company, robustly marches ahead even today, with every new system we develop, every new process we command and every new team member we add. We had promised our great nation a service, and we have kept our word. Moving forward, we will strive hard to continue the good work in the future, which is even more promising and will make our nation and our people even more proud.

This is a transformation led by technology. As the world becomes smaller, we grow bigger with the exchange of knowledge systems and precision in our work. We continue to develop the latest innovations in fluid management and make them work where most needed.

Nonetheless, a fundamental transformation like this cannot be achieved through technology alone. It goes beyond materials and machines and is truly reflected in the spirit of the teams that developed these machines. Consequently, each valued member of Team KBL is at the very foundation of this transformation. New thoughts, new ideas and newer avenues find greater expression and implementation in this new phase of transformation within the Company.

We have set new benchmarks and explored fresh opportunities for growth by being responsible, proactive and focussed on innovation and technology. We have also established higher standards of innovation, efficiency, reliability and sustainability. To give an example, our water solutions for diverse industries across the world serve Millions of people every single day – assisting them in moving water where it is most needed.

With strong underlying demand from domestic industries and a favourable order mix in the overseas markets, we strengthened our offerings with smart pumping solutions and expanded our services portfolio. We have also leveraged our brand and presence across industries by focussing extensively on our innovative digital solutions, besides expanding our presence in the renewable energy products market. We have introduced a new era of intelligence in pump systems. Our mission is to ensure that India becomes self-reliant in fluid management in all core sectors and strategic areas, and we are pleased to have been able to accomplish this purpose every single day.

The year marked the centenary of the Kirloskarvadi Railway Station, and we were elated to be honoured by India Post and Indian Railways for KBL's contribution in nation-building over the years. India has received some of the earliest engineering products from Kirloskarvadi, which has made a substantial contribution to its economic development.

Due to its connectivity and mobility, Kirloskarvadi Railway Station has played a critical role in the successful and remarkable journey of our Company, as it facilitated our reach into all corners of the world. In the initial years, the railway station and India Post served as the cornerstones of our primary operations and communications at Kirloskarvadi.

We are grateful to India Post and Indian Railways for releasing two special covers, '100 Years of Kirloskarvadi Railway Station', and a unique pictorial stamp featuring an image of KBL pump to acknowledge and highlight the significance of Kirloskarvadi. We are honoured, yet humbled, to receive these accolades that have been bestowed upon us.

We are taking significant steps in our ESG journey aiming at long-term resilient and sustainable value. In FY 2022-23, our sustainable initiatives were targeted at enhancing the share of renewable energy (currently 23% in FY 2023; to be increased to 30% by FY 2025) in our total energy consumption, incentivisation of operational and value chain emissions, training suppliers on ESG aspects and our ESG-based principles, and exploring the sustainable alternatives for raw materials and packaging materials, among others.

Our main objective remains on designing and manufacturing energy-efficient products and services. We are also imbibing the aspects of circularity through encouraging reclamation of used products. Our employee well-being programmes focus on constant upskilling and providing regular career development reviews for enabling an agile and dynamic workforce. We have been instrumental in providing a safe working environment for our workforce with zero reportable incidents in FY 2023. We strive to conduct business in a transparent and accountable manner, including a strong oversight for ESG material topics and timely compliance with regulatory codes.

We are committed to building a sustainable and prosperous future, while staying true to the core values established by our founders. We firmly believe in the importance of responsible business practices that encompass environmental stewardship, social responsibility and strong governance. By maintaining a stringent focus on these principles, we aim to create a positive impact and contribute to the well-being of our communities, employees, customers and the environment.

Through our 'One KBL' strategy, we endeavour to streamline our operations, optimise efficiency and strengthen our customer-centric focus. We value our customers' trust and loyalty, and this strategic integration is a testament to our dedication to their satisfaction. We are excited about this new growth phase and look forward to continue our journey of providing unparalleled products and services to our valued customers.

My great-grandfather, Shri Laxmanrao Kirloskar, was one of the earliest proponents of the government's recent 'Make in India' motto, as he envisioned and contributed to make India AtmaNirbhar. Keeping the spirit of 'Swadeshi' philosophy at the forefront of his thinking and planning, he established the first-of-its-kind industrial township 'Kirloskarvadi' for manufacturing engineering products 'in India by Indians'.

Our purpose of 'Transcending Boundaries, Enriching Lives' keeps serving as the guiding light, a beacon that inspires us to go above and beyond to create meaningful experiences and contribute to the betterment of society.

Committed to delivering on our promises, we strive to uphold the trust and honour bestowed upon us, as we continue to move closer to this purpose. By remaining dedicated to our core values, we aim to exceed expectations and make a positive impact on the lives of our stakeholders.

I would like to take this opportunity to express my gratitude to all our stakeholders for their unwavering support and ongoing association with KBL. Your support has been invaluable to us.

Once again, I extend my sincere appreciation to all our stakeholders for their trust and continued partnership. Your collaboration inspires us to strive for excellence in everything we do.

Together, we can forge a path towards a sustainable and inclusive future.

Warm Regards,

Sanjay C. Kirloskar
Chairman and Managing Director
Kirloskar Brothers Limited

JOINT MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

I am thrilled to present to you the 103rd Annual Report of our esteemed company for the fiscal year 2022-23. Your unwavering support and steadfast belief in our Company's mission has been instrumental in our continued success. Together, we have embarked on a remarkable journey of transformation and growth through innovation and technology, to create a lasting impact and to make India self-reliant in fluid management.

At the heart of our Company's ethos lies an unwavering commitment to provide maximum value to our customers through futuristic, ingenious, cost-effective, and energy-efficient innovations. We have consistently remained at the forefront of our industry, pushing boundaries and challenging the status quo. By embracing cutting-edge technologies and approaches, we have harnessed the power of innovation to revolutionise the way our customers experience our products and services. It's more than a century since Kirloskar pumps have gained customers' trust and naturally, we are the most preferred choice for our users today.

Our products have become catalysts for change, enriching lives and transcending boundaries. They have improved productivity, enhanced comfort and contributed to the overall well-being of individuals and communities worldwide. We take immense pride in witnessing the positive impact that our offerings have had on people's lives, regardless of their location or background.
Through our dedicated customer-centric approach, we have created a global footprint, connecting with diverse cultures and creating a positive ripple effect.

During the year under review, our top line grew at a healthy pace, driven by an improved product mix, recovery in key geographies and robust momentum in B2C pumps in the domestic market. On a consolidated basis, our Net Revenue from Operations stood at ₹ 37,302 Million in FY 2022-23, indicating a growth of 22% over ₹ 30,576 Million in the earlier fiscal year of FY 2021-22. Reported Profit After Tax was ₹ 2,358 Million, demonstrating a 150% rise over ₹ 943 Million PAT in the previous year. At 6.3%, PAT margin compared favourably with 3.1% previously. EBITDA at ₹ 4,264 Million was 79% higher than ₹ 2,385 Million, while EBITDA margin grew to 11.4% vis-à-vis 7.8%. Our minimal exposure to the engineering, procurement and construction (EPC) business helped us improve our working capital cycle and cash flows. However, our operating expenses grew mainly on account of a sharp rise in raw material prices and other key input costs. Going ahead, we see future growth being driven by a healthy order book and enhanced profitability.

Looking ahead, our strategic priorities are focussed on further enhancing cash flows, profitability and revenue. We have strategically reduced our exposure to EPC contracts, which historically have been low-margin, lumpy and working capital intensive. We have reduced the share of EPC to revenue from 75% in FY 2009-10 to a mere 5% in FY 2022-23. This shift has allowed us to selectively engage in more profitable contracts. We have also diversified our presence in the water, power, and irrigation sectors, without compromising on our commitment to innovation and quality.

It is extremely gratifying to witness a demand resurgence from the rural, urban, and industrial sectors. As a company, we have always been prepared to meet the diverse demands in fluid management, providing the highest quality products and services. I am delighted to announce that our unwavering focus on innovation has resulted in the successful launch of numerous new products, including an extensive range of mini-series pumps. These state-of-the-art offerings are amongst the most efficient products available in the market today and deliver superior performance and significant energy savings.

Building upon our proud legacy of empowering India and fostering self-reliance through world-class fluid management solutions, we are continually inspired by our vision to enrich lives across communities through innovative and sustainable engineering solutions. At KBL, we consistently exceed our own high standards and strive to bring unparalleled satisfaction to our customers through our exceptional products and services.

We have also taken significant strides in enhancing our product mix. Over the past decade, we have undergone a significant transformation from being primarily a project-based company to one that places a strong emphasis on products. Today, a remarkable 97% of our revenue is generated from products, while our projects business accounts for the balance 3%. This shift has been driven by a growing contribution from our services and value-added products, coupled with our expanding presence in Business-to-Business (B2B) and Business-to-Consumer (B2C) market. By focussing on delivering exceptional products and expanding our service portfolio, we continue to meet the evolving needs of our customers.

In today's digital age, we recognise the importance of accelerating our digitalisation efforts. We have strengthened our digital capabilities and recently launched an enhanced version of our signature IoT-based technology, KirloSmart™. This state-of-the-art pump management solution empowers our users to remotely monitor pumping operations and troubleshoot products, demonstrating our unwavering commitment to deliver futuristic, energy-efficient solutions. By embracing digitalisation, we ensure that our customers undergo seamless experiences and gain access to cutting-edge technologies.

We are deeply committed to delivering exceptional value to our customers by consistently keeping pace with the latest technologies and continuously striving to create intelligent, efficient, and sustainable products. Our new SP and KDI pump sets, with IE5 Motor integration, have successfully established a new benchmark in the cost and power-efficient pumps segment. This achievement showcases our relentless pursuit of excellence in optimising our performance and energy efficiency.

In line with our sustainability focus, we have designed and developed a series of fish-friendly pumps that not only prioritises efficient water management, but also provides a safe and thriving habitat for diverse fish species. This ecological approach significantly contributes to maintaining the delicate balance of nature. Such an accomplishment has been made possible through the implementation of our ingenious and environmentally conscious design techniques.

Another notable product in our diverse portfolio is the indigenously developed Solar Pumping System, powered by our cutting-edge Jalverter technology, with a steadfast commitment to delivering clean and green energy solutions.

Furthermore, our cost-efficient and innovative product, PICO, stands as a micro-hydropower generator that harnesses the force of water from hydro energy resources like natural streams, drinking water supply lines, and industrial process lines. This clean and ecological approach to electricity generation showcases our dedication to minimising the environmental impact, while providing efficient and reliable power solutions.

Looking ahead, our strategic orientation places significant focus on value-added products, besides monetising our intellectual property, debottlenecking operations, optimising costs, and placing a strong emphasis on quality and product innovation. These initiatives will position us for sustainable growth and success in the ever-evolving market landscape.

As we analyse the future outlook, we anticipate increased profitability, driven by an improved business mix, steady commodity prices, calibrated price increases, cost rationalisation measures, a higher proportion of high-margin and reliable services businesses and an improvement in

JOINT MANAGING DIRECTOR'S MESSAGE

the global supply chain. We are well-positioned to expand our business further, fuelled by strong underlying demand from important domestic industries. However, we also remain vigilant of potential challenges, including increased competition in the pump sector, changes in raw material prices and fluctuations in foreign exchange rates.

Rest assured, we are well-poised to leverage future opportunities and capitalise on our inherent strengths. Our robust order book provides us with strong revenue visibility. With a successful business track record over nine decades, we are proud to be recognised as one of the leading players in pumps and valves. The foundations we have laid, coupled with our unwavering commitment to excellence, position us favourably to capitalise on future growth opportunities.

Customer care is one of our main areas of focus, and we have taken numerous steps to empower them. We also encourage them to register their warranties quickly and paperless on the KBLOne4All app.

Our processes are continually evolving to embrace the future, as we introduce new products that address emerging challenges. In this report, you will witness the successful completion of several such endeavours. Technology has long been viewed as a key enabler within our organisation, and moving forward, it will also serve as a tool of future empowerment. With numerous small, incremental changes and significant milestones occurring around us, the wave of transformation at KBL is poised to engulf our professional lives.

In conclusion, we extend our deepest gratitude to all our stakeholders, including our esteemed shareholders, for their unwavering support. We pledge to collaborate in making a brighter and better future together, as we continue delivering more efficient and future-driven innovations that enhance lives, transform industries and create sustainable value. Together, let us embark on this journey of growth and prosperity, confident in the knowledge that our collective efforts will shape a brighter future for all.

Thank you, once again.

Warm Regards,

Rama Kirloskar
Joint Managing Director - Kirloskar Brothers Limited

DIRECTOR'S MESSAGE

Dear Esteemed Shareholders,

We are delighted to update you on the exciting developments in our growing international business. With our strong expertise in technology, we have successfully established a global presence and consistently gained market share across various regions.

This achievement is reflected in the remarkable growth of our international order book, which has increased by 36% to reach ₹ 15,110 Million, which accounts for one-third of our total revenues. We anticipate increased investments in the energy sectors and advancements in pump technology, which will drive the demand for pumps and have a positive impact on the global pumps market. This, in turn, will benefit KBL and our international subsidiaries in the coming years. The international business has also invested in services and development of framework contracts. Today, there are over 100 active long-term framework contracts across the operations. We will continue our endeavours to grow this business where we have implemented AI, AR and have an advantage with our 3D printer.

Today, we take great pride in being the largest manufacturing company in the UK. With a favourable order mix in the international market, we have successfully streamlined our global operations and achieved sustainable profitability. We remain committed to further expanding our contribution from global markets.

As we navigate the challenges within the pump sector, our focus remains on sustaining our competitive edge. The international market, currently valued at USD 40 Billion, has witnessed significant growth momentum, particularly in the US, UK, and Thailand. We are committed to capitalising on these opportunities and establish a robust presence in these regions.

To meet the evolving customer demands, we continue to embrace technological advancements in pump manufacturing. Our recent product launch, the DBxe pump, has already made a positive impact in the market. This pump offers exceptional efficiency and outstanding performance, and we take great pride in manufacturing it in India. Our goal is to export this product to key international markets, including the United Kingdom, Europe, the United States of America, Africa, Southeast Asia, the Middle East and countries in the Indian subcontinent. By leveraging our expertise, adopting new technologies, and maintaining a customer-centric approach, Kirloskar Brothers is expanding its international footprint and contributing to the global market.

Over the coming decades, Kirloskar Brothers journey will focus on a smarter approach to product and service differentiation through the adoption of disruptive technology. Our technology blueprint, encompassing the Internet of Things (IoT), artificial intelligence (AI), virtual reality and augmented reality (VR/AR), and 3D printing, will drive innovation across our entire range of fluid management systems. From deployment and remote monitoring to seamless after-sales services, we are committed to providing cutting-edge solutions. Our responsibility lies in thinking ahead and innovating in the realm of smart, intelligent, and sustainable fluid management solutions, with lowest life-cycle costs for water supply, which gives KBL a competitive edge in the market.

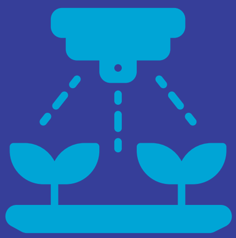
We extend our heartfelt gratitude to all our stakeholders and the Board for their unwavering support.

Thank you.

Sincerely,

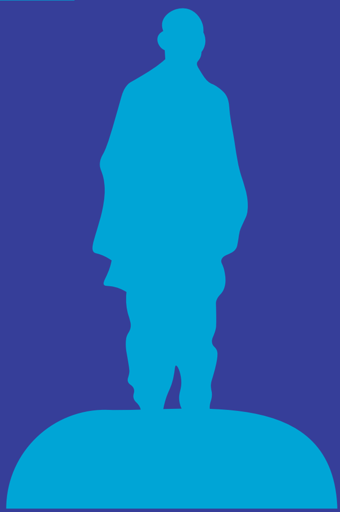
Alok Kirloskar
Non-Executive and Non-Independent Director -
Kirloskar Brothers Limited

Our pumps provide drinking water to more than 35% of India's Population.



Our pumps are utilised in over 60% of irrigated land in India through turnkey water and irrigation projects.

Our firefighting pumps safeguard the Statue of Unity, Gujarat.



Our firefighting pumps safeguard Atal Tunnel which is the world's longest single-tube tunnel located 10,000 feet (3,048m) above sea level.

Our pumps at Sardar Sarovar Narmada Nigam Limited, Gujarat provide drinking water to 30 Million people and irrigate 540,000 hectares of land.

More than 10,000 pumps supplied to Metro stations across India.

Our pumps are used in all of India's Nuclear Power Plants.

Our firefighting, dewatering and water pumps are supplied in Kartarpur Corridor.

Boiler Feedwater Pumps for Nuclear Plant in India

First Indigenously designed and manufactured boiler feed water pump supplied to Rajasthan Atomic Power Station (RAPP), nuclear power plant in Rajasthan, India

Babina Canal Lift Irrigation Project, Uttar Pradesh

Four vertical turbine pumps equipped with advanced PLC and SCADA systems, with unique and innovative IoT solution KirloSmart™ for remote monitoring and real-time performance analysis.

OUR VALUE CREATION MODEL

INPUTS

FINANCIAL CAPITAL

	FY 2022-23	FY 2021-22
Capital Expenditure	**₹ 222 Million**	₹ 875 Million
Interest Bearing Liabilities	**₹ 1,151 Million**	₹ 2,364 Million
Debt-Equity Ratio	**1:0.09**	1:0.21

MANUFACTURED CAPITAL

	FY 2022-23	FY 2021-22
No. of Manufacturing Facilities	**5 Plants**	5 Plants

HUMAN CAPITAL

	FY 2022-23	FY 2021-22
No. of Employees and Workers	**2,574**	2,521
Average Manhours of Training	**3.32**	3.13

INTELLECTUAL CAPITAL

	FY 2022-23	FY 2021-22
R&D Investment	**₹ 251 Million**	₹ 235 Million
R&D Personnel Employed	**162**	132

SOCIAL & RELATIONSHIP CAPITAL

	FY 2022-23	FY 2021-22
Spend on Corporate Social Responsibilities	**₹ 24 Million**	₹ 26 Million

Key Focus Areas of CSR Projects:
Meals distributed to COVID-affected
Essentials were distributed to needy and poor people

Free Medical Check-up Camps:
Medical equipment distributed to the hospitals

	FY 2022-23	FY 2021-22
Partnerships with educational institutions	**8 Nos.**	8 Nos.
Memberships of associations	**16**	16
Spend on local sourcing	**96%**	95%

NATURAL CAPITAL

	FY 2022-23	FY 2021-22
Input Metal Used	**22,246 MT**	19,207 MT
Recycled Material Used	**2,292 MT**	1,887 MT
Water Consumption	**356,819 kL**	347,836 kL
Total Energy Consumption	**100,033 GJ**	95,922 GJ

KEY PROCESSES

OUR BUSINESS

- Pumps
- Valves
- Hydro Turbines
- Package Systems

OUR PURPOSE

Enriching lives
Transcending boundaries

OUR VISION

Enriching lives across communities through innovative and sustainable engineering solutions

OUR MISSION

To lead the industry through reliable, intelligent hydraulic machines & systems, providing superior value and ensuring customer delight

OUR VALUES

- Teamwork with Mutual Trust and Empathy
- Commitment towards the Environment
- Integrity and Accountability
- Speed and Accuracy
- Progressive and Proactive

OUR STRATEGIC OBJECTIVES

- Widening Market Reach
- Improving Profitability
- Digital Transformation
- Environment Protection
- Talent Management and Competency Development
- Plant Productivity Improvement
- Supply Chain Management

Note: All figures pertaining to the above business model are on standalone basis.

We create value for various stakeholders by developing products and providing pumping solutions on a turnkey basis. Our business is structured around the core competency of Pumps, Valves and Turbines. We continue to invest in plant and equipment as part of our strategy to 'nurture and grow' our established manufacturing units when making decisions on how to manage and grow our business. We take into account resources and relationships that are critical to our ability to create value. We refer to these as the six capitals. Inputs of each capital is needed for the effective production and delivery of KBL Products & Services, thereby generating value for all our stakeholders.

OUTPUT

FINANCIAL CAPITAL

	FY 2022-23	FY 2021-22
Revenue	**₹ 25,399 Million**	₹ 21,659 Million
EBIDTA	**₹ 2,774 Million**	₹ 1,927 Million
PAT	**₹ 1,526 Million**	₹ 782 Million
EPS	**₹ 19.22**	₹ 9.85
Return on Capital Employed	**17.52%**	11.22%

MANUFACTURED CAPITAL

	FY 2022-23	FY 2021-22
Number of products sold	**1,133,529**	997,279
Inventory	**4,394 Million**	4,193 Million

HUMAN CAPITAL

	FY 2022-23	FY 2021-22
No. of work-related fatalities	**0**	0
Reportable accidents	**2**	3
Accident Frequency Rate	**0.308**	0.248
No. of complaints related to:		
Human Rights	**0**	0
POSH Grievances	**0**	0

INTELLECTUAL CAPITAL

	FY 2022-23	FY 2021-22
Patents obtained	**1**	3
Paper published in peer-reviewed journals	**4 Nos.**	3 Nos.

SOCIAL & RELATIONSHIP CAPITAL

Meals, PPE, sanitisers, food packets, drinking water, face shields, safety glasses, cooking utensils, No touch sanitiser stations distributed to government officials, panchayat, police officials, needy and poor people.

NATURAL CAPITAL

	FY 2022-23	FY 2021-22
GHG & Air Emissions (Scope 1&2)	**25,390 MT**	24,550 MT
Non-Hazardous waste disposal	**5,413.13 MT**	6,931.51 MT
Water Recycling	**162,878 kL**	168,466 kL

OUTCOMES

FINANCIAL CAPITAL

	FY 2022-23	FY 2021-22
Dividend distributed	**₹ 238 Million**	₹ 238 Million
Market capitalisation	**₹ 32,558 Million**	₹ 22,219 Million
Contribution to exchequer	**₹ 724 Million**	₹ 395 Million

MANUFACTURED CAPITAL

	FY 2022-23	FY 2021-22
No. of markets served	**16**	16
Inventory turnover ratio	**3.43**	3.32

HUMAN CAPITAL

Motivated, engaged and healthy employees with improved productivity

INTELLECTUAL CAPITAL

Better performing products with desirable characteristics

- DBxe Series pumps
- KW Series pumps
- Energy-efficient pumps for domestic and Industrial application
- KVM for RO plants
- Vertical inline canned motor pump
- Hydro turbine/PAT/ PICO development
- Pumps for nuclear application
- Submersible pumps for solar application
- Water mist fire fighting system

(Quality, performance, environmental attributes)

- Energy saving
- Cost reduction
- Import substitution
- Green/Renewable energy
- Sewage handling/ Effluent treatment
- Fire fighting

Pumps certified by / complying to special standards:

- BIS Certification - Star rating
- FM/UL - TQ20B/BS10E
- ATEX - KirloSmart™
- MEI - DBxe
- India Design Mark (IDM) for products
- HYPN system

SOCIAL & RELATIONSHIP CAPITAL

Enhanced brand value and reputation
"National Award for Manufacturing Competitiveness Assessment"

	FY 2022-23	FY 2021-22
Grievances addressed	**0**	0

NATURAL CAPITAL

	FY 2022-23	FY 2021-22
Recycled water	**45.64%**	48.43%
Renewable energy generated	**29,475 GJ**	35,266 GJ
Renewable energy contribution	**23.00%**	27.00%

KEY STRATEGIC PRIORITIES

During the year, we embarked on our transformation journey aimed at unlocking our full potential and delivering sustainable value to all our stakeholders. To make KBL more competitive within the context of a challenging macro-economic environment, we devised strategic ambitions and priorities by thinking ahead, by proactively engaging with our stakeholders, and by exploring opportunities for sustainable growth in the future.

Our strategies and key priorities are aimed at strengthening our offerings, enhancing our geographic presence, increasing market share, focussing extensively on our smart and innovative solutions, and setting new standards in product innovation, efficiency, reliability and sustainability.

S1 Widening Market Reach

S2 Improving Profitability

S3 Digital Transformation

S4 Environment Protection

Key Enablers	Material Aspects	Capitals Impacted
• Leverage global presence and focus on high-growth market segments • Increased business through channel partners. Extensive channel partner network is one of KBL's key strengths • Dedicated R&D set-up to develop new products or enhance existing ones to meet evolving customer demands • Strong brand building activities	Product Stewardship And Innovation Supply Chain Management Marketing & Communications Market Presence Economic Performance	
• Product portfolio analysis, products consolidation and new product development • Pricing and margin optimisation through competitive pricing, value-based pricing, upselling of products • Production cost and process improvement by reducing rework and rejection costs, optimising workflow and eliminating inefficiencies • Optimising green energy generation for reducing overall energy cost • Working capital management, cost control, budgeting and continuous financial analysis	Economic Performance Product Stewardship And Innovation Energy Management Materials Supply Chain Management	
• Offering digital technologies through innovative solutions like KirloSmart™ • Augmented Reality (AR) roadmap • Advanced engineering softwares for product research and development and system engineering • Intelligent automation of software systems and platforms for increasing operational efficiency and employee productivity	Cyber Security and Digitisation Marketing & Communications Corporate Governance Supply Chain Management	
• Conducting carbon footprint study • Conducting awareness sessions for stakeholders • Developing energy-efficient and lowest life-cycle cost products • Conserving biodiversity at plants • Energy Management System (ISO 50001:2018) certification for all manufacturing plants	CSR and Local Communities Emissions Supply Chain Management Waste Management Water and Effluent Management	

KEY STRATEGIC PRIORITIES

	Key Enablers
S5 Talent Management and Competency Development	• Identify high-potential employees • Training and skill upgradation • Succession planning • Performance management and career development • Employee engagement • Diversity and inclusion
S6 Improving Plant Productivity	• Implement roadmap of TPQM initiative • Emphasising the importance of quality and adoption of TPQM as a foundation for Lean transformation • Deployment of 8 pillars of TPQM activities • Identify and eliminate the inherent losses in manufacturing processes • Integrate autonomous maintenance to improve equipment reliability
S7 Supply Chain Management	• Continuous supply chain assessment program • Optimising and reducing transportation cost • Category structure to monitor quality, cost and delivery • Cross-functional teams for deployment of procurement strategy • Procurement process tools and levers for cost optimisation

Material Aspects	Capitals Impacted
Diversity, Equity and Inclusion Talent Attraction and Retention	
Raw Material Human Capital Development Customer Safety And Product Quality	
Supply Chain Management	

EXTERNAL OPERATING ENVIRONMENT

This demonstrates the mega trends and developments around the world and in India during the year – and how it changed the business environment.

The global economic setting for FY 2022-23 started to recover towards the fag-end after a tough year, following the geopolitical conflict during the year. However, economic activity in India exhibited resilience due to pent-up consumption demand and the government's push for capital expenditures.

Global Growth

The global economy faced major headwinds in CY 2022 and global economic activity experienced a broad-based slowdown, with inflation seen higher in several decades, and due to tightening financial conditions, cost of living crisis, and as Russia's war in Ukraine weighed on activity. The economy started to recover towards the end of CY 2022, as inflation appears to have peaked, consumer spending remains robust and the energy crisis following Russia's invasion on Ukraine has been less severe than initially feared. World GDP growth is seen falling from 3.4% in CY 2022 to 2.8% in CY 2023, an improvement on previous estimate of 2.7%, and the slowdown is expected to be less pronounced than earlier anticipated.

Improved economic growth will lead to increased investments in infrastructure and construction projects, creating a positive impact on the global pump market and boosting the demand for pumps, which will benefit KBL.

Geo-Political Risks

Spiralling inflation in global commodities including energy, metals and minerals changed the geopolitical landscape in the year. Key geopolitical risks intensified with disrupting global supply chains and the collapse of Silicon Valley Bank and Signature Bank, two of the largest US banks, towards the fag-end of the year led to a banking crisis, which primarily affected the US economy.

Rising geopolitical risk can lead to economic and financial instability, pause the transformation of global business environment, impacting infrastructure development and growth in pumps market, and indirectly impacting KBL.

Climate Change

Climate change continued to act as a pre-eminent threat multiplier, spurring geopolitical upheaval in the energy sector. 2022 was a year of extremes, being the 5th warmest year with record high temperatures and rising concentration on greenhouse gases. Climate change directly impacts natural recharge of ground water, which is replenished by precipitation. Gradual climatic processes (sea level rise, changing rainfall pattern) and frequent weather events (heatwaves and droughts) impacted businesses.

The consequences of the warming world will require the entire society to urgently reduce carbon emissions and swiftly adapt to the changing climate. The rise in weather and climate extremes, such as flooding and drought, as well as unseasonal and extended monsoon in India, can pose a risk to agricultural/rural economy, which may lead to a change in demand pattern and product mix of pumps for KBL.

Economic Growth in India

The Indian economy emerged as an outlier after maintaining its growth rate as among the highest compared to other nations, following the post-COVID-19 lockdown and disruptions, comparing favourably with emerging markets amid a broader global slowdown. Gross Domestic Product (GDP) grew by 7.2% in FY 2022-23, from 9.1% in FY 2021-22, displaying resilience in the face of negative trade shock and difficult global geopolitical backdrop. It continues to be the fastest growing economy.

Robust growth in the economy, rising investment in the agricultural and construction sectors, and the smart cities initiative will significantly increase India's need for pumps. Growth in infrastructure also has a direct impact on the pumps industry. Rapid urbanisation and strong development in home and commercial segments will positively impact the pumps market, also be benefiting KBL.

Increased Competition in the Indian Pump Market

India is among the top global consumers of pumps. Rapid industrial growth, government initiatives for infrastructure development and increasing demand for water supply and irrigation creates growth opportunities in the pumps industry. However, being a highly fragmented market, the small pumps market witnessed continued competition from small and mid-sized, and unorganised players. There is also direct competition from the top global market players mainly in industrial pumps segment.

Increasing reliance of customers on the companies offering reliable and efficient products, has created larger opportunities for KBL by utilising advanced Research and Development (R&D) facilities and manufacturing technologies. Also, with limited distribution channel network, new entrants are finding it difficult to penetrate the widespread domestic pump market, while established players like KBL have competitive edge in this respect.

Strong Demand Momentum and Growth Opportunities for the Indian Pump industry

Growing urbanisation, high dependency on surface water resources in the rural areas, rapid depletion in ground water levels, expansion in domestic infrastructure, construction, process heavy industries, and various other measures aimed at enhancing infrastructure contributed to the Indian pump market's expansion in the past year. During the year, rising applications in industrial sectors, including agriculture and chemicals, and an increased focus on energy-efficient products and environment-friendly design also led to strong momentum in demand. Despite challenges, KBL continuously improved output, quality and service.

Pumps are essential equipment across industries, including infrastructure and agriculture. Expansion in domestic infrastructure and construction sectors, and a growing demand for technologically-advanced pump sets, will benefit bigger industry players such as KBL. As larger players further strengthen their offerings and provide energy-efficient and smart pumping solutions, the pump industry will witness continued growth.

OUR DE-RISKED BUSINESS MODEL

In a world where businesses are marked by uncertainties, we derive business sustainability by identifying probable risks and protective safeguards. Many of our risks require agile decision-making and effective risk management strategies that mitigate exposure and harness the available opportunities. The more effectively we manage these risks, the stronger is our capability to mitigate these risks and harness the opportunities presented by these risks.

	Risk Driver
Talent Management Risk Difficulty in attracting, developing and retaining skilled talent	• Knowledge / Skill gaps in especially fresher • Limited skilled and experienced talent availability in the market • Talent competition from industry • Inadequate internal communication • Rising employee aspirations towards compensation and benefits
Financial Risk Reduction in gross margins can affect overall profitability of the organisation	• Market volatility in commodity pricing • Cost inflation • Pricing pressure from the competitive market
Cyber and Information Risk Cyber-attack, cyber security threats, vulnerability management, application security and increasing data security threats	• Evolving threat landscape • Constant need for upgradation of security control • Need for continuous trainings • Limited awareness among employees • Changing data security requirements

Implication for Value Creation	Mitigating Control	Associated Opportunities
• Loss of intellectual capital • Missed opportunities and stagnation • Impact on customer reach and experience • Impact on product quality and operational efficiency	Deployment of comprehensive talent management strategy which includes: • Recruitment, training, and development programmes • Maintaining positive work environment • Attractive compensation and benefits • Opportunities for career growth • Employee engagement initiatives • Transparent performance management systems • Succession planning to retain and develop key talent	Develop best work environment for the employees and improve company productivity
• Financial performance • Competitive positioning • Investor confidence • Long-term sustainability	• Brand management, product promotions • Inventory control and better commercial terms • Strengthen channel network for product supply and service support • Product benchmarking, innovation solutions to meet evolving customer needs efficiently • Enhanced governance via focussed teams to monitor Fixed vs Variable Costs, Treasury, Inventory and Working Capital	• Adoption of lean manufacturing technologies • Improved margins, customer reach and market share
• Disruption in operations • Regulatory consequences • Damage customer trust and reputation • Financial loss	• Continuously upgrade and maintain robust IT governance architecture • Enhancing IT skills, upskilling / mandating certifications for the cyber security team • Implementing a robust system to prevent and monitor data leakages • Conducting cyber-security training and various program to create awareness in the employees • Creating and implementing various cybersecurity policies and procedures	Secured data available for faster decision-making in business

OUR DE-RISKED BUSINESS MODEL

	Risk Driver
Geopolitical Instability Risk Lower demand from affected geographical markets and countries. Also, impact on domestic supply chain and logistic costs	• Volatile international commodity prices • Political instability/conflict/global power shifts • Regulatory changes/policy uncertainty/protectionist policies • Trade tariffs • International sanctions and embargoes
Environmental Risk Changing environmental patterns are likely to impact market potential, demand pattern and regulatory compliances	• Shifting weather pattern and unseasonal rains • Increasing and unexpected natural calamities • Sensitive agriculture and rural market • Government initiatives towards Net Zero • Carbon Border Adjustment Mechanism

Implication for Value Creation	Mitigating Control	Associated Opportunities
• International Go-To Market (GTM), expansion decisions • Disruption in supply chain and increase in procurement and logistics costs	• Stringent governance control for high-risk countries and for exports • Diversified spread of international business • Alternate strategic sourcing options, cost review through procurement levers and transport management	Explore opportunities in countries which are looking for derisking supply chain
• Supply chain disruptions • Availability and delivery of raw materials, components, and finished goods can lead to production delays, increased costs, and potential loss of customers • Governments around the world are implementing stricter regulations for carbon-intensive products	• Comply with environmental regulations, emissions standards, waste management requirements, and sustainability reporting • Green energy generation and reduce energy cost • Close monitoring of commodity prices • Reduce dependence on vendor base from limited geographies • Aim to reduce the carbon footprint	• Shift of market demand towards energy-efficient, lowest life-cycle cost product range • Reliable pumping systems for flood management programs

ENGAGING WITH OUR STAKEHOLDERS

As we improve our functional expertise and demonstrate our comprehensive strength, we also collaborate more with stakeholders. Through our engagement with them, we understand what matters and create shared value, contributing further to our value proposition objective.

Stakeholder	Needs and Expectations
Shareholders / Investors	• Strong operational performance • Revenue growth • Returns • Well capitalised Balance Sheet
Customers	• Product Availability • Product Quality and Reliability • On-time Delivery • Service Response
Dealers and Distributors	• OTIF (On Time In Full) • Prompt and fast after sales service and spares part availability • Delivery support in case of special strategic orders
Employees	• Work-Life Balance • Learning & Growth Opportunity • Pay Scale
Suppliers	• Business Quantum • Timely Payment • Technical Support • Training & Development Support
Society	• Employment Opportunity • Community Development and Support • Pollution-free Environment
Financial Institutions	• Robust Business Growth • Transparency and timely data submission • Compliance in RBI and FEMA regulations

Mode and Frequency of Engagement	Value Proposition	Quality of Relationship
• AGM - Yearly • Analyst Meet - Quarterly • For Query Resolution & Support on Daily Basis	• Maintaining substantial market share • Offering improved shareholder returns • Ensuring strong capital and liquidity levels	Good
• Customer Perception Survey (CPS) - Once in 2 Years • Customer Visits and Communication - Continuous Process • Events & Exhibitions - As per plan	• Extended Warranty Period • Goodwill Replacement • Installation & Service Support • Value-Added Services • New Product Development	CPS Score - 84.2%
• Through monthly review meeting • As and when applicable through CRM • As and when applicable through virtual connect	• Maintaining substantial market share / market presence • Meeting customers' expectations • Improvement in secondary sales, No. of inventory turns and stock liquidations	Excellent
• Employee Engagement Survey (EES) (Once in two years) • Performance Management System (Six Monthly) • Celebration of Festival and Other Days (As per plan)	• Training Platform • Increment • Promotions and Variable Pay • Job Rotations • Good Service Conditions	EES Score (72%)
• Quarterly and Yearly Supplier Meets • Supplier Quality Assessment Visits (As per plan) • Order-based discussions (As applicable)	• Business Growth for Good Quality Suppliers • Supplier Quality Improvement Program (SQIP) for mutual benefit	Good (No mechanism to evaluate)
• Formal / Informal meetings with Village Panchayat / local administration (As per plan) • During CSR Activity (As per plan)	• Local Employment and Sourcing • Development & Support Activities through CSR Spend	Good (No mechanism to evaluate)
• Quarterly and Yearly Meets through consortiums • Monthly Meetings (As per agenda)	• Proportionate Business Routings • Competitive Pricing	Very Good (AA-)

ASSESSING MATERIAL ISSUES BY MAPPING KEY ESG RISKS

At KBL, we endeavour to comprehend the importance of potential Environmental, Social and Governance (ESG) matters in our internal and external operational contexts and also prioritise the strategies to effectively manage our potential issues. The Company recognises that in a dynamic business environment, managing risks and capitalising on opportunities is crucial for sustained value creation and safeguarding the interests of all the stakeholders.

In line with Global Reporting Initiative (GRI) standards, KBL conducted a materiality assessment during FY 2022-23. This assessment involved a comprehensive analysis of ESG concerns with the potential to significantly impact the business, environment, society, and economy. The assessment has enabled KBL to identify and map ESG risks and opportunities, thereby facilitating focussed management actions including reporting of the most significant issues for the Company and its stakeholders.

The prioritisation process for material issues is summarised below. For detailed information on KBL's management approach and strategies on materiality assessment, please refer to the Business Responsibility and Sustainability Report on Page 108.

Understanding the organisation context

- Analysing the organisation's long-term vision, mission and objectives
- Understanding Risk and Opportunities posed by the changing ESG landscape to the business

Identifying significant ESG issues for the organisation

- Identifying sectoral and peer material priorities and forming a stack of exclusive material topics for the company

Analysing the significance of ESG material topics

- Engaging with internal stakeholders to identify and rate the likelihood of any impact posed by the material topics and the severity of this impact

Prioritising material topics

- Material topics are prioritised based on stakeholder's responses and management discussion through validation of the senior management

KBL'S ESG MATERIALITY APPROACH

KEY MATERIAL ISSUES

High Impact Material Issues

Strategy: Implement and Scrutinise

Approach: The Company must establish systems and working groups for effective management and due-diligence of high impact material topics

- Product Stewardship and Innovation
- Emissions
- Health and Safety
- Diversity, Equity and Inclusion
- CSR and Local Communities
- Energy Management

Medium Impact Material Issues

Strategy: Adapt and Anticipate

Approach: The Company shall prepare through effective anticipation of future risks and opportunities for management of medium impact material issues

- Materials
- Talent Attraction and Retention
- Supply Chain Management
- Risk Management
- Compliance
- Marketing and Communications
- Customer Safety and Product Quality
- Economic Performance
- Cyber Security and Digitisation
- Market Presence

Low Impact Material Issues

Strategy: Comply

Approach: The Company will ensure strict compliance against the low impact material issues

- Business Ethics and Values
- Corporate Governance
- Human Capital Development
- Biodiversity
- Waste Management
- Water and Effluents Management
- Human Rights and Labour Conditions
- Public Policy Advocacy

Cloud-based Firepump. AI solution, Thailand

Installed at Thai Ministry of Public Health, the cloud-based Firepump. AI system is the world's most advanced IoT fire pump solution delivering unprecedented levels of safety, security and reliability.

Split Case Pump for Drinking Water Supply, Israel

Our LLC™ series, horizontal split case pumps are installed at Mekrot Israel National Water Company, for drinking water application, due to their high efficiency and lowest life cycle cost design

FINANCIAL CAPITAL

At KBL, we generate our financial capital in the form of surplus arising from current business operations and other investments. Funds generated through profits, borrowings and equity are utilised for our manufacturing of products and provision of services.

KEY HIGHLIGHTS (CONSOLIDATED)

₹ 37,302 Million
Total Revenue*

₹ 32,558 Million
Market Capitalisation

₹ 4,264 Million
EBITDA

₹ 2,358 Million
PAT

₹ 4.5 per share
Dividend

22%
ROCE

** KBL + subsidiaries*

Financial Capital is utilised both for long-term facilities such as acquisition of assets like machines, technology, buildings and for working capital such as purchase of materials, extending credit to customers and meeting the fixed and variable expenses. This ensures that the organisation is well equipped to develop new products and technologies, grow its businesses, and sustain its market position.

Our Finance team has well-defined goals about maintaining optimum borrowing levels, negotiating rates for such borrowings and providing adequate funds for the business to pay suppliers before due dates and purchasing fixed assets required for its business. This is ensured through proper planning of requirements, close following of inventories and receivables, exploring various sources of finance to obtain competitive rates and optimisation of proper mix of distinct types of debts and equity.

CREDIT RATING

We follow prudent financial policies and strategies, and continuously pursue our plans and objectives to expand our market share, margins and cash position. This has helped us improve our outlook from negative to stable in the recently conducted credit rating. The Company is presently rated by CRISIL as “AA-” with stable outlook for long term and “A1+” for short term periods. The rating depends on various risks associated with the Company such as the Management Risk, Business Risk & Financial Risk and factors considered to evaluate these risks are Industry Risk, Market Position and Operational Efficiency of the Company.

PURSUING GROWTH OPPORTUNITIES

We have actively sought out and capitalised on various growth opportunities that align with our long-term vision and goals. These opportunities have allowed us to improve and retain our market presence in high-growth segments, diversify our product/service offerings, and enhance our competitive advantage. We also identified new market segments with significant growth potential and have successfully maintained our market share through improved customer reach and product offerings. Our revenues improved by 17% and EBITDA margins by 44% during the year under review on standalone basis.

RESEARCH & DEVELOPMENT

We understand the importance of investing in research & development (R&D) to drive product innovation, stay competitive and foster long-term growth. KBL is systematically investing in digital initiatives to transform their operations, enhance efficiency and drive innovation.

During the year under review, the Company invested ₹ 251 Million for R&D programs across products and solutions. We also regularly undertake investments in capital expenditure plans and in fixed assets, infrastructure, technology, and other strategic initiatives. This helps us to understand our commitment towards long-term growth and the allocation of financial resources to support business expansion.

How we optimised our Financial Capital:

Reduced operating cost by 4%, mainly on account of selling and administrative overheads.

a. **Funds raised:** We maintained a balanced capital structure, comprising equity and debt, to optimise our financial position and support strategic objectives. Our funds allocation strategy aims at maximising shareholder value, while managing financial risks effectively.

b. **Dividend paid:** We understand the significance of dividends in rewarding our shareholders for their investment and providing a tangible return on their ownership. Our dividend payment approach is guided by a balanced and prudent strategy that takes into account various factors, including our financial performance, cash flow position, growth prospects and capital allocation priorities.

c. **Cash balance:** We understand that maintaining a strong liquidity position is crucial to meet our operational and financial obligations. We analyse our cash flow, including operating, investing, and borrowing activities, to evaluate our ability to generate and utilise cash effectively.

d. **Cost optimisation and margin improvement:** We implemented several steps to improve our margins and enhance profitability. During the year, we improved our product mix, enhanced sale of value-added products and undertook cost reduction initiatives at our manufacturing plants and offices. We also achieved operational efficiency through better asset utilisation and maintenance and quality management techniques. Various initiatives were taken at our manufacturing plants aimed at continuous improvement methodologies, such as TPQM, Six Sigma and Kaizen.

e. **Improving supply chain:** We enhanced supplier relationships and improved demand forecasting for channel network stock business. We also undertook definitive steps towards vendor rationalisation, besides also conducting trainings of suppliers and engaging in monitoring of quality.

f. **Pricing optimisation:** Pricing optimisation was undertaken after considering factors such as market demand, competition, cost structures and value propositions.

DECADE AT A GLANCE (STANDALONE)

(All figures in ₹ Million, except stated otherwise for the last ten financial years)

Particulars		Ind AS						IGAAP		
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Revenue from Operations	25,399	21,659	17,999	20,970	22,235	19,135	17,355	16,387	16,257	17,598
Other Income	330	357	190	254	247	189	182	208	113	55
Material Cost	14,740	13,169	10,703	11,618	13,205	11,288	9,975	9,898	10,471	11,696
Other Expenses	8,354	7,171	5,613	7,704	7,408	6,508	6,318	5,833	4,934	4,504
Interest	138	158	241	302	262	253	315	382	413	409
Depreciation	424	407	383	400	366	352	397	408	497	346
Profit before tax (after exceptional item)	2,073	1,111	1,249	1,200	1,241	923	533	74	55	698
Income tax provision	547	330	317	408	368	267	203	(33)	(30)	221
Net Profit after tax	1,526	782	932	792	873	656	330	107	85	477
Share Capital	159	159	159	159	159	159	159	159	159	159
Reserves	12,358	11,095	10,523	9,608	9,244	8,796	8,221	7,903	7,804	7,842
Net Worth	12,517	11,254	10,682	9,767	9,403	8,955	8,380	8,062	7,963	8,001
Imports	990	844	652	576	1,042	504	382	403	524	671
Exports	1,741	1,301	1,354	2,511	2,199	1,311	1,667	1,245	1,280	1,184
Basic Earnings per Share (₹) (Face Value of ₹ 2/-)	19.22	9.85	11.74	9.97	11.00	8.26	4.16	1.36	1.07	6.00
Dividend (%)	225%*	150%	150%	125%	125%	125%	50%	25%	25%	125%
Book Value Per Share	157.63	141.73	134.52	123.00	118.42	112.78	105.53	101.53	100.30	100.82

Notes :
Previous years' figures have been regrouped to make them comparable.
For FY 2019-20 and FY 2020-21, performance was partially affected by COVID-19.
* *Final Dividend Recommended 225%*

KBL DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

(figures in ₹ Million)

Particulars	2022-23	2021-22	2020-21
Economic Value Generated by KBL			
Total Income	25,730	22,017	18,188
Economic Value distributed for Major Stakeholder			
Operating costs			
Material cost and other expenses	20,082	17,581	14,192
Employee benefit & wages			
Employee expenses	2,873	2,509	2,255
Payment to providers of capital			
Dividend	238	238	40
Finance cost	138	158	241
Payments to government			
Income taxes (excluding Deferred Tax)	661	328	360
Community investments			
Expenditure under CSR (Corporate Social Responsibility)	24	26	25
Economic Value retained by KBL			
Depreciation	424	407	383
Retained earnings	1,501	810	955

Subsidiaries and Associates Economic Value Distributed (figures in ₹ Million)

Particulars	KPML	KCPL	KEPL	TKSL
Materials	3,795	91	1,526	276
Operation	630	192	548	247
Employee expenses	232	34	343	95
Finance cost	2	6	22	37
Taxes and duties	101	6	72	0
Dividend	95	0	40	0

PERCENTAGE OF LOCAL SPENDING

95%	94%	88%	94%	100%
KBL	KPML	KCPL	KEPL	TKSL

Financial assistance received from government

Our organisation has not received any financial assistance from government in 2022-23

Proportion of senior management hired from the local community

In senior management category, 100% candidates are hired from the local community. Local boundary condition considered for this reporting purpose is within India

Ratios of standard entry level wage by gender compared to local minimum wage

We are abiding by the Minimum Wage Act, so there is no deviation in the wage payment and the clause is validated with internal audit

MANUFACTURED CAPITAL

Our state-of-the-art manufacturing capabilities are fully equipped with modern foundries, machines shops, assembly and integration facilities, specialised coating capabilities, material and product performance testing labs backed by dedicated Research, Engineering, Quality Assurance teams and robust supply chain.

Our manufacturing facilities have dedicated units for development of futuristic and technologically advanced products. We are maintaining a thrust on being energy-efficient and fulfilling our commitment towards green production, clean environment, and high-quality standards.
We adhere to relevant industry regulations and safety standards and have dedicated teams responsible for ensuring compliance with applicable laws and regulations, as well as conducting rigorous safety assessments and risk management procedures.

KEY HIGHLIGHTS

09
state-of-the-art manufacturing facilities in India

09 Plants
Certified for
ISO 9001 & ISO 14001

08 Plants
Certified for
ISO 9001, ISO 14001 & ISO 45001

9 manufacturing facilities includes
4 Subsidiaries / Associate Companies

OUR MANUFACTURING PROFICIENCIES

Manufacturing various types of Pumps, Valves, Turbines, Electric Components, Coatings and Castings

Well-equipped to meet growing demands of local and global customers

SYSTEM CERTIFICATIONS UNDER INTEGRATED MANAGEMENT SYSTEM SCHEME – ALL FIVE KBL PLANTS

ISO 9001:2015
(Quality Management System)

ISO 14001:2015
(Environment Management System)

ISO 45001:2018
(Occupational Health & Safety Management System)

ISO 50001:2018
(Energy Management System)

OUR STATE-OF-THE-ART MANUFACTURING FACILITIES

KIRLOSKARVADI

Kirloskarvadi plant, established in 1910, is Kirloskar Brothers Limited's (KBL's) first plant, which houses state-of-the-art manufacturing facilities starting from foundry to machining, assembly, and testing of various types of pumps ranging from 5 kW to 4,500 kW.

The Kirloskarvadi plant is located near Sangli, Maharashtra, off the Mumbai-Bangalore (NH4) highway. The industrial township is spread across a vast expanse of 150 acres of land area, which covers the factory and residential area and is one of the first few in India. The residential area includes basic medical facilities, school, recreation hall, golf course and playgrounds. The industrial township comprises a housing colony of over 250 families who have access to all the modern residential amenities, living a healthy and uber lifestyle.

The Kirloskarvadi plant manufactures products under various order categories such as engineered to order, made to order and made to stock. This plant has dedicated manufacturing divisions based on the product types like Vertical Turbine Pumps, Concrete Volute Pumps, Metallic Volute Pumps, Split Case Pumps, Multi-stage Pumps, End Suction Pumps, Hydro Turbines and Valves.

PRODUCT CERTIFICATIONS

FM/UL and PSB	CE and ATEX	NSF/ANSI 61 and 372
Approval for Fire Pumps	Certification	Pumps for Water at US market

Some key features of the plant:

- One of the Asia's largest hydraulic research centres with testing capability of up to 4,500 kW and 50,000 m^3/h
- Advanced Technology Product Division (ATPD) – a dedicated unit for development of futuristic and high-end technologically advanced products for nuclear segment
- Only pump company in India to use a 3D printer for pump casting. Advantages of 3D printing are improved product quality, reduction in process cycle time, designing products with complex geometries, innovation with speed and saving in material
- Independent foundry units for cast iron, alloy steel and non-ferrous metals along with heat treatment furnaces
- Light, Medium and Heavy Unit Machine shops with CNC Machines
- NABL accredited material testing lab
- In-house Radiographic Testing & other NDT facilities
- Gauge Calibration lab certified with ISO 17025 Management System standard
- CNC Balancing Machine
- Painting with robotic arm
- FM/UL Lab for performance testing of fire fighting pumps
- Rooftop solar plant with capacity of 1,500 kW and KBL owned Windmills (open access) with capacity of 4,000 kW
- Manufacturing of pumps and valves complying to various Codes and Standards like HI, IS, ISO, FM/UL, BS, BS EN, AWWA and customer specifications

DEWAS

Established in 1962, our Dewas unit is located near Indore, Madhya Pradesh. It is the Company's second-largest plant with a well-equipped facility for producing various types of pumps for agriculture, domestic water supply, dewatering, and industrial utility applications up to 30 HP.

Dewas plant houses excellent design, development, manufacturing, and testing facilities. The plant is the pioneer in introducing advanced technologies like CED coating, computerised testing setup and semi-mechanised assembly setup for pump manufacturing.

Some key features of the plant:

- Plant has a well-equipped facility for producing 48,000+ pumps per month
- In-house Cast Iron foundry
- Machine shop equipped with CNC machines
- Product group-wise semi-mechanised assembly lines with latest technology
- CED coating plant for enhancing product life
- Dedicated performance testing facility
- Licenses as per IS 9079:2018, IS 14220:2018, IS 12225 part I:2018 and IS 6595:1997 with around 250 products with BIS certification
- Rooftop solar plant with capacity of 995 kW

KANIYUR

Established in 2011, our Kaniyur plant is located near the 'Pump City of Asia' – Coimbatore. The plant is dedicated for the manufacturing of the Company's domestic range of pumps. It is the world's first and only pump manufacturing plant to deploy 100% women workforce in its manufacturing set-up. The plant is equipped with computerised testing setup and semi-mechanised assembly setup for pump manufacturing.

Of the many achievements to its credit, the all-women team at the factory holds the astonishing record of assembling a pump in a record time of 17.25 seconds, a feat that has been acknowledged by the Limca Book of Records.

Some key features of the plant:

- Plant has a well-equipped facility for producing 100,000+ pumps per month
- Assembly lines with latest technology and product testing facility
- Performance testing facility
- Product certification like BIS & CE Marking

SANAND

KBL's Sanand plant was established in 2012 near Ahmedabad, Gujarat – "The Submersible Pump Capital of India". The plant is a standalone factory exclusively established for the manufacturing of borewell submersible pumps. The factory has end-to-end capabilities right from designing and manufacturing to testing and packing of pumps catering to all categories like agriculture, domestic and industry segment.

The plant is equipped with state-of-the-art machining setup, CED coating setup, computerised testing setup and semi-mechanised assembly setup for pump manufacturing.

Some key features of the plant:

- Plant has a well-equipped facility for producing 30,000+ pumps per month
- In-house Performance testing facility
- BIS licenses as per IS 8034:2018 with more than 350 models having star rating certification from BEE
- Equipped with latest technology equipment like vertical storage and retrieval system for optimum space utilisation and inventory management
- CNC machines to achieve desired product quality with consistency
- Rooftop solar plant with capacity of 150 kW

SHIRWAL

Established in 2014, the Shirwal plant located near Pune is a dedicated pump assembly facility for HYPN systems and IoT-enabled panels. It is well-equipped with latest state-of-the-art technologies necessary for ensuring assured precision and superior inspection standards.

Pressure Boosting HYPN systems manufactured in this plant are used in Multi-Storey buildings, Metro Stations, Hospitals, Airports, Row Houses and Industries.

Some key features of the plant:

- SCADA operated test set up with provision for simulation
- Well-equipped product test lab with capacity to test 80+ HYPN systems per month
- Capability to build HYPN and pressure booster systems as per the customer need
- Set up to design and manufacture IT-enabled control panels

SUBSIDIARIES AND ASSOCIATE COMPANIES

KARAD PROJECTS & MOTORS LIMITED (KPML)

KPML is an electric component manufacturing company with expertise in manufacturing of Stampings, Stators, Rotors, AC Rotating Machines and Aluminium Die-cast Connecting Rods. KPML manufactures energy-efficient motors like IE3, IE4 & IE5 for various captive applications. This is a wholly-owned subsidiary of Kirloskar Brothers Limited (KBL).

KPML has three manufacturing divisions located near Karad in Satara district, Maharashtra (India) as below:

- Stamping Division
- Component Division
- Motor Division

Key features of the plant:

- KPML has Certifications for:
  - ISO 9001:2015 Quality Management System
  - ISO 14001:2015 Environment Management System
  - ISO 45001:2018 Occupational Health & Safety Management System
  - IATF 16949:2016 Automotive Quality Management System
- Recognised as a functional R&D centre for continuous in-house R&D and new product development activities from Department of Scientific & Industrial Research
- This facility has special purpose and automated machine set up including facilities like ultrasonic cleaning & drying furnace, vacuum impregnation plant, dynamic balancing machine, semiautomatic assembly lines and 350 kW motor test bed setup as per IEC STD 60034
- Member of the Indian Electric and Electronic Manufacturer's Association (IEEMA) and the Indo German Chamber of Commerce
- Rooftop solar plants with capacity of 1,200 kW

THE KOLHAPUR STEEL LIMITED (TKSL)

TKSL is a subsidiary company of Kirloskar Brothers Limited (KBL).

Established in 1965, the manufacturing facility at Kolhapur is one of the most prominent foundries having in-house pattern shop. TKSL offers castings in various steel and alloy steel grades for equipment like pumps, valve manufacturing, earth moving equipment, thermal & hydro power, mining & crushing, pump & paper, ship building, steel plants and other general engineering industries.

Key features of the plant:

- Capacity to produce castings with weight up to 12 tonnes for a single piece
- TKSL has Certifications for:
  - ISO 9001:2015 Quality Management System
  - ISO 14001:2015 Environment Management System
  - NORSOK M630 Ed.6, MDS D56 Rev. 05 ASTM A995 GR.5A (Qualification for Manufacturers of Special Material)
  - Quality Assurance System Certification - PED 2014/68 EU Annex I, Section 4.3, AD 2000 - Merkblatt W O and EN 764-5 Para 4.2
- TKSL Foundry has been approved by Third Parties & customers like Indian Register of Shipping (IRS), Lloyds Register Work Approval, National Thermal Power Corporation (NTPC) and Indian Boiler Regulations (IBR)
- Melting shop with Induction Furnaces (05 nos.), Ladle Refining Furnace, Argon Oxygen Decarburisation and Wire Injection machine for decarburisation
- Three Heat Treatment furnaces calibrated to API 6A Standard
- Well-equipped In-house testing laboratory and radiographic testing facility

KIRLOSKAR CORROCOAT PRIVATE LIMITED (KCPL)

KCPL, a subsidiary of KBL and also a joint venture with Corrocoat Ltd., UK since year 2006, has emerged as a leading solutions provider in the field of long-term corrosion protection and energy conservation. With over 17 years of successful track record, KCPL plant in Kirloskarvadi specialises in glass flake technology coatings that offer exceptional protection against sea water, aggressive chemicals, and other environmental factors. KCPL's services enable customers to preserve the life of their assets as well as to reduce the operating cost of running the equipment by improving efficiency.

Our specially-designed coating formulation for pump internals has recognition as the best long-term solution for corrosion protection and energy conservation. Additionally, KCPL's efficiency improvement coating system carries potable water certification, ensuring their safety and suitability for applications involving drinking water.

Key features of the plant:

- KCPL has Certifications for:
  - ISO 9001:2015 Quality Management System
  - ISO 14001:2015 Environment Management System
  - ISO 45001:2018 Occupational Health & Safety Management System
- Fully equipped to execute coating supply plus application work with latest in-house technology and facility
- KCPL offers all necessary facilities for execution at the customer location
- Product series offered by KCPL are Corroglass, Polyglass, Corrocoat, Fluiglide & Plasmet coatings
- Executes turnkey projects for the supply and application of glass flake filled coatings on pipelines, tanks, FGD systems, structures, and more across various industry domains

KIRLOSKAR EBARA PUMPS LIMITED (KEPL)

KEPL was incorporated as a joint venture of Kirloskar Brothers Limited, India and EBARA Corporation, Japan in the year 1988. It has state-of-the-art manufacturing unit in Kirloskarvadi, Maharashtra. KEPL is a global leader in the manufacturing of API, non-API pumps, Boiler Feed Water Pumps, Steam Turbines and Hydraulic Power Recovery Turbines. It manufactures Process pumps for Refineries, Petrochemical Industries, Fertiliser Plants, Chemical and Hydrocarbon Processing Industries and Boiler Feed Water Pumps for Power generation projects and Process Industries.

Key features of the plant:

- KEPL has Certifications for:
  - ISO 9001:2015 Quality Management System
  - ISO 14001:2015 Environment Management System
  - ISO 45001:2018 Occupational Health & Safety Management System
- New cutting age technology CNC machine centres
- Automated Vertical Storage system
- Grit Blasting Plant
- In-house closed loop test facility to test pumps with flow up to 4,000 m^3/hr, power requirements up to 2,200 kW & electric power supply up to 6.6 kV (50 Hz and 60 Hz)
- Facility to conduct NPSHR test using vacuum suppression method
- FFT analysis capability - Automated diagnostics for rotating equipment
- Facility to conduct performance test on pure & purge oil mist lubrication
- Rooftop Solar Plant with capacity of 430 kW

MANUFACTURING INITIATIVES UNDERTAKEN IN FY 2022-23

1) **Total Productive Maintenance -** KBL regularly monitors key performance indicators (KPIs) to track progress and identify areas for improvement. As a part of Total Productive Maintenance (TPM) journey, we established cross-functional teams at all our plants to focus on equipment improvement and used a systematic approach to identify and eliminate losses that affected effectiveness of the equipment. We also have implemented a visual management and display system to track and measure progress on TPM implementation.

2) **Dewas Foundry -** Enhancing production capacity of foundry and reduction in carbon footprint through installation of High-Pressure Moulding Line (under commissioning stage).

3) **Energy Audit -** Energy audits are conducted every year and we constantly identify opportunities for improving energy efficiency and reducing energy consumption leading to cost savings. We promote a culture of energy conservation and sustainability among the employees and encourage their involvement in energy management.

4) **Rooftop Solar -** KPML Plant installed additional 100 kW solar plant in its stamping division. With this enhancement, KPML has achieved around two-third of its energy requirement from renewable energy sourcing.

500 Energy Audits completed – equipped with sophisticated instruments

5) **Automation & Upgradation of Pump Performance Testing Facilities -** Our performance testing facilities at Kirloskarvadi, Dewas & Kaniyur are being upgraded with automation along with enhancement in testing capacity.

6) **Pump as Turbine (PAT) -** We have installed PAT system in our Kirloskarvadi plant which is used to generate electricity from the pressurised water from the outlet of large vertical pumps during performance testing and sending the generated electricity to the grid. It is capable of producing energy up to 100 kWh at 4 bar pressure. Till now, KOV has generated up to 3.3 MW of power.

7) **New & Advance Machines -** An EDM wire cutting machine has been installed for précised keyway operation in our Kirloskarvadi plant. In addition to this, we are also working on replacement of old machines, with new machines which will offer numerous benefits, including increased productivity, cost saving, enhanced product quality, regulatory compliance, and a competitive advantage. By investing in newer and more advanced machines, we can position ourselves for long-term success in the pump industry.

MEMBERS OF ASSOCIATIONS

1	Hydraulic Institute (HI), USA
2	Central Water and Power Research Station (CWPRS)
3	Confederation of Indian Industry (CII)
4	Federation of Indian Export Organisations (FIEO)
5	Indian Pump Manufacturers Association (IPMA)
6	Federation of Indian Chambers of Commerce and Industry (FICCI)
7	Indian Energy Exchange (IEX)
8	Indian Electrical and Electronics Manufacturers' Association (IEEMA)
9	Indian Foundry Association (IFA)
10	Central Board of Irrigation & Power (CBIP)
11	National Safety Council (NSC)
12	The Southern India Engineering Manufacturers' Association (SIEMA)
13	Indian Institute of Science (IIS), Bengaluru
14	National Society of Fluid Mechanics and Fluid Power (NSFMFP)
15	Bureau of Indian Standards (BIS)
16	Mahratta Chamber of Commerce, Industries and Agriculture (MCCIA)

INTELLECTUAL CAPITAL

Intellectual Capital is a critical driver of KBL's success, innovation and competitive advantage. By effectively managing and leveraging our research & development efforts, intellectual property, knowledge assets, brand value and employee expertise, we continue to enhance this capital, and in the process, create long-term value for all our stakeholders.

KEY HIGHLIGHTS

17

Patents Held

₹ 251 Million

on R&D (In FY 2022-23)

₹ 235 Million

FY 2021-22

1 Patent received
Filed for 2 New Patents
(In FY 2022-23)

6

No. of Research Papers published (one at International forum)

INNOVATION

Innovation is the key element enhancing our intellectual capital and nurturing long-term growth and differentiation in the market.

Few innovative Solutions and Technologies

- Lowest Life-cycle Cost design for pumps offering longer life, and minimum cost towards operation and maintenance
- Augmented Reality for training on operation and maintenance of products
- Product design validation and operation simulation software technology
- In-house design and manufacturing of reliable Hydro-pneumatic systems
- 150 mm submersible oil cooled motor designs for borewell pumps
- Dual Voltage controller technology to avoid motor burning in wide voltage range applications

New R&D Centre developed at KPML plant

Some of our engineering solutions in product development

- Critical application pumps for Nuclear power plant
- High energy-efficient design DBxe/GK(W) series of pumps complying to Minimum Efficiency Index (MEI) as per EN16480 standard
- Sealless canned motor and magnetic drive pumps for hazardous and toxic liquids
- Air cooled thermic fluid pumps for high temperature applications
- PICO/PAT systems to harness micro hydel sources for generation of renewable energy
- KirloSmart™ - Remote pump health monitoring system and analytical support for predictive maintenance
- Products with India Design Mark - Product design excellence accreditation by India Design Council, department of Government of India
- Submersible non-clog pumps with Glycol cooled electric motors for Storm Water application
- Energy-efficient pumps with 5-star/4-star rating certification by Bureau of Energy Efficiency (BEE), Government of India
- Energy-efficient Monobloc/coupled pump sets with IE4/IE5 premium efficiency motors
- Innovative Advanced Sand fighter design in borewell submersible pump sets

RESEARCH & DEVELOPMENT

We understand the importance of continuous innovation and invest substantial resources in research and development (R&D). Our efforts on R&D are aimed not only at expanding our product range, but also upgrading our products to reduce emissions and manufacturing most reliable energy-efficient and lowest life-cycle cost products.

Key Capabilities in R&D

- 17 patents for innovative technology (including 2 US patents)
- CFD analysis/structural analysis/cavitation/surge analysis/transient analysis
- Numerical simulation software for product design validation of pumps, valves, turbines and electric motors
- 3D Printing technology to produce castings with complex designs - comprehensive and effective casting simulation tool for improving casting quality, optimising process conditions and reducing casting costs
- One of Asia's largest hydraulic research centres
- Product data management tool

LEVERAGING INTELLECTUAL CAPITAL

Brand Value and Reputation

Brand value and reputation are our valuable intangible assets that contribute to our intellectual capital. We take utmost care in ensuring that our brand value and reputation is not compromised. Being the oldest and pioneering company in the sector, our contribution is well-recognised by external stakeholders.

Intellectual Capital Protection and Risk Management

We address protection and management of intellectual capital by outlining our strategies for mitigating risks such as intellectual property infringement, data breaches, and information security threats. We also highlight any significant legal or regulatory developments related to intellectual property rights that may impact our business.

Patents, Trademarks and Intellectual Property

Our intellectual property portfolio includes our patents, trademarks and copyrights. These proprietary assets provide legal protection and exclusivity, enabling us to safeguard our innovations and maintain a competitive edge.

Employee Skills and Expertise

Our employees' skills, knowledge and expertise are the crucial components of our intellectual capital. We focus on talent acquisition, development programs and employee engagement initiatives to nurture and retain our highly skilled workforce. In FY 2022-23, several training sessions were conducted on technical skills, industry knowledge, leadership qualities and other relevant competencies, to help them contribute to our strategic objectives.

Total Productivity and Quality Management

As part of the Total Productivity and Quality Management (TPQM) project for restoring machine's original condition, improving processes and OEE in manufacturing plants, we adopted the Karakuri approach. This approach is targeted at developing innovative solutions that automate repetitive tasks, enhance productivity, and optimise workflow.

Knowledge Management Initiatives

Our focus continues to be on capturing, organising and leveraging internal expertise and knowledge accumulated on developing engineering and manufacturing process expertise. Our knowledge management initiatives enable us to harness the collective intelligence of our workforce.

COLLABORATIONS FOR R&D

Indian Institute of Technology, Roorkee
For hydropower knowledge sharing and site support

Indian Institute of Science, Bengaluru
For surge analysis knowledge sharing and support

Bureau of Indian Standards
For upgradation of Indian standard related to pumps and valves

National Society of Fluid Mechanics and Fluid Power
For sharing the knowledge related to Fluid Mechanics, Fluid Power, Fluid Machinery including pump

Central Water and Power Research Station
For sharing the knowledge related to pumps, turbines, and pumping systems

Indian Electric and Electronic Manufacturer's Association (IEEMA)
For sharing the knowledge related to manufacturing of electrical, electronics and allied equipment

Hydraulic Institute, US
To formulate and review ANSI/HI standards on Rotodynamic pumps.

1) ANSI/HI - 9.6.4: Vibration measurements and allowable values
2) ANSI/HI - 9.6.3: Guidelines for operating regions
3) ANSI/HI - 9.6.1: Guidelines for NPSH margin
4) ANSI/HI - 9.6.7: Effects of viscosity on pump performance
5) Engineering Data Book

KirloSmart™

KirloSmart™ is an IoT technology solution where pumps can be monitored remotely as it enables real-time data collection and analysis. It also offers predictive maintenance, remote diagnostics and performance optimisation, leading to reduced downtime and cost savings. We take pride in being India's first pump manufacturer to deploy this solution over 50+ customer sites succesfully.

Key features of KirloSmart™:

- A more efficient IoT-based remote pump monitoring system
- Continuing its trend of setting a new benchmark in engineering excellence and using technology for customer convenience
- Enables user to remotely monitor and troubleshoot pump on a real-time basis without manual intervention, predicting and taking corrective measures to prevent breakdown and ensuring pump gives optimal performance

50+

Augmented Reality experiences

India Design Council

Awarded Design Certificate from India Design Council

- AT - Air Cooled thermic fluid application pump
- ROMAK - Magnetic drive process pump
- I-NS - Submersible non-clog pump
- KVM - Vertical multistage pumps
- I-CM - Canned motor process pumps
- LLC™ - Lowest life cycle cost design pumps
- HYPN - Hydro-Pneumatic systems
- FLD - Fire Sprinkler pump-set

DIGITAL SOLUTIONS

Our approach towards digital solutions is to combine cutting-edge technologies such as IoT, artificial intelligence (AI), machine learning (ML), and data analytics to streamline processes, enhance customer experiences, and optimise decision-making, automate repetitive and manual tasks across various departments, thus increasing operational efficiency and employee productivity and reducing the risk of errors.

AUGMENTED REALITY

We embarked our Augmented Reality (AR) journey by defining its purpose for us and our customers. We have planned technical and creative elements of AR application, which involves employee training. So far, we have developed 50+ AR experiences, which involved creating the AR content for service and manufacturing processes. As a next step, we aim to extend our AR solution to potential customers.

SUPPORTING DISASTER MANAGEMENT PROGRAMS

We are the pioneers in manufacturing reliable and next-gen pumping solutions to support disaster management initiatives of private institutions and public health departments. To give an example, our teams from KBL (India), KBTL (Thailand) and SPP Pumps (UK) visited the Mae Sai Cave in Thailand to provide their technical expertise on dewatering activities and submitted a report on efficient water management and dewatering. Moving ahead, our aim is to develop highly energy-efficient and innovative products for industrial, agriculture and domestic applications.

Generating Green Power with PICO Turbine

In partnership with Shimla Jal Prabandhan Nigam Limited (SJPNL), we set up a PICO turbine, the micro hydropower generator, at a water treatment plant in Ashwani Khad at Himachal Pradesh. PICO is a compact and sophisticated version of 'Pump as Turbine' (PAT) capable of generating up to 5 kW power by using flowing water from any source, with the potential to electrify remote locations and villages. It can also be used in hilly areas and process industries as small hydropower generation plants. The hydropower generator at the water treatment plant will harness the potential energy of a flowing stream of water by generating 3 kW of clean and green power, which will be a source of SJPNL's campus lighting and will also reduce dependence on traditional sources of energy.

HUMAN CAPITAL

We strive to steer our efforts towards involving people and empowering them to realise our organisational plans, objectives and goals. Our aim is to create a culture of fairness, trust, equal opportunities and working with ethics. We anticipate future skill-needs of our employees and prepare them to handle challenging tasks.

KEY HIGHLIGHTS - KBL

1,512
Total Number of Employees

1,390
No. of Male Employees

122
No. of Female Employees

1,248
Total Number of Workers

1,156
No. of Male Workers

92
No. of Female Workers

TURNOVER RATE

FY 2020-21	FY 2021-22	FY 2022-23
7%	10%	12%

EMPLOYMENT OF DIFFERENTLY-ABLED EMPLOYEES

2
Differently-abled employees

2
Differently-abled workers

GENDER EQUALITY AND EMPOWERMENT

100%
Women-operated facility at KBL Kaniyur Plant, Tamil Nadu

30%
Women representation on Board

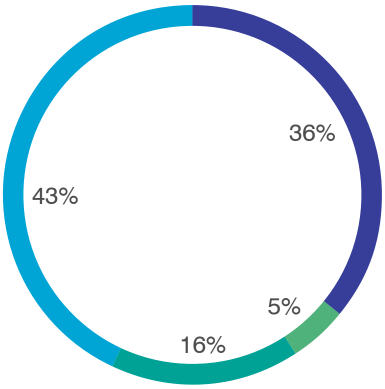
35%
Women Workforce in Sanand Plant

Safety Training Center at Kirloskarvadi Plant

TRAINING & DEVELOPMENT

Our training and development policy is aimed at enhancing functional, professional and personal competencies, and also the individual skills. Training programmes are designed and implemented based on gap identified and performance appraisals. Training needs of employees are mapped and a training plan is designed and imparted accordingly. We have also set up training facilities at Kirloskarvadi and Kaniyur plants, with training equipment like model pumps, assembly tooling and attachments to impart training by hands-on job experience.

Our knowledge management team sets targets for the level of knowledge and skills required, with the goal to bridge the gap between current and desired performance and meet the business requirements. It creates a work environment that promotes creation, retention and use of knowledge. We anticipate future skill-needs and prepare our employees to handle more challenging tasks. Our career development policy, cross-functional projects and action learning projects are some ways used to develop enhancement of functional, professional and personal competencies and skills of our individuals.



- Organisational Training
- Safety Training
- Behavioural Training
- Functional Training

TRAINING & AWARENESS PROGRAMMES IN FY 2022-23

Segment	Total number of training and awareness programmes held	Principles covered under training and its impact	% of employees in respective category covered by awareness programmes
Key Managerial Personnel (KMP)	2	• Code of Ethics • Prevention of Sexual Harassment (POSH) at Workplace • ESG and BRSR	100%
Employees other than BoD and KMPs	43	Employees & workers are given training on diverse range of topics throughout the year, including functional aspects, Safety, ESG, Carbon Footprints, Food Wastes, Behavioural Based Safety and Workplace Safety, Code of Ethics, Energy Management, Statutory Reporting, Sustainable Development, Fire Fighting, First Aid, IMS, Health Awareness, POSH Awareness and Legatrix.	94.80%
Workers	53		40.35%

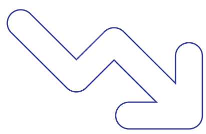
BODHI TRAINING CENTRE AT KIRLOSKARVADI AND KANIYUR

Training is a continuous process and is important to enhance job knowledge. It is needed to improve awareness and understanding about our products, manufacturing and assembly processes, process checks, inspection, and testing requirements. Conceptualised as BODHI, we have dedicated facilities at Kirloskarvadi and Kaniyur plants and have created training module to impart practical and theoretical training.

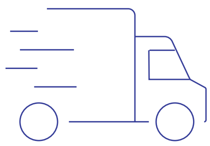
BODHI training facility: Key benefits

Enhances quality and consistency of processes

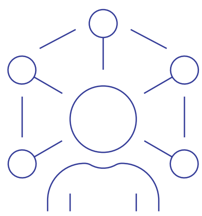
Reduces cost of poor quality



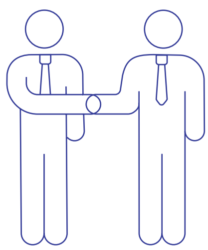
Improves delivery performance



Builds commitment to development of new skills



Maintains good working culture



OUR SKILL DEVELOPMENT PROGRAMMES

EHS Change Control

Change control is an important element of safety management. With the pace of change today, it is almost certain that manufacturing plants will face the demand for change from time to time. It is important that each change is carefully evaluated and assessed from the perspective of EHS (Environment, Health, and Safety). Systematic evaluation of proposed changes is done through EHS change control system to minimise unintended safety, health, and environmental consequences. This is a proactive evaluation of EHS-related requirements for any change, and is done during the planning stage to minimise potential risks.

Total Productivity Maintenance (TPM) Instructor Course

It is important to understand, study and implement the concept of TPM with proper guidance. At KBL, we have implemented Total Productive Maintenance with support from Japan Management Association Consultants (JMAC) and have witnessed encouraging results. The TPM Instructor Course is an onsite training course designed and conducted by the experienced and skilled JIPM-certified TPM consultants who perform consulting at factories around the world. This in-plant intensive course, conducted for KBL plants, including KEPL and KPML, helps in understanding and implementing TPM. The course duration of two weeks consists theory and application of TPM tools for all the 8 pillars, case studies, and presentations by the participants to the senior management.

Key inclusions in the TPM Instructor Course:

1. Understanding the concept of TPM as a foundation for Lean transformation
2. Learning the eight pillars of TPM activities
3. Learning the TPM tools and be able to identify and eliminate the inherent losses in SCM
4. Learning how to integrate Autonomous Maintenance with Planned Maintenance to improve equipment reliability
5. Understanding the critical success factors, TPM implementation strategy, roadmap and step-by-step approach

As of now, we have conducted 5 of these instructor courses at Kirloskarvadi plant covering 130 employees and are planning the 6th course in July 2023 with 26 participants. This covers around 22% of our employees and key managers from all functions including Manufacturing, Foundry, Maintenance, ME+IE, Quality, Support Functions and Safety. Further, the certified TPM Instructors do Relay Teaching to other team members to spread awareness and knowledge about TPM, targeting to cover 100% of our people.

Lock-Out Tag-Out (LOTO) Training

During the servicing and maintenance of machines and equipment, the unexpected start or release of stored energy can result in a serious kind of injury to the workmen. Energy sources including electrical, mechanical, hydraulic, pneumatic, chemical, thermal, or other sources of energy in machines and equipment, can be dangerous. A proper lockout/tagout (LOTO) system in machines can safeguard workmen from this sudden and unexpected release of energy. Machine-wise requirement of Lock-out Tag-out is identified and training is provided on the job to relevant employees on ways to carry out LOTO and make record keeping.

Excellence through Quality Prism

All organisations, big or small, discuss about "Quality", and hence, we keep improving our products to deliver even better quality. In a business organisation, there is a need to understand the term "Quality" as a wholesome business process, which should be the backbone of all our decisions, communication, processes, deliberations and dealings. Every activity we do is a "cost" to the Company. Hence, to understand all activities in terms of cost is important to function as a wholesome organisation. We are working at scientifically addressing our problems on hand, eliminating its root cause and setting right the processes. Problem-solving through "Quality Prism" is an attempt to help every individual resolve roadblocks and achieve excellence.

EMPLOYEE WELL-BEING

The well-being of employees and their immediate family members is important for us. To illustrate, "KBL Well-being", a health and lifestyle platform has been launched to focus on employees' physical and mental health. Also, most of our sites are on 5-day work schedule. At plant sites too, we practice a policy of having an off-day on alternate Saturdays to help employees maintain work-life balance. A Sabbatical Leave policy (up to 6 months) is available for female employees to be utilised as extended maternity leave.

Crèche Facility at Kaniyur plant

The crèche facility at our Kaniyur plant enables our employees to leave their children at the crèche, while they are at work and children are provided a stimulating environment for their holistic development. Effective implementation of the crèche facility helps us develop the morale of our female employees and also enable them to handle the safety aspect of their children.

The use of crèche facility is legally proposed to be extended to children of age group of 6 months to 6 years of all our employees, including temporary, daily wage, consultant and contractual personnel. However, for a single parent, we have abandoned the age limit for female child. The crèche is operated in shifts to respond to the needs of their parents and in the best interest of children. Around 16-18 children are currently availing the facility on a regular basis during school vacation. At the facility, the children are provided with healthy diet, and are also taught self-discipline by the care-taker.

1,700 Manhours of training conducted till date, benefiting 437 employees

GROUP INSURANCE POLICIES AND THEIR EXCLUSIVE BENEFITS

Group Health Insurance Program

A best-in-class tailormade health insurance program with flexibility to choose a health cover for family and parents up to ₹ 10 Lakhs per year.

Parivar Suraksha Yojana

An innovative way of a Group Term Life Plan, where the regular income benefit is extended to the deceased employee's family for a period of 5 years.

Group Personal Accident Plan

Covers all employees globally 24x7 for any accidents, disability or death.

KBL Benevolent Fund

A fund maintained through employees' contribution to extend financial help to employee's family in case of death in service.

National Pension Scheme

A pension scheme for all the employees.

Other Key Benefits:

- Introduced Corona Kavach Policy during the pandemic to cover hospitalisation expenses for In-patient care or home care treatment during COVID-19
- Corona Kit Allowance and personal vehicle/Taxi usage for better safety of business traveller employees
- Enhancement in minimum health insurance cover
- Periodic rapid antigen testing for employees working in offices and factories
- Sodexo Meal Card Benefit Programme
- Collective bargaining agreements (CBA) - Permanent, on-roll bargainable workmen are covered by CBA

TALENT MANAGEMENT

Leadership Competency Framework

Continuing our focus on talent development, we revised the Leadership Competency Framework to support our growth aspirations. The framework has specifically identified and defined leadership competencies for each level of management, and guides human resource development processes.

KEY ELEMENTS OF MANAGING OUR TALENT

Assessment & Development Centre

We assess the competencies for senior leadership through our Assessment & Development Centre. This provides valuable insights into our strengths, development areas and leadership potential, enabling targeted and personalised development plans.

Support Level Development Program (SLDP)

The program has been strengthening our fabric by teaching young minds to continuously challenge the present and build a stronger and more agile company. It continues to create an energetic band of youthful engineers and make a visible difference in our progress.

Focussed Technical Training

The technical training division is focussed on developing a sustainable model for continuous development of employees' technical competency. During FY 2022-23, we prioritised two areas "Pump Design" and "Foundry Technology" to begin with.

CNC Machine Training

In association with Indo German Chambers of Commerce, we equipped shop supervisors and CNC machine operators to operate machines effectively and in an efficient way to achieve high OEE. The programme of skilling and upskilling was delivered through classroom, practical and on-job learning.

PERFORMANCE MANAGEMENT SYSTEM

Employees meet their team leaders twice a year to discuss short and long-term goals, job accountabilities, and professional development. All confirmed employees are eligible for receiving performance and career development reviews.

Steps involved in Performance Management System

Step 1	Setting Key Result Areas (KRAs) of every individual
Step 2	KRA Mid-Year Review
Step 3	Annual Performance Review

Kaniyur Plant

Our state-of-the-art manufacturing facility for manufacturing domestic range of small pump business at Coimbatore is special for a significant reason. It is the world's first and only pump manufacturing plant to deploy a 100% women workforce in its manufacturing set-up. The unit provides all the required facilities to its women associates, including transport, good working conditions and social security measures.

A key focus of Mahila Mission 20 (MM20) was to reduce the time for assembling a pump from 60 seconds to 20 seconds, and in the process, improving plant production capacity and reducing manufacturing cost. We accomplished the mission by assembling a pump in a record time of 17.25 seconds, a feat that has also been acknowledged by the Limca Book of Records.

DIVERSITY AND INCLUSION

Gender Equality and Women Empowerment

To continue our focus on women empowerment, we employed 11 young female MBA Graduates from North-East to leverage the region's socio-economic model. These female employees belong to Assam, Arunachal Pradesh, Tripura, Manipur, Meghalaya, Mizoram, Nagaland and West Bengal (Siliguri) for SPB Retail and have been deployed in front-end sales at different locations.

Employee Diversity

As per the Rights of Persons with Disabilities Act, 2016, the organisation is accessible for differently-abled employees and workers across our global footprint and provides equal opportunities to all. It does not unfairly discriminate on any ground including race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability or any other category protected by applicable law.

Role-wise distribution (KBL)

Permanent & Probationers

2,399

174

2,573
Total

Trainees & Apprentice

135

12

147
Total

Temporary/FTE

15

29

44
Total

Third-Party Contract

1,906

96

2,002
Total

Role-wise distribution - (Subsidiaries and Associate Companies)

(In Nos.)

Role/level-wise distribution	KCPL			TKSL			KPML			KEPL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent & Probationer	27	0	**27**	42	1	**43**	99	11	**110**	287	18	**305**
Trainees & Apprentice	0	0	**0**	12	0	**12**	84	1	**85**	12	1	**13**
Temporary/FTE	0	0	**0**	9	0	**9**	9	0	**9**	13	0	**13**
Third-Party Contract	212	0	**212**	0	0	**0**	173	0	**173**	5	0	**5**
Workmen	3	0	**3**	118	0	**118**	297	0	**297**	33	0	**33**
Total Manpower	242	0	**242**	181	1	**182**	662	12	**674**	350	19	**369**

New Employees Hired – (KBL)

(In Nos.)

Age-wise distribution	2022-23		
	Male	Female	Total
Less than or equal to 30 years	278	26	**304**
Between 31-50 years	152	12	**164**
More than 50 years	9	0	**9**

New Employees Hired (Subsidiaries and Associate Companies)

(In Nos.)

Role/level-wise distribution	KCPL			TKSL			KPML			KEPL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Less than or equal to 30 years	3	0	**3**	10	1	**11**	16	0	**16**	37	02	**39**
Between 31-50 years	5	0	**5**	9	0	**9**	31	0	**31**	32	02	**34**
Greater than 50 years	0	0	**0**	2	0	**2**	2	0	**2**	01	01	**02**

Attrition of Employees - (KBL)

(In Nos.)

Age-wise distribution	2022-23		
	Male	Female	Total
Less than or equal to 30 years	87	15	**102**
Between 31-50 years	155	07	**162**
Greater than 50 years	13	0	**13**

Attrition of Employees (Subsidiaries and Associate Companies)

(In Nos.)

Age-wise distribution	KCPL			TKSL			KPML			KEPL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Less than or equal to 30 years	1	0	**1**	6	0	**6**	18	0	**18**	43	04	**47**
Between 31-50 years	5	1	**6**	6	1	**7**	9	0	**9**	19	01	**20**
Greater than 50 years	0	0	**0**	14	0	**14**	0	0	**0**	04	00	**04**

Average Hours of Training Per Employee by Gender and Employee Category (KBL)

(In Hrs)

Age-wise distribution	2022-23	
	Male	Female
Senior Management	20	13
Middle Management	34	35
Professionals	42	40
Para-professionals	29	30
Associates	11	17

Average Hours of Training Per Employee by Gender and Employee Category (Subsidiaries and Associate Companies)

(In Hrs)

Role/level-wise distribution	KCPL		TKSL		KPML		KEPL	
	Male	Female	Male	Female	Male	Female	Male	Female
Senior Management	18	0	14	0	6	0	0	0
Middle Management	17	0	13	0	26	23	0	0
Professionals	7	0	24	1	18	20	37	18
Para-professionals	0	0	0	0	1	2	0	0
Associates	2	0	0	35	2	0	0	0

Performance and Career Development Reviews - (KBL)

(In Nos.)

Age-wise distribution	Male	Female	Grand Total
Sanand	33	3	**36**
Kaniyur	10	8	**18**
Dewas	102	8	**110**
Kirloskarvadi	400	20	**420**
Shirwal	7	0	**7**
Pune & RO	769	73	**842**
Grand Total	**1,321**	**112**	**1,433**

Performance and Career
Development Reviews (Subsidiaries and Associate Companies)

(In Nos.)

KCPL			TKSL			KPML			KEPL		
Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
27	0	**27**	40	1	**41**	100	11	**111**	287	18	**305**

EMPLOYEE ENGAGEMENT

Employee engagement refers to our level of commitment, involvement and enthusiasm of our employees, and encompasses a deep emotional connection and a sense of purpose. Our employee engagement survey, "Your Voice Counts", gathers valuable insights from employees and fosters a culture of open communication and engagement.

97% participation rate among employees at each location, regional office and corporate office

Festivals and Special Day Celebrations

1. India@75 – Azadi ka Amrit Mahotsav
2. 112 years Foundation Day Celebration 2023
3. Completion of 100 years of Kirloskarvadi Railway Station
4. Diwali and Navratri celebrations
5. Women's Day celebrations
6. Blood Donation Camp at Kirloskarvadi
7. World Environment Day
8. International Yoga Day
9. Engineers' Day

SAFETY COMES FIRST: OCCUPATIONAL HEALTH & SAFETY

A Safety Week is celebrated every year, with CSR activities including drawing competition on driving safety for school children and a rangoli competition.

Safety: A Shared Responsibility

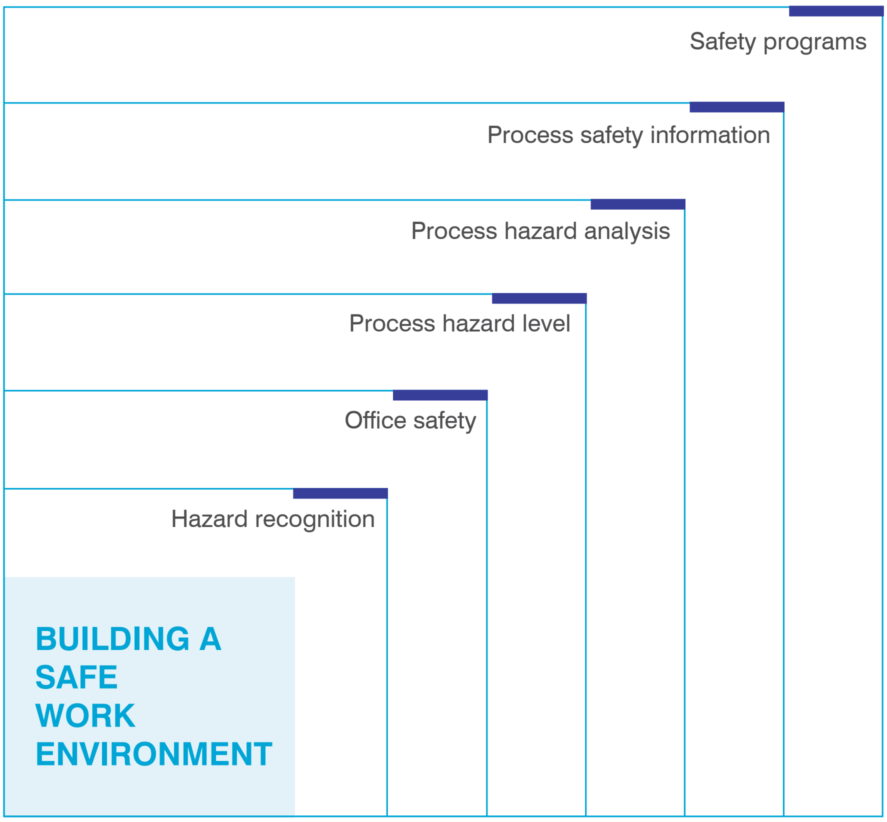
- Continually developing and enforcing robust systems and procedures for safety of the employees
- Firm commitment to safety, occupational health to work in a safe environment
- Striving for Zero Accident Rate
- Safety and reliability of manufacturing operations
- Digitisation in Safety Management
- Introducing Safety Culture with audits and a Safety Committee

Safety-related Incidents

Age-wise distribution	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (Per one Million-person hours worked	0.31	0.25
Total recordable work-related injuries	2	3
No. of fatalities	0	0
High consequence work-related injury or ill-health (excluding fatalities)	0	0

Key Initiatives taken on Safety

- Internal safety audits conducted through trained cross plant safety officers
- External safety audit from competent person carried out once in two years
- Safety yellow tag system where workmen raise their voice about safety is implemented
- Safety incident tracking system including safety opportunities reporting implemented
- Safety steward (we call it Suraksha Mitra) concept implemented
- Hazards are also identified through Senior management monthly safety inspection system
- Change control system implemented to address the EHS related issues prior to implementing the change in process / facility / machinery



HUMAN RIGHTS

To demonstrate our commitment to the fair treatment of employees, we assess our organisation under Human Rights clauses. We measure performance in the following eight areas important to social accountability in workplace:

1. Child Labour
2. Forced or Compulsory Labour
3. Health and Safety
4. Freedom of Association and Right to Collective Bargaining
5. Discrimination
6. Disciplinary Practices
7. Working Hours
8. Remuneration

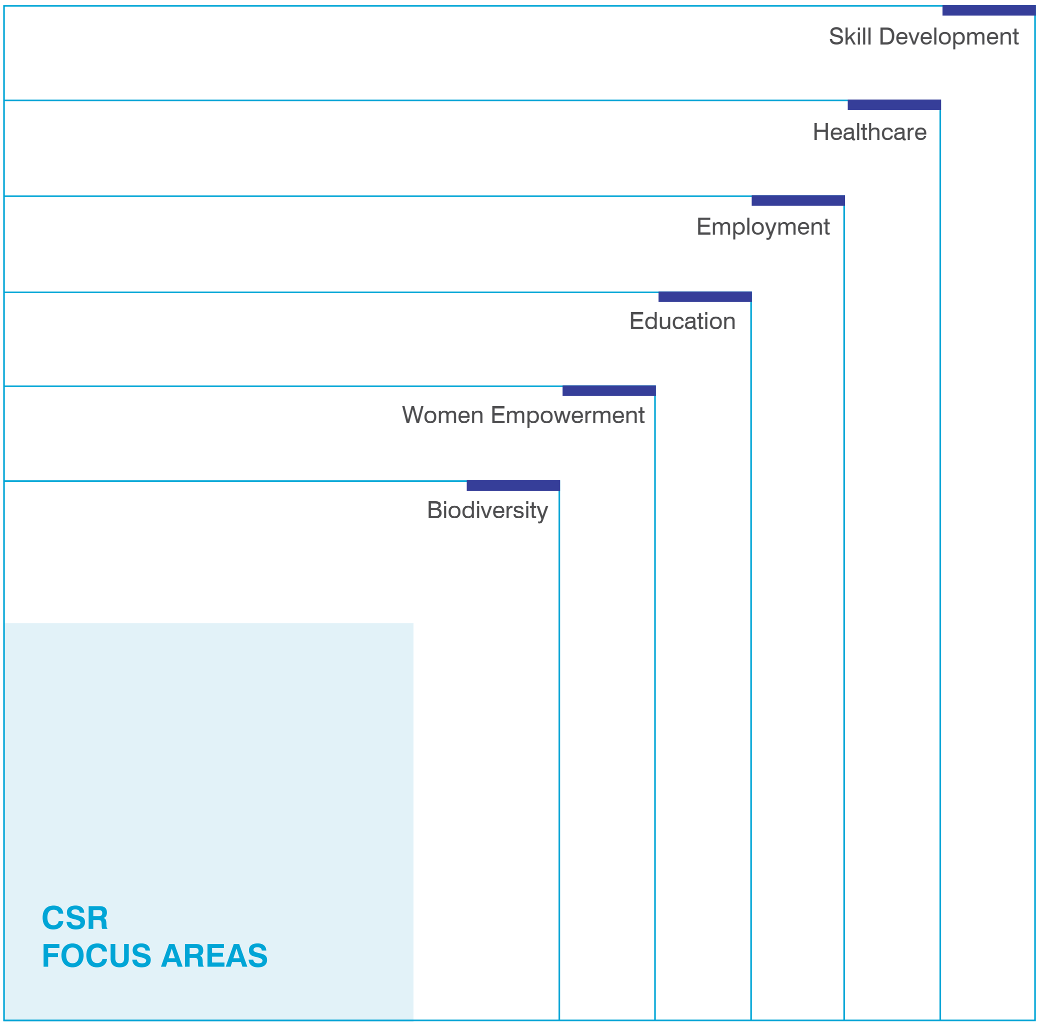
KBL's supplier evaluation process involves assessment of suppliers under Human Right clauses. This criterion is a part of supplier evaluation format and Supplier Quality Improvement Programme (SQIP).

SOCIAL & RELATIONSHIP CAPITAL

Social and Relationship Capital encapsulates our relationship within and between communities through our shared values and norms. It also encompasses our harmonised approach to measure value of our interactions with the society and all other stakeholders.

SOCIAL CAPITAL

This is an integral component of the value of our business. Improving the enabling environment for business and strengthening the value chain bears a testimony to the value we place in development activities, while we also partner in their growth story.



CSR ACTIVITIES

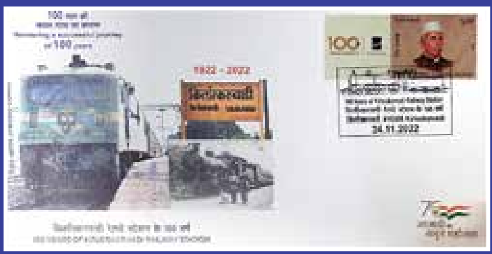
- KBL undertakes and carries out CSR activities through Vikas Charitable Trust and Radhabai Trust
- Project Jaldakshata – Recognition of prior learning: Plumber Skill Development Programme through Indian Plumbing Skill Council
- Restored biodiversity at Central Ordnance Depot at Dehu in Pune
- Undertook skill development programme through Indo German Chamber of Commerce
- Renovated Kirloskarvadi Railway Station for Centenary Year celebrations
- Set up Biogas plant for a village near Sanand, Gujarat
- Undertook village bus project equipped with Rashtriya Life Saving Society (India) training material, training aids and lifesaving skills
- Provided meal support through Annamitra Foundation
- Provided support to HIV prevention program in Kolhapur
- Provided support to Forest Rangers Wildlife Trust of India, Assam
- Created clean water sources for under-privileged kids
- Conducted health check-up, eye check-up and vaccination camps
- Donated first-aid boxes and water pumps to schools for under-privileged kids
- Donated E-vehicles for biowaste collection and solar lights to Gram Panchayats near Karad

Celebrating 100 Years of Kirloskarvadi Railway Station

In 1910, when Shri Laxmanrao Kirloskar was establishing the 36-acre Kirloskarvadi plant, he chose a location with a railway station in its vicinity, the Kirloskarvadi Railway Station (earlier known as Kundal Road Station). Stalwarts and patriots like Pandit Jawaharlal Nehru, V Shantaram, Baburao Painter, Dada Saheb Phalke, Bharat Ratna awardee Dhondo Keshav Karve and Dr. Sarvapalli Radhakrishnan travelled to Kirloskarvadi railway station.

The station completed 100 years of existence in 2022. India Post also released a first-of-its-kind unique pictorial stamp with a KBL pump picture, and two special covers. The first cover commemorated 100 Years of the railway station, while the second honoured Kirloskarvadi's contribution under 'One District One Product' scheme.

Once a barren land, the Kirloskarvadi plant has played a critical role in KBL's journey and in carrying forward Shri Laxmanrao Kirloskar's dream of making India AtmaNirbhar. It has come a long way from ploughs to pumps for critical applications in nuclear power plants and witnessed several key milestones. These products are used by Millions of farmers and households and across industries, including critical sectors like nuclear plants and defence. Several iconic structures in India and globally are using these products. The Atal Tunnel, Statue of Unity, Burj-Al-Arab and the Shard are some of these monumental buildings.



RELATIONSHIP CAPITAL

We believe in building long-term, transparent, and trust-based relationship with partners, while adhering to applicable norms and corporate ethics. We are also building the capabilities of our partners and also engaged in knowledge-sharing with them.

RESPONSIBLE AND SUSTAINABLE SOURCING

The key objective of our optimally managed supply chain is to improve the organisational performance and customer satisfaction by improving product and service delivery to the customer. We also integrate environment performance considerations in the procurement process including planning, use and disposal, environmental aspects, potential impacts, and costs associated with the Life-Cycle Assessment, to have a minimal negative impact on the environment.

REDUCE, REUSE AND RECYCLE

We are committed to reducing resource consumption and minimise waste, while considering life-cycle costs of products, as we reduce, reuse, and recycle resources through the procurement activity. We prefer to buy recycled and partly recycled products to optimise consumption and stimulate demand for recycled products, promote collection and reprocessing of waste and work towards zero discharge to the landfill.

GREENING THE SUPPLY CHAIN BY:

- Maximising benefits by encouraging suppliers to adopt KBL's environment practices
- Undertaking procurement activities with suppliers who share KBL's values
- Actively promoting green procurement to ensure selection with minimum environmental impact
- Encouraging suppliers to deliver products/services with minimal negative impact on environment
- Adopting safe practices in the cycle from production to delivery
- Procuring products that are eco-friendly, energy-efficient and less polluting
- Encouraging suppliers for disposing goods to authorised agencies sustainably
- Monitoring and evaluating sustainability performance and identifying improvement opportunities
- Reusing packing of rejected material received from the site
- Encouraging logistics optimisation and waste reduction using Reduce, Recycle & Reuse philosophy
- Reducing environmental footprint by means of material, energy, and water conservation
- Promoting sustainability awareness and assessments at supply chain

ENGAGING IN PARTNERSHIPS

Through our supply chain, we explore new avenues of ensuring best procurement practices and a healthy partnership approach with all our business partners. This approach helps in developing a more sustainable supply chain and helps in cost reduction, managing risks better, generating new revenue sources and boosting our brand value.

Sustainable benefits on joint venture development projects

To develop a more sustainable supply chain

To aim at cost reduction, managing risks better, generating new sources of revenue, boosting the brand value

Steps taken for Sustainable Packaging

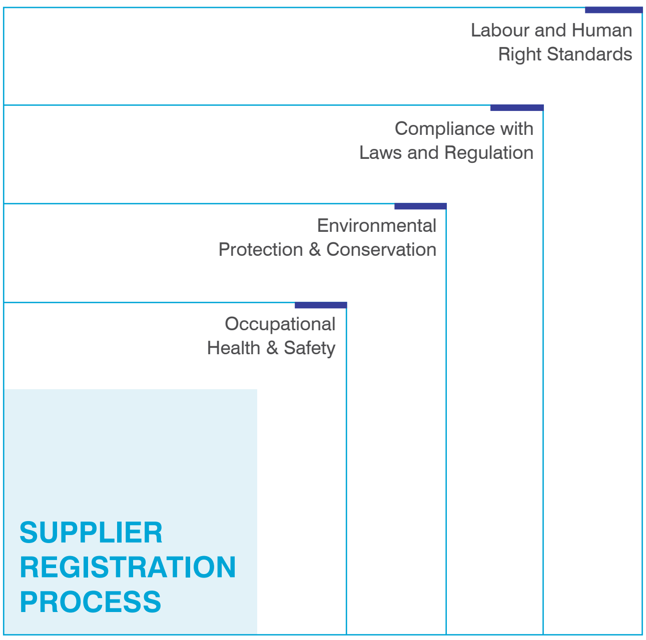
Use of recyclable materials at plants

Switching to materials complying with ROHS standards

New packaging complying with ISPM-15

VENDORS AND SUPPLIERS

Commitment and acceptance to supplier Code of Conduct is ensured from all suppliers during the Supplier Registration Process:



Gaining sustainable benefits through Channel Partners/Suppliers

Value Chain Partners	Sustainable Benefits to KBL
Dealers	• Increasing market share • Satisfying customers
Suppliers	• Cost, delivery, quality benefits, price stability
Group Companies	• Strengthening brand image, quality, cost, business growth
Technology Providers	• Latest technological competitive edge
Service & Refurbishment Centres	• Convenient and timely service support to customers • Increase in spare and replacement business

CUSTOMERS

Customer care is always our priority, and we are always seeking faster and convenient ways to reach and serve our customers. We serve them through a dedicated and extensive network of authorised service and spares dealers and service centres.

Some key features of how we provide enhanced customer service:

- Centralised Call Centre for complaints registration and spares enquiry
- Customer Relationship Management (CRM) Portal for Dealers
- System to record product complaints and resolution time to ensure minimum downtime
- Free commissioning services for industrial pumps manufactured in the Kirloskarvadi Plant
- Free health check-ups and seminars to create awareness on products and their handling
- 500+ Fire-fighting sets under AMC to ensure trouble-free and safe operations
- Energy audit division equipped with latest instruments to provide accurate report on energy consumption and proposed saving solutions
- Refurbishment services for providing time and cost-effective solutions

Customer Safety & Privacy

We provide Operations & Maintenance training to customers to avoid operational failures in the project. Structured customer trainings are also conducted at plants and on the site. Customer data such as population, prices and complaints are maintained in CRM and SAP HANA in a secured manner. We also arrange Sampark Programs and Customer Satisfaction Surveys to address product and service-related issues.

Customer Satisfaction Survey

84.23%

Our customer satisfaction survey is aimed at evaluating and measuring satisfaction of customers and channel partners across business verticals

DEALERS

KBL has a large set of dealers committed for generations. Our channel sales philosophy is to ensure that the interest of both KBL and its dealers is taken care of. As a part of our business excellence model and for ultimate customer delight, we continuously work towards building a strong and mutually beneficial relationship with our Channel Partners.

Our Key Dealer Engagement Activities

- Gen-Next program to engage the next generation of our dealer fraternity
- Annual dealer conference to appreciate best performers
- Technical and behavioural trainings
- Product promotion and marketing activities
- KBC Quiz programme for encouraging our dealers for product awareness and rewarding for product knowledge
- Participation in exhibitions/targeted advertisement
- Go-to-market (GTM) strategy to ensure synergy between KBL and Dealers
- Promotional meetings with Plumbers and Borers at the Dealer or Retailer premise to focus on features and technical USPs of Small Pump business products
- Celebrating special occasions through Anmol Rishtey, our unique channel intimacy program

Annual dealer conference at corporate office, Yamuna

NATURAL CAPITAL

By combating climate change and managing our natural capital responsibly, we can create a positive and lasting impact on the environment and contribute to a more sustainable future for generations to come.

KEY HIGHLIGHTS - KBL

23%

of electricity consumed is generated from renewable sources

100%

Zero Liquid Discharge units

ISO 14001:2015 certified

Environment Management System

ISO 50001:2018 certified

Energy Management System

LEED certified Green Building

Corporate Office

We are fully committed to promoting sustainable development by integrating economic, environmental, and social considerations into its key business imperatives. We prioritise resource efficiency by actively promoting energy efficiency and by embracing the deployment of renewable energy sources. With a strong focus on minimising our ecological footprint, we remain dedicated to implement strategies that contribute to a low-carbon future and positive environmental impact.

Our approach to sustainability centres around implementing environmental stewardship initiatives that effectively minimise our operational impact on biodiversity, natural resources, and air quality. We strongly believe in collaborating with our multiple stakeholders at various levels to advocate the culture of sustainability across the organisation.

ENSURING A SUSTAINABLE TODAY – WITH GREEN PRODUCTS

ENERGY EFFICIENCY IN PRODUCTS

Our constant focus remains on efficient utilisation of energy resources for sustainable development of products and environment protection. Some of these key initiatives were:

- Developed products with low ecological footprint like DBxe & LLC™ products
- Super Premium Efficiency IE4 and Ultra-Premium Efficiency IE5 motors
- Improved product efficiency through application of our highly reliable corrosion coating on hydraulic passage
- Expanded the range of energy-efficient BEE star-rated pumpsets
- Developed innovative products like KirloSmart™
- Developed products like PICO and PAT, which act as a Micro Hydro Power Generator that can be operated in reverse direction as a turbine for generating electricity. This is designed for harnessing small hydel energy resources

GREEN PROCUREMENT INITIATIVES

Our goal is to achieve a 50% green procurement target by implementing initiatives aligned with our Sustainable Sourcing policy.

We are encouraging our suppliers to adopt the below steps to enable green procurement:

- Energy conservation
- Utilising renewable energy
- Practising the "Reduce-Reuse-Recycle" approach
- Reducing fuel, water, and paper consumption
- Engaging in tree plantation activities

Conducted sustainable sourcing training sessions for 250+ suppliers

REDUCE. REUSE. RECYCLE.

- Optimised use of resources through Value Addition/Value Engineering (VA/VE) initiatives for product development
- Reduced energy consumption through energy audits, timely maintenance of machines, identifying and plugging system leakages, replacing old and less efficient equipment with new and energy-efficient equipment
- Conducted ENCON (Energy Conservation) competition between all the manufacturing plants of the KBL Group through external Energy Auditors to identify opportunities to improve energy performance and to share best practices amongst each other
- Upgraded plants to smart energy data logger from traditional energy meters
- IE3 efficiency class motor installed in grit blasting machine, leading to ~5% reduction in energy
- Modified air piping in grit blasting machine to reduce compressed air frictional loss by 1.0 bar, resulting in expected energy saving per annum of 2,165 kWh
- Installed 30 kW GAE30 VSD+ in air compressor to save compressed air energy consumption by 25,000 units per annum
- Revamped APFC panel to improve power factor from 0.981 to 0.995 and above, reducing power loss by 15,000 units per annum
- Upgraded pump test bed by installing 2,000 kW HT VFD to reduce energy consumption due to high initial torque. This modification led to estimated energy saving of 10,000 kWh per annum
- Trained employees on energy conservation techniques in the industry

COMMITTED TO THE ENVIRONMENT

GREEN BUILDING
Key Milestones Achieved

ENVIRONMENTAL MANAGEMENT

To ensure efficient utilisation of resources and drive continuous improvement, we closely monitor and evaluate significant environmental factors within our organisation. These factors include our greenhouse gas (GHG) emissions (both Scope 1 and Scope 2), energy consumption, water consumption, material consumption, and waste production. In our commitment to sustainability, we have initiated a variety of green initiatives, and by proactively implementing these, we strive to minimise our environmental impact and promote a more sustainable future for the Company.

GREEN MANUFACTURING

Our planned approach to Green Manufacturing

To enhance operational efficiency

To minimise environmental impact

To reduce energy costs

The successful implementation of various energy efficiency initiatives has significantly contributed to improved operational efficiency and reduced carbon emissions. These initiatives encompass the adoption of advanced technologies, process optimisation, and the implementation of employee engagement programs to foster a culture of sustainability.

PROMOTING RENEWABLE ENERGY

We are dedicated to promote widespread deployment of renewable energy in our operations and support the global transition towards a sustainable future. With an unwavering commitment towards combating climate change, we remain focussed on transforming the energy landscape. By making use of innovative technologies and strategic partnerships, we aim to harness the power of renewable sources, such as solar energy.

STEPS TAKEN FOR ACCELERATING ADOPTION OF RENEWABLE ENERGY:

- Using solar energy for emergency lamps in 2nd & 3rd shift operation
- Battery-operated mobile crane
- Maximum usage of natural light during daytime on shop floor through sky light sheets
- Exploring enhancement of renewable energy capacity across plants & HO
- HT furnace modification has been completed from diesel-operated to LPG-operated thereby reducing pollution and improvement in operating condition
- Addition of 100 kW rooftop solar panels at KPML Plant

Share of Renewable Energy, Scope 1 and Scope 2 (KBL)

	Renewable Energy in Total Electricity (GJ)	Scope 1 (Kg)	Scope 2 (Kg)
Kirloskarvadi	24,702	2,699,639	15,960,869
Dewas	3,670	140,731	5,227,554
Sanand	787	19,476	262,929
Kaniyur	NA	3,086	128,969
Corporate Office	316	15,513	893,487
Shirwal	NA	4,595	33,709
KBL Total	**29,475**	**2,883,040**	**22,507,516**
KBL Total Emissions in MT		**2,883**	**22,508**

Share of Renewable Energy, Scope 1 and Scope 2 (Subsidiaries and Associate Companies)

Subsidiary / Associate Co.	Renewable Energy in Total Electricity (GJ)	Scope 1 (MT)	Scope 2 (MT)
KEPL	2,116	23	833
KCPL	0	10	240
KPML	6,463	30	1,035
TKSL	0	492	3,253

CONSERVATION OF NATURAL RESOURCES

A. ENERGY EFFICIENCY

We adopt a strategic approach to energy management, continually recognising the importance of efficient energy utilisation in achieving our business goals. We have developed and implemented a comprehensive energy management strategy to optimise the energy resources throughout the organisation. This strategic outlook drives us to continually explore further innovative technologies and collaborate with our stakeholders to achieve long-term energy sustainability objectives.

Comprehensive Energy Management Strategy: Key Elements

Conducting regular energy audits to identify areas for enhancement

Implementing energy saving measures

Setting clear targets

Energy Consumption – KBL

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	100,033 GJ	95,922 GJ
Total fuel consumption (B)	7,728 GJ	8,523 GJ
Energy consumption through other sources (C)	33,937 GJ	36,818 GJ
Total energy consumption – Non-Renewable (A+B+C)	141,698 GJ	141,263 GJ
Total Energy Consumption (Renewable+Non-Renewable)	170,756 GJ	176,144 GJ
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	6.6 (GJ/sale in Million)	8.0 (GJ/sale in Million)

Carbon Footprint Study

A comprehensive carbon footprint study has been initiated for products manufactured at Kirloskarvadi plant, seeking to identify areas for improvement and emissions reduction. Some of the key sustainable practices adopted include the widespread use of solar water heaters, solar streetlights, daylight tubes, natural ventilation, and Piped Natural Gas (PNG). Through these initiatives, we are actively pursuing our commitment to sustainable operations, energy efficiency and emission reduction.

In FY 2022-23, Carbon Footprint study was carried out for Dewas plant

KBL is working on finalisation of Net Zero approach

Reducing Carbon-footprint through unique system design

KBL, has designed an energy recovery system at the Hydraulic Research Centre in Kirloskarvadi to recover part of the energy that is consumed by pumps in their testing phase. The system will increase the share of renewable energy used and thereby strengthen KBL's effort in conserving the environment.

Emissions Management

We employ a comprehensive and forward-thinking strategy for reducing and managing our carbon emissions. Through the strategies on mitigation, efficiency, and innovation, we actively manage and reduce emissions, combat climate change and build a sustainable future.

Firstly, we prioritise mitigation by actively procuring renewable energy sources. We work towards identifying opportunities for integrating solar, biogas, and other clean energy solutions into our operations, reducing our reliance on fossil fuels and lowering our carbon footprint.

Secondly, we emphasise efficiency across our operations. By implementing energy-efficient practices and technologies, we help optimise energy consumption and reduce emissions at every process.

Finally, we foster a culture of innovation by continuously exploring and investing in cutting-edge technologies that have the potential to revamp energy consumption.

Emissions Management (KBL)

	SPM/TPM kg/yr	SOx kg/yr	NOx kg/yr	CO kg/yr
KOV	36,309	1,235	1,443	-
DWS	54	3	49.55	91
SHW	-	0.47	-	-
SAN	31	26	38	-
KAN	0	0	5	2
KBL	36,394.57	1,263.74	1,535.59	93.44
KBL - mt/yr	36.40	1.26	1.54	0.09

Emissions Management (Subsidiaries and Associate Companies)

	SPM/TPM kg/yr	SOx kg/yr	NOx kg/yr	CO kg/yr
KEPL	1.03	0.83	0.45	-
KCPL	605.32	0.01	-	-
KPML	1,130.63	655.81	102.20	8.07
TKSL	424.66	179.67	131.85	-

SPM - Suspended Particulate Matter
TPM - Total Particulate Matter
SOx - Sulfur Oxides
NOx - Nitrogen Oxides
CO - Carbon Monoxide

B. UTILISING ALTERNATE SOURCES OF ENERGY

Recycled Metal (KBL)

Recycle Input Metal (MT)	2,292
Total Input Metal (MT)	22,246
% of Recycle Metal used	10.30

Recycled Metal (Subsidiaries and Associate Companies)

Materials	KEPL	KCPL	KPML	TKSL
Recycle Input Metal (MT)	0	NA	0	1,699.13
Total Input Metal (MT)	1,329	NA	9,898.04	3,772.64
% of Recycle Metal used	0	NA	0	45.04

C. WATER CONSUMPTION

KBL employs a robust water management strategy that revolves around the principles of conservation, reuse, and recycling. By prioritising water conservation, reuse, and recycling, the Company demonstrates its commitment to sustainable water management practices and contributes to the preservation and responsible use of this vital resource.

A strong emphasis on responsible water usage:

- Implemented rainwater collection systems across plant locations and corporate office to capture rainwater efficiently and utilise it for several purposes
- Enabled wastewater or effluent generated during operations to undergo rigorous processing and treatment within production locations and corporate office to achieve Zero Liquid Discharge

Key Process Improvements

- Replaced water-based painting booths with electrostatic booths
- Replaced underground water pipelines by overhead pipelines to prevent leakage losses
- Replaced GI pipeline with HDPE to ensure water quality, reduce tank cleaning frequency and leakage
- Replaced conventional water taps with sensor-based taps
- Usage of recycled water for gardening and domestic application

Withdrawal, Consumption and Discharge of Water

Water consumption by KBL and Subsidiaries (in m^3)

Water Consumed and Recycled (KBL)

	Water Consumed (m^3)	Water Recycled (m^3)	Share of Water Recycled (%)
Kirloskarvadi	310,841	137,359	44.19
Dewas	24,212	17,554	72.50
Sanand	6,705	4,314	64.35
Kaniyur	1,793	1,094	61.01
Corporate Office	12,855	2,557	19.89
Shirwal	414	-	-
KBL Total	**356,819**	**162,878**	**45.65**

Water Consumed and Recycled (Subsidiaries and Associate Companies)

	Water Consumed (m^3)	Water Recycled (m^3)	Share of Water Recycled (%)
KEPL	18,857	8,646	45.85
KCPL	1,177	12	1.02
KPML	32,831	8,561	26.08
TKSL	13,536	2,493	18.42

D. WASTE MANAGEMENT

We prioritise waste management by embracing the principles of a circular economy and placing a strong emphasis on recycling. We reduce the environmental impact and contribute towards a more sustainable future by actively participating in the recycling process.

Key steps towards waste management:

- Plastic usage and waste generation are minimised
- Waste consisting of recyclable plastic is responsibly handed over to designated organisations for recycling
- Corrugated boxes and paper have replaced plastic packaging
- Encouraging Suppliers to follow waste management practices

E. CONSERVING BIODIVERSITY

- KBL has a strategy centred around tree plantation to preserve and enhance biodiversity. We are actively contributing to the preservation and restoration of ecosystems and promoting a healthier and more sustainable planet
- Manufacturing Plants with maximum Green Belt coverage

Hazardous and Non-hazardous waste (KBL)

	Hazardous (MT)	Non-Hazardous (MT)
Kirloskarvadi	34.16	3,003.64
Dewas	36.37	1,459.77
Sanand	3.15	251.09
Kaniyur	-	64.11
Corporate Office	-	613.00
Shirwal	-	21.52
KBL Total	**73.67**	**5,413.13**

Hazardous and Non-hazardous waste (Subsidiaries and Associate Companies)

	Hazardous (MT)	Non-Hazardous (MT)
KEPL	26.55	255.83
KCPL	47.00	29.00
KPML	-	5,969.95
TKSL	-	4,599.62

Kirloskar Centenary Forest

At the Dewas plant, the "Kirloskar Centenary Forest" has been established using the Miyawaki afforestation concept. This not only contributed towards reducing carbon footprint, it also fostered biodiversity, enriching the environment and benefiting the society as a whole.

CONDUCTING BUSINESS WITH INTEGRITY

A HIGHLY-QUALIFIED MANAGEMENT TEAM

Sanjay Kirloskar

Chairman & Managing Director

Director since: 1985

Independence: NA

Committees:

Areas of Expertise: Strategy, Executive Management, International

Mr. Sanjay Kirloskar is Chairman and Managing Director of Kirloskar Brothers Limited. Established in 1888, the Company is one of India's oldest manufacturing companies. It is India's largest centrifugal pump manufacturer along with 5 factories in India, it has manufacturing facilities in the Netherlands, South Africa, Thailand, the United Kingdom and the United States of America.

Mr. Sanjay Kirloskar holds a Bachelor's in Science degree in Mechanical Engineering from the Illinois Institute of Technology in Chicago, USA.

He is also on the Boards of KPT Industries Limited, DCM Shriram Industries Limited, Kirloskar Ebara Pumps Limited, Kirloskar Brothers International BV, Netherlands and SPP Pumps Limited, UK. He is Chairman of the Advisory Council of the Savitribai Phule Pune University and a member of the Board of Management of Gokhale Institute of Politics and Economics.

Rama Kirloskar

Joint Managing Director – Kirloskar Brothers Limited & Managing Director – Kirloskar Ebara Pumps Limited

Director since: 2017

Independence: NA

Committees:

Areas of Expertise: Strategy, IT, Executive Management

Ms. Rama Kirloskar (DIN 07474724), is a Director on the Board of the Company, from July 28, 2017 and has been appointed as a Joint Managing Director of the Company, from August 3, 2021.

She currently serves as Joint Managing Director of Kirloskar Brothers Limited and Managing Director of Kirloskar Ebara Pumps Limited (KEPL). She has been instrumental in the turnaround of KEPL into a debt-free company. Previously, she was General Manager and Head of the Product Portfolio Management at Kirloskar Brothers Limited, where she was responsible for driving the Go-to-market strategy, product value management and restructuring for the mass production business; material grade rationalisation and streamlining for the foundry business and product rationalisation for the made-to-order business.

She holds a double major in Mathematics and Biology from Bryn Mawr College, USA. After graduation, she went on to work at Polaris Partners, a multi-stage venture capital firm that principally invests in technology, healthcare and consumer products, headquartered at Boston, MA, USA. Subsequently, she worked at the Koch Institute at Massachusetts Institute of Technology (MIT), USA. Her research led her and the team to begin working with Visterra Inc., an MIT biotechnology start-up company that currently uses its proprietary platform to design therapeutics for infectious diseases.

She is one of the authors of a publication in the journal Cell (Robinson et al., 2015, Cell 162,1–12, doi:10.1016/j.cell.2015.06.057), in the paper titled "Structure-Guided Design of an Anti-Dengue Antibody Directed to a Non-Immunodominant Epitope".

She is also on the Boards of Karad Projects and Motors Limited and Prakar Investments Private Limited. She is a member of Corporate Social Responsibility Committee and Risk Management Committee.

Alok Kirloskar

Non-Executive and Non-Independent Director – Kirloskar Brothers Limited & Managing Director – Kirloskar Brothers International B.V.

Director since: 2012

Independence: NA

Committees:

Areas of Expertise: Strategy, Executive Management, International

Mr. Alok S. Kirloskar, age 39, is a Non-Executive, Non-Independent Director on the Board of the Company. He has done his Bachelor of Science in Business Administration with concentration in Finance from Carnegie Mellon University, Pittsburgh, PA, USA. He had the honour to be on the Dean's list for his academic excellence throughout the course.

Mr. Alok Kirloskar has been associated with the Company since September 2007. He was first entrusted with responsibilities of international marketing business and he acquainted himself with the functioning of various departments / sectors. Later, he was head of the Industry sector of the Company, before he became the Director. He is on the Board of the Company since July 18, 2012.

Before joining the Company, he worked with Sonasoft Corporation (Microsoft GPC) at San Jose, California, USA, as Business Development Manager. He had also interned at Nasa Girvan Institute of Technology, Santa Clara, USA, and Toyota Motor Corporation, Torrance, USA.

Mr. Alok Kirloskar, is presently Managing Director – SPP Pumps Limited, Britain's leading pump manufacturer and a subsidiary of the Company. He is also the Managing Director of Kirloskar Brothers International B.V. (KBI B.V). KBI B.V. is the holding company for the international business of Kirloskar Brothers Limited. Mr. Alok Kirloskar is also a Director of SPP International Pty. Limited, SPP Pumps Inc, Micawber 784 (Proprietary) Limited, Braybar Pumps (Proprietary) Limited, Syncroflo Inc., SPP Pumps MENA LLC, SPP Pumps Real Estate LLC, Rodelta Pumps International B.V., Rotaserve Overhaul B.V., SPP Pumps (South Aftica Pty.) Limited, SPP Pumps (Asia) Company Limited which are subsidiaries of KBI B.V. He is also the Chairman of Kirloskar Corrocoat Pvt. Ltd., Kirloskar Pompen B.V. and Kirloskar Brothers (Thailand) Limited.

Chittaranjan Mate

Chief Financial Officer

Mr. Chittaranjan M. Mate (age 67 years) holds Bachelor's Degree in Commerce and is a Chartered Accountant. He has experience of over 42 years in Finance. Mr. Mate is a Senior Vice President (Finance) and Chief Financial Officer of the Kirloskar Brothers Limited (KBL). He is working with Kirloskar Group since September 1986. Before joining KBL in 2015, he had worked with Kirloskar Ebara Pumps Ltd., a joint venture company of KBL. He has handled various assignments in Finance as well as other departments such as Purchase, Admin, IT etc. Before joining Kirloskar Group, he had worked in audit firms and some other manufacturing companies. He is on the Board of Karad Projects and Motors Limited, The Kolhapur Steel Limited, Kirloskar Corrocoat Private Limited, Kirloskar Brothers Thailand Ltd. and SPP Pumps (Asia) Limited, subsidiaries of KBL. He is a member of the Audit Committee of The Kolhapur Steel Limited and Corporate Social Responsibility Committee of Karad Projects and Motors Limited. He is the Member of Risk Management Committee of Kirloskar Brothers Limited.

Board Committee memberships

- Audit Committee
- Stakeholder's Relationship Committee
- Nomination & Remuneration Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

CONDUCTING BUSINESS WITH INTEGRITY

BOARD OF DIRECTORS AND THEIR DIVERSITY

M. S. Unnikrishnan
Non-Executive and Independent Director

Director since: 2020

Independence: Yes

Committees:

Areas of Expertise: Strategy, Policy, Finance, Legal Framework, Executive Management, Commercial, International

Mr. M. S. Unnikrishnan (Unny) is the CEO of IITB-Monash Research Academy, a research institute dedicated to a PhD program in cutting edge technologies and management, jointly promoted by IIT Bombay and the Monash University of Australia. He has previously held the position of M.D. & CEO of Thermax Group for over 13 years and played a pivotal role in the growth, professionalisation and globalisation of the company.

He serves on the Boards of KEC International, Azure Power Limited and iCAPO Tech Private Limited. He is also a trustee of “Akshaya Patra”, the largest NGO of India that feeds 19 Lakhs/day underprivileged school children, and Jehangir Hospital, Pune.

Mr. Unnikrishnan chairs the Central Mechanical Engineering Research Institute (CMERI), Durgapur, and is a member of the Governing Councils of TERI and Army Institute of Technology.

He is also associated with the Government of India as:

- Co-Chairperson of “Srijan” program for SIDBI-TIFAC for start-up funding
- Member, Apex Council, Prime Minister’s Doctoral Research Fellowship
- Director of the Technology Innovation Hub, IIT Palakkad
- Expert committee member, SAIF Centres, Ministry of Science & Tech, GOI
- Expert committee member, SATHI program, Ministry of Science & Tech, GOI

A graduate in Mechanical Engineering from VNIT, Nagpur, he has also completed his Advanced Management Program from the Harvard Business School, Boston, USA. He continues to be a keen student of energy, environment, and management.

Shrinivas V. Dempo

Non-Executive and Independent Director

Director since: 2021

Independence: Yes

Committees:

Areas of Expertise: Strategy, Executive Management, International

Mr. Shrinivas Dempo is Chairman of the Goa-based Dempo Group of Companies, which has diversified interests in industries such as calcined petroleum coke, shipbuilding, food processing, real estate and newspaper publishing. He has been Chairman of the western region of the largest industry lobby in India, the Confederation of Indian Industry. In 2013, Mr. Dempo was named honorary Vice Consul of Italy in Goa, India. He was appointed Chairman (Independent Director) of Automobile Corporation of Goa Ltd., a Tata Group Company.

Mr. Dempo has a long association with football, having patronised a premier football club. He was named among the 50 most influential people in Indian sports in the 2010 Sports Illustrated Power list as President and Chairman of Dempo Sports Club.

Mr. Dempo is on the Executive Council of Goa University, besides being associated with a number of non-governmental organisations performing yeoman service to society such as the Charles Correa Foundation and also as President of the Goa Cancer Society. He continues his multi-generational engagement with Goan society, which covers institutions and programmes of higher education, cultural enrichment, environmental conservation, sporting excellence and affirmative action, under the Dempo Charities Trust and Vasantrao Dempo Education & Research Foundation. He was elected President of AIMA on September 22, 2022. He has also been elected as President of Goa Chamber of Commerce and Industry and will assume charge on July 1, 2023.

In his capacity as Chairman of the prominent petroleum coke manufacturing listed company – Goa Carbon Ltd., Mr. Dempo was honoured in the year 2014 with the Asia Pacific Outstanding Entrepreneurship Award India 2014 in recognition of his pursuit of responsible business practices by the Asia-wide organisation, Enterprise Asia, dedicated to management development and ethical business.

Mr. Dempo earned his Bachelor's and Master's degrees from the University of Mumbai in 1990 and 1992 respectively. He later took a Master of Science degree in Industrial Administration & Finance from Carnegie Mellon University, Pittsburgh, Pennsylvania, USA in 1995 and in 2019 he was elected as a member on their Board of Trustees. In 2020 he received the Tepper Achievement Award, in recognition of his influential roles as Chairman and Managing Director of the Dempo Group and in professional associations and civic organisations in India.

Currently he is on the Board of Dempo Sports Club Private Limited, Dempo Shipbuilding And Engineering Private Limited, V. S. Dempo Holdings Private Limited, Automobile Corporation of Goa Limited, V.S. Dempo Mining Corporation Private Limited, Hindustan Foods Limited, Dempo Industries Private Limited, Goa Carbon Limited, West Coast Hotels Private Limited, Marmagoa Shipping And Stevedoring Company Private Limited, Motown Trading Pvt. Ltd., Dempo Global Corporation Pte. Ltd. and Motown Global Corporation Pte. Ltd. and is also acting as a designated partner in Esmeralda International Exports Limited LLP, Devashri Nirman LLP, Challengers Table Tennis Club LLP and Dempo Biz Nest LLP and as individual partner in Argent Trading LLP.

CONDUCTING BUSINESS WITH INTEGRITY

Shobinder Duggal
Non-Executive and Independent Director

Director since: 2021

Independence: Yes

Committees:

Areas of Expertise: Strategy, Finance, Executive Management, Commercial, International

Shobinder Duggal is an Independent Director of our Company. He holds a bachelor's degree in Economics (Hons.) from St. Stephens College, Delhi University and is a member of Institute of Chartered Accountants of India. He has completed the International General Management program for executive development from the International Institute for Management Development, Lausanne, Switzerland. He has several years of financial experience and in the past has held positions at Nestle as well as Voltas India Limited. While he was the Chief Financial Officer at Nestle India Limited, he was presented with the Best MNC CFO award at the Best CFO Awards 2012 by Business Today and Business India. He has also been recognised as one of India's Best Finance and Tech Leaders in the Yes Bank - Business World Best CFO Awards in 2018. Earlier, he served as a member on the boards of Nestle India Limited and Nestle Lanka PLC and is presently on the boards of SBI Life Insurance Company Limited and P I Industries Limited.

Ramni Nirula
Non-Executive and Independent Director

Director since: 2021

Independence: Yes

Committees:

Areas of Expertise: Finance, Executive Management, Commercial

Ms. Ramni Nirula retired as Senior General Manager of ICICI Bank Limited. She has more than 4 decades of experience in the financial services sector, beginning her career with the erstwhile ICICI Limited in the project appraisal division. Since then, she has held various leadership positions in areas of Project Financing, Strategy, Planning & Resources and Corporate Banking. She was part of the top management team instrumental in transforming ICICI Bank from a term lending institution into a technology led diversified financial services group with a strong presence in India's retail financial services market. She was also part of the top-level task force, which successfully planned and implemented ICICI Bank's entry in the Rural Banking, Microfinance & Agriculture Business group, identified by the Bank as a key thrust area. Ms. Nirula also held key position as Managing Director & CEO of ICICI Securities Limited, the Investment Banking arm of ICICI Bank Limited. She also headed the Corporate Banking Group for ICICI Bank. In addition, she was also responsible for setting up the Government Banking / Corporate Agri Group based out of New Delhi within the bank.

Ms. Nirula helped to set up / take forward I-Banks' CSR initiative through the ICICI Foundation set up with a focus on delivery of primary health, primary education and access to finance.

Ms. Nirula has been a member of the Board of many ICICI group and associate companies i.e. ICICI Securities Limited, ICICI Direct and 3i Infotech. Additionally, she has been a member of Board of leading companies in India.

Ms. Nirula has also been on the Board of non-corporates like a leading residential school for girls, a Micro Finance Institution in India and Advisory Council Member of ICICI Knowledge Park Trust. In addition to the Corporate Boards, Ms. Nirula was on the India Advisory Board of a Boston based global PE fund for advising on investment opportunities in India and supporting investee companies in their biz growth.

Ms. Nirula holds a Bachelor's Degree in Economic and a Master's degree in Business Administration from Delhi University.

Currently, Ms. Nirula is on the Boards of DCM Shriram Limited, HEG Limited and Usha Martin Limited.

Amitava Mukherjee

Non-Executive and Independent Director

Director since: 2021

Independence: Yes

Committees:

Areas of Expertise: Strategy, Finance, Executive Management, Commercial, International

Mr. Amitava Mukherjee has over 20 years of experience in Investment Banking and has served as a Managing Director and Board member at Lazard India and Ambit Corporate Finance. In addition to his present position and other commitments, he provides mentorship to organisations in the social sector.

Presently, he is serving on the Boards of Godrej Properties Limited, Dystar Global Holdings Singapore, Dystar India Private Limited, Texanlab Laboratories Private Limited, Dasra, and on other Godrej and Dystar Group companies.

He has a master's degree in Management from the Asian Institute of Management, Manila and a degree in Business Economics from the Delhi School of Economics, New Delhi.

Vivek Pendharkar

Non-Executive and Independent Director

Director since: 2021

Independence: Yes

Committees:

Areas of Expertise: Strategy, IT, Executive Management, International

Mr. Vivek Pendharkar is a Technology Executive based in Silicon Valley for 30+ years with experience spanning Fortune 500 companies as well as Early-Stage Venture backed start-ups and CEO positions for the past 15 years, delivering complete life-cycle from Series-A financings, building teams, establishing Product-Market fit, revenue ramp and successful M&A/exits.

He has worked in successive breakthrough technologies emerging out of Silicon Valley starting with Microprocessors, Systems, Software, Internet, Video, Wireless, Cloud and Data technologies. He has extensive international experience with customers, partners and teams across Europe, Asia-Pacific/Japan, and Americas. Currently, he is on the Advisory Board & Mentoring for technology companies/ Founders in Enterprise Software, Security and Digital Health markets.

He has done SEP, Business Administration from Stanford University Graduate School of Business, MSEE, Computer Engineering from Virginia Tech.
BS Electrical Engineering from Birla Institute of Technology and Science Pilani.

CONDUCTING BUSINESS WITH INTEGRITY

Rekha Sethi
Non-Executive and Independent Director

Director since: 2021

Independence: Yes

Committees:

Areas of Expertise: Strategy, Executive Management, International

Ms. Rekha Sethi is the Director General of the All India Management Association (AIMA), the apex body for management in India.

Ms. Sethi took charge of AIMA in June 2008. She has since established AIMA as the preferred platform for discussion and debate on management and has deepened AIMA's relationship with the Government of India and India Inc. AIMA now attracts India's top industry leaders and policy makers on its platform.

Ms. Sethi is on the Boards of some leading Indian companies as an Independent Director including CESC, one of India's foremost Power generation and distribution companies and the flagship company in the RP-Sanjiv Goenka Group. She is also on the Board of Samvardhana Motherson International Ltd. – a diversified global manufacturing specialist and one of the world's largest and fastest growing automotive supplier for OEMs, with 340 plants across 42 countries. She is on the Board of Spencer's Retail Ltd. – one of India's leading retailers and also on the Board of Hero Steels Limited manufacturing Steel products.

She has earlier served on the Board of Sun Pharmaceutical Industries Ltd, world's fourth largest specialty generic pharmaceutical company and India's top pharmaceutical company and on the Boards of Sun Pharma Laboratories Ltd and Sun Pharma Distributors Ltd.

She represents AIMA on the Governing Council of the National Productivity Council, an autonomous organisation of the Department for Promotion of Industry and Internal Trade.

Prior to joining AIMA, Ms. Sethi worked with India's premier industry organisation, the Confederation of Indian Industry (CII) for over 17 years. There she led the initiative to create high-profile international events to promote India's economic interests. She started her career with the Center for Development of Telematics (C-DoT). Ms. Sethi is an alumnus of St. Stephens College, Delhi University.

BOARD OF DIRECTORS AND THEIR DIVERSITY

Audit Committee
Mr. Shobinder Duggal, Chairman
Mr. M. S. Unnikrishnan, Member
Ms. Ramni Nirula, Member
Mr. Amitava Mukherjee, Member

Nomination and Remuneration Committee
Mr. Shrinivas Dempo, Chairman
Mr. M. S. Unnikrishnan, Member
Ms. Rekha Sethi, Member
Mr. Sanjay Kirloskar, Member
Mr. Amitava Mukherjee, Member

Corporate Social Responsibility Committee
Mr. Vivek Pendharkar, Chairman
Mr. Sanjay Kirloskar, Member
Ms. Rama Kirloskar, Member
Ms. Rekha Sethi, Member

Stakeholders Relationship Committee
Mr. Shrinivas Dempo, Chairman
Mr. Alok Kirloskar, Member
Mr. Sanjay Kirloskar, Member
Mr. Amitava Mukherjee, Member

Risk Management Committee
Mr. M. S. Unnikrishnan, Chairman
Mr. C. M. Mate, Member
Ms. Rama Kirloskar, Member

DOMESTIC SUBSIDIARY AND ASSOCIATE COMPANIES: BOARD OF DIRECTORS

Karad Projects and Motors Limited

Board

Mr. K. Taranath – Chairman
Mr. Ravindra Samant – Managing Director
Mr. Chittaranjan Mate
Ms. Rama Kirloskar
Ms. Manjiri Jawadekar

Corporate Social Responsibility Committee

Mr. K. Taranath – Chairman
Mr. Ravindra Samant
Mr. Chittaranjan Mate

The Kolhapur Steel Limited

Board

Mr. Chittaranjan Mate – Chairman
Mr. Ravindra Samant – Managing Director
Mr. Ravi Sinha
Mr. K. Taranath – Independent Director
Mr. Achyut Dhadphale – Independent Director
Mr. Suresh B. Deshpande – Independent Director
Mr. Rudrappa Mahajan – Independent Director

Audit Committee

Mr. K. Taranath – Chairman
Mr. Chittaranjan Mate
Mr. Achyut Dhadphale
Mr. Suresh B. Deshpande

Nomination & Remuneration Committee

Mr. Achyut Dhadphale – Chairman
Mr. Ravi Sinha
Mr. K. Taranath

Kirloskar Corrocoat Private Limited

Board

Mr. Alok S. Kirloskar – Chairman
Mr. Clive Harper
Mr. Chittaranjan Mate
Mr. Graham Greenwood-Sole-Alternate
Director to Mr. Clive Harper

Kirloskar Ebara Pumps Limited

Board of Directors

Mr. Sanjay Kirloskar – Chairman
Ms. Rama Kirloskar – Managing Director
Mr. Achyut Dhadphale – Independent Director
Mr. Akshay Dhar – Independent Director
Mr. Ajay Deshpande – Independent Director

Audit Committee

Mr. Sanjay Kirloskar – Chairman
Mr. Achyut Dhadphale
Mr. Akshay Dhar
Mr. Ajay Deshpande

Corporate Social Responsibility Committee

Mr. Achyut Dhadphale – Chairman
Ms. Rama Kirloskar
Mr. Akshay Dhar

Nomination & Remuneration Committee

Mr. Sanjay Kirloskar – Chairman
Mr. Achyut Dhadphale
Mr. Akshay Dhar
Mr. Ajay Deshpande

Share Transfer Committee

Mr. Sanjay Kirloskar – Chairman
Mr. Akshay Dhar
Mr. Ajay Deshpande

Finance & Investment Committee

Mr. Sanjay Kirloskar – Chairman
Ms. Rama Kirloskar
Mr. Achyut Dhadphale

KEY POLICIES

- Risk Management Governance
- Occupation Healthy Policy
- Whistle Blower Policy
- POSH
- GDPR compliant
- Human Rights
- Anti-corruption Policies and Procedures
- Conflict Mineral Policy
- CSR Policy
- Dividend Distribution Policy
- Group Purchase Policy
- Integrated Management System Policy
- EHS Policy
- Global IT Policy
- Sustainability Policy
- People Purchase
- Remuneration
- Supplier Debit Policy for SPB
- Supplier Delisting Policy

CONDUCTING BUSINESS WITH INTEGRITY

SHAREHOLDER GRIEVANCE

The mechanism of grievance redressal is as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The grievances of the shareholders are being monitored regularly and being resolved with the help of the Registrar & Share Transfer Agent of the Company. These grievances also being reported along with their status to the Stakeholders' Relationship Committee / Board on a regular basis. Besides this, investors' complaints registered on the SCORES portal are also tracked and resolved. On a quarterly basis, the status on investors' grievances is reported to the Stock Exchanges. Since these investor grievances are being handled as per the statutory requirements, there is no grievance redressal policy in place.

CORPORATE GOVERNANCE STRUCTURE

- **Structure of Corporate Governance**

  The economic topics are primarily delegated to business sector heads, manufacturing plant heads and heads of corporate functions. They have a direct relation with the economic activities of the business operations of the Company. Responsibility of environmental topics related to energy, use of natural resources, managing waste and certain social aspects related to people safety, people development and community initiatives is delegated to the manufacturing plant heads. Policies related to social topics are delegated to the head of Corporate Human Resource Management function.

- **Role of highest governance body in setting Purpose, Values and Strategy**

  The highest governance body sets the tone for the organisation and has a key role in defining its purpose, values, and strategy. Senior leadership team has developed the Purpose, Mission, Vision, and Values of the organisation, and these are communicated across all levels of the employees through various channels of communication. Every new entrant in the Company is also made aware of this during the induction programme. During the establishment of Annual Operating Plan and Long-Range Plan of respective sectors and functions, environmental analysis and strategy formulation are done, and internal capability is checked. It is ensured that the identified objectives are aligned with the Company's overall Vision.

- **Collective knowledge of highest governance body**

  Highest governing body quarterly reviews the economic, environmental, and social performance of the Company. They are actively involved in the review of the annual business plan prepared every year, which includes the environment scan and covers various economic, environmental, and social aspects.

- **To determine executive-level responsibility for economic, environmental and social topics**

  The Company has appointed an executive level position responsible for economic, environmental and social topics directly reporting to Chairman and Managing Director (CMD) and being a part of the highest governing body.

- **Distribution of rights and responsibilities between different members and setting decision-making rules and procedures**

  Distribution of rights and responsibilities amongst different members is guided by the applicable laws and regulations, the Memorandum and Articles of Association of the Company and its philosophy on corporate governance.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Sanjay C. Kirloskar
Chairman and Managing Director

Pratap B. Shirke
(Up to March 15, 2023)

Alok S. Kirloskar

Rakesh Mohan
(Up to July 27, 2022)

Rama S. Kirloskar

M. S. Unnikrishnan

Shrinivas V. Dempo

Shobinder Duggal

Ramni Nirula

Vivek Pendharkar

Amitava Mukherjee

Rekha Sethi

CHIEF FINANCIAL OFFICER

Chittaranjan M. Mate

COMPANY SECRETARY

Devang Trivedi

STATUTORY AUDITOR

M/s. Sharp & Tannan Associates
Chartered Accountants, Pune

BANKERS

Bank of India
Canara Bank
HDFC Bank Limited
Citibank N.A.
EXIM Bank
ICICI Bank Limited
Axis Bank Limited
HSBC Bank Limited

REGISTERED & CORPORATE OFFICE

“Yamuna”, Survey No. 98 (3-7), Plot No. 3,
Baner, Pune – 411 045, Maharashtra (India)
Phone (020) 67214444 Fax: (020) 67211136

Email: grievance.redressal@kbl.co.in
Website: www.kirloskarpumps.com

WORKS

Kirloskarvadi, Dewas, Shirwal, Kondhapuri,
Coimbatore (Kaniyur), Ahmedabad (Sanand)

INFORMATION FOR SHAREHOLDERS

Annual General Meeting :

Day & Date	:	Tuesday, August 01, 2023
Time	:	02:00 p.m.
Venue	:	Video Conferencing / Other Audio Visual Means (“VC/OAVM”)
Deemed Venue (Registered Office)	:	“YAMUNA”, Survey No. 98 (3-7), Plot No. 3, Baner, Pune – 411 045, Maharashtra (India)

Ernst & Young Associates LLP
5th Floor, Block B-2
Nirlon Knowledge Park
Off. Western Express Highway
Goregaon (E), Mumbai - 400063, India

Tel: +91 22 6192 0000
Fax: +91 22 6192 3000
ey.com

Independent Assurance Statement

To,
The Management and Board of Directors
Kirloskar Brothers Limited,
Pune 411045 India

Scope

We have been engaged by Kirloskar Brothers Limited to perform a Limited Assurance, as defined by International Standards on Assurance Engagements (ISAE 3000), hereafter referred to as the engagement, for Kirloskar Brothers Limited's Integrated Annual Report FY 23, prepared as per The International Integrated Reporting Council (IIRC framework) and GRI Standard (the "Subject Matter") for the period from 1st April 2022 to 31st March 2023.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Kirloskar Brothers Limited

In preparing the integrated report, Kirloskar Brothers Limited applied, The International Integrated Reporting Council (IIRC framework), and Global Reporting Initiative (GRI) Standards. The GRI Standards criteria were specifically designed for Integrated Report FY 23; As a result, the subject matter information may not be suitable for another purpose.

Kirloskar Brothers Limited's Responsibilities

Kirloskar Brothers Limited's management is responsible for selecting the Criteria, and for presenting the Integrated Report FY23 in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's Responsibilities

Our responsibility is to express an opinion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'). The terms of reference for this engagement as agreed with Kirloskar Brothers Limited on 22nd November 2022. Those standards require that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

EY
Building a better working world

Our Independence and Quality Control
We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements,* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Description of procedures performed.
Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for preparing the integrated report and related information and applying analytical and other appropriate procedures

Our procedures included:

- Conducted interviews with select personnel at various units and corporate teams to understand the process for collecting, collating, and reporting the subject matter as per Global Reporting Initiative (GRI) standards;
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria;
- Undertook analytical review procedures to support the reasonableness of the data through consultations with the site team and sustainability team;
- Review of relevant data, on a selective test basis, for the following units/ locations, through consultations at the Company's Corporate Office & Global Headquarter, Pune:
    - The Company's manufacturing unit at Dewas, Kaniyur, Kirloskarvadi, Sanand, Shirwal
    - The Company's Subsidiaries:
        - Kirloskar Ebara Pumps Limited (KEPL)
        - Kirloskar Corrocoat Pvt Limited (KCPL)
        - Karad Projects and Motors Limited (KPML)
        - The Kolhapur Steel Limited
- Review of data on a sample basis, at the above-mentioned locations, pertaining to the following disclosures of the GRI Standards:
    - Environmental Topics: Materials (301-1); Energy (302-1,302-3); Water and Effluents (303-3,303-4,303- 5); GHG Emissions (305-1,305-2,305-4,305-7) ; Waste (306-5);
    - Social Topics: General Disclosures (2-7), Employment (401-1, 401-3), Labour and Management Relationship (402-1), Occupational Health and Safety (403-9, 403-10), Training and Education (404-1 to 404-3), Diversity & Equal Opportunity (405-2) and Local Communities (413-1, 413-2);

- Execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in the collection, transcription, and aggregation processes followed.
- Review of the Company's plans, policies, and practices, pertaining to their social, environmental, and sustainable development, to be able to make comments on the fairness of sustainability reporting;
- Review of the Company's approach towards materiality assessment disclosed in the Integrated Report to identify relevant issues;
- Review of select qualitative statements in ESG sections of the Integrated Report FY 23.

We also performed such other procedures as we considered necessary in the circumstances

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2022 to 31st March 2023)
- Data and information on the economic and financial performance of the Company
- Data, statements, and claims already available in the public domain through Annual Report, Sustainability Report, or other sources available in the public domain
- The Company's statements that describe the expression of opinion, belief, inference, aspiration, expectation, aim, or future intention provided by the Company
- The Company’s compliance with regulations, acts, and guidelines with respect to various regulatory agencies and other legal matters

Our Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to Integrated Report FY’2022-23 for the period from 01st April 2022 to 31st March 2023, in order for it to be in accordance with the The International Integrated Reporting Council (IIRC framework), and Global Reporting Initiative (GRI) Standards Criteria.

Restricted use: This report is intended solely for the information and use of Kirloskar Brothers Limited and is not intended to be and should not be used by anyone other than Kirloskar Brothers Limited.

For and on behalf of Ernst & Young Associates LLP

Chaitanya Kalia
June 30, 2023
Mumbai, India

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC REVIEW

Global Economy

The global economy is facing headwinds namely, ongoing geopolitical tensions, supply chain bottlenecks and persistent inflationary pressure; events that bear the risk of derailing post-pandemic recovery. This economic situation has hampered industrial recovery, and raised the burden of uncertainty on investment. The rise in the federal funds rate, in particular, sparked the most aggressive tightening of the monetary policy in decades.

Global GDP growth is estimated at 3.4% in CY 2022, 2.9% in CY 2023 and 3.1% in CY 2024. Advanced economies that demonstrated growth of 2.7% in CY 2022 are expected to witness 1.2% growth in CY 2023 and 1.4% in CY 2024. Emerging market and developing economies which grew 3.9% in CY 2022 are expected to grow at 4% in CY 2023 and 4.2% in CY 2024. Most countries are expected to experience lower headline (consumer price index) inflation in CY 2023 than in CY 2022. Global inflation is set to fall from 8.8% in CY 2022 to 6.6% in CY 2023 and 4.3% in CY 2024.

Indian Economy

Driven by strong domestic demand and fixed investment growth resilient to global headwinds, the Indian economy is anticipated to grow at 7% in FY 2022-23, according to the Finance Ministry. The FY 2022-23 witnessed high services exports, moderation in oil prices and a fall in import-intensive consumption demand. These events support the expectation of a fall in the current account deficit in FY 2022-23 and FY 2023-24 further aided by robust revenue collections.

The easing of global inflationary pressure led by a decline in international commodity prices supported by robust government measures are expected to aid economic growth in India. According to the first advanced estimates by National Statistics Office (NSO), in FY 2022-23, GDP growth rate is projected at 7%, lower than the 8.7% witnessed in FY 2021-22 wherein pent-up demand led to a boost in growth.

In FY 2023-24, the Indian economy is expected to become the fastest growing economy in the world. Indian GDP growth is estimated at 6.9% in FY 2022-23 and 6.6% in FY 2023-24 by the World Bank.

India's inflation trajectory is expected to be significantly impacted by extreme weather conditions like heat waves and the potential for an El Niño year, volatility in international commodity prices and the possibility of a pass-through of input costs to output prices.

(Source: NSO, World Bank, PIB)

INDUSTRY OVERVIEW & DEVELOPMENTS

Global Market for Pumps

Globally, pump consumption increased by 13% in 2022 to USD 64.4 Billion led by robust growth in Europe, Saudi Arabia, India and North America. However, this growth being price-driven does not reflect a rebound in economic activity. Product shortages and increased input prices, particularly higher cost of energy, is hampering growth in most industrial end-use markets. The manufacturing and automobile sectors are facing headwinds caused by supply chain issues, which has dampened demand across a range of pump end-use markets such as chemicals, rubbers and metals. Labour shortages and inflationary pressures have constrained demand from the construction sector. The net zero target is weighing on investment in oil and gas sector.

Regionally, European demand is expected to expand by 17.7% in 2022. This largely reflects the price effect rather than robust manufacturing activity, which is likely to be the hardest hit by supply chain issues. Demand in Russia and Ukraine will be severely curtailed owing to the war and sanctions. Demand in Asia is estimated to expand by 6.1% with China growing at 4.4%. North American demand is expected to grow by 13.5% with the US market set to expand by 11.9%.

The outlook for aggregate output of pump consuming industries is set to grow by 1.1% in 2023 and by 2.9% in 2024. In 2023, the annual pump demand is predicted to grow by 0.5% mostly driven downward by a correction in producer prices and slowdown in volume activity. Consumption is, however, expected to accelerate in the medium term. Centrifugal pumps account for 65% of the total market, while positive displacement pumps make up the remaining 35%. Although global risks are progressively declining, industrial outcome will strengthen at a slower pace. The warm European winter somewhat mitigated the impact of the geopolitical turmoil in the region. Additionally, strong labour markets in Europe and the US, the re-opening of China, and decrease in commodity prices have all contributed positively to the regional economy.

(Source: Oxford Economics - Spring 2023 Overview)

Indian Pump Market

The Indian pump market ranks sixth globally and second in the APAC region. In 2021, the pumps market (excluding parts) posted a 16.6% growth to USD 2.1 Billion in 2022. This rise in growth is primarily led by rapid urbanisation, surge in industrial activity and ongoing government support to agriculture and infrastructure sectors. Agriculture, which accounts for nearly 50% of pump end-use demand, is expected to witness robust consumption growth and fuel demand in the pump market. Similarly, demand for pumps is expected to witness an 18.5% rise in construction, the second largest pump end-use market. However, inflation is a major barrier for growth in the pump sector. In the short term, the risk of monetary tightening can curb business spending on infrastructure and subsequent pump demand.

In 2023, growth of the pumps market (excluding parts) is expected to moderate at 4.8% as inflationary pressure will erode domestic purchasing power and higher interest rates can depress fixed investment spending. Both these factors will significantly weigh down industrial production growth, which is expected to slow to 1.8%, as against 4.5% in the previous year. The aggregate growth of sectors with major demand for pumps, is expected to fall to 2.1% in 2023, and the effect on pumps demand will most likely be compounded by a lower quantum of investments across the economy.

The economic weakness prevalent in 2023 is expected to be transitory and demand for pumps is anticipated to return to a growth of ~4.1% by 2024, as the worst effects of interest rate increases fade and global demand rises again. Over 2023-26, pump demand is expected to grow at 5-6% annually led by an acceleration in investment spending and weighted end-use output.

(Source: Oxford Economics - Spring 2023 Overview)

COMPANY OVERVIEW

Kirloskar Brothers Limited (KBL/the Company) is a diversified Indian multinational corporation with a focus on engineering and manufacturing a wide range of pumps, valves, hydro-turbines and systems for multiple applications.

KBL is an innovation-driven business, prudently far-sighted and prepared to effectively surmount industry challenges. The Company strives to empower its people, enhance business, strengthen infrastructure and create new opportunities for growth through complete fluidity management. The Company's capabilities span from large infrastructure projects such as water supply, power generation, irrigation, oil & gas and marine & defence to small pumps for domestic and agricultural use.

The Company manufactures over 75 types of pumps with a flow capacity of 120,000 m^3/hr. KBL is well-equipped to meet the growing demands of local and global clients. It has 14 state-of-the-art manufacturing facilities (including subsidiaries), out of which 5 are based outside India. KBL has 16,250 channel partners in India and 250 overseas. The business is supported by a best-in-class network of authorised sales and refurbishment centres across the country.

The Indian pump market ranks sixth globally and second in the APAC region. In 2021, the pumps market (excluding parts) posted a 16.6% growth to USD 2.1 Billion in 2022. This rise in growth is primarily led by rapid urbanisation, surge in industrial activity and ongoing government support to agriculture and infrastructure sectors.

All Total Quality and Productive Maintenance (TQPM) enabled manufacturing facilities are certified for Integrated Management System comprising ISO 9001:2015 (QMS), ISO 14001:2015 (EMS), ISO 45001:2018 (OH&S) and ISO 50001:2018 (EnMS) Management System Standard.

Manufacturing Units

Kirloskarvadi plant

The financial year 2022-23 has been yet another successful year for business at Kirloskarvadi, providing the right impetus to raise the bar for its annual performance, which has once again reached a new benchmark. KBL has achieved its highest sales revenue to date, including the largest despatch and a record-breaking number of over 60,000 pumps sold. Additionally, the cast iron foundry is operating at its highest-ever tonnage of 8,370 tonnes.

In view of the ongoing disruption in the supply chain, KBL is committed to ensuring timely delivery of shipments on time in full despatches from the Kirloskarvadi plant.

The Company launched its new end-suction pump (DBxe) and vertical inline pump (KW-LC), that sets new benchmarks in the pump industry with exclusive design parameters and a wide variety of expansive features. Its journey towards Total Quality and Productive Maintenance (TQPM) has been a resounding success. The establishment of cross-functional teams helped to focus on equipment upgrades led by a systematic approach to identify and eliminate losses that affected equipment effectiveness. Kirloskarvadi is committed to continuing to strive to achieve greater success in FY 2023-24 to enrich lives.

Dewas Plant

In FY 2022-23, various new pump models were introduced including GMC/KDI-EE5 Monobloc, KVM 10 & 15m^3/hr with IE2-motor, KDI-EE4 Monobloc & Eterna CW+ Pumps. Different cost-saving and continual improvement projects were undertaken and completed.

Kaniyur Plant

In FY 2022-23, various new pump models were launched at the Company's Kaniyur plant including Pamba Puzha, Jalnayak, Jalsena and Jalhansa.

The plant has won awards under different categories such as:

- Quality case study in NCQC held at Aurangabad conducted by QCFI
- Silver award for best productivity improvement project by Coimbatore Productivity Council

Sanand Plant

The plant has developed and launched 118 units, including KS4 UVA Series and KS3 PURNA. Of these, 103 models are BIS certified while 93 are BEE certified. The plant has supplied more than 1,300 pump sets under the Jal Jeevan Mission (JJM) scheme of Government of India.

The Sanand plant won awards under different categories including:

- Winner in Excellence in Sustainability 2022 in the large category, at the Manufacturing Today Conference and Awards 2022
- Runner Up in Excellence in Product Innovation & Design 2022 in the large category, at the Manufacturing Today Conference and Awards 2022
- Awarded 3 Gold and 1 Silver medal by the Quality Circle Forum of India, Vadodara Chapter, for Quality Circle competition, SMED case study, TQPM Implementation and KAIZEN case study competition respectively
- Received 'Abhilekhan' award for maintaining the best QC record book in the Quality Circle competition by Quality Circle Forum of India, Vadodara Chapter

OPERATIONAL REVIEW

Water

In FY 2022-23, the water resources management department received substantial orders from large OEMs and contractors in Uttar Pradesh, Rajasthan, and Uttarakhand. Furthermore, it secured a significant number of orders for the multi-stage pumps, split-case pumps and large VT pumps.

The Company sold 79 units of value-added products including lowest life-cycle cost (LLC™) series pumps, Autoprime pumps, cloud-based remote monitoring and predictive maintenance systems (KirloSmart™) and promoting Pump as Turbine (PAT) concept in Maharashtra, Gujarat, Tamil Nadu and North-Eastern states, which resulted in improved revenues. The Company also bagged its largest-ever order, for nine large VT pumps with 43.5 metre suspension length for Hyderabad Metropolitan Water Supply and Sewerage Board (HMWSSB), Sunkishala project, which reflects KBL's strong engineering expertise.

With the addition of KirloSmart™, an Internet of Things (IoT) solution incorporated into various tender specifications, the Company anticipates that IoT-based applications will become a mandatory requirement in the future for the execution of project orders.

With the widespread implementation of Jal Jeevan Mission (JJM) and AMRUT 2.0 projects by state governments to improve water distribution in rural India, there is a huge potential for growth in the water sector. The solar business is experiencing growth in the institutional segment and the open market. The Company's efforts in both the water and solar segments have resulted in significant orders from large OEMs and mid-sized contractors.

Irrigation

In FY 2022-23, the Company successfully completed the production of 132 vertical turbine (VT) pumps (Small VT, Medium VT, Large VT), specially designed to pump water from deep reservoirs. The Company successfully executed major irrigation projects in Uttar Pradesh, Madhya Pradesh, Gujarat and Odisha, which involved the despatch of large and medium-range VT pumps.

In the medium term, there are opportunities emerging in the large metallic volute pump (MVP) business as the government's river linkage programme – a large-scale civil engineering project to manage water resources – has finally gotten off the drawing board and actively taking shape in various states.

Valves

In FY 2022-23, the valves sector witnessed robust growth with an increase in fresh order intake. Strong government focus on clean drinking water and sanitation projects has created ample opportunities in this sector. Additionally, this segment received repeated orders for large-sized valves in major irrigation projects. The successful execution of export orders in the Middle-East improved client confidence and is expected to generate additional business.

Building and Construction

This segment posted a robust 25% growth in FY 2022-23. The Company commissioned FM/UL fire pumps at GMR Goa International Airport Limited and Sabarmati High-Speed Rail depot, Ahmedabad. KBL participated in the Plumbex exhibition (Delhi), Indian Plumbing Conference (Pune), Acrex exhibition (Mumbai), Lucknow Architects' Festival and Central PWD Engineers Association platinum jubilee event. During the

The Company sold 79 units of value-added products including lowest life-cycle cost (LLC™) series pumps, Autoprime pumps, cloud-based remote monitoring and predictive maintenance systems (KirloSmart™) and promoting Pump as Turbine (PAT) concept in Maharashtra, Gujarat, Tamil Nadu and North-Eastern states, which resulted in improved revenues.

year, the Company organised more than 125 seminars across India to promote value-added and new products.

Industry

In FY 2022-23, the industry business witnessed significant sales growth, driven by steel, chemical, sugar and zero liquid discharge segments. The addition of new clients led to increased business, in terms of both value and volumes. The industry business scaled new heights with breakthrough orders of various packages in the steel & chemicals segment. Replacement business opportunities witnessed 12-15% improvement. Additionally, the business also improved in terms of booking of value-added products within various customer segments.

The market outlook for the steel & chemical segment has improved, which bodes well for future business growth.

The Authorised Pumpset Original Equipment Manufacturer (APOEM) concept was successfully established in almost all zones, which helped to increase the footprint and meet clients' urgent delivery requirements.

Focus on replacing old pumps with energy-efficient products yielded good revenues. The Company bagged ~13% orders as compared with the overall bookings in the domestic segment.

Oil and Gas

Under its oil & gas division, the Company offers non-API pumps for upstream, midstream and downstream applications, such as crude oil transfer, refinery processes and fertilisers. In FY 2022-23, the segment clocked robust 29% growth in sales, driven by robust demand from the oil & gas sector, among others. The Company's strong focus on innovation, quality and customer satisfaction has enabled it to establish a stronghold in both domestic and international markets.

KBL is well-positioned to capitalise on growing global demand. In FY 2023-24, the Company expects to witness some roadblocks like the 'on-hold' status of major projects. Substantial investments expected to materialise across other O&G segments would cater to KBL's business interests, like the BINA petrochemical unit, Petronet LNG, Petrochemical Complex in Vadinar, and Jagatsinghpur fertiliser plant expansion project. The Company has a strong pipeline of orders and projects in the oil & gas sector.

Marine and Defence

KBL remains committed to participating in the Ministry of Defence's indigenisation programmes under the Make in India initiative.

Power

The power sector effectively delivered on its commitments for order bookings and sales in FY 2022-23, whereby the Company secured significant contracts in the thermal, hydel and nuclear sectors.

KBL achieved a key milestone in the nuclear sector through its indigenous design, manufacture and supply of the boiler feedwater pump for the Rajasthan Atomic Power Station (RAPP) nuclear power plant.

Small Pump Business

The FY 2022-23 witnessed the strategic remodelling of the small pump business in view of the evolving market environment and past learnings. The growing acceptance of 'energy saving products' in the market led to increased demand for KBL's energy efficient pumps.

Regained economic momentum in FY 2022-23, served to ease the impact of the pandemic witnessed over the previous two years. The need for small pumps increased, thus leading to continued growth of the pumps business.

Strategic promotional activities coupled with new product launches enabled the Company to tap into larger markets. The deployment of digital processes assisted paperless and efficient business operations. Customer engagement and value-based selling also enabled the Company to retain and add a significantly higher number of new key accounts in the industrial segment. These initiatives shall continue to complement the aggressive business plans for the future.

PRODUCTS LAUNCHED IN FY 2022-23


Jalsena-I
(Gold)
Jalsena-II
(Gold)
Aqua
Knight
Jalhansa I
(Silver)
Jalhansa II
(Silver)

CUSTOMER SERVICE SUPPORT (CSS)

The CSS – Engineered Service Division (ESD) achieved significant growth during FY 2022-23, with an 11% increase in order booking and a 24% gain in revenue from sales. This marks the highest order booking and sales since the division's inception.

During this period, the ESD service engineers successfully completed the overhaul of seven units of large vertical turbine (VT) pumps at Gardabani TPP, Georgia within a remarkably short period of 22 days. This accomplishment reflects the dedication and exceptional service capabilities of the experienced KBL service team. Through continual efforts and persuasion, KBL also managed to convert several customers – previously working with unreliable service providers – into satisfied KBL customers.

In addition to these achievements, the CSS (Small and Medium Pump Division – SMPD) experienced remarkable growth, with a 17% gain in order intake and a 26% increase in sales. The SMPD service revenue also witnessed a substantial growth of 70%.

To ensure exceptional service support, KBL maintains a dedicated and extensive service network that consists of over 82 authorised service and spare dealers and more than 79 authorised service centres for CSS-SMPD and 650 service centres of SPB-CSS throughout the country. This network is well-prepared to handle any service demand for all types of pumps. KBL's unwavering commitment is to exceed customer expectations and deliver customer delight through constant improvements. The Company achieves this through maintaining frequent interaction with customers, understanding their concerns, and providing prompt, need-based service support.

International Business

The Company's international businesses continued to deliver a strong performance in 2022, better than 2021, despite the challenges posed by escalating inflationary pressures and global supply chain issues. KBL's wholly-owned international subsidiary, KBI BV, recorded an improvement in profitability in 2022, mainly attributable to the combined result of higher sales and the application of stringent fiscal policies. During 2022, the key goals were to improve cash flow and achieve a reduction in the debt burden across all subsidiaries and at the Group level. Consequently, targeted efforts to improve receivables collection and tighter management of fixed overheads, resulted in sustained improvement in the Group's cash position.

During 2022, the Company's international business witnessed a record-high surge in order intake. As a result, in 2023, the Company is experiencing its largest accumulated backlog in history, amounting to GBP 97 Million which is significantly higher as compared with GBP 68 Million in CY 2021.

The growth in the SPP pumps business can be attributed to the strategic focus on activities of the Engineering Services Division (ESD) and the strong performance of the industrial fire division. The ESD's strategy to leverage synergies within the aftermarket and energy sectors resulted in an increased order intake of GBP 19.1 Million, up 127% over

the previous year. The ESD sales increased 124% to GBP 16.9 Million. Industrial fire order intake returned a growth of 9% with increased sales to GBP 11 Million. In the USA, SPP Pumps Inc also experienced a substantial increase in order intake. A number of new products were launched in the US market even as some products became popular with the data centre and warehousing markets. This growth further bolstered the Group's performance and highlights the organisation's success in capturing opportunities in the US market.

South Africa entities (SPP Pumps Limited and Braybar Pumps Limited) experienced a major business turnaround during 2022 with order intake crossing the ZAR 100 Million mark. The order backlog position was thus strengthened by the end of December 2022 to a new high of ZAR 30 Million, up by 20%. Top line sales increased by 30% (ZAR 95.3 Million) as compared with 2021 while PBT increase was higher by 125%.

In FY 2022-23, Kirloskar Brothers Thailand Limited (KBTL) witnessed strong growth of over 37% compared with the previous year and recorded the highest sales in the Company's history that touched THB 574 Million.

KBI BV has made significant investments to upgrade its facilities and provide key skill development training for its workforce. Notable project initiatives include the implementation of the new Centre of Excellence (CoE) to support the expansion of the aftermarket business and IT solutions which optimise operations and promote continual improvement.

Overall, the Group's international businesses have overcome challenges and delivered exceptional performance, fuelled by record order intake, strategic market focus and significant investment in infrastructure and human capital.

FINANCIAL REVIEW

- The consolidated revenue from operations grew 22% by ₹ 37,302 Million in FY 2022-23 from ₹ 30,576 Million in FY 2021-22 led by robust growth in end use segments
- Gross profit grew 27.9% to ₹ 18,028 Million in FY 2022-23 from ₹ 14,097 Million in FY 2021-22
- EBITDA grew 78.8% to ₹ 4,264 Million in FY 2022-23 from ₹ 2,385 Million in FY 2021-22. EBITDA margin expanded by 363 bps to 11.4% in FY 2022-23
- Profit after tax grew 150.0% to ₹ 2,358 Million in FY 2022-23 from ₹ 943 Million in FY 2021-22. PAT margin expanded by 324 bps to 6.3% in FY 2022-23

Key Financial Ratios (Reasons where variation is more than 25%)	**Year ended March 31, 2023**	Year ended March 31, 2022	Absolute Variance (%)
Current Ratio	**1.54**	1.43	7.72%
Debt-Equity Ratio	**0.09**	0.21	56.19%
(Reduction in borrowings along with increase in net worth due to higher profits)			
Debt Service Coverage Ratio	**2.89**	0.94	206.92%
(Reduction in borrowings along with higher profits)			
Interest Coverage Ratio	**23.18**	11.96	93.91%
(Reduction in borrowings along with increase in operating profits)			
Return on Net Worth (%)	**14.00%**	9.41%	48.74%
(Higher profits due to better operational performance)			
Inventory Turnover (No. of times)	**3.43**	3.32	3.47%
Debtors Turnover (No. of times)	**6.15**	5.22	17.80%
Operating Profit Margin (%)	**9.81**	7.35	33.47%
(Higher profits due to better operational performance)			
Net Profit Margin (%)	**6.55%**	4.77%	37.45%
(Higher profits due to better operational performance)			

RISK MANAGEMENT

The Company's robust risk management framework is in compliance with the requirements under Regulation 21 of the SEBI Listing Regulations, 2015. The risk management policy enables the Company to monitor and mitigate the various risks including internal and external risks. The Company's Board of Directors have constituted a risk management committee tasked with the responsibility to continually monitor various strategic, operational and financial risks. The Committee meets at regular intervals to identify the top risks and prioritises those risks. It then formulates adequate mitigation plans to address any foreseeable risks. The Committee keeps a close watch on changes in the internal and external environment to check the emergence of any new threats.

Read more about on our Risk Management on page 32 of this report

HUMAN RESOURCES

The human capital has always been the heart of KBL. One of the Company's main goal is to help employees realise the significance of their contributions in the organisation's ability to recover and expand, while helping them to keep connected with the overarching purpose, vision, mission and values of KBL. The Company understands that support from employees during times of crisis is only possible when they feel supported and connected with the organisation.

KBL's HR strategy enabled it to maximise the potential of its human capital. It also empowered the organisation to achieve its broader business objectives. During the past few years, characterised by the Great Reshuffle occurring in the industry due to the increased demand for talent, employee retention has become a challenge, However, KBL has been well-equipped with preventive measures that enabled it to mitigate employee attrition.

Clear business projections helped the organisation to devise and execute a robust talent acquisition strategy. Advancement of the reward cycle by two months aided in talent retention despite volatility in the external environment. The dedicated technical training wing helped to design the curricula for different positions and roles that served to enhance skill building at all levels of the organisation. Key knowledge topics across the organisation were identified and suitable learning modules were developed. In FY 2022-23, the Company launched a grade-wise organisational level leadership competency model. Accordingly, leadership competencies at each level were defined to enable the achievement of organisational objectives.

A unique talent management approach was designed to identify and nurture entrepreneurial individuals capable of accepting the responsibility of demanding and challenging roles to help the organisation drive the needed change and accomplish its goals.

As part of its transformation journey over the past few years, the Company has intensified its focus on strategic human resource management and development. This is a future-oriented process to develop and implement HR programmes that address and resolve business challenges and directly contribute to the achievement of major long-term business objectives. In the light of changing market conditions and an evolving business environment, the Company's HR business strategies have been revamped to ensure the recruitment and retention of the right people, and provide ethical and cultural leadership. The organisational HR policy strives to achieve long-term strategic HR objectives while being instrumental in the organisation's strategic growth.

During the year, the Company maintained cordial and peaceful industrial relations across all its manufacturing plants.

Read more about our Human Resources initiatives on page 60 of this report.

INFORMATION TECHNOLOGY

The Company continued to stride forward on its digitalisation journey in FY 2022-23. The Company introduced various new systems that served to widen the scope and reach of digitalisation in various functions and processes. Implementation of the transport management system enabled the Company to improve logistic efficiency, and thus provide better control over transportation, optimise cost, and ensure faster product delivery to consumers.

Implementation of S/4HANA – a SAP tool to perform transactions and analyse business data in real-time – in the group company Karad Projects and Motors Limited (KPML) led to strategic benefits for KBL too. The implementation of the continuous business process improvement (CBPI) programme, helped the Company to focus on automation of business processes, and enabled the application of checks and controls in the system, improved process efficiency, reduction in cost and decrease in manual intervention.

KBL is focussed to build a state-of-the-art IT Infrastructure to be the backbone of its business systems. Cybersecurity remained a priority, and numerous measures were initiated to upgrade the digital security infrastructure. Key strategic decisions were implemented across the group, including common cybersecurity products like email security, XDR and DLP. The Company is committed to continuing its digitalisation journey through FY 2023-24 with the same zest and dedication.

Read more about our Intellectual Capital on page 54 of this report.

RESEARCH AND DEVELOPMENT

In FY 2022-23, the Company's R&D division was engaged in the introduction of various new product series to maintain KBL's technological and competitive edge in the fluid management business.

During this period, the Company launched a new series – DBxe and GKw – that introduced superior efficiency for utility applications and replaced the old DB and CE product series, which had become obsolete. Similarly, a new series of Inline pumps type KW-LC were introduced for HVAC segment. To address the needs of the firefighting market, a complete range extension of pumps in the FM/UL series was launched. The Company also developed a special 315 kW submersible pump type NS for the Russian market. KBL continued to designed, manufactured and supplied engineered products to cater orders from Irrigation, Nuclear, Hydel segments.

To lead the domestic market, KBL launched new series of 32 mm submersible KS3 pumps with 10 variants. Keeping in view the needs of the industry market, KBL developed a super-premium series with 22 variants of monoblock pumps with IE4 motors. To cater to the nation's agricultural needs, the Company developed 80 mm borewell submersible and above pumps series with 59 variants. Towards import substitution, KBL developed an indigenous submersible type pump-type CW model.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Given the diverse business operations and the wide range of products, it was imperative for the Company to set up and continually review an effective and efficient internal control mechanism. The Company thus established a detailed 'code of conduct' as a guide to deal with all its stakeholders. The Company also has in place a whistle-blower policy. Internal controls have been further fine-tuned through proper budgetary controls, clearly defined roles and responsibilities, a schedule of authorities, documented policies and guidelines to enable appropriate decisions, along with an effective review mechanism. There are in-built checks and balances to ensure that the functioning of the business is not unduly affected by controls, and appropriate business ethics are upheld. The internal control mechanism is commensurate with the size and complexity of the business and aligned with evolving business needs.

The Internal Financial Controls (IFC) established by the Company covers all the significant business processes and operation in complete compliance with the Companies Act, 2013. Various internal controls, established at the entity level and process levels, are designed to ensure regulatory compliance and appropriate recording and reporting of financial and operational information. Processes and controls laid down as per IFC are regularly updated to keep pace with the changing business environment.

Internal controls are regularly reviewed by the internal audit department. All significant and material observations are periodically reported to the Audit Committee of the Board, and necessary action is undertaken. The senior management and the Audit Committee of the Board are periodically apprised of the Company's internal processes with respect to internal controls, statutory compliances and adherence.

QUALITY ASSURANCE

The Company continued its efforts to further strengthen its in-house processes and supplier quality. Focussed action against these enablers, have resulted in a reduction in customer complaints, warranty costs and an improvement in productivity. KBL has also made headway towards modernising its performance test facilities by utilising technology and IT tools. KBL is fostering learning and sharing initiatives across its manufacturing plants through regular workshop sessions on quality, including process quality, system audit, problem-solving tools, TQPM tools, energy saving, business excellence, carbon emission, etc.

SUSTAINABILITY

As part of its sustainability initiative, the Company is assessing the implementation of manufacturing processes and products and initiating actions to reduce its carbon footprint impact. The Company has also begun to promote awareness about environment, social and governance (ESG) principles across the value chain including its workforce. The Company remains committed to embracing and implement all ESG aspects, regardless of legal obligations, and encourages the same dedication from all its value chain partners.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's projections and estimates are forward-looking statements and progressive within the meaning of applicable security laws and regulations. Actual results may vary from those expressed and incidental factors.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1.	**Corporate Identity Number (CIN) of the Listed Entity**	L29113PN1920PLC000670
2.	**Name of the Listed Entity**	Kirloskar Brothers Limited
3.	**Year of incorporation**	1920
4.	**Registered office address**	"Yamuna" Survey No. 98/(3 to 7), Plot No. 3, Baner, Pune – 411045, Maharashtra, India
5.	**Corporate office address**	"Yamuna" Survey No. 98/(3 to 7), Plot No. 3, Baner, Pune – 411045, Maharashtra, India
6.	**E-mail**	marketing@kbl.co.in
7.	**Telephone**	+91 (20) 6721 4444
8.	**Website**	www.kirloskarpumps.com
9.	**Financial year for which reporting is being done**	FY 2022-23
10.	**Name of the Stock Exchange(s) where shares are listed**	BSE Limited and National Stock Exchange of India Limited
11.	**Paid-up Capital**	₹ 158.818 mn
12.	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	Mr. Manish Patel - Associate Vice President & Head Corporate Quality Assurance manish.patel@kbl.co.in +91 (20) 6721 4444
13	**Reporting boundary**	Standalone basis (the reporting boundary for BRSR is limited to Kirloskar Brothers Limited's Performance)

II. PRODUCTS/SERVICES

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Manufacture of fluid power equipment	92.6

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacture of fluid power equipment Manufacturing of hydraulic and pneumatic components (including hydraulic pumps, hydraulic motors, hydraulic and pneumatic cylinders, hydraulic and pneumatic valves, hydraulic and pneumatic hose and fittings), air preparation equipment for use in pneumatic systems, fluid power systems, hydraulic transmission equipment	2812	92.6

III. OPERATIONS

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

Location	Number of plants	Number of offices	Total
National	5	9	14
International	0	0	0

17. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	28 States and 8 Union Territories
International (No. of Countries)	120+ Countries

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

During FY 2022-23, the turnover from exports contributed to 7% of total turnover of the Company.

C. A brief on types of customers

We manufacture pumps, valves, hydro-turbines, and other fluid power equipment serving diverse customers in sectors like Building and Construction, Marine, Defence, Nuclear, Water, Irrigation, Power, Oil & Gas, and Retail sectors, both directly as well as through distributors, driving our business objective of leading innovative and sustainable solutions for fluid management.

IV. EMPLOYEES

18. Details as of the end of the Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	1,434	1,322	92	112	8
2.	Other than Permanent (E)	78	68	87	10	13
3.	Total employees (D + E)	1,512	1,390	92	122	8
WORKERS						
4.	Permanent (F)	1,140	1,078	95	62	5
5.	Other than Permanent (G)	108	78	72	30	28
6.	Total workers (F + G)	1,248	1,156	93	92	7

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	2	2	100	-	-
2.	Other than Permanent (E)	0	0	-	-	-
3.	**Total employees (D + E)**	2	2	100	-	-
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	2	2	100	-	-
5.	Other than Permanent (G)	0	0	-	-	-
6.	**Total workers (F + G)**	2	2	100	-	-

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	10	3	30
Key Management Personnel	2*	0	0

Note: ** This excludes Chairman and Managing Director as he is already covered under Board of Directors.*

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	20%	21%	20%	17%	12%	17%	12%	9%	12%
Permanent Workers	2%	0	2%	0	3%	1%	1%	7%	1%

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

21. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding/subsidiary/ associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Kirloskar Ebara Pumps Limited	Joint Venture	45.00	No
2.	Karad Projects and Motors Limited	Subsidiary	100.00	No
3.	Kirloskar Corrocoat Private Limited	Subsidiary and Joint Venture	65.00	No
4.	The Kolhapur Steel Limited	Subsidiary	99.74	No
5.	Kirloskar Brothers International B.V.	Subsidiary*	100.00	No

Note - ** Details of stepdown subsidiaries have been reported elsewhere in the Integrated Annual Report*

VI. CSR DETAILS

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

(ii) Turnover (in ₹) – ₹ 25,399.3 mn

(iii) Net worth (in ₹) – ₹ 12,516.9 mn

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

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

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in place (Yes/ No) If yes, then provide web-link for grievance redressal policy **	FY 2022-23			FY 2021-22		
		No. of complaints filed during the year	No. of complaints pending resolution at close of year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of year	Remarks
Investors (other than Shareholders)	Yes	0	0	NA	0	0	NA
Shareholders	Yes	5	0	NA	0	0	NA
Employees and workers	Yes	17	1	***	7	3	***
Customers	Yes	0	0	NA	0	0	NA
Value Chain Partners -Suppliers	Yes	0	0	NA	0	0	NA
Value Chain Partners - Dealers	No	0	0	NA	0	0	NA

Notes **

- *Investors & Shareholders can report their grievances through the email ID given in the KBL website. Additionally, the investors / shareholders can file their complaints / grievances directly with SCORES platform of SEBI.*
- *Employee and workers can raise their grievances on Company's intranet through helpdesk*
- *Customers can report their grievances through CRM (Customer Relationship Management) portal and email ID given in the KBL website*
- *Suppliers can report their grievances through the email ID provided in the Purchase Order*

Notes ***

- *The pending grievances of FY 2021-22 have been resolved in FY 2022-23*
- *All grievances, except one, received during the reporting year have been resolved successfully in a fair and transparent manner. Open grievance is under evaluation and shall be resolved in FY 2023-24*

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

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

S No	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk/Opportunity	In case of Risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
1.	Product Stewardship and Innovation	Opportunity	Product stewardship is an approach towards managing the environmental impacts of products across different stages of their lifecycle. It includes product quality and safety, eco-design, sustainable product design and innovation, and product's societal value impact. Product Innovation shall help us to gain larger market share and maintain sustainable profits.	NA	Positive Implications
2.	Energy Management	Opportunity	Energy Management includes the aspects of energy consumption, energy efficiency, and energy intensity in operations and also strategising the deployment of renewable energy options for greening the business operations to meet India's 2070 Net Zero commitments.	NA	Positive Implications
3.	Diversity Equity and Inclusion (DEI)	Opportunity	Diversity is about the representation or the make-up of an entity. Inclusion is about how well the contributions, presence, and perspectives of different groups of people are valued and integrated into organisation's environment. By adopting DEI, we come across as an equal opportunity employer of choice.	NA	Positive Implications
4.	Emission Management	Risk	Emission management refers to our strategy for reducing the intensity of GHG and other air emissions of our operations.	We are taking various initiatives including improving energy efficiency, deployment of renewable energy, and other emission control mechanisms for reduced operational footprint	Negative Implications

S No	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk/Opportunity	In case of Risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
5.	Health and Safety	Risk	Occupational Health and Safety deals with a provision of safe and healthy working environment for all employees and workers including contract workers. Lack of sound health and safety practices shall increase the risk of lost time injuries for our business.	We give due importance for ensuring a safe working environment for all occupants through efficient internal safety controls, employee sensitisation and training etc. For more details, refer to Principle 3.	Negative Implications
6.	CSR & Local Communities	Opportunity	Supporting Community development through CSR initiatives and other programs making a positive difference of the less privileged communities and various initiatives towards its social obligations for the society.	NA	Positive Implications
7.	Materials Management	Opportunity	Materials management involves the improved utilisation of resources and promoting the usage of low-impact materials such as renewable, recycled, and reclaimed input raw materials. We strive to adopt circularity in business models.	NA	Positive Implications
8.	Talent Attraction & Retention	Risk	We look to foster a conducive and competitive environment for attracting and retaining top talents through best-in class employee welfare and engagement activities.	Our strategic business model lays due emphasis on skill development, performance review for career growth and advancement, employee engagement, improved work-life balance, recognition, and rewards promoting strong leadership skills.	Negative Implications
9.	Supply Chain Management	Opportunity	Supply chain partners helps in promoting sustainable development and progressing our business goals. We ensure supplier sustainability through strong due-diligence, supplier Code of Conduct, social and environmental compliances for a resilient and uninterrupted supply chain.	NA	Positive Implications

S No	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk/Opportunity	In case of Risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
10.	Risk Management	Risk	Enterprise Risk Management (ERM) is a process of identifying and managing potential risks including ESG risks within the risk appetite for timely mitigation of the probable risks. Lack of integrating potential risks may lead to negative financial impacts on our business.	We employ a comprehensive approach to identify, assess and manage the risks effectively and prioritise the integration of ESG considerations into ERM for resilient and sustainable business in the long run.	Negative Implications
11.	Compliance	Risk	Compliance addresses the topics of accounting and legal compliance, socio-economic compliance, environmental compliance, and adhering to rules and regulations in all aspects of KBL's business management.	We ensure timely compliance with applicable laws, regulations, and codes through strong oversight, driven by system based compliance monitoring mechanism and continuous auditing processes, extensive stakeholder engagement and training for ensuring timely adherence for mitigating the potential financial, reputational, and legal risks to the Company.	Negative Implications
12.	Marketing & Communications	Risk	Marketing and Communication of products and services of business aim for value generation. Inconsistent efforts may lead to inadequate communication, reputation damage, and competitive risks leading to financial losses to us.	We aim to promote responsible marketing of products and services targeting for consistent brand message through various strategies including Go To Market (GTM) strategy, periodic execution of customer perception surveys, and customer meets.	Negative Implications
13.	Customer Safety & Product Quality	Opportunity	Customer safety and product quality involve design innovation to minimise lifecycle impacts ensuring the safe and sustainable usage of products with reduced environmental and social impacts true to our brand value.	NA	Positive Implications
14.	Economic Performance	Opportunity	Economic performance involves the contribution of our business to the local, regional, national, and global economy and creating long-term value for the stakeholders including our shareholders	NA	Positive Implications

S No	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk/Opportunity	In case of Risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
15.	Cyber Security & Digitalization	Risk	Digital transformation is essential for maintaining the highest efficiency in the business through faster adoption of new technologies while ensuring the safety and security of systems for safeguarding business and customer information for our resilient business model. Lack of efficient systems shall affect ease of doing business and increase the exposure to cyber threats to us.	We effectively manage customer's private information to lower security breaches and promote resilient data systems. Also, the company fosters the adoption of technologies for business optimisation and effective data infrastructures.	Negative Implications
16.	Market Presence	Opportunity	Market presence refers to creating positive impacts by us for improving the economic well-being of the stakeholders in our operating communities.	NA	Positive Implications
17.	Business Ethics & Values	Risk	It refers to a set of company values for directing the stakeholder behaviour for beneficial business conduct and governing the actions for achieving tangible and intangible benefits for all the stakeholders including the shareholders sustainably. Non-addressal and non-redressal of governance related risks shall impact long-term sustainability of our business.	We have in place a robust Code of Conduct and we ensure strict adherence to the Code through periodic trainings, audits, and strong leadership oversight.	Negative Implications
18.	Corporate Governance	Risk	Corporate governance is the set of rules, systems, practices, and processes to ensure transparency, and accountability, lack of which would impact the long-term success of our business and failure to safeguard the interests of stakeholders.	We are committed to adhere to ethical business standards, integrity and values through robust corporate governance, risk management, compliance system, and grievance redressal mechanisms.	Negative Implications
19.	Human Capital Development	Opportunity	Human Capital Development reaps benefits through agile and productive workforce leading to sustained growth and achieving business objectives for us.	NA	Positive Implications

S No	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk/Opportunity	In case of Risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
20.	Biodiversity	Risk	Biodiversity involves the monitoring and management of business activities resulting in significant impacts to the protected areas or areas with high biodiversity value around the operating locations. It also entails the strategies used by us for the prevention and remediation of activities leading to potential biodiversity loss.	We employ various strategies for maintaining the biodiversity value around the operating communities including effective internal systems and extensive plantation drives protecting the natural flora and fauna of the operating ecosystem.	Negative Implications
21.	Waste Management	Risk	Waste Management includes the risks related to waste generation, disposal, and the associated impacts for enhancing the circularity measures across business operations leading to social and regulatory impacts for us.	We employ 3R Approach– 'Reduce- Reuse-Recycle' for resource efficiency and mitigating the impacts arising out of unsustainable handling of wastes.	Negative Implications
22.	Water & Effluent Management	Risk	Water management refer to aspects including water withdrawal and consumption, while effluent refers to the management of discharged water. Potential impacts include health risks and negative community sentiments for us.	We strive to employ the best water management practices to reduce its overall environmental footprint including zero liquid discharge.	Negative Implications
23.	Human Rights & Labour Conditions	Risk	Human Rights are non-discriminatory rights inherent to all human beings promoting fair employment. This aspect involves the training of employees, Due diligence for operations and value chain lack of which may lead to social risks for our business.	We have strengthened the due diligence for increased accountability avoiding human rights related risks in operations and value chain by conducting periodic training for promoting fairness in business and ensuring social accountability for the stakeholders.	Negative Implications
24.	Public Policy Advocacy	Opportunity	Public policy advocacy refers to a significant alliance between government/ regulatory bodies (public-private partnership) lobbying for the greater good of the sectoral benefits and society. We promote the association with various industry partners for advocating sustainable business practices.	NA	Positive Implications

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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								
b. Has the policy been approved by the Board? (Yes/No)	The Policies have been approved by Chairman and Managing Director on behalf of Board of Directors								
c. Web Link of the Policies, if available	https://www.kirloskarpumps.com/investors/policies/								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	• We are certified for Integrated Management System (IMS) certification comprising of - ISO 9001:2015, Quality Management System - ISO 14001:2015, Environment Management System - ISO 45001:2018, OH&S Management System - ISO 50001:2018, Energy Management System • BIS Approval for Products • BEE Star Rating for Products • FM-UL Certification of Products • GRI framework for Integrated Annual Report								
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any	• Green energy generation for our group of companies to the tune of 20% over and above current capacity by FY 2025-26 • Continue development of borewell submersible pumps complying with 4 and 5-star ratings as per BEE/BIS standard in FY 2023-24 • Continue development of energy efficient range of dewatering pumps by FY 2024-25 • Enhancement of KirloSmart™ pump health monitoring system by FY 2023-24 • Scope 1, 2 & 3 emission inventorisation for all plants by FY 2024-25 • Carbon Net Zero roadmap by FY 2025-26 • GreenCo re-certification for four manufacturing plants by FY 2023-24 • Target for zero reportable accident year on year • ESG awareness training to 70% spend suppliers by FY 2024-25 • Enhance the female workforce by 20% from the current level at Dewas & Sanand plants in the coming 3 years • Continue our commitment towards affirmative actions and enhance inclusiveness by 10% by FY 2025-26								
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met	• Share of renewable energy in total electricity consumption has reached 23% in FY 2022-23 • Scope 1 & 2 emissions sources were evaluated for all plants and scope 3 emission evaluated for Dewas plant • BEE star rating certification for 350+ nos. borewell submersible pumps • Zero reportable accident in FY 2022-23 • ESG awareness training imparted to 30% of spend suppliers in FY 2022-23 • Registered for GreenCo re-certification of our four manufacturing plants								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Governance, leadership, and oversight									

7. Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements

Kindly refer page number 14 from Integrated Annual Report 2022-23

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Sanjay C. Kirloskar - Chairman & Managing Director (CMD).
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.	Sustainability Committee has been formed under the authority of CMD consisting of all Non-Board members with the Chairmanship of the Vice President & Head - Corporate Human Resource Management & Communications (CHRM & C). This committee reports ESG activities and its progress to the Board twice a year.

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	Frequency (Annually/Half yearly/ Quarterly/Any other – please specify)
	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9
Performance against above policies and follow up action	Yes, our business responsibility policies are reviewed periodically or on a need basis by Senior Leadership Team including CMD. During this assessment, the efficacy of these policies has been reviewed and necessary changes to policies and procedures have been implemented. Furthermore, the newly established Sustainability Committee is tasked with the responsibility of periodically reviewing these policies.	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Legatrix tool has been implemented company-wide to ensure regular monitoring of compliance with relevant statutes. In the event of any delay or potential non-compliance, the CMD is promptly notified for immediate attention. This facilitates effective monitoring of the company's compliance activities. Additionally, the Legal team regularly releases a compliance dashboard that encompasses all applicable compliances across different company sections, thereby promoting preparedness among stakeholders. The quarterly compliance certificate from CMD (based on compliance certificates by respective HODs) is placed before the Board on a quarterly basis. A certificate for compliance with specific laws/Acts, applicable to the Company is also obtained from the external auditors/certifying agencies.	

11. Has the Company carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No), If yes provide name of the agency

We have carried out the independent evaluation/assessment of the working of our following policies through external agencies

- Integrated Management System Policy – M/s TUV SUD
- Sustainability Policy – M/s Ernst and Young Associates LLP
- Significant Accounting Policy – M/s Sharp & Tannan

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Not Applicable

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURES

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandatory to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

ESSENTIAL INDICATORS

1. **Percentage coverage of training and awareness Programmes conducted on any of the principles during the financial year**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in a respective category covered by the awareness programmes
Board of Directors (BoD)	1	Sustainability, ESG, BRSR, Nine Principles of NGRBC	100.00
Key Managerial Personnel (KMP)	3	Code of Ethics, Sustainability, ESG, BRSR, Nine Principles of NGRBC, Prevention of Sexual Harassment (POSH) at the workplace	100.00
Employees other than BoD and KMPs	43	Employees and workers are given training on a diverse range of topics throughout the year including Carbon footprints, ESG, Nine Principles of NGRBC, Food Waste Management, Behavioural Based Safety and Workplace Safety, Code of Ethics, Energy Management, Statutory reporting, Sustainable Development, Fire Fighting, First Aid, IMS, Health awareness, POSH awareness, Legatrix, etc. More details are covered in Human Capital section of our Integrated Report	94.80
Workers	53		40.35

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

None – as per materiality principle

	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Monetary					
Penalty/Fine					
Settlement					
Compounding Fee			NIL		
Penalty/Fine					
Non-Monetary					
Imprisonment			NIL		
Punishment					

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

Not applicable, since there were no fines, penalties, punishments, compounding fees, or settlement amounts paid in proceedings by us, our Directors, or KMPs with regulators, law enforcement agencies, or judicial institutions in the financial year.

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

Yes, we have established a policy on Anti-Corruption and Anti-Bribery. We are zero-tolerant to bribery and corruption, and we aim to conduct business in a transparent and accountable manner reiterating the stakeholders to adhere to the highest standards of ethics and integrity while discharging official duties. The implementation of the policy imitates establishing internal systems to identify, prevent, report, investigate and enforce disciplinary action relating to any fraud including bribery and corruption.

Web link- Policy on Anti-Corruption and Anti-Bribery

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

	FY 2022-23	FY 2021-22
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints about conflict of interest:**

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received about issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. **Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

LEADERSHIP INDICATORS

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Suppliers-2 Nos	Nine Principles of NGRBC & ESG Initiatives	30
Dealers-1 No.	Nine Principles of NGRBC & ESG Initiatives	90

2. **Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No)**

Yes, we have a Code of Conduct in place for the Board of Directors and Senior Management to identify actual or potential conflicts of interest, which may arise during the course of its business activities. According to the Code of Conduct, the Board is required to scrupulously avoid a 'conflict of interest' with the Company. A conflict of interest exists where the interest of a Director or member of senior management conflicts with those of the Company. We have implemented organisational processes and appropriate safeguards to mitigate, prevent and manage conflicts of interest that may arise. The Directors make a declaration every year, affirming compliance with the Code of Conduct.

In addition to provisions of the Companies Act, 2013, the Directors disclose their interest in the form of their other directorships/memberships in other entities either directly or indirectly through their relatives. Such disclosures are being made to the Board annually and from time to time as and when such interest arises. We have established processes to identify the related parties of our Directors through their disclosures. If any transactions are conducted with these related parties, the Company strictly adheres to the disclosure requirements and procedures outlined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as well as the Companies Act, 2013.

Web link- Code of Conduct

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

ESSENTIAL INDICATORS

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

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	100	100	In addition to the focus on expanding the product range, our R&D initiatives also address upgradation of products to reduce emissions across lifecycle stages and provide solutions for sustainable growth.
Capex	100	100	Capital Expenditure in FY 2022-23 focussed on meeting various electro-mechanical requirements across operations, in addition to old machine replacements, asset managements for enhanced operational efficiency.

2. a. **Does the entity have procedures in place for sustainable sourcing?**

Yes, we have implemented a procedure to ensure sustainable sourcing, which aligns with our Company's commitment to promote local and responsible sourcing practices. We actively engage with our value chain partners for enhancing their sustainability performance. We also evaluate our suppliers on various aspects like occupational health & safety, environment policies, legal compliance, adherence to ISO certification, etc. and, carries out regular assessments through the Supplier Quality Improvement Program (SQIP) of our key suppliers and communicates areas of further improvements to reinstate sustainability principles.

b. **If yes, what percentage of inputs were sourced sustainably?**

43% of inputs were sourced sustainably.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste, and (d) other waste.**

As a part of the Product End–of–Life – Management of our products, we offer to take back our used products once they have reached the end of life. As a commitment towards a greener future, we offer to collect back the used products to ensure that it is recycled/disposed-off in an environment-friendly manner with the following objectives:

- To minimise the impact caused by product disposal on society/environment
- To reuse the recyclable components as a secondary source of raw material
- To encourage our customers for recycling products in environmentally friendly manner
- To ensure implementation of stringent control mechanisms over third parties concerning to waste management
- To communicate the customers on safe disposal of products at the end of life

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

Yes, Extended Producer Responsibility (EPR) is applicable to us. The waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Central Pollution Control Board (CPCB).

LEADERSHIP INDICATORS

1. **Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format.**

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link
2812	Monobloc Pump-set Series	16.6**	Cradle to Gate	Yes, from CII	No

Note - *** Though LCA study was conducted for a running pump model from our Monobloc pump set series, the report findings apply to the complete series of Monobloc pumps being manufactured at our Dewas plant which contributes around 16.6% in our overall turnover.*

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/Suggested
Monobloc Pump-set Series	There were no risks identified through LCA study. However, we have taken few actions based on the suggestions reported.	1) New HPML (High Pressure Molding Line) technology line is being installed at our foundry in Dewas plant, which shall help in reducing various emissions by 2-9% 2) Our rooftop solar plants and windmills installed at various locations contribute up to 23 % of total energy consumption. We are further working to enhance our RE capacity 3) Increase in recycling of scrap for foundries to maximum extent. We are already recycling up to 50%

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate Input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Total Input Material (MT)	22,246	19,207
Recycled Input Material (MT)	2,292	1,887
% of Recycled Material used	10.30	9.82

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	Nil	Nil	Nil	Nil	Nil
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste (non-hazardous waste)	Nil	Nil	Nil	Nil	Nil	Nil

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

As a commitment towards a greener future, we offer our customers to collect back the used products to ensure that they are recycled/disposed-off in an environment-friendly manner. Pumps replaced under warranty are reclaimed back to our respective manufacturing plants and are dismantled and disposed-off suitably.

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

ESSENTIAL INDICATORS

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

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1,322	1,322	100	1,322	100	NA	-	-	-	478	36
Female	112	112	100	112	100	112	100	-	-	35	31
Total	1,434	1,434	100	1,434	100	112	7.8	-	-	513	36
Other than Permanent employees											
Male	68	68	100	68	100	NA	-	-	-	16	24
Female	10	10	100	10	100	10	100	-	-	0	0
Total	78	78	100	78	100	10	12.8	-	-	16	21

b. Details of measures for the well-being of workers:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	1,078	1,078	100	1,078	100	-	-	-	-	852	79
Female	62	62	100	62	100	62	100	-	-	19	31
Total	1,140	1,140	100	1,140	100	62	54.39	-	-	871	76
Other than Permanent workers											
Male	78	78	100	78	100	-	-	-	-	40	51
Female	30	30	100	30	100	30	100	-	-	20	67
Total	108	108	100	108	100	30	27.8	-	-	60	56

2. Details of retirement benefits, for Current FY and Previous Financial Year.

	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the Authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESIC	100	100	Yes	100	100	Yes
Others – please specify National Pension Scheme (NPS)	15	NA	Yes	13	NA	Yes

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, our premises/offices are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016. At every premise/office we have provided facilities at entry & exit points, washrooms, workstations, canteen, and special vehicle parking spaces near the entry gate. Such employees are given suitable job profiles according to their capacity for doing their work.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.**

Yes, we have established a policy stating the provision of fair employment and equal opportunities for all our employees and workers without discrimination on any grounds of race, caste, creed, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability, or any other category protected by applicable law.

For information relating to policies, refer to the weblink

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%	100%	100%	100%
Total	**100%**	**100%**	**100%**	**100%**

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Yes, we have established robust grievance redressal mechanisms for employees and workers to report their concerns. The employees and workers can report their grievance through Works Committee, Canteen Committee, Grievance Register by HR, Suggestion box, Internal Complaint Committee (ICC), and Safety Committee. CHRM&C function, along with other Functional Heads, diligently assess the nature of grievances and promptly initiate appropriate corrective actions. In addition, employees can report grievances as outlined in the whistle-blower policy on grounds of any unethical behaviour, fraud, or violation of the Company's Code of Conduct. Various channels available for different employee levels are mapped below –

Permanent Workers	Works Committee, Canteen Committee, Grievance Register by HR, Suggestion box, ICC, Safety Committee
Other than Permanent Workers	CHRM & C helps to resolve issues if any
Permanent Employees	Suggestion box, ICC, Grievance Register by HR, Head of each functions helps to resolve issues if any
Other than Permanent Employees	CHRM & C helps to resolve issues if any

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

	FY 2022-23			FY 2021-22		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees /workers in respective category (C)	No. of Employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees						
Male	1,322	0	0	1,293	0	0
Female	112	0	0	107	0	0
Total Permanent Workers						
Male	1,078	990	92	1,090	1,000	92
Female	62	2	3	31	0	0

8. **Details of training given to employees and workers:**

Category	% of employees covered by									
	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On skill upgradation		Total (D)	On Health and safety measures		On skill upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Male	1,322	1,322	100	1,322	100	1,293	1,293	100	1,293	100
Female	112	112	100	112	100	107	107	100	107	100
Total	1,434	1,434	100	1,434	100	1,400	1,400	100	1,400	100
Workers										
Male	1,078	1,078	100	1,078	100	1,090	1,090	100	1,090	100
Female	62	62	100	62	100	31	31	100	31	100
Total	1,140	1,140	100	1,140	100	1,121	1,121	100	1,121	100

9. **Details of performance and career development reviews of employees and worker:**

	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1,322	1,241	94	1,293	1,192	92
Female	112	106	95	107	96	90
Total	1,434	1,347	94	1,400	1,288	92
Workers						
Male	1,078	1,078	100	1,090	1,090	100
Female	62	62	100	31	31	100
Total	1,140	1,140	100	1,121	1,121	100

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such system?**

Yes, all our manufacturing plants are ISO 45001:2018 certified (Occupational Health and Safety Management System Standard). Our continuous efforts focus on ensuring a safe working environment for all employees and workers. This is achieved through regular audits aimed at identifying and monitoring safety-related incidents. We conduct fire drills and mock drills to analyse the effectiveness of internal systems. Employees and workers are sensitised about the precautionary measures on a regular basis through safety trainings.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

We have adopted a systematic Hazard Identification and Risk Assessment (HIRA) approach to regularly identify work-related hazards. Trained professionals conduct regular audits for identifying the potential work-related hazards across operating locations. We identify and implement safety controls for the safe execution of business operations. We have a well-defined work permit system to identify potential hazards on a non-routine basis. Employees and workers are encouraged to report the near miss cases through safety committees and other channels. The safety team analyses the grievance of the employees and takes necessary corrective actions for ensuring the safe working environment.

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes, as a part of ISO 45001:2018 Management System certification we have processes for workers in form of procedures and Emergency Evacuation Plan to report the work-related hazards and to remove themselves from risks.

d. **Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Yes, we facilitate the accessibility of non-occupational health services to our workers through medical camps, vaccination drives and medical health check-ups. Our employees can avail financial assistance through medical claims. We also have voluntary health promotion services like health awareness webinars on ‘Child Health Programs’, ‘Healthy Heart Program’, ‘Nutrition for COVID-19 patients and those recovering from it’, etc.

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

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.308	0.248
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	2	3
No. 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.

We have taken a myriad of initiatives where safety is not just a compliance, it is shared commitment and responsibility for ensuring a safe and healthy workplace. Some of the initiatives are listed below -

1. Compliance to OH&S Management System as per ISO 45001:2018 Certification
2. Safety committee meetings are held every month
3. Internal safety audits conducted every year through trained cross-plant safety officers
4. External safety audit from a competent person carried out once in two years
5. Safety yellow tag system where workmen raise their voices about safety is implemented.
6. Safety incident tracking system including safety opportunities reporting implemented
7. Safety steward (we call it Suraksha Mitra) concept implemented
8. Hazards are identified through the senior management's monthly safety inspection system
9. Change control system implemented to address the EHS related issues before implementing the change in process/ facility/machinery
10. Monitoring of plant safety performance
11. Theme-based safety drives undertaken
12. Safety competitions held to increase safety awareness
13. Reward and recognition for Safety
14. Fire drills
15. Periodic safety training
16. EHS change control system

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

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions Health & Safety	28	6	We are taking actions for resolution of pending cases in FY 2023-24	43	0	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices Working Conditions	100

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

Not applicable as there were no significant risks or concerns reported through assessment.

LEADERSHIP INDICATORS

1. **Does the entity extend any life insurance or any compensatory package in the event of the death of (A) Employees (B) Workers(Y/N)**

   Yes, we extend life insurance coverage for all our employees and permanent workers. In addition to this, Parivar Suraksha Yojana and Benevolent Fund Scheme are also available for our employees and permanent workers.

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

   We expect our value chain partners to uphold highest standards of business responsibility principles. We conduct periodic audits of key suppliers ensuring the compliance with statutory regulations including applicable statutory deductions like Provident Fund (PF) and Employees' State Insurance Corporation (ESIC). The same is also ensured during the selection of new suppliers.

3. **Provide the number of employees/workers having suffered high consequence work- related injury/ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment**

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
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, we continually invest in human capital development which includes skill enhancement that is contemporary while providing employees with a diverse and enriching experience for mutual growth. This enhances the employability of workforce and enables a smooth transition for exploring alternate employment opportunities. In addition, we provide pension benefits and post-retirement medical benefits for qualified staff. Workers are provided with pension benefits as covered under the relevant statute.

5. **Details on assessment of value chain partners:**

   We conduct periodic assessments of our value chain partners during which we ensure that they comply with requirements related to Occupational Health & Safety practices and working conditions.

	% of value chain partners (by value of business done with such partners) that were assessed	
	Key Suppliers	Dealers
Health and safety practices	43	98
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.**

   The results of our supplier and dealer assessments have indicated a satisfactory level of compliance with regards to Occupational Health and Safety practices and working conditions. In cases where significant deviations from our established standards are observed, we maintain a zero-tolerance approach and we do not get engaged with suppliers if we observe major deviation with respect to above criteria.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

ESSENTIAL INDICATORS

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

   We actively engage with a range of stakeholder groups and prioritise them based on their significance to our business operations, our vision and growth plans and vice-a-versa. We consider following stakeholders as key to our business – shareholders, investors, customers, employees and workers, dealers and retailers, suppliers, government agencies, communities and financial institutes. We have channelised various engagement modes for interacting with these stakeholders on a regular basis. We identify needs and expectations of each stakeholder group through frequent engagement programs. Two-way communication facilitates the effective exchange of concerns, understanding the expectations and aligning all stakeholders with the business aspirations of the Company for mutual growth and cooperation.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement Annually/ Half yearly/Quarterly/ others – please specify)
Shareholders/Investors	No	Meetings, analyst /earnings calls, emails, telecommunication, post/courier, website of Company, Stock Exchanges, RTA, Newspaper publication	Regular, Ongoing
Customers	No	Meetings, Email, Customer Perception Surveys, Training Programs, Webinars, Advertisement	Regular, Ongoing
Suppliers	No	Meetings, Email, Training Programs, Webinars	Regular, Ongoing
Dealers and retailers	No	Email, Leaflets, Presentations, Online & physical meetings, Conferences, Dealer portal, KBL website etc.	Regular, Ongoing
Employees and Workers	No	Meetings (Virtual/personal), E-mail, Surveys, Mahasabha, Speak-out sessions, Newsletter, Website, Tele-communication & SMS, various training/awareness programs etc.	Regular, Ongoing
Financial Institutions	No	Meetings (Virtual/personal), E-mail, Newsletter, Website, Tele-communication & SMS	Regular, Ongoing
Communities	No	Focused Group Interactions, Impact Surveys, Grievance Redressal Channels, NGO partners	Need-based
Government Agencies	No	Newspaper, Website, Hard Copies	Regular, Ongoing

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.**

   Sustainability Committee has been formed under the authority of CMD consisting of all Non-Board members with the Chairmanship of the Vice President & Head - Corporate Human Resource Management & Communications. This committee shall evaluate relevant aspects of economic, environmental & social topics for all stakeholders, initiate necessary actions and report its progress to the Board twice a year.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, we have extensively consulted our internal stakeholders for identification of material topics. We work collaboratively with all stakeholder groups for the management of identified topics thereby mitigating the risks to environment, economy, and society. For more details, refer to Section A (General Disclosures) and Materiality section on Page 38.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

   We take special efforts to help and uplift the underserved and unprivileged groups of society. We work for benefits of women, differently abled, vulnerable, disadvantaged, and marginalised groups and take extra efforts to address their concerns and grievances. Our CSR activities are focused in the areas of education, health and hygiene, environment, disaster management and rural development for above groups.

   During the reporting period, no critical issues were reported by vulnerable/marginalised stakeholder groups.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

ESSENTIAL INDICATORS

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

	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	1,434	1,434	100	1,400	1,400	100
Other than permanent	78	78	100	91	91	100
Total Employees	1,512	1,512	100	1,491	1,491	100
Workers						
Permanent	1,140	1,140	100	1,121	1,121	100
Other than permanent	108	108	100	43	43	100
Total Workers	1,248	1,248	100	1,164	1,164	100

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

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum wage		More than Minimum wage		Total (D)	Equal to minimum Wage		More than Minimum Wage	
		No.(B)	%(B/A)	No. (C)	%(C/A)		No.(E)	%(E/D)	No.(F)	%(F/D)
Employees										
Permanent										
Male	1,322	NA	NA	1,322	100	1,293	NA	NA	1,293	100
Female	112	NA	NA	112	100	107	NA	NA	107	100
Other than Permanent										
Male	68	NA	NA	68	100	79	NA	NA	79	100
Female	10	NA	NA	10	100	12	NA	NA	12	100
Workers										
Permanent										
Male	1,078	NA	NA	1,078	100	1,090	NA	NA	1,090	100
Female	62	NA	NA	62	100	31	NA	NA	31	100
Other than Permanent										
Male	78	NA	NA	78	100	11	NA	NA	11	100
Female	30	NA	NA	30	100	32	NA	NA	32	100

3. **Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)*	10	₹ 2.21 mn	4	₹ 2.06 mn
Key Managerial Personnel (KMP)	2**	₹ 7.84 mn	-	-
Employees other than BoD and KMP	1,319	₹ 0.93 mn	111	₹ 0.69 mn
Workers	1,078	₹ 0.67 mn	62	₹ 0.26 mn

Note - ** These details include Directors (male: 3 and female: 1) who ceased to be on the Board of the Company during the Financial Year 2022-23.*

*** Excludes Chairman and Managing Director (CMD) as he is already covered under Board of Directors.*

4. **Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, the CHRM&C Head, through the functional heads of the departments/unit heads of the Company, is responsible for addressing human right related issues.

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

Employees/workers are free to raise their concerns/grievances related to human rights through the appropriate authorities like Works Committee, Canteen Committee, Industrial Relations Committee, Grievance Register maintained at HR, Internal Complaints Committee, PF Committee, and Safety Committee.

Employees shall refer to the Whistle-blower policy, POSH, or Code of Ethics to express their grievances or concerns about any unethical behaviour on the operating premises. These complaints shall be investigated further and handled by the relevant authorities in a confidential manner.

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

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

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

In accordance with our Whistle-blower Policy and POSH (Prevention of Sexual Harassment) Policy, we ensure the protection of the complainant's identity, maintaining strict confidentiality in all related matters. Additionally, our Code of Ethics strictly prohibits any form of retaliation against individuals reporting legitimate concerns. Any individual found to be involved in targeting such individuals shall face severe disciplinary consequences.

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

Yes, human rights requirements form part of our business agreements and contracts as follows:

1) Clause in Purchase order - The Supplier shall comply with all statutory and regulatory provisions as apply to its establishment, including but not limited to the Factories Act, 1948 and the Child Labour (Prohibition and Regulation) Act, 1986 and the Rules framed therein and as amended from time to time.

2) Clause in Sales & Service Dealer Agreement – The dealer shall comply with the "Applicable Law" which means and includes any statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, clearance, approval, directive, guideline, policy, requirement or other governmental requirement enacted, promulgated, entered into, agreed or imposed by any Government Authority having jurisdiction concerning to this Agreement and/or business carried on by the Company and/or the Dealer and/or any of its respective affiliates and/or products and/or any other matter contained in this agreement.

9. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	NA

9. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.**

Not applicable, as no significant risks/concerns were identified as a part of the assessments undertaken.

LEADERSHIP INDICATORS

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

   None as we did not observe any major human rights related grievance or complaint through assessment.

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

   The scope and coverage of human rights due diligence is detailed across the indicators of Principle 3 and Principle 5.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   Yes, at every premise/office, we have provided facilities at entry & exit points, washrooms, workstations, canteen, and vehicle parking spaces near the entry gate.

4. **Details on assessment of value chain partners are as follows:**

	% of value chain partners (by value of business done with such partners) that were assessed
	Suppliers
Discrimination at workplace	43
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – Statutory Deductions like PF & ESIC	

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

   As per our supplier assessment process, no major non-compliance observed in terms of Occupational health and safety practices and working conditions. We do not engage with suppliers if we observe major deviation with respect to above.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

ESSENTIAL INDICATORS

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

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	100,033 GJ	95,922 GJ
Total fuel consumption (B)	7,728 GJ	8,523 GJ
Energy consumption through other sources (C)	33,937 GJ	36,818 GJ
Total energy consumption (Non-renewable) (A+B+C)	141,698 GJ	141,263 GJ
Total Energy Consumption (Renewable & Non-Renewable)	170,756 GJ	176,144 GJ
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	6.6 (GJ/Sale in ₹ mn)	8.0 (GJ/Sale in ₹ mn)

Note: *Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

Yes, independent Sustainability Assessment and Assurance has been carried out by M/S Ernst and Young Associates LLP, Mumbai

2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   No

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

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kl)		
(i) Surface water (open well + river water)	323,785	316,992
(ii) Groundwater (bore well)	31,947	28,517
(iii) Third party water (tanker + bottles)	1,087	2,327
(iv) Seawater/desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (i + ii + iii + iv + v)	356,819	347,836
Total volume of water consumption	356,819	347,836
Water intensity per rupee of turnover (Water consumed/turnover)	13.85 (kl/Sale in ₹ mn)	15.8 (kl/Sale in ₹ mn)

***Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

Yes, independent Sustainability Assessment and Assurance has been carried out by M/S Ernst and Young Associates LLP, Mumbai

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, all our manufacturing plants and corporate office have zero liquid discharge facilities with wastewater or effluent generated during operations being treated in sewage/effluent treatment plants (STP/ETP) and then reused for domestic purposes.

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

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	MT/Year	1.536	2.759
SOx	MT/Year	1.264	1.232
Particulate Matter (PM)	MT/Year	36.395	41.888
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Others- Please specify	-	-	-

***Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. –*

Yes, independent Sustainability Assessment and Assurance has been carried out by M/S Ernst and Young Associates LLP, Mumbai

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Please specify unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	2,883	3,500
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	22,507	21,050
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO2 equivalent per ₹ mn Sale	Scope 1-0.112 Scope 2-0.875	Scope 1- 0.16 Scope 2- 0.96

***Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. –*

Yes, independent Sustainability Assessment and Assurance has been carried out by M/S Ernst and Young Associates LLP, Mumbai

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, we are working on multiple fronts that shall help us in reducing GHG emission, few of those are listed below -

- HPML foundry at Dewas - Upgradation to HPML technology is in process which shall reduce emissions in the range of the 2-9% for major impact categories
- Renewable Energy (RE) from rooftop solar plants and windmills is contributing 23% of total energy consumption and we are further working to enhance our RE capacity
- In consultation with CII, we have conducted a Life Cycle Assessment (LCA) to evaluate the environmental impact of Monobloc pump-set series manufactured at Dewas plant. This study helped us to ascertain the environmental impact of pumps' different life-cycle stages and potential environmental benefits through process improvement
- We have taken various initiatives related to energy saving, green procurement, VA/VE, developing energy efficient and lowest lifecycle products, etc as part of our performance improvement
- ENCON assessment conducted across KBL group of companies to promote reduction in specific energy consumption and analyse the opportunities for improvements wherever applicable
- Miyawaki afforestation developed in Dewas plant acts as a carbon sink and also fosters biodiversity
- Our corporate office is a LEED Certified Green Building which helps us to achieve reduced water consumption, optimised energy efficiency, conservation of natural resources, waste management and providing healthier space for occupants, as compared to a conventional building space
- Scope 1, 2 & 3 emission inventorisation has been planned for all our plants
- We are working towards Carbon Net Zero roadmap for our organisation in line with our commitment to India's target of being Net Zero by year 2070
- We have planned GreenCo recertification for our four manufacturing plants

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

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in MT)		
Plastic waste (A)	14.14	27.51
E-waste (B)	3.083	1.973
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	2.8	0.9
Radioactive waste (F) *	NA	NA
Other Hazardous waste. Please specify, if any. (G) – Paint sludge, used oil, ETP sludge	67.86	122
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) – Food waste, metal scrap, wooden scrap, burnt sand, corrugated sheets	5,399	6,933.4
Total (A+B + C + D + E + F + G + H)	**5,486.9**	**7,085.8**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in MT)		
Category of waste in MT		
(i) Recycled (Metal Scrap)	2,292	1,887
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**2,292**	**1,887**
For each category of waste generated, total waste disposed by nature of disposal method (in MT)		
Category of waste in MT		
(i) Incineration	--	--
(ii) Landfilling	--	--
(iii) Other disposal operations (hazardous waste)	73.67	122
Total	**73.67**	**122**

** The Company generates radioactive wastes and manages in line with AERB (Atomic Energy Regulatory Board) rules and disposed to original suppliers. The radioactive wastes generated is of 3 mm length and has negligible weight.*

Note: *ndicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

Yes, independent Sustainability Assessment and Assurance has been carried out by M/S Ernst and Young Associates LLP, Mumbai

9. **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.**

We have implemented specific initiatives to promote the principles of the 3R's (Reduce, Reuse, Recycle) for effective waste management. Hazardous waste is regularly disposed of through agencies authorised by the State Pollution Control Board. Our waste generation is well within the limits prescribed under the consent of the State Pollution Control Board (SPCB) or the Central Pollution Control Board (CPCB).

All our manufacturing plants hold ISO 14001:2015 Management System Standard certification. We have established dedicated procedures that align with ISO requirements and statutory obligations. These systems and processes are designed to minimise hazardous waste generation, and they undergo internal audits twice a year, as well as annual external audits conducted by an authorised agency. By maintaining a sound waste management system, we go beyond mere compliance with state regulations.

Our waste management approach involves comprehensive monitoring of hazardous and non-hazardous waste generation streams at each plant. Waste is segregated and stored separately in designated waste management sheds. Disposal of waste follows the prescribed conditions set by the State Pollution Control Board. Moreover, organic waste generated in our kitchens are utilised to derive energy.

Through these measures, we demonstrate our commitment to responsible waste management and environmental sustainability.

Process for Waste management -

(a) Plastics (including packaging) – Procedure in place at all the manufacturing locations as per ISO 14001:2015 certification

(b) E-waste – Corporate guidelines are available for safe disposal of e-waste

(c) Hazardous waste – Procedure in place at all the manufacturing locations as per ISO 14001:2015 certification

(d) Other waste (Metal Waste) – Procedure in place at all the manufacturing locations as per ISO 14001:2015 certification for Metal waste. Most of the metal scrap is recycled in our foundry units

10. **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:**

Not Applicable

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

This is not applicable to us as none of our plants are located in ecologically sensitives areas.

12. **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, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes, we are complying with all the applicable laws.

LEADERSHIP INDICATORS

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2022-23	FY 2021-22
From renewable sources- GJ		
Total electricity consumption (A) (GJ)	29,058	34,881
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	29,058	34,881
From non-renewable sources- GJ		
Total electricity consumption (D)	100,033	95,922
Total fuel consumption (E)	7,728	8,523
Energy consumption through other sources (F)	33,937	36,818
Total energy consumed from non-renewable sources (D+E+F) - GJ	141,698	141,263

Note: *Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

Yes, independent Sustainability Assessment and Assurance has been carried out by M/S Ernst and Young Associates LLP, Mumbai

2. **Provide the following details related to water discharged:**

Not applicable, because all our manufacturing plants and corporate office have Zero liquid discharge facilities with wastewater or effluent generated during operations being treated in Sewage/effluent Treatment Plants (STP/ETP) and then reused for domestic purpose.

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Nil	Nil
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater	Nil	Nil
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment		
(v) Others	Nil	Nil
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: *Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency*

Yes, independent Sustainability Assessment and Assurance has been carried out by M/S Ernst and Young Associates LLP, Mumbai

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

We are actively identifying, and monitoring water related impacts arising out of the operations on society and environment. Any potential risks identified are managed efficiently and timely mitigating the potential hazards.

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

We are in the process of computing upstream and downstream scope 3 emissions for all our plants and shall report the details on the same from FY 2024-25 as committed in section B. However, we have already started evaluating scope 3 emissions for our Dewas plant, details specific to this plant are provided in table below

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	3,699	2,687
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO2 equivalent/₹ mn	0.618	0.547

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.*

Scope 3 emission evaluation is being done internally based on the tools provided by CII post evaluating 12-month data in last financial year.

5. With respect to the ecologically sensitive areas reported at Question 10 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

6. 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	PAT	Pump as turbine to generate power https://www.kirloskarpumps.com/wp-content/uploads/2018/09/PAT-1.pdf	Electricity generation up to 100 kWh
2	PICO	Pump as turbine to generate power https://www.kirloskarpumps.com/wp-content/uploads/2022/07/PICO.pdf	Electricity generation up to 10 kWh
3	Solar Pumping system	Pump-set driven by solar energy https://betaweb.kirloskarpumps.com/kirloskar-pumps/wp-content/uploads/2022/03/Solar_Leaflet.pdf#toolbar=0	Pump operates on Solar energy thereby eliminating or reducing the consumption of grid electricity
4	DBxe	Energy efficient end suction pump https://www.kirloskarpumps.com/wp-content/uploads/2023/05/DBxe-pump-Stainless-steel.pdf	Energy saving with enhanced efficiency
5	LLC™ Products	Products to address Lowest Life Cycle cost https://www.kirloskarpumps.com/products/solutions/lowest-lifecycle-cost-(llc)-pump/	Saving in pump running cost and equivalent reduction in carbon emission
6	Star rating by BEE for Monobloc & submersible pumps	Addressing energy efficient pumps to meet BIS spec. https://www.kirloskarpumps.com/news/our-submersible-pump-sets-receive-bee-star-rating/	Energy efficient products
7	Sewage handling pumps	Pumps to handle sewage water https://www.kirloskarpumps.com/business-verticals/building-construction/dewatering-sewage-handling-pump/	Wastewater treatment

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

   Post-pandemic, we have thoroughly revamped our business continuity plan keeping in mind the uncertainties. We augmented and channelised our HR capabilities to manage & mitigate the impact post the pandemic resulting in proactive actions, long-term planning, supporting employees for hybrid working model, making employee communication as a key for our business. We have ensured all necessary structural changes required to align roles as per people capabilities must be in place for dealing with future uncertainties as a part of new-normal. We utilised People Direct - Learning Management System (LMS) to allow our employees to upgrade and enhance their skills. Our commitment to society is well established and we are frontrunners in responding to the need of communities where we do our business. We are proud that our employees adopted to new normal very quickly and ensured business continuity with great agility and resilience. We are hopeful that with the help of science, discipline and self-restraint of our employees, we would be able to hold ourselves resiliently against the new unforeseen uncertainties. Furthermore, we also have a robust "Emergency Preparedness and Response Plan" in place for our manufacturing plants which include procedures for critical locations/sections of the plant covering aspects like possible emergency scenarios such as fire hazards, accident cases, emission of toxic gases, oil spillage, water & land pollution, etc. The plan also lays out preventive measures, response action plans and mock drills to deal with such situations. We also have an "Onsite Emergency Plan" for our project sites. It lays down the Code of Conduct for all personnel in the event of emergency like fire, explosion, and natural calamity. The objective of this plan is to safeguard the life of personnel working at project sites and also ensures safety concerning our operational assets ensuring business continuity.

8. **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 is evident from the activities of our value chain.

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

   Key suppliers with 43% of business share have been assessed for environmental parameters.

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.**

   There are 15 + number of affiliations we have with trade and industry chambers/associations

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

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	Hydraulic Institute (HI), USA	International
2	Indian Pump Manufacturers Association (IPMA)	National
3	Bureau of Indian Standards (BIS)	
4	Federation of Indian Chambers of Commerce and Industry (FICCI)	
5	Confederation of Indian Industry (CII)	
6	National Safety Council (NSC)	
7	Federation of Indian Export Organisations (FIEO)	
8	The Southern India Engineering Manufacturers' Association (SIEMA)	
9	Central Board of Irrigation and Power (CBIP)	
10	Mahratta Chamber of Commerce, Industries and Agriculture (MCCIA)	State

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

Name of authority	Brief of the case	Corrective action taken
None, as we did not receive any adverse order related to anti-competitive conduct		

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 (Annually/Half yearly/Quarterly/ Others – please specify)	Web Link, if available
1.	Standard formulations and amendments in Indian Standards on centrifugal pumps	Updating/amending the standards based on advancement of technology such as energy efficiency through BIS Technical Committee	Yes, after the final draft is approved	-	-
2.	Standards formulations, changes, guidebooks	Through Hydraulic Institute (ANSI/HI) committee meetings	Yes, once documents are published	-	www.pumps.org
3.	Policy related pumps/ pumping systems/ scheme	Through IPMA/BEE committee meetings and discussions	Yes, once policy is formulated it is made available in public domain	-	-
4.	Use of Energy efficient products, like LLC™ IE3/IE4/IE5 products	CII conferences/BEE/ National conferences held by Educational Institutes/ Industrial forums/	No	-	-

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

ESSENTIAL INDICATORS

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

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

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

We have implemented a well-defined process to receive and address concerns and grievances from the community. At the site level, a committee is formed comprising members from different functions such as administration, security, HR, and others. This committee is responsible for receiving concerns, whether in written or verbal form, and diligently working towards their resolution. To ensure a thorough investigation and resolution, joint field visits are conducted, and the concerns are appropriately addressed in a timely manner. Throughout this process, the concerns are documented, recorded, and actively tracked to ensure closure and satisfactory resolution. In addition, we proactively engage with the community as a part of the development work. Throughout the year, a number of informal and formal sessions are conducted which help interactions with the community apart from program specific meetings to facilitate working together. There is a targeted approach for engaging with various sections viz. youth, women, and community leaders. Senior leadership interacts with the community regularly.

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

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/small producers	32%	14%
Sourced directly from within the district and neighbouring districts	57%	52%

LEADERSHIP INDICATORS

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

   Not Applicable

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

   We have not undertaken any projects in aspirational districts

S. No.	State	Aspirational District	Amount spent (In ₹)
Not Applicable			

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)**

   Our sustainable sourcing policy encourages local sourcing of goods and services. However, we do not have any preferential procurement policy for purchasing from marginalised/vulnerable suppliers.

   (b) **From which marginalised/vulnerable groups do you procure?**

   Not Applicable

   (c) **What percentage of total procurement (by value) does it constitute?**

   Not Applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not Applicable				

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

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

6. **Details of beneficiaries of CSR Projects:**

   - Plumber's skill development program through Indian Plumbing Skill Council
   - Donations to surrounding panchayats (village: Kundal) near Kirloskarvadi for community development
   - Bio-Diversity restoration at Central Ordinance Depot (COD), Dehu, Pune
   - Skill development program through Indo German Chamber of Commerce
   - Village Bus project of modified Tempo-Traveller Vans equipped with Rastriya Life Saving Society (India) training material and training aids, driven by two lifesaving skill trainers cum drivers going from village-to-village empowering people with lifesaving skills
   - Renovation of Kirloskarvadi Railway Station for their centenary year celebrations

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1.	Community development work at gram Kundal, district Sangli, Maharashtra	6,000	20
2.	Biogas plant set up near Virochannagar, Taluka Sanand, Gujarat	50	100
3.	Plumbing skill development under the Skill India Programme	18,000	40

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

ESSENTIAL INDICATORS

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

   To enhance customer support, we have established a dedicated customer call centre and a user-friendly online portal. These platforms enable existing customers to conveniently log product and service related complaints. Depending on the nature of each complaint, appropriate escalation procedures are in place, ensuring that all issues are addressed within specified timeframes. We also have a customer care toll-free number 1800 123 4443 to connect with our technical experts for hassle-free customer service and technical support. Apart from this, we have provided an email ID (kblcare@kbl.co.in) and WhatsApp number (+91 9922710710) to facilitate our customers for resolving service related concerns and feedback. These facilities are available 24*7.

   Customers can also just scan the QR code on their pumps & pump boxes and they can get all the technical details and specifications of the pump on their smartphone instantly.

2. **Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NIL
Safe and responsible usage	100
Recycling and/or safe disposal	We have separate procedures guiding our customers about end of life treatment for our products

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

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber security	0	0	NA	0	0	NA
Delivery of essential services	NA	NA	NA	NA	NA	NA
Restrictive trade practices	0	0	NA	0	0	NA
Unfair trade practices	0	0	NA	0	0	NA
Others (Legal Cases)	4	2	Under evaluation	1	0	NA

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

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. **Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) if available, provide a web-link to the policy.**

   Yes, we have internal guideline document which is uploaded on our Company's intranet for internal reference.

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.**

   None, as no such major issue was observed by us.

LEADERSHIP INDICATORS

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

   Information related to all the products and services provided by us are available on our website, https://www.kirloskarpumps.com/. The product, technical and service-related information is also available in hard print in the form of brochures, flyers, manuals etc.

   We actively use various social media and digital platforms to disseminate information about its products and services. We have introduced an effective and faster medium where customers/stakeholders can call our toll-free number 1800 123 4443 and connect with the experts for hassle-free customer service and technical support.

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

   The Installation and Operation Manual (IOM) containing details of our products is provided to all customers during delivery of product. Also, customers are informed and educated on the safe and responsible usage of the products. In addition, we undertake various safety initiatives to educate customers about operating pumps safely by providing training to the customers/stakeholders during the installation and commissioning of the products.

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

   Not applicable, as we are not in the business of providing essential services.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/no/not Applicable) If yes, provide details in brief. Did your entity carry out any survey about consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes, we provide information relating to products over and above mandatory requirements wherever relevant. We regularly undertake customer satisfaction survey about our brand, manufacturing capabilities, products, and services. Customer Perception Survey (CPS) is conducted across all business verticals and prompt improvement measures are implemented against feedbacks received.

5. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches along – with impact -** Nil

   b. **Percentage of data breaches involving personally identifiable information of customers -** Nil

BOARD'S REPORT

TO THE MEMBERS

Your Directors present the 103rd Board Report and the Audited Financial Statements of the Company for the Financial Year ended March 31, 2023 together with the reports of the Auditors thereon.

FINANCIAL RESULTS

The financial results of the Company for the Financial Year 2022-23 as compared with the previous Financial Year are as under:

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	**25,399**	21,659
Other income	**330**	357
Total	**25,729**	22,016
Profit before tax	**2,073**	1,111
Tax expense	**547**	329
Profit for the period	**1,526**	782
Other comprehensive income	**(25)**	28
Surplus in Profit & Loss Account brought forward from previous year	**4,889**	4,317
Dividend	**(238)**	(238)
Available surplus	**6,152**	4,889

DIVIDEND

The Board of Directors have recommended a Dividend of ₹ 4.50 per equity share i.e. @ 225% of face value of ₹ 2/- each, for the Financial Year 2022-23 (₹ 3/- per equity share as Final Dividend for the Financial Year 2021-22) as per the Dividend Distribution Policy.

The total outflow towards dividend recommended for the Financial Year 2022-23 will be ₹ 357.30 million as against ₹ 238.30 million for the previous financial year.

Your Company has formulated a policy for Dividend Distribution which is disclosed on the website of the Company and can be accessed at https://www.kirloskarpumps.com/wp-content/uploads/2021/09/Dividend-Distribution-Policy-2021.pdf

OPERATIONS OF THE COMPANY

The revenue from operations for the year under review is ₹ 25,399 million, which represents an increase of 17% compared to the previous financial year.

The Financial Year 2022-23 witnessed a significant revival of the economy, enabling the Company to operate all its plants without any restrictions, during the year. This, in turn, allowed the Company to provide its customers with the best possible products and services.

The Company experienced substantial growth in various industry sectors, including building & construction, chemical, pharma, steel, coal, sugar, oil & gas, and retail business. This growth was driven by a focus on value-added and sustainable products such as Lowest Life-cycle Cost (LLC) pumps, pressure boosting systems, dewatering pumps, micro-hydropower generator-PICO, process pumps, HVAC and autoprime pumps. The Company's signature IoT-based remote pump monitoring system – KirloSmart also continued to gain acceptance, further contributing to the Company's success.

The Kirloskarvadi facility achieved remarkable results, setting a new record in annual performance with numerous accomplishments. The Kirloskarvadi facility recorded the highest sales ever and dispatched more than 55,000 pumps. The foundry also produced its highest-ever tonnage of 12,033 tons of cast iron.

During the Financial Year 2022-23, the Company executed 132 Vertical Turbine (VT) pumps (Small VT, Medium VT, Large VT) and successfully completed major irrigation projects in Uttar Pradesh, Madhya Pradesh, Gujarat and Odisha. The building and construction segment experienced a robust 26% growth during this financial year. Additionally, the Company secured significant orders from prestigious projects such as AIIMS Jammu, First Solar, Kanpur Metro, Oberoi Eternia and Enigma, and Reliance Model Economic Township Gurugram, further solidifying its market position.

To stay at the forefront of the fluid management business, Company's research and engineering development introduced various new product series in Financial Year 2022-23. These include the DBxe and GK series with superior efficiency for utility applications, the KW-LC series of Inline pumps for HVAC applications, and an extended range of pumps in the FM/UL series for firefighting. The Company also launched a series of energy-efficient pumps in the monobloc and submersible pump category to consolidate its position in the agricultural and residential segments.

The Company also focused on addressing offshore applications by developing various types and sizes of Butterfly Valves (BFV) and other specialized products for specific markets such as Oman and Naval dockyards.

The Company's international businesses delivered strong performances despite the challenges posed by increasing inflation pressure and global supply chain issues. In the UK, SPP Pumps experienced a 9% growth in industrial fire pumps order booking and its successful execution, while SPP Pumps Inc. in the USA witnessed a substantial increase in order booking. Kirloskar Brothers Thailand Limited (KBTL) successfully supplied FM/UL fire pumps for multiple metro stations in Bangkok and secured a contract for the supply of concrete volute pumps for the Khlong Thawi Watthana storm water pumping station.

The Company remains committed to strengthening the capabilities of its channel partners for faster product delivery and service. To support this, the Company has opened Authorised Pumpset Original Equipment Manufacturer (APOEM) plants across the country.

The Company's service engineers demonstrated their commitment and high-class service capabilities by successfully overhauling 7 units of the large vertical turbine (VT) pumps in Gardabani Thermal Power Plant, Georgia within a span of 22 days. The Company's energy audit team also completed performance guarantee tests at various sites, resulting in successful project closures for numerous customers.

Furthermore, through its Vikas Charitable Trust (VCT), the Company actively engaged in various CSR initiatives, reflecting its commitment to giving back to the community.

AWARDS AND RECOGNITION

The Company received several awards and recognition, including the Gold Award from QCFI Coimbatore Chapter for the Kaniyur facility, a patent grant for Electrical Motor Assembly, and the "Winner-Excellence in Sustainability 2022" award for the Sanand plant. The Company was also recognized as one of Maharashtra's Best Employer Brands and received the "Pune Best Employer Brand Awards 2022" from the World Federation of HR Professionals. Additionally, the Company received an award at the Procurement Excellence Summit & Award 2023 organized by the Institute of Supply Chain Management, Mumbai (ISCM Forum).

There were no material changes or commitments to report that affected the Company's financial position that occurred between the end of the Financial Year and the date of this report.

TRANSFER TO RESERVE

The Board has decided to retain the entire amount of profit for the Financial Year 2022-23 and not to transfer any amount to general reserve.

STATUTORY DISCLOSURES

1. SHARE CAPITAL

The Paid-up Equity Share Capital of the Company as on March 31, 2023 was ₹ 158.82 million comprising of 79,408,926 equity shares of ₹ 2/- each. The Company does not have any shares with differential voting rights or stock options or sweat equity.

2. ANNUAL RETURN

As per provisions of Section 92(3) read with Section 134 of the Companies Act, 2013 ('the Act'), the Annual Return of the Company is placed on the website of the Company at https://www.kirloskarpumps.com/investors/shareholders-meetings/

3. NUMBER OF MEETINGS OF THE BOARD

During the Financial Year under review, 7 Board meetings were held, the details of which are appearing in the Report on Corporate Governance.

4. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) of the Act, the Board of Directors to the best of its knowledge and ability confirm that:

(a) in preparation of the annual accounts, the applicable accounting standards have been followed.

(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 of the Company for that period.

(c) they have taken proper and sufficient care 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) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

5. INDEPENDENT DIRECTORS' DECLARATION

All Independent Directors of the Company have given declaration under Section 149 (7) of the Act, that they meet the criteria laid down in Section 149 (6) of the Act.

6. DISCLOSURE REQUIRED UNDER SECTION 134(3)(e)

The Board has adopted a Board Diversity Policy which sets the criterion for appointment as well as continuance of Directors, at the time of re-appointment of director in the Company. As per the policy, the Board has an optimum combination of members with appropriate balance of skill, experience, background, gender and other qualities of directors required by the directors for the effective functioning of the Board.

The Nomination and Remuneration Committee recommends remuneration of the Directors, subject to overall limits set under the Act, as outlined in the Remuneration Policy. As per the policy, the Executive Director is entitled to fixed salary, commission based on performance evaluation and other non-monetary benefits. In case of Non-Executive Directors, apart from receiving sitting fees, they are entitled to commission on the basis of criterion as per the policy.

The Remuneration Policy is available on the website of the Company at https://www.kirloskarpumps.com/investors/policies/. The salient features of this policy are as follows:

- **Philosophy:** The Company strongly believes that the system of Corporate Governance protects the interest of all stakeholders by inculcating transparent business operations and accountability from management towards fulfilling the consistently high standard of Corporate Governance in all facets of the Company's operations.
- **Objective:** Transparent process of determining remuneration at the Board and Senior Management level and appropriate balance between the elements comprising the remuneration.
- **Coverage:** The policy covers remuneration to Executive, Non-Executive Directors, Key Managerial Personnel and Senior Management Personnel.

7. REPORT OF AUDITORS

During the Financial Year under review, there are no qualifications, adverse remarks or disclaimers made by the Statutory Auditor on the financial statements of the Company and by the Secretarial Auditor in his Secretarial Audit Report, which is annexed herewith as an **Annexure VI**. There are no cases of fraud detected and reported by the Auditor under Section 143(12) during the Financial Year.

M/s. Sharp & Tannan Associates, Chartered Accountants (Firm Registration No. 109983W) have been appointed as Statutory Auditors for the second term of 5 consecutive years by the shareholders with effect from the conclusion of 102nd Annual General Meeting till the conclusion of 107th Annual General Meeting.

Mr. Shyamprasad Limaye (CP No. 572), Practicing Company Secretary was appointed as a Secretarial Auditor of the Company as per Section 204 of the Act, for the Financial Year 2022-23. Mr. Shyamprasad Limaye has been re-appointed as Secretarial Auditor of the Company for the Financial Year 2023-24.

M/s. Parkhi Limaye & Co. (Firm Registration No. 000191) have been appointed as Cost Auditor of the Company as per Section 148 of the Act, read with applicable rules made thereunder for the Financial Year 2023-24. Their remuneration is subject to the approval by the Members at the ensuing Annual General Meeting.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The details of loans, guarantees or investments under Section 186 of the Act, are available under Note no. 5, 7, 35E and 36 of notes to accounts, attached to the Standalone Financial Statements.

The full particulars are available in the Register maintained under Section 186 of the Act, which is available for inspection during business hours on all working days (except Saturday and Sunday).

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the Financial Year 2022-23 with the related parties were in the ordinary course of business and at arm's length basis. There were no transactions required to be disclosed in Form AOC-2 **(Annexure V)**. During the Financial Year, the Company has not entered into contracts/arrangements/transactions with the related parties which could be considered material in accordance with the Company's 'Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions'. The said policy is available on the website of the Company.

Further, we draw your attention to Note no. 35 of the Standalone Financial Statements of the Company for details of related party transactions.

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

Details of energy conservation, technology absorption, research and development and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act, read with the applicable rules, are given as an **Annexure I** to this Report.

11. RISK MANAGEMENT

The Risk Management Committee of the Company meets at regular intervals and identifies the top risks and prioritises those risks. Particulars of the Committee and on the Risk Management Policy of the Company are given in the Report on Corporate Governance.

12. CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

The Company has a Corporate Social Responsibility Policy as per the requirements of the Act and the same is available on the website of the Company.

The salient features of this policy are as follows:

- The Company believes that serving society is a primary purpose.
- Perceivable improvement in attitude, culture and values amongst employees and community.
- Conservation of natural resources and commitment to Green Environment.
- Developing business processes which are environmentally and socially sustainable.

The Corporate Social Responsibility Report in the required format is given as an **Annexure II** to this report.

13. BOARD EVALUATION

The Board has formulated a Board Evaluation Policy for evaluation of individual Directors as well as the entire Board and Committees thereof. The evaluation framework is divided into parameters based on various performance criteria as given in the policy available on the website of the Company. The evaluation process for the Financial Year ended on March 31, 2023 has been carried out.

In compliance with the requirements under Schedule IV of the Act, read with Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations, 2015'), a meeting of Independent Directors was held on March 22, 2023 primarily to discuss the matters mentioned under the said Schedule.

14. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES

Following are the highlights of performance of subsidiaries, associate and joint venture companies and their contribution to the overall performance of the Company during the period under review.

i. Karad Projects and Motors Limited

The revenue for the year under review is ₹ 5,151 million which is 8% more as compared to the previous year. This constitutes 12% of gross consolidated revenue of your Company.

ii. The Kolhapur Steel Limited

The revenue for the year under review is ₹ 456 million which is 45% more as compared to the previous year. This constitutes 1% of gross consolidated revenue of your Company.

iii. Kirloskar Corrocoat Private Limited

The revenue for the year under review is ₹ 353 million which is 37% more as compared to the previous year. This constitutes 1% of gross consolidated revenue of your Company.

iv. Kirloskar Brothers International B.V. (consolidated with its overseas subsidiaries)

The revenue for the year under review is ₹ 11,777 million which is 34% more as compared to the previous year. This constitutes 27% of gross consolidated revenue of your Company.

v. Kirloskar Ebara Pumps Limited (Joint Venture)

The revenue for the year under review is ₹ 2,306 million which is 3% more as compared to the previous year.

The financial position of the subsidiaries and joint venture companies is given in AOC-1, in this Annual Report.

15. OTHER STATUTORY DISCLOSURES AS REQUIRED UNDER RULE 8(5) OF THE COMPANIES (ACCOUNTS) RULES, 2014

(i) Financial summary/highlights are included elsewhere in the Report.

(ii) There was no change in the nature of business during the year under review.

(iii) Details of the Directors are given in the Report of Corporate Governance, forming part of this Integrated Annual Report.

- Mr. Alok Kirloskar (DIN 05324745) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.
- Mr. Pradyumna Vyas (DIN 02359563) and Ms. Shailaja Kher (DIN 08450568) ceased to be Directors with effect from May 15, 2022 on completion of their term as an Independent Director of the Company.
- Dr. Rakesh Mohan (DIN 02790744) ceased to be Director with effect from July 27, 2022 on completion of his term as an Independent Director of the Company.
- Mr. Pratap Shirke (DIN 00104902) ceased to be the Non-Executive, Non-Independent Director of the Company with effect from March 15, 2023 consequent upon resignation due to his personal commitments.
- Mr. Sanjay Kirloskar - Chairman and Managing Director, Mr. Chittaranjan Mate - Chief Financial Officer and Mr. Devang Trivedi - Company Secretary, are the Key Managerial Personnel (KMP) of the Company.

  During the year under review, there were no changes in the KMPs of the Company.

(iv) No company has become or ceased to be a subsidiary, joint venture or associate company of the Company, during the year.

Material Subsidiaries

Regulation 16 of the SEBI Listing Regulations 2015, defines a 'material subsidiary' to mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Under this definition, Karad Projects & Motors Limited Karad, Maharashtra ('KPML'), incorporated on 2nd April 2001, an Unlisted Indian Subsidiary, SPP Pumps Limited, UK ('SPP'), incorporated on February 15, 2010 and Kirloskar Brothers International B.V., The Netherlands ('KBI BV'), incorporated on August 30, 2007, Unlisted Foreign Subsidiaries, are material subsidiaries of the Company.

The subsidiaries of the Company function independently, under the supervision and control of the Board of Directors of respective companies. For more effective governance, the minutes of Board Meetings of subsidiaries of the Company are placed before the Board of Directors of the Company for their review at every quarterly Meeting.

In addition to the above, Regulation 24 of the SEBI Listing Regulations, 2015 requires that at least one Independent Director on the Board of Directors of the listed entity shall be a Director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not. For this provision, material subsidiary means a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. However, there is no Subsidiary which falls under this definition of unlisted material subsidiary for the Financial Year ended March 31, 2023.

P.G. Bhagwat LLP, Chartered Accountants, Pune, are the statutory auditors of KPML. Saffery Champness, Chartered Accountants, UK, are the statutory auditors of SPP.

The other requirements as prescribed under Regulation 24 of the SEBI Listing Regulations, 2015 for Subsidiary Companies have been complied with.

Secretarial Audit of Material Unlisted Indian Subsidiary

KPML, a material subsidiary of the Company carried out Secretarial Audit for the Financial Year 2022-23 pursuant to Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI Listing Regulations, 2015. The Secretarial Audit Report of KPML submitted by M/s. Dakhawe Apte & Associates, Company Secretaries is attached as **Annexure VII** to this Report and it does not contain any qualification, reservation or adverse remark or disclaimer.

(v) **Details relating to Deposits**

The Company has neither accepted nor renewed matured deposits since January 2003 and there were no deposits accepted by the Company as covered under Chapter V of the Act read with Rules made thereunder.

(vi) The details of Deposit which are not in compliance with the requirement of the Chapter V of the Act – NA.

(vii) No significant and material orders were passed by the regulators or court or tribunals impacting the going concern status and Company's operations in future.

(viii) **Details in respect of adequacy of internal financial controls with reference to the financial statements:**

The Company has adequate internal financial control systems in place. The control systems are regularly reviewed by the external auditors and their reports are presented to the Audit Committee.

The Company has an Internal Audit Charter specifying mission, scope of work, independence, accountability, responsibility and authority of Internal Audit Department. The internal audit reports are reported to Audit Committee along with management response.

(ix) Your Company is required to maintain the Cost records as required under Section 148(1) of the Act and accordingly, such accounts and records are maintained by the Company for the Financial Year ended on March 31, 2023.

(x) The details of application made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the Financial Year – Nil.

(xi) The details of the difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reason thereof - Nil.

(xii) **Other disclosures required under the Companies Act, 2013 as may be applicable**

- Composition of the Audit Committee has been disclosed in Corporate Governance Report.
- Establishment of Vigil Mechanism: The Company has already in place a 'Whistle Blower Policy' as a Vigil Mechanism since 2008. The details of the same are reported in Corporate Governance Report.
- Disclosures as required under Section 197(12) of the Act read with the applicable rules and details as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as **Annexure III & Annexure IV**, respectively to this report.

(xiii) **Other Disclosure**

- The Company has filed a suit against Kirloskar Proprietary Limited (KPL) relating to the use, assignment and ownership of the trademark "Kirloskar". The Company has made appropriate pleadings in the said suit as advised by the Legal Advisors of the Company and has inter-alia, challenged the unlawful termination and sought declaration, injunction and other appropriate relief/s. KPL subsequently has withdrawn the termination letters with effect from March 3, 2020.

- In compliance with the order of the Hon'ble Pune Commercial Court, the Company has been depositing the claimed Royalty amount by way of cheque in the safe custody of Ld. Nazir District Court, Pune Civil Court from the quarter ended October, 2018 until 3rd quarter of the Financial Year 2022-23, without prejudice to its rights and contentions. The cheques upon their expiry have been replaced by fresh cheques in terms of the order of the Hon'ble Court, Pune.

- Kirloskar Industries Limited along with Mr. Atul Kirloskar and Mr. Rahul Kirloskar ('the requisionists'), collectively holding more than one-tenth of the paid-up share capital of the Company had requisitioned for an Extra-ordinary General Meeting ('EGM') of the shareholders of the Company for appointment of an independent and reputed external entity as an independent forensic auditor for conducting a forensic audit to investigate and i) verify the expenses incurred by the Company on legal, professional and consultancy charges over the past 6 (six) years, and the affairs of the Company; ii) verify all records, books of accounts, minute books, other documents of company; and iii) examine the conduct of Board of Directors of the Company including independent directors. Accordingly, Notice dated November 16, 2022 for convening EGM along with statement setting out material facts was sent to the shareholders of the Company and the EGM was conducted on December 8, 2022 by the Company. As per the voting results of the said EGM, the resolution as proposed by the requisitionists was defeated since it was not passed by a majority of the votes of the shareholders, present/participating and voting.

16. CASH FLOW

Cash flow statement for the Financial Year ended on March 31, 2023 is attached to the Balance Sheet.

17. SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating efficiently.

SAFETY, HEALTH AND ENVIRONMENT

Safety and Health

- Hazard identification is one the important element in Safety. A good safety culture is also said to be developed when all level employees identify the hazards. An Incident tracking system is being used by Staff employees whereas Safety yellow tag (SaY) system is developed for workmen. Corrective and preventive actions are assigned to rectify the hazards. There is significant improvement in the compliance of corrective and preventive actions compared to last year. It's more than 90% in almost all manufacturing plants.

- Safety audit is one of the important tool to identify the gaps in safety. All manufacturing plants are audited for safety by internal trained Safety officers using quantitative methodology.

- Safety training is one another method to improve the skill and knowledge of safety, which also improves the safety culture. We kept the target of 3 man-hours/employee/year, which is achieved and surpassed in manufacturing plants.

- State of art Safety training centre is created in Kirloskarvadi plant.

- Special initiatives taken to high consequences area to improve safety like Grinding safety, Road safety, forklift safety etc.

- To improve the wastewater quality, in Kirloskarvadi plant, industrial waste streams like coolant waste, paint booth wastewater and acid pickling waste water are segregated from sewage stream. A new effluent treatment plant is installed to treat this segregated industrial waste.

Environment and Energy

Through sustainability policy, the Company is committed to achieve excellence in overall sustainable performance through integration of economic, environmental and social dimensions. As a part of its sustainability initiative, the Company focuses on various aspects to reduce adverse impact on the environment, which include conservation of natural resources, optimising the use of resources, reducing carbon emissions, developing products with low ecological footprint, promoting energy efficient products, promoting use of renewable sources of energy, conserving biodiversity, and engaging with stakeholders and communities for sustainability practices.

For the purpose of optimum utilization of resources and continual improvement, the Company monitors and reviews the important parameters impacting environment such as carbon footprint, energy consumption, water consumption, material consumption and waste generation.

As a step towards enhancing the use of renewable energy sources and curtailing the scope 2 emissions, the Company has installed and made operational roof-top solar power panels at its manufacturing locations and Corporate Office with capacity of 4.6 MW, which is yielding green power with good efficiency. This is in addition to the generation of 4 MW wind power by Kirloskarvadi plant. Thus, the Company is able to satisfy around 23% of its energy requirement from renewable energy.

At its Dewas plant, the Company has developed “Kirloskar Centenary Forest” by taking input from Miyawaki afforestation concept (Special Process for Thick Forest). It has helped the Company in reducing carbon footprint and developing biodiversity to enrich the environment and society.

Rain-water harvesting system is encouraged to recharge groundwater for all manufacturing plants of the Company. Thus, the Company is able to save up to 30% of water by effective utilisation of water management practices. All plants of the Company are “zero waste water discharge” units.

Through Confederation of Indian Industry (CII), the Company has completed “Life Cycle Assessment (LCA)” study on a sample product to evaluate the impact of manufacturing on environment. Implementation of “High Pressure Moulding Line” (HPML)Technology for Company’s foundry in Dewas plant will help it to reduce carbon emission by around 3-5%.

Similarly, the Company has also taken up product specific Carbon Mapping Project for a few of its pump models being regularly exported to the EU market. Actions have been suggested to reduce the impact of carbon emissions from the identified products. Similar exercise has been completed at Dewas Plant to establish measurement of carbon emission by Plant. Thus, the Company shall continue taking efforts to improve and contribute to help India achieve its commitment to be Carbon Net Zero by 2070.

Corporate office of the Company in Pune, Maharashtra is a Green building with LEED Platinum certification. Commitment towards environment is one of the Values of the Company. At corporate office and manufacturing locations, the Company has extensive daylight harvesting to save energy. 80% of Company’s work stations are illuminated by natural light. Most pumps manufactured by the Company are BEE star labelled for efficiency.

Green initiatives like plantation of trees to minimize heat load on buildings, use of furnace slag for constructing internal roads and use of ply-boards and metallic frames instead of wood for packing are few other environmental practices adopted by the Company.

In order to encourage our manufacturing plants to implement more and more energy saving projects, the Company organizes energy conservation competition (ENCON) at the Company group level through independent energy auditors. The Company shares best practices and achievements with all plants and also awards teams for innovative ideas and energy saving performances.

All manufacturing plants of the Company are certified with Environment Management System (ISO 14001:2015), Energy Management System (ISO 50001:2018), Quality Management System (ISO 9001:2015) and Occupational Health and Safety Management System (ISO 45001:2018) under Integrated Management System certifications.

The Company is committed to the integration of environment performance considerations in the value chain process of products and services including planning, use and disposal, environmental aspects, potential impacts and costs associated with the life cycle assessment in order to have a minimal negative impact on the environment.

The Company seeks to reduce the environmental impacts of its procurement process and also encourages suppliers to adopt sustainable supply chain practices through establishing and adopting Sustainable Policy.

REPORTS ON MANAGEMENT DISCUSSION AND ANALYSIS, CORPORATE GOVERNANCE

Pursuant to the SEBI Listing Regulations 2015, Management Discussion and Analysis Report, Report on Corporate Governance, Auditor’s Certificate on Corporate Governance, Certificate pursuant to Schedule V read with Regulation 34 (3) and the declaration by the Chairman and Managing Director regarding affirmations for compliance with the Company’s Code of Conduct are annexed to this report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Your Company has been reporting its sustainability performance for the past 13 years. Further, the Company started presenting Integrated Annual Report since 2018-19. The Annual Report for the Financial Year 2022-23 is 5th Integrated Annual Report of the Company. Pursuant to the provisions of Regulation 34(2)(f) of the SEBI Listing Regulations, 2015, the Business Responsibility and Sustainability Report for the Financial Year 2022-23 is annexed to this report.

DISCLOSURE UNDER THE "SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and in terms of Section 22 of this Act, read with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, we report that for the Financial Year ended on March 31, 2023:

1	No. of complaints received in the year	Nil
2	No. of complaints disposed-off in the year	NA
3	Cases pending for more than 90 days	NA
4	No. of workshops and awareness programmes conducted in the year	2
5	Nature of action by employer or District Officer, if any	NA

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation of the unstinted support and co-operation given by the banks and financial institutions. Your Directors would further like to record their appreciation of the efforts by the employees of the Company and wish to express their gratitude to the Members for their continued trust and support.

For and on behalf of the Board of Directors,

Sanjay C. Kirloskar
Chairman & Managing Director
DIN 00007885

Pune: May 11, 2023

Annexure I

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

A) CONSERVATION OF ENERGY:

(i) Steps taken or impact on conservation of energy

1. A series of products developed for low ecological footprint like Lowest Life Cycle Cost (LLC) Products which has led to savings of ₹ 22.5 million and CO_2 Reduction of 2,200 Metric Tons equivalent to 10 year's Carbon footprint of a pump.
2. Plants have been upgraded to smart energy data logger from traditional energy meters. In this system, the data is being automatically captured and displayed as under:
   - Department-wise EC dashboard
   - No human error
   - More accurate real-time data
   - All readings can be logged at the same time
3. On number of machines and at canteen, CFL lamps have been replaced with LED lamps. Significant amount of energy is saved per annum.
4. In Painting booth, VFD (Variable Frequency Drives) have been installed for exhaust blower motors to reduce energy consumption by around 8%.
5. On Grit Blasting machine, for exhaust blower unit, IE3 efficiency class motor has been installed in place of old motor, to reduce energy consumption by around 5%. Also, VFD installed for IE3 motor to reduce initial torque on motor and save energy by 15%.
6. Modification of air piping on Grit Blasting machine has been completed to reduce compressed air frictional loss by 1.0 bar. Energy saved per annum due to this change is 2165 kWh.
7. QR codes have been installed on pneumatic grinder in WCN area to reduce compressed air consumption by around 500 units per annum.
8. Weekly monitoring and arresting any leakages in compressed air system
9. 30kW GAE30 VSD+ have been installed on air compressor to save compressed air energy consumption by 25,000 units per annum.
10. Revamping of APFC panel has been completed to improve power factor from 0.981 to 0.995 and above. Hence, reduction in power loss by 15,000 units per annum.
11. Pump test bed has been upgraded by installing 2,000 kW HT VFD to reduce energy consumption due to high initial torque. Estimated energy saving due to this modification is 10,000 kWh per annum.
12. Training to employees on energy conservation techniques best in the industry.
13. Energy saving projects displayed in weekly the Company bulletin for horizontal deployment to other units.
14. Adoption of energy efficient tools like motion sensor, cam tools and timers etc.
15. Laser calibration of all critical Computer Numerical Control (CNC) machines every year.

ii) Steps taken by the Company for utilizing alternate sources of energy

1. Development of products like PICO, PAT which act as a Micro Hydro Power Generator when operated in reverse direction as a turbine for generating electricity. It is designed for meeting energy requirements in industries.
2. Using solar energy for emergency lamps in 2nd and 3rd shift operations.
3. Using battery operated mobile crane of 1.0T capacity.
4. Maximum usage of natural light during daytime on shop floor through sky light sheets.
5. Exploring enhancement of renewable energy capacity across plants and HO. HT furnace modification has been completed from diesel operated to LPG operated thereby reducing pollution and improvement in operating condition.

iii) Capital investment on energy conservation:

CER Justification	Amount (₹ in Million)
Replacement of old reciprocating compressor with new technology screw compressor at Kirloskarvadi	8.9
Air leak tester for backup - for mechanical seal leakage testing at Kirloskarvadi	0.4
Installation of air leakage tester at Dewas	0.7
Installation of new Effluent Treatment Plant at Dewas	2.1

B) TECHNOLOGY ABSORPTION:

(i) Efforts made towards technology absorption

- Developed and released 22 variants of Monobloc pumps with IE4 Super Premium Efficiency motors.
- Developed indigenous submersible dewatering CW pumps of 5, 7.5 and 10 HP to address import substitute.
- Developed and released 29 variants in 6" submersible pumps with improved efficiency and performance achieving 4-star and 5-star BEE accreditation.
- Developed 31 pump models conforming to EN733 and with higher efficiency conforming to MEI≥0.7 (EN 16480).
- Developed 24 pump models conforming to ISO5199 and with higher efficiency conforming to MEI≥0.7 (EN 16480).
- Developed basic 15 pump models of Vertical Inline Pumps with higher efficiency conforming to MEI≥0.7 (EN 16480).
- Development of Boiler feed pump for NPCIL's 700 MWe fleet order requirements.
- Development of VT pumps BHA1075S, BHR230N(M).
- Butterfly valves developed – DN3000 PN10, DN1400 HOPDV PN10, DN3000 PN16, DN1800 PN10 with Extension, DN2600 PN10, DN2700 PN10, DN1200 PN20.
- Developed new size range DN50, 80, 100, 150, 200 rating PN1.0,1.6.
- Value engineering of Rising and Non-Rising spindle Sluice Valve Hand wheels.
- Value engineering of Tamper-proof Kinetic Air Valve (KAV).
- Value engineering of Butterfly Valve components such as Body casting, Shaft & reduced torque output for optimum.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution

- Competitive edge with Ultra-premium efficiency products.
- Most efficient pumps in global market conforming to MEI≥0.7 (EN 16480).
- Capability enhancement / range extension to meet customer requirements.
- Import substitution.
- New Market for Vertical Inline pumps.
- Reduction in product development time and cost.

(iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) - NIL

Details of technology imported	Nil
Year of import	Nil
Whether the technology been fully absorbed	Nil
If not fully absorbed, areas where absorption has not taken place, and the reason thereof	Nil

(iv) Expenditure incurred on Research and Development

(₹ in Million)

Revenue expenditure	248.24
Capital Expenditure	2.31
TOTAL	**250.55**

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Million)

Foreign Exchange earned in terms of actual inflows during the year	1,741.40
Foreign Exchange outgo during the year in terms of actual outflows	999.34

Annexure II

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

   Kirloskar Brothers Limited enjoys a legacy of over a century of making a positive difference in the area of socio – economic development of the less privileged communities and other stakeholders, by being a responsible business house through adoption of appropriate business processes and strategies and by carrying out various initiatives towards its social obligations for the society in the vicinity of all its manufacturing locations. The activities are carried out by the Company and its implementing agency, Vikas Charitable Trust.

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. Vivek Pendharkar	Chairman	1	1
2.	Mr. Sanjay C. Kirloskar	Member	1	1
3.	Ms. Rama Kirloskar	Member	1	1
4.	Ms. Rekha Sethi	Member	1	1

3. Provide the web-link where the following are disclosed on the website of the Company:

   Composition of CSR committee:

   https://www.kirloskarpumps.com/composition-of-various-committes-of-board/

   CSR Policy:

   https://www.kirloskarpumps.com/wp-content/uploads/2020/01/CSR-policy-Ammended-upto-May-2017.pdf

   CSR projects approved by the Board:

   https://www.kirloskarpumps.com/wp-content/uploads/2022/08/CSR-Annual-Action-Plan-2022-23.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub- rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): NA. The average CSR obligation of the Company is less than ₹ 10 Crores.

5. Details of the amount available for set-off in pursuance of sub- rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set off for the financial year, if any (in ₹)
		Not Applicable	
TOTAL			

6. Average net profit of the Company as per Section 135(5) of the Companies Act, 2013, ('the Act'). ₹ 1,18,05,00,955/-

7. (a) Two percent of average net profit of the Company as per Section 135(5) of the Act. ₹ 2,36,10,019/-

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil

   (c) Amount required to be set-off for the Financial Year, if any. Nil

   (d) Total CSR obligation for the Financial Year (7a+7b-7c) ₹ 2,36,10,019/-

8. (a) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2,41,64,673	Nil	NA	NA	NA	NA

(b) Details of CSR amount spent against **ongoing projects** for the Financial Year:

1	2	3	4	5		6
Sl. No.	Name of the Project	Item from the List of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration
				State	District.	
1	Support to Medical Institution/ Hospital for the infrastructure upgradation	Promoting healthcare including Preventive Healthcare	Yes	Maharashtra	Pune	Upto March, 2024

	7	8	9	10	11	
Sl. No.	Amount allocated for the project (in ₹)	Amount spent in the current Financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
					Name	CSR Registration number
1	1,00,00,000	65,00,000	Nil	No	Vikas Charitable Trust	CSR00006556
Total		**65,00,000**				

(c) Details of CSR amount spent against **other than ongoing projects** for the Financial Year:

1	2	3	4	5		6	7	8	
Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for the project (in ₹)	Mode of implementation -Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Assistance to Gram Panchayat (Kundal) for Community Development work	Rural Development work	Yes	Maharashtra	Sangli	8,25,000	Yes	-	-
2	Assistance to Collector's Office for promotion of Sports in the district	Promotion of sports	Yes	Maharashtra	Sangli	50,000	Yes	-	-
3	Renovation of Kirloskarvadi Railway Station	Restoration of building and sites of historical importance	Yes	Maharashtra	Sangli	6,43,515	Yes	-	-
4	Assistance to Government ITI	Employment enhancing Vocational Skills	Yes	Kerala	Kaniyur	20,580	Yes	-	-
5	Set up of 10 Biogas Plants	Environmental Sustainability	Yes	Gujarat	Ahmedabad	50,000	Yes	-	-
6	Assistance to Civil Society CSR publication	Special Education	No	New Delhi	New Delhi	1,00,000	Yes	-	-
7	Village Bus Project through Rashtriya Life Saving Society	Disaster Management	Yes	Maharashtra	Across Maharashtra	31,10,326	Yes	-	-

1	2	3	4	5		6	7	8	
Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for the project (in ₹)	Mode of implementation -Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
8	Bio Diversity Restoration Project, COD, Dehu, Pune through Forrest (NGO)	Ensuring ecological balance, protection of flora and fauna	Yes	Maharashtra	Pune	3,95,000	Yes	-	-
9	Skill Development Programme for Plumbers through Indian Plumbing Skill Council / Water Management & Plumbing Skills Council	Employment enhancing Vocational Skills	Yes	Across India	Across India	1,21,32,705	Yes	-	-
10	Skill Development through Indo German Chamber of Commerce	Employment enhancing Vocational Skills	Yes	Maharashtra	Sangli	3,37,547	Yes	-	-
						1,76,64,673			

(d) Amount spent in Administrative Overheads 0

(e) Amount spent on Impact Assessment, if applicable 0

(f) Total CSR obligation for the Financial Year (8b+8c+8d+8e) 2,41,64,673/-

(g) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (in ₹)
i.	Two percent of average net profit of the Company as per Section 135(5)	2,36,10,019/-
ii.	Total amount spent for the Financial Year	2,41,64,673/-
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	5,54,654/-
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding Financial Years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Nil							

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total Amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative Amount spent at the end of reporting Financial Year (in ₹)	Status of the project – Completed/ Ongoing
Nil								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year: NA

(Asset-wise details):		
(a)	Date of creation or acquisition of the capital asset(s).	-
(b)	Amount of CSR spent for creation or acquisition of capital asset.	-
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	-
(d)	Provide details of the capital asset(s) created or acquired (Including complete address and location of the capital asset)	-

11. Specify the reason(s), if the company has failed to spend two per cent of the average net 'profit' as per Section 135(5).
NA

Sd/-
Sanjay C. Kirloskar
Managing Director
(DIN 00007885)

Sd/-
Vivek Pendharkar
Chairman- CSR Committee
(DIN 02791043)

Date: May 11, 2023

Annexure III

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

		Name of Director / Key Managerial Personnel	Designation	Ratio to Median remuneration (times)	Increase / (Decrease) %
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year				
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year	Mr. Sanjay Kirloskar	Chairman and Managing Director	75.23	30.68
		Ms. Rama Kirloskar	Joint Managing Director	71.36	324.97
		Dr. Rakesh Mohan	Independent Director	*	*
		Mr. Pradyumna Vyas	Independent Director	*	*
		Ms. Shailaja Kher	Independent Director	*	*
		Mr. M.S. Unnikrishnan	Independent Director	2.98	5.00
		Mr. Pratap Shirke	Non Executive Director	2.64	5.68
		Mr. Alok Kirloskar	Non Executive Director	2.38	20.00
		Mr. Shobinder Duggal	Independent Director	2.81	44.17
		Mr. Shrinivas Dempo	Independent Director	2.38	34.04
		Ms. Ramni Nirula	Independent Director	2.30	23.35
		Mr. Amitava Mukherjee	Independent Director	2.81	*
		Mr. Vivek Pendharkar	Independent Director	2.38	*
		Ms. Rekha Sethi	Independent Director	2.38	*
		Mr. Chittaranjan Mate	Chief Financial Officer	NA	4.29
		Mr. Devang Trivedi	Company Secretary	NA	*
(iii)	The percentage increase in the median remuneration of employees in the Financial Year	3.5%			
(iv)	The number of permanent employees on the rolls of the Company	As on March 31, 2023 Staff – 1,434 Workmen – 1,140 Trainee – 62			
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out, if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase in the salary of employees (other than Key Managerial Personnel) for the financial year 2022-23, as compared to Financial Year 2021-22 is 12% (including performance-based incentive). Refer above mentioned point no. (ii) for comparison with the percentile increase in the managerial remuneration.			
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes			

Notes:

1) *The aforesaid details are calculated on the basis of remuneration for the Financial Year 2022-23.*
2) *Remuneration to Non-Executive Directors include sitting fees paid during the Financial Year 2022-23.*
3) *The median remuneration of employees of the Company for the Financial Year 2022-23 is ₹ 8,81,609.*
4) **The % increase in remuneration is provided only for those Directors and Key Managerial Personnel who have drawn remuneration from the Company for the entire Financial Year 2021-22 and 2022-23. The ratio to median remuneration is provided only for those Directors who have drawn remuneration from the Company for the entire Financial Year 2022-23.*
5) *Mr. Pratap Shirke ceased to be Non-Independent, Non-Executive Director of the Company w.e.f. March 15, 2023.*

Annexure IV

Statement of details of employees falling under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name of the employee	Designation of employee	Remuneration received (₹ in million)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee [Experience in years]	Date of commencement of employment	Age of such employee	Last employment held by such employee before joining the Company	Percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2)	Whether any such employee is a relative of any director or manager of the company	Name of such director
1	Sanjay Chandrakant Kirloskar	Chairman and Managing Director	66.00	Contractual	Batchelor of Science (M.E.) [45]	02-05-1983	66	Kirloskar Cummins Limited	22.48 (#17,847,465)	Yes	Rama Kirloskar & Alok Kirloskar
2	Rama S Kirloskar	Joint Managing Director	63.00	Contractual	Double Major in Mathematics and Biology (from Bryn Mawr, PA, USA) [10]	03-08-2021	33	Kirloskar Ebara Pumps Limited	-	Yes	Sanjay C. Kirloskar & Alok Kirloskar
3	Chittaranjan Madhukar Mate	Sr. Vice President and CFO Head – CFA	11.00	Regular	C.A., B.Com [42]	03-06-2015	67	Kirloskar Ebara Pumps Limited	-	No	-
4	Shingo Nakamura	Vice President & Head - TQPM	10.67	Contractual (Fixed Term Contract)	Master's in Chemical Environment Engg. & Graduate in Chemical Engg. [43]	01-06-2021	68	Japan Management Association Consulting (JMAC)	-	No	-
5	Ravi Bhushan Sinha	Vice President & Head - CHRMC	8.91	Regular	PG Dip. in HR; LLB, B.A. [28]	24-04-2013	52	Praj Industries Limited	-	No	-
6	Vikas Agarwal	Vice President & Head - Water Irrigation & Power	8.86	Regular	B.E. - Electrical & Electronics [26]	01-03-1997	48	N.A.	0% (750)	No	-
7	Supriyo Bhowmik	Vice President & Head - CSS-SMPD & ESD	8.75	Regular	B.E. - Chemical [31]	28-05-2018	56	KSB Pumps Limited	-	No	-
8	Ravindra Sharanappa Birajdar	Vice President & Head - CRED	7.65	Regular	M.Tech, B.E. - Mech. [35]	06-09-1988	59	N.A.	0% (1,500)	No	-
9	Vinay Bhatt	Vice President & Head - Kirloskarvadi Operations	7.30	Regular	M.Tech - Physical Metallurgy, B.E. – Metallurgy [20]	27-04-2021	44	HLE Galscoat Limited	-	No	-
10	Umesh Madhav Gosavi **	Associate Vice President & Head - Corp Legal	6.39	Regular	C.S., B.Com [33]	22-08-2016	60	Finolex Industries Limited	-	No	-
11	Sunil Nair	Vice President & Head - Strategic Projects	6.29	Regular	B.Com [23]	11-09-2009	44	KPMG India	-	No	-

Position as on March 31, 2023.

 # Out of these, Sanjay C. Kirloskar holds 16,085,546 equity shares in the individual capacity, 1,758,904 equity shares as a Trustee of Kirloskar Brothers Limited Employees Welfare Trust Scheme and 3,015 equity shares as a Trustee of C.S. Kirloskar Testamentary Trust.

*** Umesh Gosavi superannuated from the services on February 28, 2023.*

Annexure V

FORM NO. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the resolution was passed in general meeting as required under first provision to Section 188
- NIL -							

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
- NIL -					

Please refer Note No. 35 of the Standalone Financial Statements of the Company.

Annexure VI

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]
For the financial year ended 31st March, 2023.

To,
The Members of,
Kirloskar Brothers Limited
(CIN: L29113PN1920PLC000670)
Yamuna, S No.98/3 - 7
Plot No. 3 Baner, Pune – 411045.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kirloskar Brothers Limited** (hereinafter called as "the Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, and subject to letter annexed herewith, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place subject to the reporting made hereinafter:

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

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

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

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

4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable: -

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

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

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

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

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

   (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and

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

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

(i) Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.

(ii) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, During the period under review the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above, wherever applicable, except delay in submission of RPT for period ended 31st March, 2022 within stipulated time under Regulation 23 of SEBI (LODR) 2015.

The BSE and NSE had levied fine of ₹ 45,000/- each for delay in compliance. The Company has paid the fine.

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors including a woman director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings including Committees thereof, alongwith agenda and detailed notes on agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the directors. The decisions at the meeting were carried unanimously.

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

I further report that during the audit period, there was no other event/action having major bearing on affairs of the Company.

Place : Pune
Dated: May 11, 2023
UDIN: F001587E000286971

Shyamprasad D. Limaye
F.C.S. 1587 C.P. 572

To,
The Members,
Kirloskar Brothers Limited
(CIN: L29113PN1920PLC000670)
Yamuna, S No.98/3 - 7
Plot No.3 Baner, Pune - 411045

My Secretarial Audit Report for Financial Year ended on 31st March 2023 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. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I 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. I believe that the process and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records, Accounting Standards and Books of Accounts of the Company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

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

Place : Pune
Dated: 11th May, 2023

Shyamprasad D. Limaye
F.C.S. 1587 C.P. 572

Annexure VII

FORM NO. MR-3

Secretarial Audit Report
For the Financial Year Ended 31.03.2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Karad Projects and Motors Limited,
Plot No. B-67/68, MIDC, Karad Industrial Area,
Tasawade, Karad - 415109

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Karad Projects and Motors Limited (CIN: U45203PN2001PLC149623)** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my 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 **31st March 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March 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 (during the year under review not applicable to the Company);

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (during the year under review not applicable to the Company, as the shares of the company are not in dematerialized form);

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (during the year under review not applicable to the Company as the Company does not have any 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 year under review not applicable to the Company as the Company is an unlisted company);

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (during the year under review not applicable to the Company as the Company is an unlisted company);

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (during the year under review not applicable to the Company as the Company is an unlisted company and not proposing to get its securities listed);

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (during the year under review not applicable to the Company as the Company is an unlisted company);

(e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (during the year under review not applicable to the Company as the Company is an unlisted company);

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities and Security Receipts) Regulations, 2008 (during the year under review not applicable to the Company as the Company is an unlisted company and not proposing to get debt securities listed);

(g) 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 year under review not applicable to the Company as the Company is not availing services of Registrars to an Issue and Share Transfer Agents);

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (during the year under review not applicable to the Company as the Company has not done delisting of shares); and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (during the year under review not applicable to the Company as the Company is an unlisted company);

(vi) As informed to us, no other law is applicable specifically to the Company.

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

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

We have not examined compliance with the applicable clauses of the following since it is not applicable to the Company during the period under review:

(i) The Listing Agreements entered into by the Company with Stock Exchange(s);

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director and Non-Executive Directors. The changes in the composition of the Board of Directors, if any, that took place during the period under review were carried out in compliance with the provisions of the Act. Being an unlisted public company, which is a wholly owned subsidiary, appointment of independent directors is exempted.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board are carried through unanimously. As per the records provided by the Company, none of the member of the Board dissented on any resolution passed at the meeting.

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 and its Directors namely, Mr. Ravindra Samant – Managing Director, Mr. K Taranath – Director, Mr. Vijaykumar Kulkarni – Chief Financial Officer and some of Company's ex-directors and officer namely, Mr. Anant Sathe, Mr. Achyut Gokhale, Sandeep Phadnis and Raghunath Apte – Ex Company Secretary, have paid compounding fees pursuant to the directions from the Regional Director, Mumbai as follows;

Sr. No	Petitioner	Amount of Fine (₹)	SRN
1.	Karad Projects And Motors Limited (Company)	2,00,000/-	X30835276
2.	Mr. Ravindra Ramkrishna Samant (Managing Director)	1,50,000/-	X30834717
3.	Mr. Taranath Kondebettu (Director)	1,05,000/-	X30835615
4.	Mr. Anant Ramakrishna Sathe (Former Director)	1,05,000/-	X30833941
5.	Mr. Achyut Balkrishna Gokhale (Former Director)	1,05,000/-	X30834956
6.	Mr. Sandeep Anil Phadnis (Former Director)	1,05,000/-	X30833933
7.	Mr. Vijaykumar Vasudev Kulkarni (Chief Financial Officer) KMP	1,05,000/-	X30835318
8.	Mr. Raghunath Sharad Apte (Former Company Secretary)	1,05,000/-	X30835854
	Total	**9,80,000/-**	

This was pursuant to the Compounding application under Section 441 read with Section 204 (1) of the Companies Act, 2013 for not attaching Secretarial Audit Report for the year 2016-17.

Apart from the above, there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

For Dakhawe Apte & Associates
Company Secretaries
UIN: P2022MH090400
PR No. 1815/2022

Abhijit Dakhawe
Company Secretary
FCS # 6126
CP No # 4474
UDIN: F006126E000141800

Place: Pune
Date: April 20, 2023

This report is to be read with Annexure A which forms an integral part of this report.

Annexure A

To,
The Members,
Karad Projects and Motors Limited,
Plot No. B-67/68, MIDC, Karad Industrial Area,
Tasawade, Karad - 415109

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

1. Maintenance of secretarial records 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 process 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 process 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 and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

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

For Dakhawe Apte & Associates
Company Secretaries
UIN: P2022MH090400
PR No. 1815/2022

Abhijit Dakhawe
Company Secretary
FCS # 6126
CP No # 4474
UDIN: F006126E000141800

Place: Pune
Date: April 20, 2023

REPORT ON CORPORATE GOVERNANCE

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

The Company strongly believes that the system of Corporate Governance protects the interest of all the stakeholders by inculcating transparent business operations and accountability from management towards fulfilling consistently the high standard of Corporate Governance in all facets of the Company's operations.

2. BOARD OF DIRECTORS:

As on March 31, 2023, there were 10 (Ten) Directors on the Board, comprising of Managing Director and Joint Managing Director and 8 (Eight) (80%) Non-Executive Directors of whom, 7 (Seven) (70%) were Independent Directors. There were 3 (Three) Woman Directors including 2 (Two) as Independent Directors.

The Board's composition is an optimal complement of independent professionals having an in-depth knowledge of business.

During the year under review, 7 (Seven) Board meetings were held on the following dates:

May 12, 2022, May 24, 2022, August 10, 2022, November 10, 2022, January 12, 2023, February 10, 2023 and March 15, 2023.

According to the provisions of Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015'), none of the Directors on the Board hold the office of director, including an alternate directorship if any, in more than 7 listed entities at the same time.

None of the Directors are holding membership of committees of the Board in more than 10 committees or chairpersonship of more than 5 committees across all listed entities in which he/she is a Director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2023 have been made by the Directors.

The details of Directors, Directorship/Committee positions, Attendance etc. are furnished in the Table below:

a. the limit of the committees on which a director is serving in all public limited companies, whether listed or not, are included and all other companies including private limited companies, foreign companies and companies formed under Section 8 of the Companies Act, 2013, are excluded;

b. for the purpose of determination of limit, chairpersonship and membership of only Audit and Stakeholders' Relationship Committees are considered.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations, 2015 read with Section 149(6) of the Companies Act, 2013 ('the Act'). The maximum tenure of the Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations, 2015 read with Section 149(6) and 150 of the Act read with relevant Rules thereunder.

The Chairman and Managing Director of the Company is serving as an Independent Director in two listed companies.

None of the Directors except Mr. Sanjay C. Kirloskar, Mr. Alok Kirloskar (son of Mr. Sanjay C. Kirloskar) and Ms. Rama Kirloskar (daughter of Mr. Sanjay C. Kirloskar), are related to each other.

The details of Directors, their Directorship/Committee positions, Attendance etc. are furnished in the Table below:

Name of Director	Designation / Category of Directorship@	Board Meetings attended	Attendance at last AGM	No. of other Directorships held*	No. of Committees of which Member / Chairperson in other Companies*	Names of the listed Companies where the person is director	Category of directorship in other listed companies@
Mr. Sanjay Kirloskar	CMD (P)	7	Present	5	1/1	• KPT Industries Limited • DCM Shriram Industries Ltd.	INED INED
Ms. Rama Kirloskar	JMD (P)	7	Present	3	0/0	--	--
Mr. Pratap Shirke #	NED	6	Present	8	NA	--	--
Mr. Alok Kirloskar	NED (P)	7	Present	17	0/0	--	--
Dr. Rakesh Mohan ##	INED	2	NA	NA	NA	NA	NA
Mr. Pradyumna Vyas ###	INED	1	NA	NA	NA	NA	NA
Ms. Shailaja Kher ###	INED	0	NA	NA	NA	NA	NA
Mr. M. S. Unnikrishnan	INED	6	Present	5	0/0	• KEC International Limited	INED
Mr. Shobinder Duggal	INED	7	Present	2	2/1	• SBI Life Insurance Company Ltd. • PI Industries Ltd.	INED INED
Mr. Shrinivas Dempo	INED	6	Present	11	1/0	• Automobile Corporation of Goa Ltd. • Hindustan Foods Ltd. • Goa Carbon Ltd.	INED NED NED
Ms. Ramni Nirula	INED	4	Present	8	1/0	• DCM Shriram Ltd. • Usha Martin Ltd. • HEG Ltd.	INED INED INED
Mr. Amitava Mukherjee	INED	6	Present	13	1/2	• Godrej Properties Ltd.	INED
Mr. Vivek Pendharkar	INED	7	Present	0	0/0	--	--
Ms. Rekha Sethi	INED	6	Present	4	3/0	• CESC Ltd. • Samvardhana Motherson International Limited • Spencers Retail Ltd.	INED INED INED

@ CMD – Chairman and Managing Director, JMD-Joint Managing Director, NED – Non-Executive Director, INED – Independent Non-Executive Director and P – Promoter.

*(1) *Directorships and committee positions in private and public limited companies, foreign companies are included in the above table excluding Kirloskar Brothers Limited and Section 8 Companies.*

(2) All the relevant information suggested under Schedule II of the SEBI Listing Regulations, 2015 is furnished to the Board from time to time.

(3) #Ceased to be a Director with effect from March 15, 2023.

(4) ##Ceased to be a Director with effect from July 27, 2022.

(5) ###Ceased to be a Director with effect from May 15, 2022.

During the year under review, meeting of the Independent Directors was held on March 22, 2023. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Executive Directors of the Company and the Board as a whole including Committees thereof.

Statement showing number of Equity Shares of ₹ 2/- each of the Company, held by the Non-Executive Directors as on March 31, 2023:

Non-Executive Directors	No. of Shares	% of Paid up Capital
Mr. Pratap B. Shirke *	20,000	0.02
Mr. Alok S. Kirloskar	6,187	0.01
Dr. Rakesh Mohan **	0	0.00
Mr. Pradyumna Vyas***	0	0.00
Ms. Shailaja Kher***	0	0.00
Mr. M. S. Unnikrishnan	0	0.00
Mr. Shobinder Duggal	0	0.00
Mr. Shrinivas Dempo	0	0.00
Ms. Ramni Nirula	0	0.00
Mr. Amitava Mukherjee	0	0.00
Mr. Vivek Pendharkar	0	0.00
Ms. Rekha Sethi	0	0.00

**Ceased to be a Director with effect from March 15, 2023.*
***Ceased to be a Director with effect from July 27, 2022.*
****Ceased to be a Director with effect from May 15, 2022.*

The details of familiarisation programme imparted to the Directors is available at https://www.kirloskarpumps.com/investors/familiarisation-programme-for-independent-directors/

The List of core skills/expertise/competencies identified by the Board as required in the context of its business(es) and sector(s) for the Company to function effectively and those actually available with the Board:

The Board has formulated a Policy on Board Skill Matrix of the Company. In terms of the said policy, the Board of the Company comprising of skill-based directors who collectively, have the skills, knowledge and experience to effectively govern and direct the organization as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board. The List of core skills/expertise/competencies identified and collectively possessed by the Board are as under:

- Governance skills (that is, skills directly relevant in performing the Board's key functions);
- Industry skills (that is, skills relevant to the industry or section in which the organization predominantly operates); and
- Personal attributes or qualities that are generally considered desirable to be an effective Director.

Personnel Details			Committee@					Areas of expertise							
Name	Director since	EXE/NED/INED	Audit	NRC	SRC	CSR	RMC	Strategy	Policy	Finance	Legal Framework	IT	Exec. Mgmt.	Commercial	International
Mr. Sanjay Kirloskar	1985	EXE	-	Yes	Yes	Yes	-	Yes					Yes		Yes
Mr. Alok Kirloskar	2012	NED	-	-	Yes	-	-	Yes					Yes		Yes
Mr. Pratap Shirke	2007	NED	Yes*	-	-	-	-	Yes		Yes			Yes	Yes	Yes
Ms. Rama Kirloskar	2017	EXE	-	-	-	Yes	Yes	Yes				Yes	Yes		
Dr. Rakesh Mohan	2017	INED	Yes**	Yes**	-	-	-	Yes	Yes	Yes			Yes		Yes
Ms. Shailaja Kher	2019	INED	-	-	Yes***	-	-	Yes			Yes			Yes	
Mr. Pradyumna Vyas	2019	INED	-	-	-	Yes***	-	Yes	Yes			Yes			
Mr. M. S. Unnikrishnan	2020	INED	Yes	Yes	-	-	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes
Mr. Shobinder Duggal	2021	INED	Yes	-	-	-	-	Yes		Yes			Yes	Yes	Yes
Mr. Shrinivas Dempo	2021	INED	-	Yes	Yes#	-	-	Yes					Yes		Yes
Ms. Ramni Nirula	2021	INED	Yes	-	-	-	-			Yes			Yes	Yes	
Mr. Amitava Mukherjee	2021	INED	Yes	Yes##	Yes	-	-	Yes		Yes			Yes	Yes	Yes
Mr. Vivek Pendharkar	2021	INED	-	-	-	Yes#	-	Yes				Yes	Yes		Yes
Ms. Rekha Sethi	2021	INED	-	Yes	-	Yes	-	Yes					Yes		Yes

EXE- Executive Director, NED – Non-Executive Director and INED – Independent Non-Executive Director.
* Ceased to be the Director with effect from March 15, 2023.
** Ceased to be the Director with effect from July 27, 2022.
*** Ceased to be the Director with effect from May 15, 2022.
# Appointed as Chairperson with effect from May 16, 2022.
Appointed as Member with effect from May 11, 2023.
@ NRC - Nomination and Remuneration Committee, SRC – Stakeholders' Relationship Committee, CSR - Corporate Social Responsibility, RMC - Risk Management Committee.

Confirmation from the Board on Independent Directors:

In the opinion of the Board, the Independent Directors fulfil the conditions specified in SEBI Listing Regulations, 2015 and are independent of the management.

Resignation of Independent Director:

None of the Independent Directors have resigned during the Financial Year ended at March 31, 2023.

3. AUDIT COMMITTEE:

The Audit and Finance Committee was rechristened as Audit Committee on November 10, 2022.

The Audit Committee is constituted in compliance with the requirements under Regulation 18 of the SEBI Listing Regulations, 2015 read with Section 177 of the Act.

The terms of reference of the Audit Committee include the matters specified in Schedule II (Part C) of the SEBI Listing Regulations, 2015. The terms of reference of the Audit Committee include the following:

A)
- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending for appointment, remuneration and terms of appointment of auditors of the Company.
- Approving payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the management, the annual financial statements and auditors' report thereto before submission to the Board for approval, with particular reference to:
  a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act.
  b. Changes, if any, in the accounting policies & practices and reasons for the same.
  c. Major accounting entries involving estimates based on exercise of judgement by management.
  d. Significant adjustments made in the financial statements arising out of audit findings.
  e. Compliance with listing and other legal requirements relating to financial statements.
  f. Qualification in draft Audit Report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditor into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.

- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval for appointment of CFO (i.e. the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Committee by the Board and to carry out investigation in relation to the items specified above.
- To review the following information:
  1) management discussion and analysis of financial condition and results of operations.
  2) statement of significant related party transactions (as defined by the Audit Committee), submitted by the management.
  3) management letters / letters of internal control weaknesses issued by the statutory auditors.
  4) internal audit reports relating to internal control weaknesses.
  5) the appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the audit committee.
  6) statement of deviations:
     (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s).
     (b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice.

B)
- Power to investigate any activity within its terms of reference.
- Power to seek information from any employee.
- Power to obtain outside legal or other professional advice.
- Power to secure attendance of outsiders with relevant expertise, if considered necessary.

Mr. Shobinder Duggal - Chairman and Mr. M. S. Unnikrishnan, Ms. Ramni Nirula and Mr. Amitava Mukherjee are the Members of the Committee.

Dr. Rakesh Mohan ceased to be the Member of the Committee with effect from July 27, 2022.

Mr. Pratap Shirke ceased as a Member of the Committee with effect from March 15, 2023.

The Committee was not re-constituted during the year.

Mr. Shobinder Duggal is Non-Executive Independent Director and he was present at the AGM of the Company held for the Financial Year 2021-22 as the Chairman of the Committee.

During the year, 6 (Six) meetings of Audit Committee were held on May 23, 2022, August 09, 2022, November 09, 2022, January 30, 2023, February 09, 2023 and March 15, 2023.

Attendance at Audit Committee meetings:

Member's Name	No. of Meetings attended	Member's Name	No. of Meetings attended
Mr. Shobinder Duggal	6	Ms. Ramni Nirula	3
Mr. Pratap B. Shirke *	5	Mr. Amitava Mukherjee	6
Dr. Rakesh Mohan **	1		
Mr. M. S. Unnikrishnan	5		

** Ceased to be a member of the Committee with effect from March 15, 2023.*
*** Ceased to be a member of the Committee with effect from July 27, 2022.*

4. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee is constituted in compliance with the requirements under Regulation 19 of the SEBI Listing Regulations, 2015 read with Section 178 of the Act.

The terms of reference of the Committee are as follows:

- Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes.
- To identify and nominate for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- To evaluate the balance of skills, knowledge, experience and diversity of the person to be appointed on the Board and in the light of this evaluation prepare a description of the role and capabilities for a particular appointment.
- To make recommendations to the Board concerning suitable candidates for the role of Senior Independent Director.
- To formulate policy relating to the remuneration of the Directors and Key Managerial Personnel.
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Devising a Policy on diversity of Board of Directors.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- To recommend to the Board, whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

The Committee was re-constituted consequent upon cessation of Dr. Rakesh Mohan as a Chairman and member of the Committee, with effect from July 27, 2022. Ms. Rekha Sethi was appointed as Member of the Committee and Mr. Shrinivas Dempo was appointed as the Chairman of the Committee. Mr. Sanjay C. Kirloskar and Mr. M. S. Unnikrishnan being the other members of the Committee. On May 11, 2023, Mr. Amitava Mukherjee, Non-Executive Independent Director was appointed as Member of the Committee.

Mr. Shrinivas Dempo is Non-Executive Independent Director. He was present at the AGM of the Company for the Financial Year 2021-22.

During the year, 2 (two) Nomination and Remuneration Committee meetings were held on May 23, 2022 and August 09, 2022.

Attendance at the meeting:

Member's Name	No. of Meetings attended	Member's Name	No. of Meetings attended
Dr. Rakesh Mohan *	1	Mr. Shrinivas Dempo #	1
Mr. Sanjay C. Kirloskar	2	Ms. Rekha Sethi **	1
Mr. M. S. Unnikrishnan	2		

**Ceased to be Director and member with effect from July 27, 2022.*
***Appointed as a member with effect from July 27, 2022.*
#Appointed as a Chairman with effect from August 09, 2022.

Criteria for performance evaluation of Independent Directors:

As required under Regulation 19 (4) & Schedule II Part D of the SEBI Listing Regulations, 2015 and in terms of the applicable provisions of the Act, the criteria for performance evaluation of the Independent Directors and Board of Directors has been laid down in the 'Board Evaluation Policy' formulated by the Company. This policy prescribes criteria for the evaluation of the performance of the Board, including its Committees and individual directors. Evaluation criteria includes ethical conduct, objectivity, value addition, participation, attendance and various other qualitative as well as quantitative parameters which have had an impact on the Board process becoming more and more effective.

5. REMUNERATION TO DIRECTORS:

Remuneration policy has been formulated for the Directors, Key Managerial Personnel (KMP) and Senior Management Personnel. The major objectives of the policies are transparent process of determining remuneration at Board and Senior Management level of the Company which would strengthen confidence of stakeholders in the Company and its management and help in creation of long-term value for them and appropriate balance between the elements comprising the remuneration so as to attract potential high performing candidates for critical positions in the Company for attaining continual growth in business. The revisions in the remunerations of the KMP and Senior Management Personnel will be made as per the terms of the policy.

- There are no pecuniary relationships or transactions of the Non-Executive Directors vis-a-vis the Company.
- The payments made to the Executive Directors have been reviewed by the Nomination and Remuneration Committee from time to time and confirmed by the Board of Directors.
- All elements of remuneration package for all Directors have been provided in the statement hereinafter.
- The salient features and a link on the website of the Company regarding the remuneration policy of the Directors, KMP and Senior Management has been included elsewhere, in the Annual Report.
- Except whatever is stated in the statement, there is no other fixed component or performance linked incentives to any director.

Criteria of making payment to Non-Executive Directors:

Non-Executive Directors are being paid sitting fees for attending Board / Committee meetings. On recommendation of Nomination and Remuneration Committee, the Board approves the payment of commission to Non-Executive Directors.

The Company does not have any employee stock options scheme.

Details of remuneration paid to Directors for the Financial Year 2022-23 are as follows:

(₹ in Million)

Name of Director	Sitting Fees	Commission/ Bonus on Profits	Salary	Contribution to Statutory Funds	Perquisites	Others	Total
Executive Directors							
Mr. Sanjay Kirloskar	-	47.00	9.36	1.51	8.45	-	**66.32**
Ms. Rama Kirloskar	-	53.00	6.04	0.50	3.36	-	**62.90**
Non-Executive Directors							
Mr. Pratap Shirke *	0.83	1.50	-	-	-	-	**2.32**
Mr. Alok Kirloskar	0.60	1.50	-	-	-	-	**2.10**
Dr. Rakesh Mohan **	0.30	0.50	-	-	-	-	**0.80**
Mr. Pradyumna Vyas ***	0.75	0.19	-	-	-	-	**0.94**
Ms. Shailaja Kher ***	-	0.19	-	-	-	-	**0.19**
Mr. M. S. Unnikrishnan	1.13	1.50	-	-	-	-	**2.63**
Mr. Shobinder Duggal	0.98	1.50	-	-	-	-	**2.48**
Mr. Shrinivas Dempo	0.60	1.50	-	-	-	-	**2.10**
Ms. Ramni Nirula	0.53	1.50	-	-	-	-	**2.10**
Mr. Amitava Mukherjee	0.98	1.50	-	-	-	-	**2.47**
Mr. Vivek Pendharkar	0.60	1.50	-	-	-	-	**2.10**
Ms. Rekha Sethi	0.60	1.50	-	-	-	-	**2.10**

Figures are rounded off to the next figure.
**Ceased to be Director with effect from March 15, 2023.*
***Ceased to be Director with effect from July 27, 2022.*
****Ceased to be Director with effect from May 15, 2022.*

The Board of Directors of the Company decides the remuneration of Directors on the basis of recommendation from Nomination and Remuneration Committee (NRC) subject to the overall limits provided under the Act, rules made thereunder and as per the SEBI Listing Regulation, 2015 including any amendments, modifications and re-enactments thereto and compliance of related provisions provided therein.

Directors' Service Contract Details:

Executive Director	Service Contract and Period	Severance Fees
Mr. Sanjay C. Kirloskar	Agreement dt.03.02.2021 Period: 19.11.2020 to 18.11.2025	Three years or unexpired period, whichever is less.
Ms. Rama Kirloskar	Agreement dt.09.09.2021 Period: 03.08.2021 to 02.08.2026	

6. PARTICULARS OF DIRECTORS TO BE RE-APPOINTED AT THE ENSUING ANNUAL GENERAL MEETING:

Mr. Alok Kirloskar (DIN 05324745) is proposed to be re-appointed as a Non-Executive Director liable to retire by rotation.

His brief profile, shareholdings and other directorship details are included in the Notice for the 103rd Annual General Meeting, attached to this report.

7. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee is constituted in compliance with the requirements under Regulation 20 of the SEBI Listing Regulations, 2015 read with Section 178 of the Act.

The terms of reference of the Committee are as follows:

- Specifically looks into the mechanism of redressal of grievances of shareholders.
- Looks into the redressal of investors' complaints relating to transfer / transmission of shares, non-receipt of Annual Reports, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Considers and resolves the grievances of security holders of the Company.
- Approves transmission of shares held in physical mode beyond threshold limit of 1500 shares of ₹ 2/- each without the succession certificate, probate, letter of administration or Court Decree, subject to the fulfilment of other conditions as may be deemed necessary.
- Considers the issue of duplicate share certificates under the Common Seal of the Company in terms of the requirements of the Companies (Share Capital and Debenture) Rules, 2014.
- Review of measures taken for effective exercise of voting rights by the shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the R&T agent.
- Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual report / statutory notices by the shareholders of the Company.

The Committee was re-constituted during the year, due to cessation of Ms. Shailaja Kher as Chairperson and Member of the Committee with effect from May 15, 2022. Mr. Shrinivas Dempo was inducted as Chairman of the Committee with effect from May 16, 2022. The Committee consists of Mr. Shrinivas Dempo, Mr. Sanjay C. Kirloskar, Mr. Alok Kirloskar and Mr. Amitava Mukherjee as its members.

Mr. Shrinivas Dempo is a Non-Executive Independent Director and he was present at the AGM of the Company held for Financial Year 2021-22 as the Chairman of the Committee.

During the year, 1 (One) Stakeholders Relationship Committee meeting was held on May 24, 2022.

The Company Secretary is designated as a "Compliance Officer" who oversees the redressal of the investors' grievances.

Name and designation of Compliance Officer:

Mr. Devang Trivedi, Company Secretary
General Manager and Head – Corporate Secretarial

The Company has always valued its relationship with its stakeholders. This philosophy has been extended to investors' relationship. The Corporate Secretarial department is continuously monitoring the complaints / grievances of the investors and is always taking efforts to reduce the response time in resolving the complaints / grievances.

Details of Shareholders' complaints received:

5 (Five) complaints were received and disposed-off during the year ended on March 31, 2023.

With reference to Regulation 13 of the SEBI Listing Regulations, 2015, the Company is registered on the SCORES platform which enables handling of Investor Complaints electronically.

The Company has also designated an exclusive e-mail Id grievance.redressal@kbl.co.in for investors to register their grievances, if any. This helps the Company to resolve investors' grievances, immediately.

The 'Frequently Asked Questions' by the shareholders along with the requisite formats are placed under the Investors Section of the website of the Company at https://www.kirloskarpumps.com/investors/faq-to-shareholders/

The shareholders are requested to give their feedback through the 'feedback form' which is available in the FAQs to Shareholders on the website of the Company.

8. RISK MANAGEMENT COMMITTEE:

The Risk Management Committee is constituted in compliance with the requirements under Regulation 21 of the SEBI Listing Regulations, 2015.

The terms of references of the Committee are as under:

(1) To formulate a detailed Risk Management Policy which shall include:

   (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   (b) Measures for risk mitigation including systems and processes for internal control of identified risks.

   (c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

(3) To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of Risk Management Systems.

(4) To periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

(5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations, and actions to be taken.

(6) The appointment, removal, and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Committee comprises of Mr. M. S. Unnikrishnan - Chairman, Ms. Rama Kirloskar and Mr. C. M. Mate as its Members. The Committee was not re-constituted during the year. The Committee inter alia reviews the business risk including strategic, operational, financial, sustainability (particularly, ESG related risks), information, cyber security and compliance risks and approves its mitigation plans and monitors effectiveness thereof. The Company has an Enterprise Risk Management framework to identify emerging risk, assign ownership and assessing and monitoring of controls.

Chief Internal Auditor who also functions as Chief Risk Officer, is permanent invitee for the Committee meetings. Members of Senior Management team also attend the meetings depending on the agenda.

During the year, 2 (Two) Risk Management Committee meetings were held on July 15, 2022 and January 10, 2023.

Attendance at the meeting:

Member's Name	No. of Meetings attended	Member's Name	No. of Meetings attended
Mr. M. S. Unnikrishnan	2	Ms. Rama Kirloskar	2
Mr. C. M. Mate	2		

9. GENERAL MEETINGS:

Details of last three Annual General Meetings held:

i) 100th Annual General Meeting (Pursuant to MCA circulars, Virtual AGM was held due to COVID-19)

September 25, 2020: 11.00 A.M.
Yamuna, Survey No. 98 (3-7), Plot no. 3,
Baner, Pune - 411 045.

Special resolution for re-appointment of Mr. Kishor Chaukar (DIN 00033830) as an Independent Director of the Company was placed before the Shareholders for their approval but was not approved.

ii) **101st Annual General Meeting** (Pursuant to MCA circulars Virtual AGM was held due to COVID-19)
September 09, 2021: 11.00 A.M.
Yamuna, Survey No. 98 (3-7), Plot no. 3,
Baner, Pune - 411 045.

No special resolution was proposed and passed at this meeting.

iii) **102nd Annual General Meeting** (Pursuant to MCA circulars Virtual AGM was held due to COVID-19)
August 10, 2022: 11.00 A.M.
Yamuna, Survey No. 98 (3-7), Plot no. 3,
Baner, Pune - 411 045.

No special resolution was proposed and passed at this meeting.

Postal Ballot - No resolution passed through postal ballot during the year.

Extra-ordinary General Meeting - During the year under review, an Extra-ordinary General Meeting of the shareholders as called upon requisition, was held on December 8, 2022. No special resolution was proposed and passed at the said meeting.

10. MEANS OF COMMUNICATION:

- The Company promptly discloses information and other events as required under the SEBI Listing Regulations, 2015. The Company disseminates such information through various channels of communications like online portal of the Stock Exchanges, Press Releases, the Annual Reports and by placing relevant information on its website.
- Quarterly, half yearly and annual financial results are displayed on the Company's website www.kirloskarpumps.com immediately after its submission to the Stock Exchanges. The Company's website also displays official news releases.
- The financial results are published in the newspapers viz. Financial Express and Loksatta.
- Presentations for analysts are uploaded on the Company's website.
- Reminders to Investors - Reminders are sent to shareholders for registering their PAN, KYC & Nomination details and for claiming unclaimed dividend and transfer of shares thereto.
- Green Initiatives - In compliance with the provisions of Section 20 of the Act and as a continuing endeavour towards the 'Go Green' initiative, the Company proposes to send all correspondence/communications through email to those shareholders who have registered their email id with their depository participants/Company's RTA.

11. GENERAL SHAREHOLDERS INFORMATION:

103rd Annual General meeting (through VC/OVAM)

Day & Date	:	Tuesday, August 01, 2023
Time	:	2.00 P.M. (IST)
Deemed Venue	:	Registered Office at "Yamuna" Survey No. 98 (3 to 7), Plot No.3, Baner, Pune – 411 045.
Financial Year	:	1st April to 31st March
Record Date for dividend	:	July 25, 2023
Dividend payment date	:	August 30, 2023
Corporate Identification No. (CIN)	:	L29113PN1920PLC000670
Listing on Stock Exchanges	:	Company's equity shares are listed on BSE Limited and National Stock Exchange of India Limited, Mumbai.
ISIN	:	INE732A01036
Stock codes / Symbol	:	BSE Limited – 500241 National Stock Exchange of India Limited – KIRLOSBROS –EQ

Addresses of stock exchanges:

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001.
Tel. No. (022) 2272 1233/34
Fax No. (022) 2272 1919

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1,G Block
Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
Tel. No. (022) 2659 8100/8114
Fax No. (022) 2659 8120

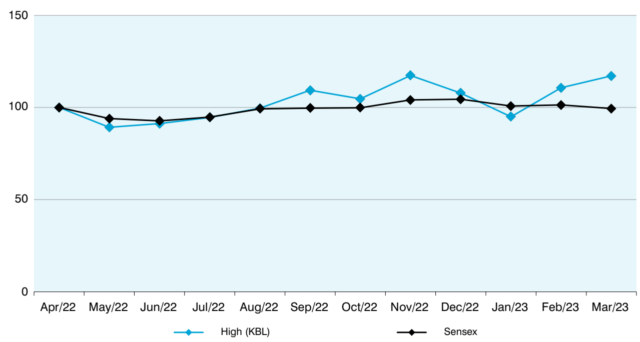
The Annual Listing Fees have been paid to both BSE Limited and National Stock Exchange of India Limited (NSE).

Market Price data:

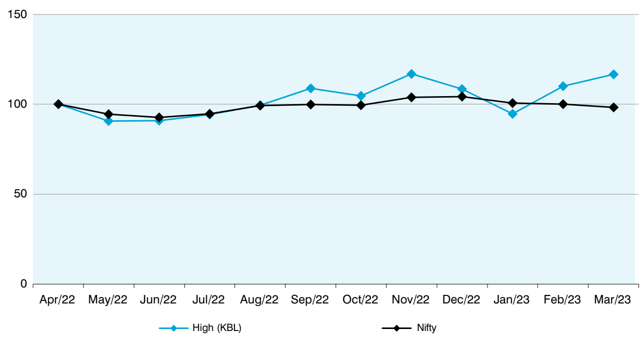
Month	Quotations on BSE		Quotations on NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2022	361.20	272.00	363.00	285.25
May 2022	322.45	243.00	329.20	248.00
June 2022	329.45	255.00	329.75	254.10
July 2022	342.00	304.80	342.15	303.00
August 2022	359.70	290.00	361.45	295.05
September 2022	395.00	322.95	395.00	322.70
October 2022	378.00	324.70	380.00	323.60
November 2022	424.00	332.25	424.55	333.90
December 2022	389.80	288.45	393.80	288.00
January 2023	343.15	286.85	343.50	286.10
February 2023	400.00	315.05	399.90	315.00
March 2023	423.00	367.00	423.30	366.85

Performance in comparison to broad based indices:

BSE Sensex



NSE S&P CNX Nifty



Registrar and Share Transfer Agent (RTA):

M/s. Bigshare Services Private Limited has been appointed as RTA of the Company.

Share Transmission, issuance of duplicate share certificate, dematerialisation of shares, dividend payment and all other investor related activities are attended and processed at the office of the RTA at the following address:

M/s. Bigshare Services Private Limited
(Unit: Kirloskar Brothers Limited),
Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road,
Andheri (East), Mumbai - 400093.
Email id: KBL@bigshareonline.com
Tel.: 022-62638200

Share transfer system:

Pursuant to Regulation 40 of the SEBI Listing Regulations, 2015 as amended by SEBI notification dated June 8, 2018 with effect from April 1, 2019, shares held in demat form only can be transferred. In compliance with these Regulations, every year a Practising Company Secretary audits the system of transfer and a certificate to that effect is issued.

Out of total paid-up share capital, 98.26% share capital is held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited as on March 31, 2023.

The Company has established connectivity with both the Depositories through its RTA, M/s. Bigshare Services Private Limited.

Shareholders are advised to notify to the Company or RTA, any change in their address and Bank details, immediately.

Dematerialisation of equity shares and liquidity as on March 31, 2023:

Equity shares	Number of shares	% of total shares
Held in dematerialised form in NSDL	73,728,517	92.85
Held in dematerialised form in CDSL	4,297,315	5.41
Physical	1,383,094	1.74
Total	**79,408,926**	**100.00**

Distribution of Shareholding as on March 31, 2023:

Nominal value of shares (in ₹)		Number of holders	% to total holders	Total face value	% to total face value
From	To			(in ₹)	
1	5000	24,725	95.91	1,14,85,056	7.23
5001	10000	589	2.28	41,83,078	2.63
10001	20000	241	0.93	33,42,380	2.10
20001	30000	64	0.25	16,10,250	1.01
30001	40000	41	0.16	14,88,236	0.94
40001	50000	23	0.09	10,39,956	0.66
50001	100000	45	0.17	32,00,434	2.02
100001	99999999999	51	0.20	13,24,68,462	83.41
TOTAL		**25,779**	**100.00**	**15,88,17,852**	**100.00**

Outstanding GDRs/ ADRs / warrants or any convertible instruments etc.:

As of date, the Company has not issued these types of Securities.

Foreign Exchange and Commodity Risk:

During the Financial Year 2022-23, the Company has managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposure are disclosed in Note No. 40 D to the Financial Statements.

The Company manages financial risks emanating from commodity price movements through various tools such as price variation clauses embedded in the contracts with customers, price increases for made to stock products, bulk procurement etc., if required.

Plant locations:

1. **Kirloskarvadi**
   Dist. Sangli – 416 308 Maharashtra.
   Tel. No. (02346) 222301 - 05,
   222361 – 222365
2. **Dewas**
   Opp. Railway Station, Ujjain Road,
   Dewas- 455 001. Madhya Pradesh.
   Tel. No. (07272) 227397
3. **Shirwal**
   Gat No. 117, Shindevadi, Tal. Khandala,
   Dist. Satara – 412 801
   Maharashtra.
   Tel. No. (02169) 244360 / 244370 / 244322
4. **Kondhapuri**
   Gat No. 252/2 + 254/2, Kondhapuri,
   Tal. Shirur, Dist. Pune – 412 208
   Maharashtra.
   Tel No. (02137) 240041,240025,240047
5. **Kaniyur Village**
   S.F. No. 324/1, Moperipalayam Road,
   Thattampudur, Kaniyur Village,
   Karumathampatti – PO, Coimbatore – 641 659
   Tamil Nadu.
   Tel. No. 08111018180
6. **Sanand**
   Sr. No. 254/1/B, Ahmedabad-Viramgam Highway,
   Village Chharodi, Tal. Sanand, Dist.
   Ahmedabad – 382 170.
   Tel. No. (02717) 273310

Investor contacts:

Company Address (Registered Office):

Secretarial Department,
Kirloskar Brothers Limited,
"Yamuna", Survey No. 98 (3 to 7), Plot No. 3,
Baner, Pune – 411 045.
Tel. No. (020) 6721 1030
Fax No. (020) 6721 1136
E-mail : grievance.redressal@kbl.co.in

Registrar and Share Transfer Agent:

Bigshare Services Private Limited,
Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai – 400093.
Email id: KBL@bigshareonline.com
Tel.: 022-62638200

Depositories for equity shares:

National Securities Depository Limited:

Trade World – A Wing, 4th & 5th Floor,
Kamala Mills Compound, Lower Parel,
Mumbai – 400 013.
Tel. No. (022) 2499 4200
Fax No. (022) 2497 6351

Central Depository Services (India) Ltd.:

Marathon Futurex, A-Wing, 25th floor,
NM Joshi Marg, Lower Parel,
Mumbai - 400 013.
Tel. No. (022) 2305 8640

Credit Rating obtained by the entity along with revisions thereto during the relevant Financial Year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds whether in India or abroad:

The Company received Credit rating of "CRISIL A1+(CRISIL A one plus rating)" on ₹ 100 Crore Commercial Paper programme.

12. OTHER DISCLOSURES:

i. There were no materially significant transactions entered into by the Company during the year with its related parties which have potential conflict with the interests of the Company at large.

ii. The details of transactions of the Company with persons, entities belonging to the promoter/promoter group which hold 10% or more shareholding in the Company:

The details of transactions with Mr. Sanjay Kirloskar and Mrs. Pratima Kirloskar, during the Financial Year 2022-23 are provided in Note No.35 to the Financial Statements attached to the Board's Report. A dividend amounting to ₹ 56.96 Million was paid to Kirloskar Industries Limited during the Financial Year 2022-23.

iii. The details of material subsidiaries of the Company and their statutory auditors are provided in the Board's Report.

iv. Loans and advances by Company / subsidiaries in entities where Directors are intersted - Nil

v. There is no non-compliance by the Company, no penalties and strictures imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets, during the last three years, except a delay in submission of Related Party Transactions disclosure for period ended March 31, 2022 within stipulated time under Regulation 23 of the SEBI Listing Regulations, 2015. The BSE and NSE had levied a fine of ₹ 45,000/- each for deviation of compliance of Regulation 23 of the SEBI Listing Regulations, 2015. The Company has paid the fine.

vi. a. Whistle Blower Policy:

The Company has already in place and implemented a Whistle Blower Policy ('the Policy'). This *inter alia* provides a mechanism for employees of the Company and other persons dealing with the Company to report to the Chairman of the Audit Committee; any instance of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. Thus, any employee / stakeholder has access to the Audit Committee.

The Policy has been communicated to all the employees of the Company and other persons dealing with the Company, through circular/display on the Notice Board/ display on the Intranet and through training programmes from time to time. The Policy has also been uploaded on the Company's website.

b. Policy for Prevention of Sexual Harassment at Work:

The Company has also in place and implemented a Policy for Prevention of Sexual Harassment at Work. This provides a mechanism to prevent or deter the commission of acts of sexual harassment or inappropriate behaviour at work and to ensure that all employees are treated with respect and dignity. Under the said policy, the procedures for the resolution, settlement or prosecution of acts or instances of Sexual Harassment have also been provided for.

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

In terms of Section 22 of the above-mentioned Act, read with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, during the year ended on March 31, 2023, the status of complaint(s) is as follows:

1. No. of Complaints received in the year: Nil
2. No. of Complaints disposed off in the year: NA
3. Cases pending for more than 90 days: NA
4. No. of workshops and awareness programmes conduced in the year: 02
5. Nature of action by employer or District Officer, if any: NA

c. Code of Ethics:

The Company released its 'Code of Ethics' on March 10, 2019. This is one of the most important documents of the Company and a guide to ethical behaviour for personnel with the Company. Code of Conduct for Board of Directors and Senior Management of the Company has been amended w e f February 10, 2023 in light of SEBI Notification dated January 17, 2023.

vii. The Board has adopted certain policies viz. Code of Corporate Governance, Corporate Disclosure Policy, Legitimate Purpose Policy under SEBI (Prohibition of Insider Trading) Regulations, 2015.

viii. **Web links for following on www.kirloskarpumps.com:**

a) Familiarisation programme of Independent Directors:

https://www.kirloskarpumps.com/investors/familiarisation-programme-for-independent-directors/

b) Policy for determining 'material' subsidiaries:

https://www.kirloskarpumps.com/wp-content/uploads/2020/01/Policy_Material-Subsidiary-Company.pdf

c) Policy on dealing with related party transactions:

https://www.kirloskarpumps.com/wp-content/uploads/2022/04/Related-Party-Policy-18.03.2022.pdf

ix. **Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

x. **Separate meeting of Independent Directors:**

Independent Directors of the Company met on March 22, 2023 to review and discuss on the matters required under SEBI Listing Regulations, 2015.

xi. **Payment of consolidated fees to the Statutory Auditor:**

The Company has paid fees of ₹ 8.62 Million on consolidated basis to Statutory Auditor M/s. Sharp and Tannan Associates (Firm Registration No.109983W)-Chartered Accountants, Mumbai during the Financial Year ended on March 31, 2023 (Refer Note No. 31 of Notes to Accounts).

xii. All mandatory requirements of the SEBI Listing Regulations, 2015 have been complied with by the Company. The extent of adoption of non-mandatory requirements is given hereunder:

Discretionary requirements as per Schedule II Part E:

1. **The Board:**

   The Company has an Executive Chairman and the office with required facilities is provided and maintained at the Company's expenses for use by the Chairman.

2. **Shareholders' Rights:**

   The quarterly, half-yearly and annual financial results are published in the English and Vernacular newspapers and are also displayed on the Company's website. No separate circulation of the financial performance was sent to the shareholders for the year under consideration.

3. **Modified Opinion in Audit Report:**

   The Company is already in the regime of financial statements with unmodified audit opinion.

4. **Reporting of Internal Auditor:**

   The Internal Auditor's reports are presented to the Audit Committee.

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

To the members of **KIRLOSKAR BROTHERS LIMITED**

Pursuant to Regulation 34 (3) read with Schedule V Para D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015), I hereby declare that all Board members and Senior Management Personnel are aware of the provisions of the Code of Conduct laid down by the Board. All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct.

For **Kirloskar Brothers Limited**

Sanjay C. Kirloskar
Chairman and Managing Director
DIN: 00007885

Pune: May 11, 2023

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

[pursuant to Clause E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The members of
KIRLOSKAR BROTHERS LIMITED
Pune

I have examined, the compliance of Corporate Governance by **Kirloskar Brothers Limited** ('the Company'), for the year ended March 31, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as SEBI Listing Regulations, 2015).

The compliance of Corporate Governance is the responsibility of the Company's Management. The Examination of compliance was carried out and was limited to the methods, processes, procedures and implementation thereof, adopted by the company for ensuring the compliance of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to us, I certify that the company has complied with the Corporate Governance as stipulated in the above mentioned applicable Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Pune
Date : May 11, 2023
UDIN : F001587E000287037

Shyamprasad D. Limaye
F.C.S 1587 C.P 572
Practicing Company Secretary

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

Certificate

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

In the matter of **Kirloskar Brothers Limited (CIN: L29113PN1920PLC000670)** having its Registered Office at Yamuna, S No.98/3 – 7, Plot No.3 Baner, Pune – 411045.

On the basis of examination of the books, minute books, forms and returns filed and other records maintained by the Company and declarations made by the directors and explanations given by the Company;

I certify that the following persons are Directors of the Company (during 01/04/2022 to 31/03/2023) and none of them have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	DIN	Designation
1	Mr. Sanjay Chandrakant Kirloskar	00007885	Managing Director
2	Mr. Alok Sanjay Kirloskar	05324745	Non-Executive Director
3	Ms. Rama Sanjay Kirloskar	07474724	Jt. Managing Director
4	Mr. Mangalath Unnikrishnan	01460245	Independent Director
5	Mrs. Ramni Nirula	00015330	Independent Director
6	Mr. Shobinder Duggal	00039580	Independent Director
7	Mr. Shrinivas Vasudeva Dempo	00043413	Independent Director
8	Mr. Vivek Sharad Pendharkar	02791043	Independent Director
9	Ms. Rekha Sethi	06809515	Independent Director
10	Mr. Amitava Mukherjee	00003285	Independent Director
11	Ms. Shailaja Shrikrishna Kher	08450568	Independent Director
12	Mr. Pradyumna Rameshchandra Vyas	02359563	Independent Director
13	Dr. Rakesh Mohan	02790744	Independent Director
14	Mr. Pratap Baburao Shirke	00104902	Non-Executive Director

i. Ms. Shailaja Shrikrishna Kher (DIN 08450568) ceased to be Director on 15/05/2022 at end of her term.

ii. Mr. Pradyumna Rameshchandra Vyas (DIN 02359563) ceased to be Director on 15/05/2022 at the end of his term.

iii. Dr. Rakesh Mohan (DIN 02790744) ceased to be Director on 27/07/2022 at the end of his term.

iv. Mr. Pratap Baburao Shirke (DIN 00104902) resigned hence ceased to be Director on 15/03/2023.

Place : Pune
Date : May 11, 2023
UDIN : F001587E000287015

Shyamprasad D. Limaye
F.C.S 1587 C.P 572

INDEPENDENT AUDITORS REPORT

To the members of **KIRLOSKAR BROTHERS LIMITED**

Report on the audit of the standalone financial statements

OPINION

We have audited the accompanying standalone financial statements of Kirloskar Brothers Limited (hereinafter referred as "the Company"), which comprise the balance sheet as at 31 March 2023, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year ended on that date and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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 (hereinafter referred as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (hereinafter referred as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31 March 2023, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (hereinafter referred as "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 on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements taken as a whole, in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the key audit matters as described below:

A. Accounting treatment for customer contracts where performance obligations are satisfied over time

B. Carrying value of investments in subsidiaries and joint ventures

A. Accounting treatment for customer contracts where performance obligations are satisfied over time

Description of key audit matter:

Revenue amounting to ₹ 1,220 million reported in the Company's standalone financial statements pertains to customer specific long-term contracts and the same are required to satisfy the recognition and measurement criteria as enunciated in IND AS 115, 'Revenue from Contracts with Customers'. In case of these contracts the revenue is recognised over time and is based on a percentage completion method (POC) for each of such contracts. The stage of project completion is determined based on a ratio of project costs actually incurred till the period / year end to the planned / estimated total cost to complete the said project. This necessarily involves estimations and certain assumptions to be made by the management in determining the total planned costs and an appropriate allocation of costs actually incurred on each project. This inherently creates certain uncertainties and results in complexities in accounting treatment wherein incorrect assumptions and estimates can lead to revenue being recognised in incorrect accounting periods thereby impacting the results. In addition, in POC method revenue recognition and respective collections do not follow a linear trend irrespective of stage completion determined by the company. Collections do depend on satisfaction of certain other performance obligations as laid down in the respective project agreements. Consequently, those amounts that remain as receivables whose due dates for payments depend on other conditions give rise to certain receivables that are due and others not due for payment, requiring the Company to adopt a differential accounting classification and treatment. While assessing the contractual obligations as at any period close, change orders and / or cancellations are required to be considered by the Company to adopt an appropriate accounting treatment for revenues already recognised, valuation of work in progress and respective receivables. Considering these factors, in the context of our audit this matter was of significance and hence a key audit matter (Refer note 30 to the standalone financial statements).

Description of Auditor's response:

With a view to verify the alignment of the Company's project accounting system with the actual progress of the project and its status at any period close, we designed our audit procedures related to this area to obtain an understanding of project acceptance and execution process and the related accounting controls including verification of compliance with IND AS 115 – 'Revenue from contracts with customers'. These included inter-alia, reading through the material contracts and formation of a standard checklist to note the terms and conditions and considerations required to be taken note of for appropriate financial accounting till a project is finally executed and closed. We discussed with the management the risks associated with the project execution to understand requirement of any specific recognition of financial accounting considerations and developed requisite key controls requiring audit attention and review. The Company has automated through its accounting software the method of calculating the percentage of completion method which we have verified on test basis. We reviewed planned costs, their latest estimates, rationale for revision in estimates based on information shared by the management in our discussions, approvals to such revisions in the estimates and compared them with latest costs to complete, related mathematical accuracy and, on a sample, basis validated resulting recognition of revenue. We discussed with management the status of amount receivable and have verified the evidence supporting the recoverability in sample cases. We verified the calculations of expected credit loss provisions and corroborated with specific management discussions on major projects.

B. Carrying value of investments in subsidiaries and joint ventures

Description of key audit matter:

The Company has invested an amount of ₹ 3,469 million in subsidiaries and joint ventures. These investments are stated at cost in the financial statement. One of the foreign subsidiaries has further invested in step-down foreign companies including certain acquisitions made in the past with a view to become one of the global leaders in the area of Company's operations. These foreign subsidiaries have their individual gestation periods and have been incurring losses in past few years. Given the multi layered investment structure and being subjected to international business dynamics, the Company is required to evaluate their individual financial status and value propositions to determine carrying value of these investments in light of group's overall stated business plans and its vision, both in domestic and international markets, and hence requires a close monitoring by the management of these situations. Against this background, this matter was of significance in the context of our audit (Refer note 5 to the standalone financial statements).

Description of Auditor's response:

We have obtained audited financial statements of these subsidiaries and joint ventures and have compared their net worth against investment by the ultimate holding Company. As our standard auditing procedure, we have sent to the auditors of all subsidiaries and joint ventures a group reporting instruction requiring each auditor to respond with his comments. Component auditors have not raised any major concern on the ability of the entities to operate as a going concern. Management has provided us with the business plans and how in their business judgement any negative net worth is either compensated with improving business conditions in some of these entities or have additional assets whose market values have adequate coverage to offset the negative net worth condition within the larger scheme of business prospects as a group. Going forward our regular audit procedures are designed to keep a follow up on outcomes of these management assertions.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the Board's report and management discussion and analysis included in the annual report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S AND BOARD OF DIRECTOR'S RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

A. 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.

B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

D. 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.

E. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current 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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the central government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143 (3) of the Act and based on our audit, we report that:

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

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash 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 Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;

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

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

   g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

   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, 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 as at 31 March 2023 on its financial position in its standalone financial statements - refer note 28 to the standalone financial statements.

      ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable loses, if any, on long term contracts including derivative contracts - refer note 38 to the standalone financial statements.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. Reporting on rule 11(e):

         (a) The Management has represented that, to the best of its knowledge and belief, as stated in note no. 47B(2), no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company 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 Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

         (b) The Management has represented, that, to the best of its knowledge and belief, as stated in note no. 47B(3), no funds (which are material either individually or in the aggregate) 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, 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, 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), as provided under (a) and (b) above, contain any material misstatement.

v. The dividend for the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

vi. Proviso to rule 3(1) of the companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from 1 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration no. 109983W
by the hand of

CA Pramod Bhise
Partner
Membership no.(F) 047751
UDIN: 23047751BGTHWU2057
Pune, 11 May 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading, "Report on Other Legal and Regulatory Requirements" of our report on even date)

(i) (a) (A) The Company 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 have been physically verified by the management at regular intervals based on the programme of verification in a phased manner which in our opinion is reasonable. No material discrepancies were noticed during such physical verification conducted by the Company during the year.

(c) According to the information, explanation and representation provided to us and based on verification carried out by us, 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) disclosed in the financial statements are held in the name of the Company.

(d) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has neither revalued its Property, Plant and Equipment (including Right of Use assets) nor intangible assets during the year. Accordingly, reporting under paragraph 3(i)(d) of the Order is not applicable.

(e) According to the information, explanation and representation provided to us and based on verification carried out by us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under paragraph 3(i)(e) of the Order is not applicable.

(ii) (a) Physical verification of inventory, except goods-in-transit has been conducted at reasonable intervals by the management and in our opinion the coverage and procedure of such verification is appropriate. Discrepancies noticed on physical verification were less than 10% in the aggregate for each class of inventory and the same have been properly dealt with in the books of account.

(b) During the year, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The management of the Company has provided us the quarterly returns/ statements, which they have represented to us have been filed by the Company with such banks or financial institutions. According to the information, explanation and representation provided to us and based on verification carried out by us, quarterly returns/ statements are in agreement or have been reconciled with the books of account.

(iii) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has not made any investments in, provided any security or granted any secured loans or secured or unsecured advances in the nature of loans, to companies, firms, limited liability partnerships or any other parties during the year. The Company has provided guarantee to companies and has not provided guarantee to firms, limited liability partnerships or any other parties during the year.

(a) During the year, the Company has provided guarantee to its subsidiaries and other than subsidiaries (direct and indirect). Details of guarantees provided are as follows (also refer note 35E for details):

Particulars	Guarantees	
	Provided during the year	Balance outstanding as at
Aggregate amount during the year		
- Subsidiaries	NIL	₹ 4,814.78 Mn
- Other than Subsidiaries	₹ 539.86 Mn	₹ 3,899.38 Mn

(b) According to the information, explanation and representation provided to us and based on verification carried out by us, the unsecured loan given to The Kolhapur Steel Limited (TKSL) in FY 2008-09 was under an Order from Board for Industrial and Financial Reconstruction (BIFR), without any specific agreed terms for charge of interest and repayment. Unsecured loan given to TKSL during FY 19-20 is with specified terms and conditions.

Considering the above-mentioned facts and materiality of the amounts, in our opinion the terms and conditions of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company's interest.

(c) According to the information, explanation and representation provided to us and based on verification carried out by us, schedule of repayment of principal and payment of interest has been stipulated for loan given to TKSL during the financial year 2019-20 and repayments/ receipts are regular

(d) According to the information, explanation and representation provided to us and based on verification carried out by us, no amount is overdue for more than ninety days. Accordingly, the reporting under para 3(iii)d is not applicable.

(e) According to the information, explanation and representation provided to us and based on verification carried out by us, no loan or advance in the nature of loan granted has fallen due during the year. Accordingly, the reporting under para 3(iii)(e) is not applicable.

(f) According to the information and explanations provided to us, the unsecured loan given to TKSL in FY 2008-09 was under an Order from Board for Industrial and Financial Reconstruction (BIFR), without any specific agreed terms for charge of interest and repayment, details are as follows.

(Amt in ₹ Mn)

Particulars	TKSL
Aggregate amount of loans/ advances in nature of loans to related party (other than promoters)	
- Repayable on demand (A)	-
- Agreement does not specify any terms or period of repayment (B)	9.61
Total (A+B)	9.61
Percentage of loans/ advances in nature of loans to the total loans	6.02%

(iv) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has complied with provisions of sections 185 and 186 in respect of grants of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has not accepted deposits or deemed deposits to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed there under, are applicable. Accordingly, reporting under para 3(v) is not applicable.

(vi) The Central Government has specified maintenance of cost records under section 148(1) of the Act. We have broadly reviewed these records relating to materials, labour and other items of cost maintained by the Company 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 records with a view to determine whether they are accurate and complete.

(vii) In respect of statutory dues:

(a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and any other statutory dues, as applicable, to the appropriate authorities. According to the information and explanations given to us and based on verification carried out by us on test basis, there are no arrears of statutory dues outstanding as on the last day of the financial year concerned for a period of more than six months from the date, they became payable.

(b) The details of statutory dues referred to in sub-paragraph (a) above which have not been deposited with the concerned authorities as on 31 March, 2023, on account of dispute are given below:

Name of Statute	Nature of dues	Amount involved ₹ Million	Amount unpaid ₹ Million	Period to which amount Relates	Forum where Dispute is Pending
Local Sales Tax of Various States	LST, GST, Sales Tax, CST, VAT, WCT (including interest, penalty etc. if any)	3.68	3.29	2016-17, 2017-18	Additional Commissioner
		51.09	51.09	2005-06, 2008-09, 2009-10, 2010-11 & 2013-14	C.T.O., Telangana
		7.24	7.24	1989-93, 2007-08, 2016-18	Commissioner of Appeal
		90.25	90.25	2009-10,2011-12	High court
		46.74	46.74	2003-04, 2013-14	Tribunal
Chapter V of Finance Act, 1994	(Tax including interest, penalty etc. if any)	7.52	7.52	2009-13	Appeal Tribunal
		95.73	95.73	2004-08	CESTAT
		1.14	1.14	2012-13	Superintendent
		902.52	902.52	2012-13	Supreme Court
Central Excise Act, 1944	(Tax including interest, penalty etc. if any)	1.05	1.05	2003-04	CESTAT
		6.36	6.36	2013-17	DGGI
		1.35	1.35	2006-10	Commissioner Appeal
		0.14	0.14	1996-97	Deputy Commissioner
		3.66	-	2017-18	Revision Authority
		6.06	6.06	2015-16 & 2017	Assistant commissioner
		21.23	21.23	2017-18	High court
The Income Tax Act, 1961	(Tax including interest, penalty etc. if any)	132.51	132.51	2016-17,2017-18	CIT (Appeals)
Total		**1,378.29**	**1,374.24**		

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income tax act, 1961 as income during the year. Accordingly, reporting under para 3(viii) is not applicable.

(ix) (a) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Accordingly, reporting under para 3(ix)(a) is not applicable.

(b) According to the information, explanation and representation provided to us and based on verification carried out by us, we report that the Company has not been declared as willful defaulter by any bank or financial institution or other lender. Accordingly, reporting under para 3(ix)(b) is not applicable.

(c) According to the information, explanation and representation provided to us and based on verification carried out by us, no additional term loans availed by the Company during the year, Accordingly, reporting under para 3(ix)(c) is not applicable.

(d) According to the information, explanation and representation provided to us and based on verification carried out by us, funds raised on short term basis have not been utilised for long term purposes. Accordingly, reporting under para 3(ix)(d) is not applicable.

(e) According to the information, explanation and representation provided to us and based on verification carried out by us, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, reporting under para 3(ix)(e) is not applicable.

(f) According to the information, explanation and representation provided to us and based on verification carried out by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

Accordingly, reporting under para 3(ix)(f) is not applicable.

(x) (a) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting on para 3(x)(a) is not applicable.

(b) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting on para 3(x)(b) is not applicable.

(xi) (a) According to the information, explanation and representation provided to us and based on verification carried out by us, no fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) During the year, we have taken into consideration the whistle blower complaints received by the company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company. Accordingly, reporting on para 3(xii) of the order is not applicable.

(xiii) According to the information, explanation and representation provided to us and based on verification carried out by us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable, and the details have been disclosed in the financial statements as required by the applicable IND AS.

(xiv) (a) According to the information, explanation and representation provided to us and based on verification carried out by us, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports issued during the year and pertaining to the year under audit.

(xv) According to the information, explanation and representation provided to us and based on verification carried out by us, the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company. Accordingly, reporting on para 3(xv) of the order is not applicable.

(xvi) (a) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting on para 3(xvi)(a) is not applicable.

(b) According to the information, explanation and representation provided to us and based on verification carried out by us, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, reporting on para 3(xvi)(b) is not applicable.

(c) According to the information, explanation and representation provided to us and based on verification carried out by us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting on para 3(xvi)(c) of the order is not applicable.

(d) According to the information, explanation and representation provided to us and based on verification carried out by us, the group does not have CIC as part of the group. Accordingly, reporting on para 3(xvi)(d) of the order is not applicable.

(xvii) According to the information, explanation and representation provided to us and based on verification carried out by us, the company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, reporting on para 3(xvii) of the order is not applicable.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting on para 3(xviii) of the order is not applicable.

(xix) According to the information, explanation and representation provided to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) (a) There is no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects required a transfer to a Fund specified in Schedule VII to the companies Act in compliance with second proviso to sub section (5) of section 135 of the Act. Accordingly, reporting on para 3(xx)(a) of the order is not applicable.

(b) There is no unspent amount towards Corporate Social Responsibility (CSR) in respect of ongoing projects requiring a transfer to a special account in compliance with sub-section (6) of section 135 of the Act. Accordingly, reporting on para 3(xx)(b) of the order is not applicable.

For Sharp & Tannan Associates
Chartered Accountants
Firm’s Registration no. 109983W
by the hand of

CA Pramod Bhise
Partner
Membership no.(F) 047751
UDIN: 23047751BGTHWU2057
Pune, 11 May 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2 (F) under the heading, "Report on other legal and regulatory requirements" of our report on even date:

REPORT ON THE INTERNAL FINANCIAL CONTROLS [UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")]

OPINION

We have audited the internal financial controls over financial reporting of Kirloskar Brothers Limited (hereinafter referred as "the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal financial 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 (hereinafter referred as "the guidance note") issued by the Institute of Chartered Accountants of India (hereinafter referred as "ICAI").

MANAGEMENTS AND BOARD OF DIRECTORS RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note. 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration no. 109983W
by the hand of

CA Pramod Bhise
Partner
Membership no.(F) 047751
UDIN: 23047751BGTHWU2057
Pune, 11 May 2023

BALANCE SHEET

AS AT 31ST MARCH 2023

(Amounts in Million ₹)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3A	3,224.568	3,420.800
Capital work-in-progress		784.771	214.425
Investment property	4	5.020	5.020
Other intangible assets	3A	35.857	22.776
Right to use assets	3B	89.710	64.329
Financial assets			
Investments	5	2,975.420	3,113.936
Trade receivables	6	373.330	246.004
Loans	7	81.528	150.000
Other financial assets	8	101.069	84.441
Deferred tax assets (net)	19	479.761	365.755
Other non-current assets	9	656.449	968.620
Total non-current assets		**8,807.483**	**8,656.106**
Current assets			
Inventories	10	4,393.781	4,192.581
Financial assets			
Investments	5	1,937.400	2,534.198
Trade receivables	6	3,690.010	3,944.273
Cash and cash equivalents	11 A	1,484.366	598.662
Other bank balances	11 B	16.100	14.971
Loans	7	59.614	9.614
Other financial assets	8	869.647	853.677
Other current assets	9	2,587.705	2,705.562
Total current assets		**15,038.623**	**14,853.538**
TOTAL ASSETS		**23,846.106**	**23,509.644**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	158.818	158.818
Other equity	13	12,358.121	11,095.109
Total equity		**12,516.939**	**11,253.927**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	14	492.505	824.738
Lease liabilities	46	52.751	42.923
Trade payables	15	77.534	73.220
Other financial liabilities	16	-	0.580
Provisions	17	208.804	204.319
Other non-current liabilities	18	702.586	687.959
Total non-current liabilities		**1,534.180**	**1,833.739**
Current liabilities			
Financial liabilities			
Borrowings	14	658.858	1,539.596
Lease liabilities	46	41.812	23.841
Trade payables			
- Micro, small and medium enterprises	15	752.678	650.041
- Others	15	3,796.442	3,871.064
Other financial liabilities	16	1,157.888	860.762
Other current liabilities	18	2,894.055	3,051.152
Provisions	17	493.254	425.522
Total current liabilities		**9,794.987**	**10,421.978**
Total liabilities		**11,329.167**	**12,255.717**
TOTAL EQUITY AND LIABILITIES		**23,846.106**	**23,509.644**

Corporate information 1
Significant accounting policies 2
See accompanying notes to financial statements 3 - 47B
The accompanying notes 1 to 47 (B) form an integral part of the financial statements

As per our report of even date attached

For **SHARP & TANNAN ASSOCIATES**
Chartered Accountants
(ICAI Firm Regn. No. 109983W)

Pramod Bhise
Partner
Membership No: (F) - 047751

Pune : 11 May 2023

For and on behalf of the Board of Directors

Sanjay Kirloskar
Chairman and Managing Director
DIN: 00007885

Rama Kirloskar
Joint Managing Director
DIN: 07474724

Chittaranjan Mate
Chief Financial Officer

Pune : 11 May 2023

Devang Trivedi
Company Secretary

Pune : 11 May 2023

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

Particulars	Note No.	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	20	25,399.345	21,659.422
Other income	21	330.206	357.202
Total income		**25,729.551**	**22,016.624**
Expenses			
Cost of raw materials consumed	22 A	13,258.764	12,065.299
Purchases of stock-in-trade		1,553.811	1,321.965
Changes in inventories of finished goods, stock -in- trade and work-in-progress	22 B	(72.215)	(217.853)
Employee benefits expense	23	2,873.390	2,508.542
Finance costs	24	138.264	157.892
Depreciation and amortisation expense	25	424.386	406.790
Other expenses	26	5,341.788	4,411.692
Total expenses		**23,518.188**	**20,654.327**
Profit before exceptional items and tax		2,211.363	1,362.297
Less : Exceptional items	5	138.516	250.927
Profit before tax		**2,072.847**	**1,111.370**
Tax expenses	19		
(1) Current tax		660.939	328.423
(2) Deferred tax		(114.019)	(35.026)
(3) Short provision of earlier years		-	36.272
Total tax expenses		**546.920**	**329.669**
Profit after tax for the year		**1,525.927**	**781.701**
Other comprehensive income	27		
Items that will not be reclassified to profit or loss		(44.115)	22.349
Income tax relating to items that will not be reclassified to profit or loss		19.427	5.873
Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income		**(24.688)**	**28.222**
Total comprehensive income for the year (comprising of profit for the year and other comprehensive income for the year)		**1,501.239**	**809.923**
Earnings per equity share	32		
(1) Basic		19.22	9.85
(2) Diluted		19.22	9.85

Corporate information	1
Significant accounting policies	2
See accompanying notes to financial statements	3 - 47B

The accompanying notes 1 to 47 (B) form an integral part of the financial statements

As per our report of even date attached

For **SHARP & TANNAN ASSOCIATES**
Chartered Accountants
(ICAI Firm Regn. No. 109983W)

Pramod Bhise
Partner
Membership No: (F) - 047751

Pune : 11 May 2023

For and on behalf of the Board of Directors

Sanjay Kirloskar
Chairman and Managing Director
DIN: 00007885

Rama Kirloskar
Joint Managing Director
DIN: 07474724

Chittaranjan Mate
Chief Financial Officer

Pune : 11 May 2023

Devang Trivedi
Company Secretary

Pune : 11 May 2023

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A	**Cash flow from operating activities**		
	Profit before tax	2,072.847	1,111.370
	Adjustments for :-		
1	Depreciation / amortization	424.386	406.790
2	(Profit) /loss on sale / write-off of fixed assets	8.653	0.476
3	Bad debts written off	27.282	83.694
4	Advances, deposits and claims written off	0.545	8.304
5	Liquidated damages	34.031	77.817
6	Provision for loss on long term contracts	(2.265)	(5.861)
7	Provision slow-non moving inventory	33.001	28.890
8	Provision for doubtful debts, advances and claims	406.232	77.534
9	Interest income	(65.869)	(26.844)
10	Dividend income	(112.877)	(250.692)
11	Interest expenses	99.690	124.345
12	Unrealized exchange (gain)/ loss - others	42.274	3.313
13	Profit on sale of mutual funds	(42.496)	(32.192)
14	Impairment of investment	138.516	250.927
	Operating profit before working capital changes	**3,063.950**	**1,857.871**
	Adjustments for :-		
1	(Increase)/ decrease in inventories	(234.201)	(476.543)
2	(Increase)/ decrease in trade receivables	(387.581)	(683.115)
3	(Increase)/ decrease in financial assets	(15.127)	151.379
4	(Increase)/ decrease in non-financial assets	304.604	487.267
5	Increase/ (decrease) in trade payable	46.477	(159.887)
6	Increase/ (decrease) in financial liabilities	324.239	(207.628)
7	Increase/ (decrease) in non-financial liabilities	(142.470)	(87.474)
8	Increase/ (decrease) in provisions	48.983	147.332
	Cash generated from operations	**3,008.874**	**1,029.202**
9	Income tax (paid) / refunded (net)	(516.088)	(249.732)
	Net cash from operating activities	**2,492.786**	**779.470**
B	**Cash flow from investing activities**		
1	Purchase of fixed assets (Including right to use lease assets as per Ind AS 116)	(855.093)	(424.539)
2	Sale of fixed assets	9.478	-
3	Investment in mutual funds and deposits with NBFC	(7,891.062)	(6,729.890)
4	Sale of investment in mutual funds and deposits with NBFC	8,530.354	5,496.120
5	Interest received	47.234	18.484
6	Dividend received	112.877	250.692
7	Repayment of loans from subsidiaries	18.472	0.800
	Net cash from/ (used in) investment activities	**(27.740)**	**(1,388.333)**

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
C	**Cash flow from financing activities**		
1	Proceeds from borrowing	326.625	1,891.797
2	Repayment of borrowings	(1,539.596)	(917.647)
3	Interest paid	(100.039)	(114.680)
4	Payment of dividend and tax thereon	(237.772)	(241.507)
	Net cash used in financing activities	**(1,550.782)**	**617.963**
	Unrealized exchange gain / (loss) in cash and cash equivalents	(28.560)	(14.757)
	Net increase / (decrease) in cash and cash equivalents	914.264	9.100
1	Cash & cash equivalents at beginning of year	598.662	604.319
2	Cash & cash equivalents at end of year (refer note 11A)	1,484.366	598.662

Note :- The above statements of cash flow has been prepared using the "indirect method" as per Ind AS 7.
There are no reconciliation items in relation to financing activities for which disclosure is required as per Ind AS 7.
Refer note 43 for cash outflow on account of corporate social responsibility.

As per our report of even date attached

For **SHARP & TANNAN ASSOCIATES**
Chartered Accountants
(ICAI Firm Regn. No. 109983W)

Pramod Bhise
Partner
Membership No: (F) - 047751

Pune : 11 May 2023

For and on behalf of the Board of Directors

Sanjay Kirloskar
Chairman and Managing Director
DIN: 00007885

Rama Kirloskar
Joint Managing Director
DIN: 07474724

Chittaranjan Mate
Chief Financial Officer

Pune : 11 May 2023

Devang Trivedi
Company Secretary

Pune : 11 May 2023

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

A. EQUITY SHARE CAPITAL

Balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
158.818	-	158.818

Balance as at 1 April 2022	Changes in equity share capital during the year	**Balance as at 31 March 2023**
158.818	-	158.818

B. OTHER EQUITY

	Reserves and Surplus					Total
	Capital Reserve	Capital Redemption reserve	Securities Premium	General Reserve	Retained Earnings	
Balance as at 1 April 2021	0.172	4.000	414.604	5,787.407	4,317.230	10,523.413
Profit for the year					781.701	781.701
Other comprehensive income					28.222	28.222
Dividend					(238.227)	(238.227)
Balance as at 31 March 2022	0.172	4.000	414.604	5,787.407	4,888.926	11,095.109
Profit for the year					1,525.927	1,525.927
Other comprehensive income					(24.688)	(24.688)
Dividend					(238.227)	(238.227)
Balance as at 31 March 2023	**0.172**	**4.000**	**414.604**	**5,787.407**	**6,151.938**	**12,358.121**

As per our report of even date attached
For **SHARP & TANNAN ASSOCIATES**
Chartered Accountants
(ICAI Firm Regn. No. 109983W)

Pramod Bhise
Partner
Membership No: (F) - 047751

Pune : 11 May 2023

For and on behalf of the Board of Directors

Sanjay Kirloskar
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Pune : 11 May 2023

Devang Trivedi
Company Secretary

Pune : 11 May 2023

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

SIGNIFICANT ACCOUNTING POLICIES

(All amounts are in Indian rupees rounded in millions, unless otherwise stated)

1. CORPORATE INFORMATION

Kirloskar Brothers Limited ("KBL" or "the Company") is a public limited company domiciled in India and incorporated under the provisions of the Indian Companies Act. KBL is engaged in providing fluid management solutions globally. The core products of the company are Engineered Pumps, Industrial Pumps, Agriculture and Domestic Pumps, Valves, and Hydro turbines.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of Indian Accounting Standards (Ind-AS) notified under the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS have been prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

Company maintains it's accounts on accrual basis following historical cost convention except for certain financial instruments which are measured at fair values. The financial statements have been prepared on accrual and going concern basis.

The financial statements have been approved for issue by the Board of Directors at it's meeting held on 11 May 2023.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on an alternative basis in accordance with Ind AS on each reporting date.

Items	Measurement basis
Share based payment transactions	Fair value
Defined benefit plan – plan assets	Fair value

2.3 Current or non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities for product business. In case of project business, operating cycle is dependent on life of specific project/ contract/ service, hence current non-current bifurcation relating to project is based on expected completion date of project which generally exceeds 12 months.

2.4 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information is presented in INR MN rounded off to three decimal places, except share and per share data, unless otherwise stated.

2.5 Use of judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. The estimates are based on management's best knowledge of current events and actions, however, due to uncertainty about these assumptions and estimates, actual results may differ from these estimates.

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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of defined benefit obligation – The cost of the defined benefit gratuity and pension plan, and the present value of the gratuity/ pension obligation are determined using actuarial valuations. An actuarial valuation involves making

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

various assumptions that may differ from actual developments in the future. (Refer note – 34)

- Estimation of leave encashment provision - The cost of the leave encashment and the present value of the leave encashment obligation are determined using actuarial valuations. (Refer note 38)
- Impairment of receivables - The impairment provisions for financial receivables disclosed are based on assumptions about risk of default and expected credit loss. (Refer note 40)
- Decommissioning liability – Initial estimate of dismantling and restoration liability requires significant judgement about cost inflation index and other factors. (Refer note 38)
- Provision for warranty claims – Provision is recognised based on the key assumptions about likelihood and magnitude of an outflow of resources. (Refer note 38)
- Estimation of provision for loss on long term contract – The provision is recognised when the estimated cost exceeds the estimated revenue for constructions contracts as per Ind AS 115. (Refer note 38)

2.6 Inventories

Inventories are valued at the lower of cost and net realizable value. The cost is calculated on moving weighted average method. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- **Raw materials:** cost includes cost of purchase excluding taxes subsequently recoverable from tax authorities and other costs incurred in bringing the inventories to their present location and condition. However, these items are considered to be realizable at cost if the finished products in which they will be used, are expected to be sold at or above cost.
- **Finished goods and work in progress:** cost includes cost of direct materials, labour and a systematic allocation of fixed and variable production overhead that are incurred in converting raw material into work in progress / finished goods based on the normal operating capacity and actual capacity respectively.
- **Traded goods:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Based on ageing of inventory and it's future potential to generate economic benefit, company provides for slow and non-moving inventory using provision matrix. This provision is reversed once such inventory is consumed or expected to be consumed.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Assessment of net-realizable value is made at regular intervals (each reporting period) and at change of events.

2.7 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand and highly liquid short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

The deposits maintained by the Company with banks and financial institutions comprise time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

While other bank balances include, margin money, deposits, earmarked balances with bank, and other bank balances with bank which have restrictions on repatriation.

2.8 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the profit before tax for the effects of:

- changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, unrealized foreign currency gains and losses; and
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

2.9 Property, plant and equipment (PPE)

Measurement

Freehold land is carried at historical cost. All other items of PPE are measured at cost of acquisition or construction less accumulated depreciation and accumulated impairment loss, if any.

The cost of an item of PPE comprises its purchase price, including import duties net of credits and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any discounts and rebates are deducted in arriving at the purchase price.

Own manufactured PPE is capitalized at cost including an appropriate share of overheads. Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalized as a part of the cost of the PPE.

Borrowing costs directly attributable to the construction or acquisition of a qualifying asset upto completion or acquisition are capitalised as part of the cost. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

When parts of an item of PPE have different useful lives, they are accounted for as separate items (major components) of PPE.

PPE under construction are disclosed as capital work-in-progress.

Advances paid towards the acquisition of PPE outstanding at each reporting date are disclosed under "Other non-current assets".

Subsequent costs

The cost of replacing a part of an item of PPE is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of PPE are recognised in the statement of profit and loss as incurred.

Disposal

An item of PPE is derecognized upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of PPE are determined by comparing the proceeds from disposal with the carrying amount of PPE, and are recognised within other income/expenses in the statement of profit and loss.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

The residual values, useful lives and method of depreciation of PPE is reviewed at each financial year end and adjusted prospectively, if appropriate. Depreciation on additions to/deductions from owned assets is calculated pro rata to the period of use. Further, extra shift depreciation is provided wherever applicable. Depreciation charge for impaired assets if any is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of PPE as prescribed in Schedule II of the Companies Act 2013 except in the case of patterns as mentioned below where the management based on the technical evaluation have estimated the life to be lower than the life prescribed in schedule II.

Patterns – Useful life 1-7 Years

Life of assets considered as per schedule II -

Particulars	Life
Building	60 Years
Factory Building	30 Years
Plant and Equipment	3-22 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Office equipment	5 Years
Railway Siding	15 Years

2.10 Investment property

Investment property is a property, being land or building or part of it, (including those under construction) that is held to earn rental income or for capital appreciation

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

or both but not held for sale in ordinary course of business, use in manufacturing or rendering services or for administrative purposes.

Upon initial recognition, investment property is measured and reported at cost, including transaction costs. The cost of investment property includes its purchase price and directly attributable expenditure, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and accumulated impairment loss, if any. The estimated useful life and residual values are reviewed at each financial year end and the effect of any change in the estimates of useful life/ residual value is accounted on prospective basis. Investment property in the form of land is not depreciated.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

2.11 Intangible assets

Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the Company and it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with indefinite useful lives (Goodwill) are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The method of amortisation and useful life is reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Computer software is amortised over the period of three years.

Amortization on impaired assets is provided by adjusting the amortization charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

Research and development costs –

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss.

During the period of development, the asset is tested for impairment annually.

2.12 Interest in joint operations

The company as joint operator recognizes in relation to its interest in a joint operation, it's share in the assets/ liabilities held / incurred jointly with the other parties of the joint arrangements. Revenue is recognised for it's share of revenue from the sale of output by the joint operator. Expenses are recognised for it's share of expenses incurred jointly with the other parties of the joint arrangements.

2.13 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences in relation to the foreign currency borrowings to the extent those are regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised in the cost of that asset. Qualifying assets are those assets which necessarily takes a substantial period of time to get ready for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they are incurred.

2.14 Revenue recognition

Company recognizes revenue from contracts with customers when it satisfies a performance obligation.

Revenue is measured at transaction price i.e. Consideration to which Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and after considering effect of variable consideration, significant financing component, if any.

For contracts with multiple performance obligations, transaction price is allocated to different performance obligations based on their standalone selling price. In such case, revenue recognition criteria is applied separately to different performance obligations, in order to reflect the substance of the transaction and revenue is recognised separately for each obligation as and when the recognition criteria for the component is fulfilled.

Sale of goods

Revenue from the sale of goods is recognized when control of the goods is transferred to the buyer. For contracts that permit the customer to return an item, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Amounts included in revenue are net of returns, trade allowances, rebates, goods and service tax, value added taxes.

Customer loyalty programs

The Company allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programs is deferred, and is recognized as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The deferred revenue is included in contract liabilities.

Rendering of services

Revenue is recognized over the time as and when customer receives the benefit of company's performance and the company has an enforceable right to payment for services transferred.

Construction Contracts

Contract revenue includes initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

Contract revenue and contract cost arising from fixed price contract are recognized in accordance with the percentage completion method (POC).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

The stage of completion is measured with reference to cost incurred to date as a percentage of total estimated cost of each contract. Until such time (50% of project cost in case of civil projects outside India and 25% of project cost in case of other projects) where the outcome of the contract cannot be ascertained reliably, the Company recognizes revenue equal to actual cost.

Full provision is made for any loss estimated on a contract in the year in which it is first foreseen.

Where the Company is involved in providing operation and maintenance services under a single construction contract, then the consideration is allocated on a relative stand-alone price basis between various obligations of a contract.

For contracts where progress billing exceeds the aggregate of contract costs incurred to-date and recognized profits (or recognized losses, as the case may be), the surplus is shown as the amount due to customers.

For contracts where the aggregate of contract costs incurred to-date and recognized profits (or recognized losses, as the case may be) exceed progress billing, the deficit is shown as the amount due from customers. Amount due from customers is shown as part of other non-financial assets as the contractual right for consideration is dependant on completion of contractual milestones.

Amounts received before the related work is performed are disclosed in the Balance Sheet as a liability towards advance received. Amounts billed for work performed but yet to be paid by the customer are disclosed in the Balance Sheet as trade receivables.

The amount of retention money held by the customers is disclosed as part of other current assets

2.15 Other income

Interest is recognized on a time proportion basis determined by the amount outstanding and the rate applicable using the effective interest rate (EIR) method. Dividend income and export benefits are recognised in the statement of profit and loss on the date that the Company's right to receive payment is established.

Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realization

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

2.16 Foreign currencies transactions

Transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

2.17 Employee benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short term compensated absences, leave travel allowance etc. are recognized in the period in which the employee renders the related service.

Post-employment benefits

Defined contribution plans

The company's superannuation scheme, state governed provident fund scheme related to Dewas, Kainiyur, Sanand factories and employee state insurance scheme are defined contribution plans. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

Defined Benefit Plans

The employees' gratuity fund schemes and provident fund scheme managed by a trust and pension scheme are the Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognises gains/ losses on settlement of a defined plan when the settlement occurs.

The Company pays contribution to a recognized provident fund trust in respect of above-mentioned PF schemes.

Other long-term employee benefit

Compensated absences liabilities mean, the liabilities for earned leave that are not expected to be settled wholly within twelve months after the end of the reporting period in which the employee 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 the terms of the related obligation. Re-measurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss.

2.18 Income taxes

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or items recognised directly in equity or in OCI.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that were enacted at the reporting date in the country where the company operates and generates taxable income. Current tax assets and liabilities are offset only if certain criteria are met and such offsetting is legally enforceable.

Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year. The tax effect is calculated on the accumulated timing differences at the end of the accounting period based on prevailing enacted or subsequently enacted regulations.

Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria are met.

2.19 Share-based payments

Share based compensation benefits are provided to the employees (including senior executives) of the company under the Company's Employee Stock Option Scheme, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The fair value of the options granted to employees is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.20 Provisions

A Provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

Warranty provisions

A provision for warranty is recognised when the underlying products and services are sold to the customer based on historical warranty data and at its best estimate using expected value method. The initial estimate of warranty-related costs is revised annually.

Provision for decommissioning and site restoration

The Company has a legal obligation for decommissioning of windmills and restoring the site back to its original condition. Decommissioning and restoration costs are measured initially at its best estimate using expected value method. The present value of initial estimates is provided as a liability and corresponding amount is capitalised as a part of the windmill. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities

Contingent liability is disclosed when,

- company has a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; or
- present obligation arising from past events, when no reliable estimate is possible; or
- A possible obligation arising from past events where the probability of outflow of resources is not remote.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

2.21 Leases

Company has adopted Ind AS 116 'Leases' from 1 April 2019. On transition, company has recognized right-to-use asset equal to lease liability which is the present value of the remaining lease payments, discounted using incremental borrowing rate at the date of initial application i.e. 1 April 2019.

Lease is a contract that provides to the customer (lessee) the right to use an asset for a period of time in exchange for consideration.

- **Company as a Lessee**

A lessee is required to recognise assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognise depreciation of leased assets separately from interest on lease liabilities in the statement of Profit and Loss.

Initial Measurement

Right to use asset

At the commencement date, the Company measures the right-of-use asset at cost.

The cost of the right-of-use asset shall comprise:

- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee; and
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

Subsequent measurement

Right to use assets

Subsequently the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease Liability

Subsequently the Company measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability at the interest rate implicit in the lease, if that rate can be readily determined or the Company's incremental borrowing rate.
- reducing the carrying amount to reflect the lease payments made; and
- re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments.

- **Company as a Lessor**

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.22 Impairment of non-financial assets

The company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the statement of profit and loss.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

or liability and the level of the fair value hierarchy as explained above.

2.24 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets except trade receivables are recognized initially at fair value plus or minus the transaction cost. Trade receivables that do not contain financial component are measured at transaction price in accordance with Ind AS 115. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets are subsequently measured at amortised cost if,

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial asset

Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

Financial liabilities

Initial recognition and measurement

The company initially recognises loans and advances, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument.

A financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

2.25 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares (if any).

2.26 Segment reporting

Operating segments are reporting in a manner consistent with the internal reporting to the chief operating decision maker (CODM).

The board of directors of the company assesses the financial performance and position of the company and makes strategic decisions. The Board of Directors, which are identified as a CODM, consists of chief executive officer, chief financial officer and all other executive directors.

Company operates in single reporting segment of 'Fluid Machinery and Systems'

2.27 Recent accounting pronouncement

The Ministry of Corporate Affairs (MCA) on 31 March 2023, has issued Companies (Indian Accounting

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

Standard) Amendment Rules, 2023 in consultation with the National Financial Reporting Authority (NFRA).

The notification states that these rules shall be applicable from 1 April 2023 and would thus be applicable for the financial year ending 31 March 2024.

The amendments to Ind AS are intended to keep the Ind AS aligned with the amendments made in IFRS.

- **Amendments to Ind AS 1, "Presentation of Financial Statements"**

  Companies should now disclose material accounting policy information rather than their significant accounting policies, together with other information, which is relevant to an understanding of financial statements.

- **Amendments to Ind AS 8, "Accounting policies, Change in Accounting Estimates and Errors"**

  1. Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'

  2. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty

  3. A company develops an accounting estimate to achieve the objective set out by an accounting policy.

  4. Accounting estimates include: a) Selection of a measurement technique (estimation or valuation technique) b) Selecting the inputs to be used when applying the chosen measurement technique.

- **Amendments to Ind AS 12, "Income Taxes"**

  1. Narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations)

  2. Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences

  3. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 3A: PROPERTY, PLANT AND EQUIPMENT

(Amounts in Million ₹)

	Property, plant and equipment									Intangible Assets		
	Land free hold	Land lease hold	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Railway siding	Total	Computer software	Sales tax deferral rights	Total
Gross Block												
As at 1 April 2021	425.049	75.157	1,709.623	5,147.855	146.867	46.944	91.808	1.528	7,644.831	291.121	31.730	322.851
Additions	-	-	225.934	614.563	0.650	12.928	16.363	-	870.438	4.648	-	4.648
Disposals	-	-	-	(48.910)	(0.764)	(0.004)	(3.688)	-	(53.366)	-	-	-
As at 31 March 2022	425.049	75.157	1,935.557	5,713.508	146.753	59.868	104.483	1.528	8,461.903	295.769	31.730	327.499
Additions	-	-	11.818	158.754	0.167	20.582	2.140	-	193.461	28.314	-	28.314
Disposals	-	-	(13.634)	(14.514)	(0.486)	(0.584)	(0.520)	-	(29.738)	-	-	-
As at 31 March 2023	**425.049**	**75.157**	**1,933.741**	**5,857.748**	**146.434**	**79.866**	**106.103**	**1.528**	**8,625.626**	**324.083**	**31.730**	**355.813**
Depreciation/ Amortisation												
As at 1 April 2021	-	6.637	486.057	4,015.999	124.062	30.246	66.184	1.523	4,730.708	256.954	31.730	288.684
Charge for the year	-	1.003	47.319	296.324	5.147	6.635	6.854	0.003	363.285	16.039	-	16.039
Depreciation on disposal	-	-	-	(48.434)	(0.764)	(0.004)	(3.688)	-	(52.890)	-	-	-
As at 31 March 2022	-	7.640	533.376	4,263.889	128.445	36.877	69.350	1.526	5,041.103	272.993	31.730	304.723
Charge for the year	-	1.003	47.846	301.275	4.469	9.249	7.718	0.002	371.562	15.233	-	15.233
Depreciation on disposal	-	-	(1.231)	(8.786)	(0.486)	(0.584)	(0.520)	-	(11.607)	-	-	-
As at 31 March 2023	**-**	**8.643**	**579.991**	**4,556.378**	**132.428**	**45.542**	**76.548**	**1.528**	**5,401.058**	**288.226**	**31.730**	**319.956**
Net block												
As at 1 April 2021	425.049	68.520	1,223.566	1,131.856	22.805	16.698	25.624	0.005	2,914.123	34.167	-	34.167
As at 31 March 2022	425.049	67.517	1,402.181	1,449.619	18.308	22.991	35.133	0.002	3,420.800	22.776	-	22.776
As at 31 March 2023	**425.049**	**66.514**	**1,353.750**	**1,301.370**	**14.006**	**34.324**	**29.555**	**-**	**3,224.568**	**35.857**	**-**	**35.857**

Notes:

a) Plants and machineries acquired out of proceeds of term loan, are pledged as security against the loan.

b) During the year no provision envisaged for impairment loss .

c) Refer note no 29 for estimated amount of contract remaining to be executed on capital account.

d) Company has not revalued any property, plant and equipment during the FY 2022-23 and FY 2021-22

e) All title deeds of immovable properties are held in the name of company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 3B : RIGHT TO USE ASSETS

Particulars	Amt
Opening balance as at 1 April 2021	36.845
Net addition / (deletion)during the year	54.950
Depreciation	(27.466)
Balance as at 31 March 2022	**64.329**
Net addition / (deletion)during the year	**62.972**
Depreciation	**(37.591)**
Balance as at 31 March 2023	**89.710**

NOTE 4 : INVESTMENT PROPERTY

Particulars	Amt
Land	
Gross Block	
As at 1 April 2021	5.020
Additions	-
Disposals	-
As at 31 March 2022	**5.020**
Additions	-
Disposals	-
As at 31 March 2023	**5.020**
Depreciation and Impairment	
As at 1 April 2021	**-**
Charge for the year	-
Depreciation on disposals	-
As at 31 March 2022	**-**
Charge for the year	-
Depreciation on disposals	-
As at 31 March 2023	**-**
Net block	
As at 1 April 2021	**5.020**
As at 31 March 2022	**5.020**
As at 31 March 2023	**5.020**

Fair Value

The company obtains independent valuations for its investment property. The valuation model considers current prices in active market.

The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

Fair value as at 31 March 2023 was ₹ 60.717 MN.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 5 : FINANCIAL ASSETS: INVESTMENTS

	Particulars	As at 31 March 2023	As at 31 March 2022
I	**Long term investments - at cost**		
	Trade Investments		
	(a) Investment in Equity and Preference instruments	2,975.420	3,113.931
	(b) Capital contribution in partnership firm	0.000	0.005
II	**Current investment**	1,937.400	2,534.198
	Total	**4,912.820**	**5,648.134**

Particulars	As at 31 March 2023	As at 31 March 2022
Aggregate amount of quoted investments	1,437.400	1,584.198
Aggregate amount of unquoted investments	3,475.420	4,063.936

Sr No	Particulars	Face Value	Partly Paid / Fully paid	Extent of holding (%)		No. of Shares / Units		Amount in Million ₹	
				As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Non-current investments									
(1)	**Investments at fair value through Other comprehensive income**								
	Investment in Structured Entities								
	Kirloskar Proprietary Limited *	INR 100	Fully Paid	-	-	2	2	-	-
(2)	**Investment in equity shares (unquoted) accounted at cost**								
a	**Investment in Joint venture**								
1	Kirloskar Ebara Pumps Limited	INR 10	Fully Paid	45%	45%	225,000	225,000	2.747	2.747
b	**Investment in Subsidiaries**								
1	The Kolhapur Steel Limited	INR 1	Fully Paid	99%	99%	266,315,115	266,315,115	343.884	343.884
2	Kirloskar Corrocoat Private Limited	INR 10	Fully Paid	65%	65%	3,250,000	3,250,000	94.000	94.000
3	Kirloskar Brothers International B V	Euro 100	Fully Paid	100%	100%	236,851	236,851	1,398.025	1,398.025
4	Karad Projects & Motors Ltd.	INR 10	Fully Paid	100%	100%	13,952,450	13,952,450	1,480.643	1,480.643
(3)	**Investment in 6% non cumulative convertible preference shares (unquoted) accounted at cost**								
1	The Kolhapur Steel Limited	INR 1	Fully Paid	100%	100%	150,000,000	150,000,000	150.000	150.000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

Sr No	Particulars	Face Value	Partly Paid / Fully paid	Extent of holding (%) As at 31 March 2023	Extent of holding (%) As at 31 March 2022	No. of Shares / Units As at 31 March 2023	No. of Shares / Units As at 31 March 2022	Amount in Million ₹ As at 31 March 2023	Amount in Million ₹ As at 31 March 2022
Investment in Partnership Firm									
1	KBL Synerge LLP**	N A	N A	50%	50%	N A	N A	0.005	0.005
	Provision for impairment of investment (##)							(493.884)	(355.368)
	Total investment in equity shares of subsidiaries and joint venture							**2,975.420**	**3,113.936**
Current investments									
(4)	**Investments at amortised cost**								
	Investment in fixed deposit with financial institutions - LIC HFL (Int rate - 5.8%)							500.000	950.000
(5)	**Investments at fair value through profit and loss**								
	Investment in mutual funds							1,437.400	1,584.198
	Total current investment							**1,937.400**	**2,534.198**

** The investment in unquoted equity shares is ₹200/- and therefore not seen in the above table.*

All subsidiaries, joint venture and associate companies are incorporated and have place of business as India except, the Kirloskar Brothers International B.V. is incorporated and has place of business as Netherland.

*** KBL Synerge LLP a limited liability partnership was formed in year 2017 between Kirloskar Brothers Ltd, Mrs. Sneha Phatak and Synerge Overseas Pte. Ltd. This LLP has been created for a short term project. Following are the details of total capital and share of each partner in it. Currently KBL Synerge LLP is not operative and has filed application of striking off name from registrar of LLP.*

Name of Partner	Capital Contributed (₹)	Share in Partnership and profit (%)
Kirloskar Brothers Limited	5,000	50
Synerge Overseas Pte. Ltd	2,600	26
Mrs. Sneha Phatak	2,400	24
Total	**10,000**	**100**

(##) Company has made provision for investment in the subsidiary company viz.

'The Kolhapur Steel Limited' and associate company viz. 'KBL Synerge LLP'. This provision is treated and disclosed as an exceptional item in FY 2022-23 and FY 2021-22.

The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

NOTE 6 : FINANCIAL ASSETS: TRADE RECEIVABLES

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Unsecured, considered good	373.330	246.004
Doubtful	1,152.466	764.443
	1,525.796	**1,010.447**
Less : Provision for significant increase in credit risk and credit impaired receivables	1,152.466	764.443
	373.330	**246.004**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
Unsecured, considered good		
From related parties	1,066.288	652.166
Others	2,623.722	3,292.107
	3,690.010	**3,944.273**
Total trade receivables	**4,063.340**	**4,190.277**

Trade receivables are non-interest bearing and are generally on terms of 1 to 90 days. Refer note 44 (A) for ageing and 40 (A) for movement in loss allowance.

NOTE 7 : FINANCIAL ASSETS: LOANS

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Advances to related parties (Refer note 36)		
Unsecured, considered good	81.528	150.000
	81.528	**150.000**
Current		
Advances to related parties (Refer note 36)		
Unsecured, considered good	59.614	9.614
	59.614	**9.614**
Total loans	**141.142**	**159.614**

NOTE 8 : FINANCIAL ASSETS: OTHER FINANCIAL ASSETS

Particulars		As at 31 March 2023	As at 31 March 2022
Non-current			
(a)	**Claims receivable**		
	Unsecured, considered good		
	Other Miscellaneous Claim	13.777	16.422
	Doubtful	12.552	12.552
		26.329	**28.974**
	Less : Provision for significant increase in credit risk and credit impaired claims	12.552	12.552
		13.777	**16.422**
(b)	**Fixed deposits with the original maturity of more than 12 months**	26.621	18.406
(c)	**Security deposits**		
	Unsecured, considered good	60.671	49.613
	Doubtful	10.884	11.147
		71.555	**60.760**
	Less : Provision for significant increase in credit risk and credit impaired deposits	10.884	11.147
		60.671	49.613
		101.069	**84.441**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

Particulars		As at 31 March 2023	As at 31 March 2022
Current			
(a)	**Claims receivable**		
	Unsecured, considered good	14.584	20.268
(b)	**Interest accrued**	27.543	8.908
(c)	**Security deposits**		
	Unsecured, considered good	827.520	824.501
		869.647	**853.677**
	Total other financial asset	**970.716**	**938.118**

NOTE 9 : OTHER ASSETS

Particulars		As at 31 March 2023	As at 31 March 2022
	Non-current		
(a)	**Advances to supplier of capital goods**	5.301	74.493
(b)	**Advances to supplier and others**		
	Unsecured, considered good	238.289	275.884
	Doubtful	72.190	70.340
		310.479	**346.224**
	Less : Provision for significant increase in credit risk and credit impaired advances	72.190	70.340
		238.289	**275.884**
(c)	**Prepaid expenses**	6.553	3.366
(d)	**Retention (Net of provision)**	288.342	371.489
(e)	**Advance income tax (Net of provision)**	117.964	243.388
		656.449	**968.620**
	Current		
(a)	**Advances to supplier and others**		
	Unsecured, considered good		
	Advances to related parties	97.633	109.950
	Others	203.827	86.271
		301.460	**196.221**
(b)	**Prepaid expenses**	100.579	113.768
(c)	**Gross amount due from customer for project related work**	186.843	203.097
(d)	**Retention**	1,215.310	1,013.052
(e)	**Balances with government authorities**	783.513	1,179.424
		2,587.705	**2,705.562**
	Total other assets	**3,244.154**	**3,674.182**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 10 : INVENTORIES

	Particulars	As at 31 March 2023	As at 31 March 2022
(a)	Raw Materials *	1,159.990	1,046.265
(b)	Work-in-progress	1,708.990	1,606.401
(c)	Finished goods	1,101.240	1,201.655
(d)	Stock-in-trade	312.247	242.206
(e)	Stores and spares	111.314	96.054
	(Mode of valuation refer note 2.6)		
	Total inventories	**4,393.781**	**4,192.581**

** Include goods in transit - ₹ 24.086 MN (PY 2021-22 : ₹45.835 MN)*

Amounts recognised in profit or loss

Write-down/(back) of inventories to net realizable value/ any loss due to it's obsolete nature (net of reversal) amounted to ₹ 34.126 MN (PY 2021-22: ₹29.027 MN) These were recognised as expenses during the year.

NOTE 11 A : CASH AND CASH EQUIVALENTS

	Particulars	As at 31 March 2023	As at 31 March 2022
(a)	**Balances with bank**		
	In current account	390.441	484.550
	In EEFC accounts	232.167	104.094
	Fixed deposits	859.836	9.365
(b)	**Cash on hand**	1.922	0.653
	Total cash and cash equivalents	**1,484.366**	**598.662**

NOTE 11 B : OTHER BANK BALANCES

	Particulars	As at 31 March 2023	As at 31 March 2022
(a)	**Earmarked balances with bank**		
	Unpaid dividend accounts	12.055	11.600
(b)	**Margin money**	4.045	3.371
	Total other bank balances	**16.100**	**14.971**

NOTE 12 : EQUITY SHARE CAPITAL

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised		
250,000,000 (250,000,000) equity shares of ₹2/- each (₹2/-) each	500.000	500.000
Issued, subscribed & fully paid up		
79,408,926 (79,408,926) equity shares of ₹2/- each (₹2/-) each	158.818	158.818
Total equity share capital	**158.818**	**158.818**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

(a) Terms/ rights attached to equity shares .

The company has only one class of equity shares, having face value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share and has a right to receive dividend as recommended by the board of directors subject to the necessary approval from the shareholders. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

For the year ended 31 March 2023 the board of directors have proposed final dividend of ₹4.5 (2022: ₹3.00) per share subject to shareholders' approval.

(b) Reconciliation of share capital

Particulars	As at 31 March 2023 Number	As at 31 March 2022 Amount (Million ₹)	As at 31 March 2023 Number	As at 31 March 2022 Amount (Million ₹)
Shares outstanding at the beginning of the year	7,94,08,926	158.818	7,94,08,926	158.818
Shares Issued during the year under ESOS	-	-	-	-
Shares outstanding at the end of the year	**7,94,08,926**	**158.818**	**7,94,08,926**	**158.818**

(c) Details of shareholder holding more than 5% shares

Particulars	As at 31 March 2023 No. of Shares	As at 31 March 2022 % of Holding	As at 31 March 2023 No. of Shares	As at 31 March 2022 % of Holding
Kirloskar Industries Limited	1,89,88,038	23.91%	1,89,88,038	23.91%
Mr. Sanjay Chandrakant Kirloskar *	1,78,47,465	22.48%	1,78,47,465	22.48%
Mrs. Pratima Sanjay Kirloskar	1,38,49,488	17.44%	1,38,49,488	17.44%
Nippon Life India Trustee Ltd. (A/C Nippon India Small Cap Fund)	43,00,851	5.42%	42,78,923	5.39%

(d) Details of shares held by promoters

Particulars	As at 31 March 2023 No. of Shares	As at 31 March 2022 % of Holding	As at 31 March 2023 No. of Shares	As at 31 March 2022 % of Holding
Mr. Sanjay Chandrakant Kirloskar *	1,78,47,465	22.48%	1,78,47,465	22.48%
Mr. Rahul Chandrakant Kirloskar	4,04,501	0.51%	4,04,501	0.51%
Mr. Atul Chandrakant Kirloskar	3,98,888	0.50%	3,98,888	0.50%
Mr. Vikram Shreekant Kirloskar	-	-	70,236	0.09%
Ms. Jyotsna Gautam Kulkarni	4,41,805	0.56%	4,41,805	0.56%
Ms. Geetanjali Vikram Kirloskar	2,625	0.00%	-	-

There is no change in shares held by promoters' during the FY 2022-23 and 2021-22, except the transfer of partial shares held by late Mr. Vikram Kirloksar to his wife Ms. Geetanjali Kirloskar. Details of shares held by promoter's group are available on Company's website.

** includes 1,761,919 (PY: 1,761,919), 2% (PY: 2%) shares held in the capacity of a trustee.*

For the period of five years immediately preceding the date as at which the balance sheet is prepared, no shares are

i. allotted as fully paid up pursuant to contracts without payment being received in cash

ii. allotted as fully paid shares by way of bonus shares

iii. bought back.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 13: OTHER EQUITY

	Particulars	As at 31 March 2023	As at 31 March 2022
(a)	**Capital reserve**	0.172	0.172
(b)	**Capital redemption reserve**	4.000	4.000
(c)	**Securities premium**	414.604	414.604
(d)	**General reserves**	5,787.407	5,787.407
(e)	**Retained Earnings**		
	Opening balance	4,888.926	4,317.230
	Add : Total comprehensive income for the year	1,501.239	809.923
	Balance available for appropriation	**6,390.165**	**5,127.153**
	Less : Appropriations :		
	Final and interim dividend	238.227	238.227
	Sub total	**238.227**	**238.227**
	Closing balance	**6,151.938**	**4,888.926**
	Total other equity	**12,358.121**	**11,095.109**

Capital reserve:

The company had recognised profit or loss on purchase, sale, issue or forfeiture/ cancellation of own equity instrument to capital reserve.

Capital redemption reserve:

The Company had recognised capital redemption reserve on redemption of preference shares from its retained earnings as per the then applicable provisions of Companies Act, 1956."

Securities premium :

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium.

General reserve:

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Retained earnings:

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 14 : FINANCIAL LIABILITIES: BORROWINGS

	Particulars	As at 31 March 2023	As at 31 March 2022
	Non-current		
	Secured		
(a)	**Term loan from HDFC bank**	599.738	856.971
	(Terms of loan: Term loan is repayable in 19 quarterly instalments starting from 31 March 2020 and another fresh loan of ₹ 550 Mn taken in FY-21-22 and is repayable in 18 quarterly instalments starting from 31 January 2022. Loan carries interest rates in range of 7.00% to 9.00% p.a. The loan is secured against fixed asset purchased out of this borrowing.)		
	Less- Current maturities of non-current borrowings	257.233	257.233
		342.505	**599.738**
(b)	**Term loan from EXIM bank**	225.000	300.000
	(Term loan is repayable in 16 quarterly instalments starting from 30 June 2022. The loan carries interest in range of 6.85% p.a. to 8.00% The loan is secured against fixed asset purchased out of this borrowing.)		
	Less- Current maturities of non-current borrowings	75.000	75.000
		150.000	**225.000**
	Total non-current borrowings	**492.505**	**824.738**
	Current		
	Secured		
1)	**Loans repayable on demand from bank**		
(i)	Cash / export credit facilities	326.625	197.363
(ii)	Working capital demand loans/ Short term loans	-	1,010.000
	(Terms of loans: Loans carrying interest @ 6.00% to 9.00% per annum and secured against the inventory and receivables)		
	Total secured loan - Current	**326.625**	**1,207.363**
	Current maturities of long term loan	**332.233**	**332.233**
	Total current borrowings	**658.858**	**1,539.596**
	Total borrowings	**1,151.363**	**2,364.334**

1. The quarterly returns or statements filed by the Company for working capital limits whenever availed with such banks and financial institutions are in agreement with the books of account of the Company

2. The company has utilized loans for the specific purpose for which same are availed.

3. The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

4. The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 15 : FINANCIAL LIABILITIES: TRADE PAYABLES

	Particulars	As at 31 March 2023	As at 31 March 2022
	Non-current		
(a)	Total outstanding dues of creditors other than micro, small and medium enterprises	77.534	73.220
		77.534	**73.220**
	Current		
(a)	Total outstanding dues of micro, small and medium enterprises (refer note 42)	752.678	650.041
(b)	Total outstanding dues of creditors other than micro, small and medium enterprises	3,796.442	3,871.064
	Total	**4,549.120**	**4,521.105**
	Total trade payables	**4,626.654**	**4,594.325**

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 60-day terms except dues to micro and small enterprises which are settled in 45 days or contractual term whichever is earlier. Refer note 44(B) for ageing.

NOTE 16: OTHER FINANCIAL LIABILITIES

	Particulars	As at 31 March 2023	As at 31 March 2022
	Non-current		
(a)	Financial guarantee contracts with banks for subsidiary company	-	0.580
		-	**0.580**
	Current		
(a)	**Investor Education & Protection fund (will be credited as and when due).**		
	Unclaimed dividends	12.055	11.600
(b)	**Others**		
	Trade deposits	141.126	82.858
	Interest accrued	28.766	29.115
	Salary and reimbursements	483.996	367.325
	Payables on account of purchases of fixed assets	49.831	8.665
	Provision for expenses	429.309	358.682
	Financial guarantee contracts with bank for subsidiaries	12.805	2.517
		1,145.833	**849.162**
		1,157.888	**860.762**
	Total other financial liabilities	**1,157.888**	**861.342**

Terms and conditions of the above financial liabilities:

1) Other payables are non-interest bearing.

2) For explanations on the Company's credit risk management processes, refer note 40

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 17: PROVISIONS

	Particulars	As at 31 March 2023	As at 31 March 2022
	Non-current		
	Provisions for employee benefits		
(a)	Compensated absences (refer note 38)	135.464	136.410
(b)	Pension scheme (refer note 34)	22.372	23.987
		157.836	**160.397**
	Other provisions (refer note 38)		
(a)	Provision for product warranty	41.347	35.030
(b)	Provision for decommissioning and restoration costs	9.621	8.892
		50.968	**43.922**
		208.804	**204.319**
	Current		
	Provisions for employee benefits		
(a)	Compensated absences (refer note 38)	153.622	149.203
(b)	Gratuity and provident fund (refer note 34)	60.819	33.016
		214.441	**182.219**
	Other provisions (refer note 38)		
(a)	Provision for product warranty	267.404	229.629
(b)	Provision for loss on long term contracts	11.409	13.674
		278.813	**243.303**
		493.254	**425.522**
	Total provisions	**702.058**	**629.841**

NOTE 18: OTHER LIABILITIES

	Particulars	As at 31 March 2023	As at 31 March 2022
	Non-current		
(a)	Gross amount due to customers for project related contract work	165.947	165.624
(b)	Advances from customer	536.639	522.335
		702.586	**687.959**
	Current		
(a)	Gross amount due to customers for project related contract work	1,392.870	1,398.859
(b)	Advances from customer	1,321.010	1,458.066
(c)	Contribution to provident fund and superannuation fund	2.243	1.418
(d)	Statutory dues	126.757	106.202
(e)	Deferred revenue	51.175	86.607
		2,894.055	**3,051.152**
	Total other non-financial liabilities	**3,596.641**	**3,739.111**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 19 : INCOME TAX

(1) The major components of income tax expense for the year ended 31 March 2023 and 31 March 2022 are:

(a) Statement of profit and loss

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current income tax:		
Current income tax charge	660.939	328.423
Adjustments in respect of income tax of previous year	-	36.272
Deferred tax:		
Relating to origination and reversal of temporary differences	(114.019)	(35.026)
Income tax expense reported in the statement of profit and loss	**546.920**	**329.669**

(b) Statement of other comprehensive income (OCI)

Current tax related to items recognised in OCI during the year:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Income tax charged to OCI	(19.427)	(5.873)

(2) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31 March 2023 and 31 March 2022:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Accounting profit before tax	2,072.847	1,111.370
At India's statutory income tax rate of 25.168% (a)	521.694	279.710
Adjustments for -		
Dividend / adjustment for deduction in respect of certain inter-corporate dividends u/s 80 M of income tax act	112.877	250.692
Subtotal (b)	**112.877**	**250.692**
Non deductible expenses		
Provision for advances/ deposits and write off	0.035	1.968
Interest payable to MSMED vendors	2.737	4.893
Fines and penalties	0.001	0.010
Donation	24.224	27.189
Provision for impairment of investment	138.516	250.927
Subtotal (c)	**165.513**	**284.987**
Sub total (d) = (b-c)	**(52.636)**	**(34.295)**
Tax impact of above adjustments	(13.247)	(8.631)
Other items	(11.979)	(5.056)
Short provision for earlier years	-	(36.272)
Total (e)	**(25.226)**	**(49.959)**
Tax expenses at effective rate (a-e)	**546.920**	**329.669**
Tax expenses recorded in books	**546.920**	**329.669**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

(3) Movement in deferred tax

(a) Balance sheet

Deferred tax relates to the following: DTL/ (DTA)	As at 31 March 2023	As at 31 March 2022
Property, plant and equipment (Depreciation)	70.890	72.202
Employee benefits	(102.165)	(91.219)
Provision for doubtful debts and advances	(449.442)	(347.085)
Others - DTA/DTL	0.956	0.347
	(479.761)	**(365.755)**
Net deferred tax liabilities/(assets)	**(479.761)**	**(365.755)**

Reflected in balance sheet as	As at 31 March 2023	As at 31 March 2022
Deferred tax asset	551.607	438.304
Deferred tax liability	71.846	72.549
Net deferred tax asset	**479.761**	**365.755**

(b) Statement of profit and loss

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Property, plant and equipment (Depreciation)	(1.312)	2.482
Employee benefits - compensated absences	(10.946)	(16.643)
Provision for doubtful debts and advances	(102.357)	(21.124)
Others	0.596	0.259
Deferred tax expense/(income)	**(114.019)**	**(35.026)**

(4) Movement in Current tax

(a) Balance sheet

Reflected in balance sheet as	Year ended 31 March 2023	Year ended 31 March 2022
Non- current advance tax	117.964	243.388

(b) Statement of profit and loss and other comprehensive income

Movement in current tax	Year ended 31 March 2023	Year ended 31 March 2022
Current tax (asset)/ liability as at beginning of year	(243.388)	(316.206)
Add: Additional provision during the year - Statement of Profit and loss account	660.939	364.695
Add: Additional provision during the year - Other comprehensive income	(19.427)	(5.873)
Less: Current tax paid during the year (Net of refund received for previous year and adjustment for TDS receivable for previous years)	(516.088)	(286.004)
Non Current tax (asset)/ liability as at end of year	**(117.964)**	**(243.388)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 20: REVENUE FROM OPERATIONS

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
(a)	**Sale of products** (Refer note 30 for the construction contract revenue)	24,754.000	20,760.253
(b)	**Sale of services**	371.847	590.207
		25,125.847	**21,350.460**
(c)	**Other operating revenues** (majorly includes scrap sales and exports benefits)	273.498	308.962
	Total	**25,399.345**	**21,659.422**

NOTE 21: OTHER INCOME

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
(a)	**Interest Income**		
	From customers and others	94.028	27.624
	On income tax and sales tax refund	-	-
(b)	**Release of deferred income**	20.529	14.324
(c)	**Profit on sale of mutual fund investment**	42.496	32.192
(d)	**Dividend income from subsidiary and joint venture companies**	112.877	250.692
(e)	**Foreign exchange difference (net)**	48.835	21.641
(f)	**Other non-operating income**	11.441	10.729
	Total	**330.206**	**357.202**

NOTE 22: COST OF RAW MATERIALS CONSUMED , CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK -IN- TRADE AND WORK-IN-PROGRESS

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
(A)	**Cost of raw material consumed**	13,258.764	12,065.299
(B)	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	Opening Stock (refer note 10)		
	Finished goods	1,201.655	1,090.530
	Work-in- progress	1,606.401	1,391.149
	Stock in trade	242.206	350.730
		3,050.262	**2,832.409**
	Closing Stock (refer note 10)		
	Finished goods	1,101.240	1,201.655
	Work-in- progress	1,708.990	1,606.401
	Stock in trade	312.247	242.206
		3,122.477	**3,050.262**
	Total change in inventories	**(72.215)**	**(217.853)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 23: EMPLOYEE BENEFITS EXPENSE

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
(a)	**Salaries, wages and bonus ***	2,540.290	2,248.634
(b)	**Defined contribution plans**		
	Contribution to provident fund, superannuation fund and ESIC	53.588	27.609
(c)	**Defined benefit plans**		
	Gratuity, Provident fund and Pension	121.362	118.827
(d)	**Welfare expenses**	158.150	113.472
	Total	**2,873.390**	**2,508.542**

** Includes payment on account of Voluntary Retirement Scheme ₹ nil (PY 2021-22 - ₹5.520 MN).*

NOTE 24: FINANCE COSTS

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
(a)	**Interest expense** (at effective interest rate/ market rate of interest)	99.690	124.345
(b)	**Other borrowing costs** (includes bank guarantee commission, LC charges, loan processing charges)	38.574	33.547
	Total	**138.264**	**157.892**

NOTE 25: DEPRECIATION AND AMORTISATION EXPENSE

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
(a)	Depreciation on property, plant and equipment	371.562	363.285
(b)	Amortization of intangible assets	15.233	16.039
(c)	Amortisation of right to use assets (Lease)	37.591	27.466
	Total	**424.386**	**406.790**

NOTE 26: OTHER EXPENSES

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Other Manufacturing Expenses		
Stores and spares consumed	1,045.910	864.653
Processing charges	478.126	393.703
Power and fuel	390.447	336.097
Repairs and maintenance		
Plant and machinery	169.550	174.467
Buildings	68.445	61.261
Other	42.774	38.375
Other expenses		
Rent	28.393	28.040
Rates and taxes	62.715	66.621
Travelling and conveyance	210.609	111.080
Communication expenses	69.105	75.068
Insurance	42.518	40.821
Directors' sitting fees	7.201	7.650

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Royalties and fees *	61.887	52.495
Freight and forwarding charges	385.134	339.396
Brokerage and commission	50.721	10.252
Advertisements and publicity	169.652	127.702
Provision for product warranty	255.364	289.649
Loss on sale/disposal of fixed assets	12.601	0.476
Provision for doubtful debts, advances and claims	406.232	77.541
Bad debts written off	27.282	83.694
Advances, deposits and claims written off	0.545	8.304
Auditor's remuneration (refer note 31)	8.627	7.913
Professional, consultancy and legal expenses	487.395	479.533
Security services	54.692	48.260
Computer services	246.908	203.078
Non-executive directors remuneration	14.375	13.550
Stationery and Printing	9.274	8.893
Training course expenses	6.885	0.796
Outside labour charges	373.774	298.054
Corporate social responsibility expenses (refer note 43)	24.165	26.447
Other miscellaneous expenses	130.482	137.823
Total	**5,341.788**	**4,411.692**

** As specified in note given in the Board's Report in respect of legal proceeding pending against KPL, the Company has in the interim, without prejudice to all its rights and contentions, including those in the pending proceedings, in compliance with the order of Hon'ble commercial court, Pune has deposited the claimed royalty amount by way of cheque in safe custody of the Ld. Nazir, District court, Pune from the quarter ended October 2018 onwards until 3rd quarter of 2022-23.*

NOTE 27: OTHER COMPREHENSIVE INCOME

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Items that will not be reclassified to profit or loss		
Remeasurements gains and losses on post employments benefits	(44.115)	22.349
Tax on remeasurements gains and losses	19.427	5.873
Total	**(24.688)**	**28.222**

NOTE 28 : CONTINGENT LIABILITIES

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Other money for which the company is contingently liable for (Matter Subjudice)		
a) Central excise, service tax and GST	1,047.213	1,046.772
b) Sales tax	198.566	265.577
c) Income tax	132.511	132.511
d) Labour matters	37.543	53.472
e) Other legal cases	225.688	167.383
Total	**1,641.521**	**1,665.715**

The company does not expect any reimbursement in respect of the above contingent liabilities. It is not practicable to estimate the timing of cash flow if any with respect to above matters.

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FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 29 : COMMITMENTS

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	516.953	233.472
b)	Letters of credit outstanding	865.040	521.605

NOTE 30 : ADDITIONAL DISCLOSURES AS REQUIRED BY IND AS 115 REVENUE FROM CONTRACTS WITH CUSTOMERS

A) Additional details in relation to contracts satisfied over the period

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
a)	Contract revenue recognised as revenue for the year	1,219.619	1,355.112
b)	Advances received	1,040.495	1,054.477
c)	Amount of retentions	1,503.652	1,384.541
d)	Gross amount due from customer		
	Contract costs incurred	7,765.211	9,214.747
	Recognised profits less recognised losses	2,862.222	2,508.579
	Less: Progress billing	10,364.917	11,444.914
	Less: Provision for gross amount due from customer	75.674	75.312
	Total gross amount due from customer	**186.842**	**203.100**
e)	Gross amount due to customer		
	Contract costs incurred	27,312.291	26,036.163
	Recognised profits less recognised losses	4,680.577	4,888.535
	Less: Progress billing	33,551.685	32,489.181
	Total gross amount due to customer	**(1,558.817)**	**(1,564.483)**

i. Movement in gross amount due from customer and due to customer is due to difference in revenue recognition as compared to progress billings.

B) Disaggregation of revenue from sale of products / services

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
a)	Within India	23,367.885	20,071.401
b)	Outside India	1,757.962	1,279.059
	Total	**25,125.847**	**21,350.460**

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FOR THE YEAR ENDED 31ST MARCH 2023

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C) Reconciliation of revenue from sale of products / services with the contracted price

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
a)	Contracted price	25,442.610	21,674.655
	Less - trade discounts, volume rebates, late delivery charges etc	316.763	324.195
	Total	**25,125.847**	**21,350.460**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening contracted price of orders as at start of the year	54,857.436	55,937.852
Add - Fresh orders/change orders received (net) including exchange rate movement	-	248.555
Less- Orders completed during year	(89.633)	(1,328.971)
Closing contracted price of orders as at the end of the year	**54,767.803**	**54,857.436**
a. Revenue out of orders completed during the year	3.527	41.594
b. Revenue out of orders under execution at the end of the year (I)	1,216.093	1,313.518
Total Revenue recognised during the year	**1,219.619**	**1,355.112**
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	42,286.285	42,330.809
Balance revenue to be recognised in future viz. Order book (III)	11,265.425	11,213.109
Closing contracted price of orders as at the end of the year (I+II+III)	**54,767.803**	**54,857.436**

NOTE 31: REMUNERATION TO AUDITORS

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
a)	Audit fees	5.700	5.200
b)	Limited review fees	2.300	2.100
c)	Certification services	0.206	0.475
d)	Expenses reimbursed	0.421	0.138
		8.627	**7.913**

NOTE 32 : EARNING PER SHARE (BASIC AND DILUTED)

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
a)	Profit before tax	2,072.847	1,111.370
	Less : Tax expenses	546.920	329.669
	Profit after tax	1,525.927	781.701
b)	Weighted average number of equity shares used as denominator	79,408,926	79,408,926
c)	Basic and diluted earning per share of nominal value of ₹ 2/- each	19.22	9.85

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

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NOTE 33: EXPENDITURE ON RESEARCH & DEVELOPMENT ACTIVITIES

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
a)	Revenue expenditure	248.245	234.302
b)	Capital Expenditure	2.308	0.464
		250.553	**234.766**

NOTE 34 : EMPLOYEE BENEFITS

i. Defined Contribution Plans:

Amount of ₹53.588 MN (PY - ₹38.758 MN.) is recognised as an expense towards defined contribution plan and included in Employees benefits expense (Note-23 in the Profit and Loss Statement.)

ii. Defined Benefit Plans:

a) The amounts recognised in Balance Sheet are as follows: Funded Plan

Particulars		As at 31 March 2023		As at 31 March 2022	
		Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
A.	Amount to be recognised in Balance Sheet				
	Present Value of Defined Benefit Obligation	606.971	1,834.826	511.767	1,586.091
	Less: Fair Value of Plan Assets	512.558	1,868.485	458.990	1,605.918
	Amount to be recognised as liability or (asset)	**94.413**	**(33.659)**	**52.777**	**(19.827)**
B.	Amounts reflected in the Balance Sheet				
	Liabilities	94.413	-	52.777	-
	Assets	-	33.659	-	19.827
	Net Liability/(Assets)	**94.413**	**(33.659)**	**52.777**	**(19.827)**

b) The amounts recognised in the Profit and Loss Statement are as follows: Funded Plan

Particulars		FY 2022-23		FY 2021-22	
		Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
1	Current Service Cost	38.196	59.660	33.467	48.860
2	Acquisition (gain)/ loss	-	-	-	-
3	Past Service Cost	-	-	-	-
4	Net Interest (income)/expenses	1.842	(7.475)	(0.219)	(2.951)
5	Actuarial Losses/(Gains)	-	-	-	-
6	Curtailment (Gain)/ loss	-	-	-	-
7	Settlement (Gain)/loss	-	-	-	-
8	Others (Transfer In / (Out))	1.213	-	0.460	-
	Net periodic benefit cost recognised in the statement of profit & loss- (Employee benefit expenses - Note 23)	41.251	52.185	33.708	45.909

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

c) The amounts recognised in the statement of other comprehensive income (OCI) : Funded Plan

	Particulars	FY 2022-23		FY 2021-22	
		Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
1	Opening amount recognised in OCI outside profit and loss account	-	-	-	-
2	Remeasurements for the year - Obligation (Gain)/loss	55.541	87.367	26.201	26.523
3	Remeasurement for the year - Plan assets (Gain) / Loss	(2.994)	(95.774)	(2.867)	(74.100)
4	Total Remeasurements Cost / (Credit) for the year recognised in OCI	**52.547**	**(8.407)**	**23.334**	**(47.577)**
5	Less: Accumulated balances transferred to retained earnings	52.547	(8.407)	23.334	(47.577)
	Closing balances (remeasurement (gain)/ loss recognised OCI	-	-	-	-

d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows: Funded Plan

	Particulars	As at 31 March 2023		As at 31 March 2022	
		Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
1	Balance of the present value of Defined benefit Obligation at the beginning period	511.767	1,586.091	465.490	1,490.666
2	Acquisition adjustment	-	-	-	-
3	Transfer in/ (out)	1.287	(10.069)	0.460	-
4	Interest expenses	33.711	107.119	28.035	88.609
5	Past Service Cost	-	-	-	-
6	Current Service Cost	38.196	59.660	33.467	48.860
7	Curtailment Cost / (credit)	-	-	-	-
8	Settlement Cost/ (credit)	-	-	-	-
9	Benefits paid	(33.531)	(111.645)	(41.886)	(168.354)
10	Employee Contribution	-	116.303	-	99.787
11	Remeasurements on obligation - (Gain) / Loss	55.541	87.367	26.201	26.523
	Present value of obligation as at the end of the period	606.971	1,834.826	511.767	1,586.091

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(Amounts in Million ₹)

e) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows: Funded Plan

	Particulars	As at 31 March 2023		As at 31 March 2022	
		Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
1	Fair value of the plan assets as at beginning of the period	458.990	1,605.918	469.109	1,466.401
2	Acquisition adjustment	-	-	-	-
3	Transfer in/(out)	0.073	(10.070)	-	-
4	Interest income	31.869	114.594	28.255	91.560
5	Contributions	52.776	173.914	0.646	142.211
6	Benefits paid	(33.531)	(111.645)	(41.887)	(168.354)
7	Mortality Charges and Taxes	(0.613)	-	-	-
8	Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	2.994	95.774	2.867	74.100
	Fair value of plan assets as at the end of the period	512.558	1,868.485	458.990	1,605.918

f) Net interest (Income) /expenses: Funded Plan

	Particulars	FY 2022-23		FY 2021-22	
		Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
1	Interest (Income) / Expense – Obligation	33.711	107.119	28.035	88.609
2	Interest (Income) / Expense – Plan assets	(31.869)	(114.594)	(28.255)	(91.560)
3	Net Interest (Income) / Expense for the year	1.842	(7.475)	(0.220)	(2.951)

g) The broad categories of plan assets as a percentage of total plan assets of Employee's Gratuity Scheme are as under:

Majority of plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. Company has also invested part of it's fund with private life insurance company ICICI prudential.

h) The amounts pertaining to defined benefit plans are as follows: Funded Plan

Particulars	As at 31 March 2023		As at 31 March 2022	
	Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
Defined Benefit Obligation	606.971	1,834.826	511.767	1,586.091
Plan Assets	512.558	1,868.485	458.990	1,605.918
Surplus/(Deficit)	(94.413)	33.659	(52.777)	19.827

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

i) The amounts recognised in Balance Sheet are as follows: Non-Funded Plan

Particulars		As at 31 March 2023	As at 31 March 2022
		Pension Scheme (Non-Funded)	Pension Scheme (Non-Funded)
A.	Amount to be recognised in Balance Sheet		
	Present Value of Defined Benefit Obligation	22.372	23.987
	Less: Fair Value of Plan Assets	-	-
	Amount to be recognised as liability or (asset)	22.372	23.987
B.	Amounts reflected in the Balance Sheet		
	Liabilities	22.372	23.987
	Assets	-	-
	Net Liability/(Assets)	**22.372**	**23.987**

j) The amounts recognised in the Profit and Loss Statement are as follows: Non Funded Plan

Particulars		FY 2022-23	FY 2021-22
		Pension Scheme (Non-Funded)	Pension Scheme (Non-Funded)
1	Current Service Cost	-	-
2	Acquisition (gain)/ loss	-	-
3	Past Service Cost	-	-
4	Net Interest (income)/expenses	1.612	1.531
5	Actuarial Losses/(Gains)	-	-
6	Curtailment (Gain)/ loss	-	-
7	Settlement (Gain)/loss	-	-
8	Others		
	Net periodic benefit cost recognised in the statement of profit & loss- (Employee benefit expenses - Note 23)	**1.612**	**1.531**

k) The amounts recognised in the statement of other comprehensive income (OCI) : Non Funded Plan

Particulars		FY 2022-23	FY 2021-22
		Pension Scheme (Non-Funded)	Pension Scheme (Non-Funded)
1	Opening amount recognised in OCI outside profit and loss account	-	-
2	Remeasurements for the year - Obligation (Gain)/loss	(0.025)	1.894
3	Remeasurement for the year - Plan assets (Gain) / Loss	-	-
4	Total Remeasurements Cost / (Credit) for the year recognised in OCI	(0.025)	1.894
5	Less: Accumulated balances transferred to retained earnings	(0.025)	1.894
	Closing balances (remeasurement (gain)/loss recognised OCI	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

l) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows: Non Funded Plan

Particulars		As at 31 March 2023 Pension Scheme (Non-Funded)	As at 31 March 2022 Pension Scheme (Non-Funded)
1	Balance of the present value of	23.987	23.811
	Defined benefit Obligation as at beginning of the period		
2	Acquisition adjustment	-	-
3	Transfer in/ (out)	-	-
4	Interest expenses	1.612	1.531
5	Past Service Cost	-	-
6	Current Service Cost	-	-
7	Curtailment Cost / (credit)	-	-
8	Settlement Cost/ (credit)	-	-
9	Benefits paid	(3.202)	(3.249)
10	Remeasurements on obligation - (Gain) / Loss	(0.025)	1.894
	Present value of obligation as at the end of the period	22.372	23.987

m) Net interest (Income) /expenses Non Funded Plan

Particulars		FY 2022-23 Pension Scheme (Non-Funded)	FY 2021-22 Pension Scheme (Non-Funded)
1	Interest (Income) / Expense – Obligation	1.612	1.531
2	Interest (Income) / Expense – Plan assets	-	-
3	Net Interest (Income) / Expense for the year	1.612	1.531

n) The amounts pertaining to defined benefit plans are as follows:Non Funded Plan

	FY 2022-23 Pension Scheme (Non-Funded)	FY 2021-22 Pension Scheme (Non-Funded)
Defined Benefit Obligation	22.372	23.987
Plan Assets	-	-
Surplus/(Deficit)	(22.372)	(23.987)

Basis used to determine the overall expected return:

The net interest approach effectively assumes an expected rate of return on plan assets equal to the beginning of the year Discount Rate. Expected return of 6.8% (PY 6.3%) has been used for the valuation purpose.

o) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

1 Discount rate as at 31-03-2023 - 7.40% (PY- 6.80%)

2 Expected return on plan assets as at 31-03-2023- 6.80%(PY- 6.3%)

3 Salary growth rate : For Gratuity Scheme - 10% (PY - 8%). Impact for change in accounting estimate along with other remeasuremnt impact is recognised in other comprehensive income.

4 Attrition rate: For gratuity scheme the attrition rate is taken at 11% (PY - 11%)

5 The estimates of future salary increase considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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p) General descriptions of defined plans:

1 Gratuity Plan:

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

2 Company's Pension Plan:

The company operates a Pension Scheme for specified ex-employees wherein the beneficiaries are entitled to defined monthly pension.

q) The Company expects to fund ₹94.41 MN (P.Y ₹52.77 MN) towards its gratuity plan in the year 2023-24

r) Sensitivity analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation(PVO). Sensitivity analysis is done by varying (increasing/ decreasing) one parameter at a time and studying its impact

Change in assumption		Effect on Gratuity obligation	
		As at 31 March 2023	As at 31 March 2022
1	**Discount rate**		
	Increase by 1% to 8.4% (PY -7.8%)	578.074	487.436
	Decrease by 1% to 6.4% (PY- 5.8%)	638.925	538.607
2	**Salary increase rate**		
	Increase by 1% to 11% (PY- 9%)	632.671	533.541
	Decrease by 1% to 9% (PY- 7%)	583.194	491.587
3	**Withdrawal rate**		
	Increase by 1% to 12.0% (PY - 12%)	603.634	510.438
	Decrease by 1% to 10.0% (PY - 10%)	610.617	513.212

Change in assumption		Effect on Provident Fund obligation	
		As at 31 March 2023	As at 31 March 2022
1	**Discount rate**		
	Increase by 0.5% to 7.9% (PY- 7.5%)	1,824.784	1,569.087
	Decrease by 0.5% to 6.9% (PY- 6.5%)	1,853.797	1,603.893
2	**Interest rate**		
	Increase by 0.50% to 8.65% (PY- 8.60%)	1,853.191	1,603.236
	Decrease by 0.50% to 7.65% (PY - 7.60%)	1,824.784	1,568.937

Change in assumption		Effect on Pension obligation	
		As at 31 March 2023	As at 31 March 2022
1	Discount rate		
	Increase by 1% to 8.5% (PY -8.2%)	21.293	22.769
	Decrease by 1% to 6.5% (PY- 6.2%)	23.558	25.332

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 35 :RELATED PARTY DISCLOSURES

(A) Names of the related party and nature of relationship where control/ significant influence exists

Sr. No.	Name of the related party	Nature of relationship
1	Karad Projects and Motors Limited	Subsidiary Company
2	The Kolhapur Steel Limited	Subsidiary Company
3	Kirloskar Corrocoat Private Limited	Subsidiary Company
4	Kirloskar Brothers International BV	Subsidiary Company
5	SPP Pumps Limited	Subsidiary of Kirloskar Brothers International B.V.
6	Kirloskar Brothers(Thailand) Limited	Subsidiary of Kirloskar Brothers International B.V.
7	SPP Pumps (MENA) LLC	Subsidiary of Kirloskar Brothers International B.V.
8	Kirloskar Pompen BV	Subsidiary of Kirloskar Brothers International B.V.
9	Micawber 784 Proprietary Limited	Subsidiary of Kirloskar Brothers International B.V.
10	SPP Pumps International Proprietary Limited	Subsidiary of Kirloskar Brothers International B.V.
11	Rotaserve Limited	Subsidiary of Kirloskar Brothers International B.V.
12	SPP France S.A.S	Subsidiary of SPP Pumps Limited
13	SPP Pumps Inc	Subsidiary of SPP Pumps Limited
14	SPP Pumps South Africa Proprietary Limited	Subsidiary of SPP Pumps International Proprietary Limited
15	Braybar Pumps Proprietary Limited	Subsidiary of SPP Pumps International Proprietary Limited
16	Rodelta Pumps International BV	Subsidiary of Kirloskar Brothers International B.V.
17	Rotaserve BV	Subsidiary of Kirloskar Pompen BV
18	SPP Pumps Real Estate LLC	Subsidiary of SPP Pumps Inc
19	SyncroFlo Inc.	Subsidiary of SPP Pumps Inc
20	SPP Pumps (Asia) Ltd	Subsidiary of Kirloskar Brothers (Thailand) Ltd
21	SPP Pumps (Singapore) Ltd	Subsidiary of Kirloskar Brothers (Thailand) Ltd
22	Rotaserve Mozambique	Subsidiary of SPP Pumps International Proprietary Limited
23	KBL synerge LLP	Associate of Kirloskar Brothers Limited
24	Kirloskar Ebara Pumps Limited	Joint venture of Kirloskar Brothers Limited

(B) Names of related parties with whom transactions have been entered into:

Sr. No.	Nature of relationship	Name of the related party
1)	Subsidiary Companies	Karad Projects and Motors Limited
		The Kolhapur Steel Limited
		Kirloskar Corrocoat Private Limited
		SPP Pumps Limited
		SPP Pumps Inc.
		Kirloskar Pompen B.V
		Kirloskar Brothers (Thailand) Limited
		Rodelta Pumps International BV
		SPP Pumps International Proprietary Limited
		SyncroFlo Inc.
		Rotaserve B.V.
		SPP Pumps (MENA) LLC
		Braybar Pumps Proprietary Limited
2)	Joint Venture	Kirloskar Ebara Pumps Limited

NOTES TO THE FINANCIAL STATEMENTS

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Sr. No.	Nature of relationship	Name of the related party
3)	Key Management Personnel	Mr. Sanjay Kirloskar
		Mr. Pratap Shirke
		Mr. Alok Kirloskar
		Ms. Rama Kirloskar
		Mr. Rakesh Mohan
		Ms. Shailaja Kher
		Mr. Pardyumn Vyas
		Mr. S. Unnikrishnan
		Mr. Amitava Mukherjee
		Ms. Rekha Sethi
		Mr. Vivek Pendharkar
		Mr. Shobinder Duggal
		Mr. Shrinivas Dempo
		Ms. Ramni Nirula
4)	Relatives of Key Management Personnel	Mrs. Pratima Kirloskar (wife of Mr. Sanjay Kirloskar)
5)	Post Employee Benefit Plans	Kirloskar Brothers Ltd Employees Prov. Fund For Engg.Factory
		Kirloskar Brothers Ltd Staff Members Prov. Fund
		Kirloskar Brothers Limited, Kirloskarvadi Employee Gratuity Fund
		Kirloskar Brothers Executive Staff Superannuation fund

(C) Disclosure of related parties transactions

Sr No	Nature of transaction/relationship/major parties	FY 2022-23		FY 2021-22	
		Amount	Amount for Major parties *	Amount	Amount for Major parties *
1	**Purchase of goods**	**4,309.018**		**4,240.619**	
	Subsidiary/Fellow subsidiary Companies				
	Karad Projects and Motors Limited		3,928.559		3,940.758
2	**Sale of goods/contract revenue**	**1,426.033**		**854.057**	
	Subsidiary/Fellow subsidiary Companies				
	SPP Pumps Limited		414.896		203.343
	Kirloskar Brothers (Thailand) Ltd.		366.296		221.489
	SPP Pumps Inc.		255.803		174.276
	The Kolhapur Steel Limited		191.583		113.131
3	**Rendering Services**	**134.844**		**133.412**	
	Subsidiary/Fellow subsidiary Companies/Joint venture				
	Kirloskar Brothers (Thailand) Ltd.		13.848		8.833
	Kirloskar Ebara Pumps Limited		45.687		53.745
	SPP Pumps Limited		35.357		38.363
4	**Receiving Services**	**107.897**		29.429	
	Subsidiary/Fellow subsidiary Companies /Joint Venture				
	Kirloskar Brothers (Thailand) Ltd.		15.410		13.535
	Rodelta Pumps International BV		59.230		-

NOTES TO THE FINANCIAL STATEMENTS

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Sr No	Nature of transaction/relationship/major parties	FY 2022-23		FY 2021-22	
		Amount	Amount for Major parties *	Amount	Amount for Major parties *
	Kirloskar Ebara Pumps Limited		15.767		0.869
	Kirloskar Corrocoat Private Limited		3.776		3.411
	SPP Pumps Limited		0.871		3.195
	Relatives of Key Management Personnel				
	Mrs Pratima Kirloskar		5.125		6.405
5	**Interest Received**	**12.572**		**12.750**	
	The Kolhapur Steel Limited		12.572		12.750
6	**Dividend Paid**	**95.169**		**95.169**	
	Key Management Personnel				
	Mr. Sanjay Kirloskar (**)		53.542		53.542
	Relatives of Key Management Personnel				
	Mrs. Pratima Kirloskar		41.548		41.548
7	**Dividend Received**	**112.877**		**250.690**	
	Subsidiary/Fellow subsidiary Companies/Joint Venture				
	Karad Projects & Motors Limited		94.877		237.192
	Kirloskar Ebara Pumps Limited		18.000		13.500
8	**Remuneration Paid**	**152.688**		**86.947**	
	Key Management Personnel				
	Short Term Employee Benefit				
	Mr. Sanjay Kirloskar		65.027		47.570
	Ms. Rama Kirloskar		62.057		12.305
	Commission on profits				
	Mr. Pratap Shirke		1.500		1.300
	Mr. Alok Kirloskar		1.500		1.300
	Mr. Rakesh Mohan		0.500		1.300
	Mr. Rajeev Kher		-		1.083
	Mrs. Shailaja Kher		0.188		1.300
	Mr. Pradyumna Vyas		0.188		1.300
	Mr. S. Unnikrishnan		1.500		1.300
	Mr. Shobinder Duggal		1.500		1.192
	Mr. Shrinivas Dempo		1.500		1.192
	Ms. Ramni Nirula		1.500		1.192
	Mr. Amitava Mukherjee		1.500		0.650
	Mr. Vivek Pendharkar		1.500		0.650
	Ms. Rekha Sethi		1.500		0.650
	Key Management Personnel				
	Sitting Fees				
	Mr. Pratap Shirke		0.825		0.848
	Mr. Alok Kirloskar		0.600		0.450
	Mr. Rakesh Mohan		0.300		1.200
	Ms. Rama Kirloskar		-		0.150
	Mr. Rajeev Kher		-		0.803
	Mrs. Shailaja Kher		-		0.503
	Mr. Pardyumn Vyas		0.075		0.420

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

Sr No	Nature of transaction/relationship/major parties	FY 2022-23		FY 2021-22	
		Amount	Amount for Major parties *	Amount	Amount for Major parties *
	Mr. S. Unnikrishnan		1.125		1.125
	Mr. Shobinder Duggal		0.975		0.473
	Mr. Shrinivas Dempo		0.600		0.338
	Ms. Ramni Nirula		0.525		0.405
	Mr. Amitava Mukherjee		0.975		0.135
	Mr. Vivek Pendharkar		0.600		0.150
	Ms. Rekha Sethi		0.600		0.135
	Post Employment Benefit				
	Mr. Sanjay Kirloskar		3.180		3.180
	Ms. Rama Kirloskar		0.848		2.348
9	**Reimbursement Received**	**12.979**		**28.734**	
	Subsidiary/ Fellow Subsidiary Company/Joint Venture				
	Kirloskar Ebara Pumps Limited		4.250		2.851
	SPP Pumps Limited		4.696		15.912
	Spp Pumps Inc		0.569		4.368
	Kirloskar Brothers (Thailand) Ltd.		0.326		4.127
	Kirloskar Pompen B.V.		1.491		-
10	**Reimbursement Paid**	**2.366**		**71.521**	
	Subsidiary/ Fellow Subsidiary Company				
	Kirloskar Brothers (Thailand) Ltd.		0.966		5.544
	Rodelta Pumps International BV		-		49.344
	Kirloskar Ebara Pumps Limited		-		13.178
	Rotaserve B.V.		0.494		-
	Braybar Pumps Proprietary Limited		0.909		-
11	**Business Advance/ Loan Given**	**79.299**		**71.585**	
	Subsidiary/ Fellow Subsidiary Company				
	The Kolhapur Steel Limited		79.299		54.051
	SPP Pumps Limited		-		17.534
12	**Advance/Loan Repaid/Utilised/Written off**	**18.472**		**0.800**	
	Subsidiary/ Fellow Subsidiary Company				
	The Kolhapur Steel Limited		18.472		0.800
13	**Contribution Paid for Post Employment Benefit Plan**	**113.195**		**46.740**	
	Provident Fund		58.558		44.636
	Superannuation Trust		1.860		2.104
	Gratuity		52.776		-
14	**Corporate Guarantees Given**	**-**		**714.978**	
	SPP Pumps Limited		-		341.132
	Rodelta Pumps International B. V.		-		222.232
	Kirloskar Brothers(Thailand) Limited		-		75.807
	Kirloskar Pompen B.V.		-		75.807

(**) Includes dividend received in capacity of trustee of ₹5.285 Mn. (PY- ₹ 5.285 Mn.)

Purchases and sales reported are net of discounts, returns etc.

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FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

(D) Amount due to/from related parties

Sr No	Nature of transaction/relationship/major parties	FY 2022-23		FY 2021-22	
		Amount	Amount for Major parties *	Amount	Amount for Major parties *
1	**Accounts receivable**				
	Subsidiary/Fellow subsidiary Companies/Joint Venture	**1,066.288**		**765.542**	
	SPP Pumps Ltd.		97.463		57.396
	Kirloskar Brothers (Thailand) Ltd.		205.969		157.285
	SPP Pumps (MENA) L.L.C.		0.388		1.096
	Braybar Pumps Proprietary Limited		-		-
	SPP Pumps South Africa Proprietary Limited		5.616		41.805
	Spp Pumps Inc.		73.831		16.132
	Kirloskar Ebara Pumps Limited		70.222		44.992
	SyncroFlo Inc.		-		-
	Rodelta Pumps International BV		3.618		74.536
	The Kolhapur Steel Ltd		512.819		284.571
	KBL Synerge LLP		-		-
	SPP Pumps International Proprietary Limited		-		-
	Kirloskar Brothers Pompen BV		71.442		82.491
	Rotaserve B.V.		13.342		1.954
	SPP France S A S		-		-
	Karad Projects And Motors Limited		11.578		0.694
	SPP France S A S		-		-
	Kirloskar Corrocoat Private Limited		-		2.590
	Advance/ loan receivable				
	The Kolhapur Steel Ltd		141.142		159.610
2	**Accounts payable**				
(a)	**Subsidiary/Fellow subsidiary Companies/Joint Venture**	**846.901**		**755.396**	
	Karad Projects And Motors Limited		722.217		678.788
	Kirloskar Corrocoat Pvt Ltd.		8.825		3.739
	Rodelta Pumps International BV		6.199		4.775
	SPP Pumps Ltd.		3.963		0.829
	Kirloskar Brothers (Thailand) Ltd.		7.235		10.165
	Spp Pumps Inc.		-		1.347
	Kirloskar Brothers Pompen BV		3.515		53.737
	Rotaserve B.V.		0.671		2.016
	SPP Pumps International Proprietary Limited		-		-
	Kirloskar Ebara Pumps Limited		93.367		-
	Braybar Pumps Proprietary Limited		0.909		
(b)	**Key Management Personnel (#)**	**114.376**		**53.640**	
	Mr. Sanjay Kirloskar		47.000		32.058
	Mr. Pratap Shirke		1.500		1.300
	Mr. Alok Kirloskar		1.500		1.300
	Mr. Rakesh Mohan		0.500		1.300
	Ms. Rama Kirloskar		53.000		7.176

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FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

Sr No	Nature of transaction/relationship/major parties	FY 2022-23		FY 2021-22	
		Amount	Amount for Major parties *	Amount	Amount for Major parties *
	Mr. Rajeev Kher		-		1.080
	Mrs. Shailaja Kher		0.188		1.300
	Mr. Pradyumna Vyas		0.188		1.300
	Mr. S. Unnikrishnan		1.500		1.300
	Mr. Amitava Mukherjee		1.500		0.650
	Ms. Rekha Sethi		1.500		0.650
	Ms.Ramini Niruala		1.500		1.192
	Mr. Shrinivas Dempo		1.500		1.192
	Mr. Shobinder Duggal		1.500		1.192
	Mr. Vivek Pendharkar		1.500		0.650
(c)	**Relatives of Key Management Personnel**	**-**		**0.870**	
	Mrs Pratima Kirloskar		-		0.870

(#) Commission to Chairman- Managing Director and Non-Executive Directors is approved in board meeting held on 11th May 2023. Payment will be made in the year 2023-24

** Major parties denote entities who account for 10% or more of the aggregate for that category of transaction. The above transactions have been entered at arms length price.*

(E) Corporate Guarantees: Below mentioned guarantees have been provided by the company to banks on behalf of subsidiary companies for availing financial facilities.

Sr No	Particulars	31 March 2023	31 March 2022
		Amount	Amount
1	By the company to ICICI Bank Ltd. on behalf of Kirloskar Pompen B.V. (EURO 7,350,000)	654.859	622.250
2	By the company to ICICI Bank Ltd. on behalf of The Kolhapur Steel Limited.	185.500	185.500
3	By the company to ICICI Bank Ltd. on behalf of SPP Pumps Ltd. (GBP 23,100,000)	2,341.763	2,299.660
4	By the company to ICICI Bank Ltd. on behalf of The Kirloskar Corrocoat Private Limited.	190.000	190.000
5	By the company to Sinhan Bank Ltd. on behalf of The Kirloskar Corrocoat Private Limited.	14.850	14.850
6	By the company to Axis Bank on behalf of SPP Pumps International Proprietary Limited (USD 14,30,000)	117.503	108.404
7	By the company to Axis Bank on behalf of Kirloskar Brothers (Thailand) Ltd. (USD 66,00,000)	542.322	500.327
8	By the company to Citi Bank on behalf of SPP Pumps Ltd.(USD 4,500,000)	369.765	341.132
9	By the company to Citi Bank on behalf of Kirloskar Pompen B.V. (USD 1,000,000)	82.170	75.807
10	By the company to Citi Bank on behalf of Kirloskar Brothers (Thailand) Ltd. (USD 1,000,000)	82.170	75.807
11	By the company to ICICI Bank Ltd. on behalf of Rodelta pumps International B.V. (EURO 2,625,000)	233.878	222.232
		4,814.780	4,635.969

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 36 : DISCLOSURE PURSUANT TO SCHEDULE V READ WITH REGULATIONS 34(3) AND 53(F) OF THE SEBI(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 :

A Loans and advances in the nature of loans for working capital requirements :

Name of the Company	Balance as at		Maximum outstanding	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
To Subsidiary Companies				
The Kolhapur Steel Limited *	141.142	159.614	159.614	160.414
To Associates				
KBL Synerge LLP	-	-	-	-

** Consists of ₹9.610 Mn unsecured loan given under order from Board for Industrial and Financial Reconstructions (BIFR) in 2008-09 without any specific agreed terms for charge of interest and repayment. Balance loan of ₹131.532 Mn is with specified terms and conditions.*

B Loans and advances in the nature of loans to firms/companies in which directors are interested: NIL

C Investment by the loanee (borrower) in the shares of the Company or subsidiary of the Company : NIL

Note:- Loans to employees under various schemes of the company (such as housing loan, furniture loan, education loan etc.) have been considered to be outside the purview of this disclosure requirements.

NOTE 37 : JOINT VENTURE AND JOINTLY CONTROLLED OPERATIONS

a) List of Joint Venture

Sr No	Name of the Joint Venture	Description	Ownership Interest	Country of Incorporation
1	Kirloskar Ebara Pumps Limited	Jointly controlled entity	45%	India

b) Financial Interest in Jointly controlled entities

Sr. No	Name of the Joint Venture	Summarized financial information	As at 31 March 2023	As at 31 March 2022
1	Kirloskar Ebara Pumps Limited	Assets	2,941.938	2,342.219
		Liabilities	975.784	572.133
			2022-23	2021-22
		Income	2,409.472	2,306.693
		Expenses(including tax expenses)	2,171.623	2,021.281
		Profit after tax	237.849	285.412
		Other comprehensive income	(1.780)	2.590
		Total comprehensive income	**236.069**	**288.002**

c) Contingent liabilities , if any , incurred in relation to interest in Joint Ventures: Nil (₹ Nil Million)

d) Capital commitments , if any , in relation to interest in Joint Ventures : ₹10.110 Million (₹23.627 Million)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

e) List of Jointly controlled operations :

Sr No	Name of the Jointly controlled operation	Description	Ownership Interest	Country of Incorporation
1	HCC - KBL *	Jointly controlled operations	N A	India
2	KBL – MCCL	Jointly controlled operations	N A	India
3	KCCPL – IHP – BRC – TAIPPL – KBL JV *	Jointly controlled operations	N A	India
4	IVRCL – KBL JV	Jointly controlled operations	N A	India
5	Maytas – KBL JV	Jointly controlled operations	N A	India
6	Larsen & Toubro – KBL JV	Jointly controlled operations	N A	India
7	KBL-MEIL-KCCPL JV	Jointly controlled operations	N A	India
8	KBL – PLR JV	Jointly controlled operations	N A	India
9	KBL – Koya – VA Tech JV	Jointly controlled operations	N A	India
10	KBL – PIL Consortium	Jointly controlled operations	N A	India
11	Larsen & Toubro – KBL – Maytas JV	Jointly controlled operations	N A	India
12	IVRCL – KBL – MEIL JV	Jointly controlled operations	N A	India
13	Pioneer – Avantica – ZVS – KBL JV	Jointly controlled operations	N A	India
14	AMR – Maytas – KBL – WEG JV *	Jointly controlled operations	N A	India
15	Indu – Shrinivasa Constructions – KBL – WEG JV	Jointly controlled operations	N A	India
16	MEIL – KBL – IVRCL JV	Jointly controlled operations	N A	India
17	MEIL – Maytas – KBL JV	Jointly controlled operations	N A	India
18	KCCPL – TAIPPL – KBL JV	Jointly controlled operations	N A	India
19	KBL-SPML JV	Jointly controlled operations	N A	India
20	MEIL - KBL JV *	Jointly controlled operations	N A	India
21	MAYTAS – MEIL – KBL JV	Jointly controlled operations	N A	India
22	Gondwana - KBL JV	Jointly controlled operations	N A	India
23	MEIL -PRASAD-KBL CONSORTIUM	Jointly controlled operations	N A	India
24	JCPL - MEIL - KBL CONSORTIUM	Jointly controlled operations	N A	India
25	KBL -PTIL UJV	Jointly controlled operations	N A	India
26	KBL - RATNA - JOINT VENTURE	Jointly controlled operations	N A	India
27	MEIL-KBL-WEG CONSORTIUM	Jointly controlled operations	N A	India
28	MEIL-KBL- (KDWSP) JV	Jointly controlled operations	N A	India
29	KBL and TCIPL JOINT VENTURE	Jointly controlled operations	N A	India
30	ACPL & KBL JV *	Jointly controlled operations	N A	India
31	Kirloskar Brothers Ltd. JV *	Jointly controlled operations	N A	India
32	ITD CEMENTATION INDIA LIMITED JV	Jointly controlled operations	N A	India
33	GSJ - KBL JV	Jointly controlled operations	N A	India
34	JBL-KBL-GSJ JV	Jointly controlled operations	N A	India

** These JVs are operationally and financially closed, however formal dissolution of JV is in progress*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 38 : DETAILS OF PROVISIONS AND MOVEMENTS IN EACH CLASS OF PROVISIONS

Particulars	Provision for compensated absences	Provision for product warranty	Provision for decommissioning and restoration cost	Provision for loss on long term contracts
Carrying amount as at 1 April 2021	272.503	167.649	8.218	19.535
Add: Provision during the year 2021-22 (net of excess/ short provision of earlier year)	41.650	289.649	-	3.369
Add: Unwinding of discounts	-	2.979	0.674	-
Less: Amount utilized during the year 2021-22	(28.540)	(195.618)	-	(9.230)
Carrying amount as at 31 March 2022	**285.613**	**264.659**	**8.892**	**13.674**
Add: Provision during the year 2022-23 (net of excess/ short provision of earlier year)	33.702	255.364	-	1.773
Add: Unwinding of discounts	-	4.753	0.729	-4.038
Less: Amount utilized during the year 2022-23	(30.229)	(216.025)	-	-
Carrying amount as at 31 March 2023	**289.086**	**308.751**	**9.621**	**11.409**
Non-current provision	135.464	41.347	9.621	-
Current provision	153.622	267.404	-	11.409

Compensated absences

The cost of the leave encashment and the present value of the leave encashment obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates.

Provision for warranty

Provision for warranty is made for estimated warranty claims in respect of products sold, which are under warranty at the end of the reporting period. These claims are expected to be settled as per schedule of warranty i.e. upto18 months. Management records the provision based on the historical warranty claims information and any recent trends that may suggest future claims could differ historical amount. "

Provision for decommissioning and restoration cost

A provision has been recognised for decommissioning and restoration costs associated with windmills on lease hold land. The company is committed to restore the site at the end of useful life of windmills. "

Provision for long term contract

A provision is made for the expected loss of the projects, where the estimated cost is more than the estimated revenue. Changes in estimated cost and estimated revenue are assessed by the management at the end of reporting period based on the price variation received/ given, change in the scope of project and revision of estimates regarding date of completion, expected costs to be incurred, changes in external circumstances such as applicable tax rates etc.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 39 : FAIR VALUE MEASUREMENTS

As per assessments made by the management fair values of all financial instruments carried at amortised costs (except as specified below) are not materially different from their carrying amounts since they are either short term nature or the interest rates applicable are equal to the current market rate of interest.

The Company has not performed a fair valuation of its investment in unquoted ordinary shares which are classified as FVOCI (refer Note 5), as the Company believes that impact of change on account of fair value is insignificant.

	Change in assumption	Carrying value	
		As at 31 March 2023	As at 31 March 2022
	Financial Asset		
	Levelled at Level 1		
a)	**Carried at fair value through profit and loss**		
	Investment in mutual funds	1,437.400	1,584.198
	Levelled at Level 2		
b)	**Carried at amortized cost**		
	Investment in long fixed deposits with financial institution	500.000	950.000
	Trade receivables	4,063.340	4,190.277
	Advances to subsidiaries	141.142	159.614
	Other financial assets	970.716	938.118
	Cash and cash equivalent	1,484.366	598.662
	Other bank balances	16.100	14.971
	Levelled at Level 3		
c)	**Investments in unquoted equity shares (FVOCI) ***	0.000	0.000
	Financial Liabilities		
	Levelled at Level 2		
a)	**Carried at amortized cost**		
	Non-current borrowings	492.505	824.738
	Current borrowings	658.858	1,539.596
	Trade payables	4,626.654	4,594.325
	Other current financial liabilities	1,145.083	858.245
	Lease liability	94.563	66.764
	Financial guarantee contracts	12.805	3.097

** The investment in unquoted equity shares is ₹200/- and therefore not seen in the above table.*

NOTE 40: FINANCIAL RISK MANAGEMENT POLICY AND OBJECTIVES

Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance company's operations and to provide guarantees to support its operations. Company's principal financial assets include advances to subsidiaries, trade and other receivables, security deposits and cash and cash equivalents, that derive directly from its operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

In order to minimize any adverse effects on the financial performance of the company, it has taken various measures. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and impact of the same in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost, corporate guarantees issued to group companies.	Aging analysis, External credit rating (wherever available)	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk- Interest rate risk	Long term borrowings at variable rate	Sensitivity Analysis	Mixed portfolio of fixed and variable interest rate loans
Market risk -Foreign Currency Risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity Analysis	Management follows established risk management policies, including use of derivatives like foreign exchange forward contracts, where the economic conditions match the company's policy.

The company’s risk management is carried out by management, under policies approved by the board of directors. Company’s treasury identifies, evaluates and hedges financial risks in close cooperation with the company’s operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, and investment of excess liquidity. No major change in assumptions and methods used for risk assessments is made during the year.

(A) Credit Risk

Credit risk in case of the Company arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit risk management

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

(i) Actual or expected significant adverse changes in business,

(ii) Actual or expected significant changes in the operating results of the counterparty,

(iii) Financial or economic conditions that are expected to cause a significant change to counterparty’s ability to meet its obligations,

(iv) Significant increases in credit risk on other financial instruments of the same counterparty,

(v) Significant changes in the value of collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

The company provides for expected credit loss in case of trade receivables, claims receivable as and security deposits when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company etc.

For the security deposits and claims receivable, provision for expected loss is made considering 12 months expected credit loss. Provision for lifetime credit loss is made if there is significant increase in credit risk for such financial assets.

In respect of trade receivable, company uses the simplified approach for the provision for expected loss. The lifetime expected loss provision is recognised based on the provision matrix as decided by the management, based on the historical experience of recoverability. The company categorizes a receivable for provision for doubtful debts/write off when a debtor fails to make contractual payments greater than 1 year past due in case product business and 4 years past due in case of project business. In addition to this company also provides the expected loss based on the overdue number of days for receivables as per the provision matrix. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Provision for expected credit loss

Financial assets for which loss allowance is measured using Expected Credit Losses (ECL) model as per Ind AS 109,

Exposure to Risk	As at 31 March 2023	As at 31 March 2022
Trade Receivables	5,215.806	4,954.720
Less : Expected Loss	1,152.466	764.443
	4,063.340	**4,190.277**
Security Deposits	899.075	885.261
Less : Expected Loss	10.884	11.147
	888.191	**874.114**
Claims Receivable	40.913	49.242
Less : Expected Loss	12.552	12.552
	28.361	**36.690**

Trade receivable ageing used in the provision matrix for life time expected credit loss is as -

	As at 31 March 2023	As at 31 March 2022
Trade Receivables		
Neither past due nor impaired	2,349.139	2,122.918
Past due but not impaired		
Less than 180 days	347.921	783.832
181 - 365 days	358.365	316.030
More than 365 days	1,007.915	967.497
Total	4,063.340	4,190.277

Reconciliation of loss provision

	Trade receivables	Others
Loss allowance as at 1 April 2021	803.041	30.819
Changes in loss allowance	(38.598)	(7.120)
Loss allowance as at 31 March 2022	764.443	23.699
Changes in loss allowance	388.023	(0.263)
Loss allowance as at 31 March 2023	1,152.466	23.436

** Movement in loss allowance is primarily on account of additional ECL provision based on ageing.*

NOTES TO THE FINANCIAL STATEMENTS

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(Amounts in Million ₹)

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash 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 businesses, company maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is carried out in accordance with practice and limits set by the company. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Exposure to Risk	As at 31 March 2023	As at 31 March 2022
Interest bearing borrowings		
On demand	326.625	197.363
Less than 180 days	332.233	1,342.233
181 - 365 days	-	-
More than 365 days	492.505	824.738
Total	**1,151.363**	**2,364.334**
Other financial liabilities		
On demand	153.181	94.458
Less than 180 days	998.305	765.046
181 - 365 days	6.402	1.258
More than 365 days	-	0.580
Total	**1,157.888**	**861.342**
Lease liability		
On demand	-	-
Less than 180 days	20.906	11.921
181 - 365 days	20.906	11.920
More than 365 days	52.751	42.923
Total	**94.563**	**66.764**
Trade & other payables		
Not due	2,636.554	2,749.542
Less than 180 days	638.282	644.822
181 - 365 days	238.694	121.920
More than 365 days	1,113.124	1,078.041
Total	**4,626.654**	**4,594.325**

The company has access to following undrawn fund based facilities at the end of the reporting year (Interest rates 6% - 9%)

Exposure to Risk	As at 31 March 2023	As at 31 March 2022
Expiring within one year	1,880.000	990.000
Expiring beyond one year	-	-

C) Market risk - Interest rate risk

The company's exposure to the risk of changes in market interest rates relates to borrowings with floating interest rates. To manage the risk, company has created balance portfolio of fixed and variable interest rate borrowings. Change of 0.5%, in the base rates will have effect of INR 5.756 MN on the company's profitability.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 40 : FINANCIAL RISK MANAGEMENT POLICY AND OBJECTIVES (CONTINUED)

(D) Foreign Currency Risk

The company is exposed to foreign exchange risk mainly through its sales to overseas customers and purchases from overseas suppliers in various foreign currencies.

The company evaluates exchange rate exposure arising from foreign currency transactions and the company follows established risk management policies, including use of natural hedge between receivables and payables, use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk, where the economic conditions match the company's policy.

Foreign currency exposure :

Financial Assets	Currency	Amount in Foreign Currency (MN)		Amount in INR (MN)	
		As at 31 March 2023	As at 31 March 2022	**As at 31 March 2023**	As at 31 March 2022
Trade Receivables	EUR	1.065	1.075	94.876	90.380
	GBP	0.115	0.045	11.675	4.464
	ZAR	1.069	-	4.940	-
	USD	8.444	7.578	693.843	574.332
Bank Accounts	EGP	0.841	0.358	2.243	1.482
	EUR	0.364	0.051	32.450	4.325
	GBP	0.792	0.415	80.255	41.308
	USD	1.831	1.042	150.450	78.938
	XOF	0.014	0.144	0.002	0.025
Other Deposits	EGP	0.083	-	0.222	-
	USD	0.003	0.003	0.222	0.205
Amount Due from Employees	EUR	0.003	-	0.276	-
	GBP	0.011	0.005	1.124	0.523
	XOF	-	-	-	-
	THB	0.002	-	0.005	-
	USD	0.011	0.002	0.888	0.174

Financial Liabilities	Currency	Amount in Foreign Currency (MN)		Amount in INR (MN)	
		As at 31 March 2023	As at 31 March 2022	**As at 31 March 2023**	As at 31 March 2022
Trade Payables	EGP	0.731	0.731	1.949	3.025
	EUR	0.985	1.347	87.731	113.330
	GBP	0.033	0.038	3.392	3.736
	USD	3.283	4.454	269.789	337.554
	JPY	-	-	-	-
	VND	15,649.974	15,649.974	45.385	51.645
	XOF	150.041	149.962	20.436	25.494
	ZAR	-	-	-	-
	SGD	0.004	-	0.217	-
Amount Due to Employees	EUR	0.003	-	0.262	-
	USD	0.002	(0.002)	0.187	(0.155)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

Currency wise net exposure (assets - liabilities)

Particulars	Amount in Foreign Currency (MN)		Amount in INR (MN)	
	As at 31 March 2023	As at 31 March 2022	**As at 31 March 2023**	As at 31 March 2022
EGP	0.110	(0.373)	0.294	(1.543)
EUR	0.445	(0.221)	39.609	(18.625)
GBP	0.884	0.428	89.662	42.558
USD	7.003	4.173	575.428	316.249
JPY	-	-	-	-
VND	(15,649.974)	(15,649.974)	(45.385)	(51.645)
XOF	(150.027)	(149.818)	(20.434)	(25.469)
SGD	(0.004)	(0.003)	(0.217)	(0.140)
THB	0.002	-	0.005	-
ZAR	0.879	-	4.060	-
Total			**643.022**	**261.385**

Sensitivity Analysis

Currency	Amount in INR (MN)		**Sensitivity % (*) (2022-23)**	Sensitivity % (*) (2021-22)
	As at 31 March 2023	As at 31 March 2022		
EGP	0.294	(1.543)	4.25%	3.54%
EUR	39.609	(18.625)	2.12%	4.19%
GBP	89.662	42.558	2.08%	4.33%
USD	575.428	316.249	4.89%	3.25%
JPY	-	-	0.36%	1.66%
VND	(45.385)	(51.645)	0.49%	3.01%
XOF	(20.434)	(25.469)	3.44%	7.96%
SGD	(0.217)	(0.140)	4.58%	3.84%
THB	0.005	-	2.91%	-
ZAR	4.060	-	2.73%	-
Total	643.022	261.385		

Particulars	Impact on profit (strengthen)		Impact on profit (weakening)	
	FY 2022-23	FY 2021-22	**FY 2022-23**	FY 2021-22
EGP	(0.012)	0.055	0.012	(0.055)
EUR	(0.840)	0.780	0.840	(0.780)
GBP	(1.865)	(1.843)	1.865	1.843
USD	(28.138)	(10.278)	28.138	10.278
JPY	-	-	-	-
VND	0.222	1.555	(0.222)	(1.555)
XOF	0.703	2.027	(0.703)	(2.027)
SGD	0.010	0.005	(0.010)	(0.005)
THB	-	-	-	-
ZAR	(0.111)	-	0.111	-
Total	**(29.920)**	**(7.699)**	**29.920**	**7.699**

(EGP- Egyptian Pound, EUR- Euro, GBP - Great Britain Pound, USD - US Dollar,JPY - Japanese Yen VND- Vietnamese Dong, , XOF- CFA Franc, SGD - Singapore dollar)

** Sensitivity % are derived based on variation in the exchange rates over the period of last 5 years.*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 41: CAPITAL MANAGEMENT

a) Risk management

The company's objectives when managing capital are to

- safeguard it's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, change debt. Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents, mutual funds and other bank balances) divided by Total 'equity' plus net debt.

The company's strategy is to maintain a gearing ratio within 30%. The gearing ratios were as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Loans and borrowings (Including current maturities of long term debt)	1,151.363	2,364.334
Less: Cash and cash equivalents (Including other bank balances)	1,500.466	613.633
Less: Investment in mutual funds	**1,937.400**	**2,534.198**
Net debt	**(2,286.503)**	**(783.497)**

Gearing ratio is not applicable as net debt of company is negative.

b) Dividend

Particulars	As at 31 March 2023	As at 31 March 2022
Equity Shares		
(i) Interim dividend for the year	Nil	Nil
(ii) Dividends not recognised at the end of the reporting year	357.340	238.227

Since year end the directors have recommended the payment of a final dividend of INR 4.5 per fully paid equity share (31 March 2022 - INR 3). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

NOTE 42 : DISCLOSURE IN RESPECT OF MICRO, SMALL AND MEDIUM ENTERPRISES

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at 31 March 2023. The disclosure pursuant to the said Act is as under:

Particulars	Year ended 31 March 2023	Year ended 31 March 2023
Total outstanding amount in respect of micro, small and medium enterprises	752.678	650.041
Other disclosures in respect of micro and small enterprises		
Principal amount due and remaining unpaid	4.692	2.880
Interest due on above and unpaid interest	0.049	0.066
Interest paid		
Payment made beyond appointment day	392.490	426.961
Interest due and payable for the period of delay	2.785	4.893
Interest accrued and remaining unpaid (excluding interest accrued for earlier years)	2.834	4.959
Amount of further interest remaining due and payable in succeeding years	2.834	4.959

The identification of suppliers as micro, small and medium enterprise as defined under the Micro, Small and Medium Enterprises Development Act 2006, was done on the basis of information to the extent provided by the suppliers of company.

Delay in payment is mainly on account of quality issues.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 43 : CORPORATE SOCIAL RESPONSIBILITY EXPENDITURES

(a) Amount required to be spent by the Company during the current year is ₹ 23.6 Million (PY - ₹26.2 Million)

(b) Amount spent by the Company during the current year is ₹ 24.2 Million (PY - ₹26.4 Million)

The company as per its policy on Corporate Social Responsibility (CSR) and recommendation and approval of the CSR committee has contributed ₹ 6.5 Million towards education through its implementing agency Vikas Charitable Trust in the current financial year,

₹12.47 Mn on Skill Development Programme, ₹3.11 Mn on village bus project and balance amount on various projects for students and society at large (including WASH activity for students, bio-diversity restoration project, donation to village Grampanchyats etc) The company has not spent any amount towards construction or acquisition of asset.

Refer board report for detailed disclosure.

NOTE 44 A : TRADE RECEIVABLES AGEING

Trade receivables as at 31 March 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivable							
Considered good	2,348.670	347.921	336.318	460.218	129.038	422.645	4,044.810
Which have significant increase in credit risk	-	-	22.043	118.473	78.277	792.667	1,011.460
Credit impaired							
Total undisputed trade receivables (a)	**2,348.670**	**347.921**	**358.361**	**578.691**	**207.315**	**1,215.312**	**5,056.270**
Disputed trade receivables							
Considered good	0.469	-	-	0.417	-	17.648	18.534
Which have significant increase in credit risk	-	-	0.004	37.597	35.976	57.961	131.538
Credit impaired	-	-	-	-	-	9.464	9.464
Total Disputed trade receivables (b)	**0.469**	**-**	**0.004**	**38.014**	**35.976**	**85.073**	**159.536**
Total trade receivables (a+b)	**2,349.139**	**347.921**	**358.365**	**616.705**	**243.291**	**1,300.385**	**5,215.806**
Provision for increase in significant risk and credit impaired							**1,152.466**
Net trade receivables							**4,063.340**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

Trade receivables as at 31 March 2022

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivable							
Considered good	2,122.918	783.832	296.400	271.190	228.980	442.930	4,146.250
Which have significant increase in credit risk	-	-	13.860	32.170	98.460	548.310	692.800
Credit impaired	-	-	-	-	-	-	-
Total undisputed trade receivables (a)	**2,122.918**	**783.832**	**310.260**	**303.360**	**327.440**	**991.240**	**4,839.050**
Disputed trade receivables	-	-	-	-	-	-	-
Considered good	-	-	5.770	0.410	-	37.860	44.040
Which have significant increase in credit risk	-	-	-	-	23.150	39.020	62.170
Credit impaired	-	-	-	-	-	9.460	9.460
Total Disputed trade receivables (b)	**-**	**-**	**5.770**	**0.410**	**23.150**	**86.340**	**115.670**
Total trade receivables (a+b)	**2,122.918**	**783.832**	**316.030**	**303.770**	**350.590**	**1,077.580**	**4,954.720**
Provision for increase in significant risk and credit impaired							**764.443**
Net trade receivables							**4,190.277**

Note 44 B : Trade payables ageing

Particulars	Year	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
1. MSME - Non disputed	**2023**	**680.243**	**32.220**	**12.111**	**1.238**	**8.986**	**17.880**	**752.678**
	2022	627.116	14.527	8.398	-	-	-	650.041
2. MSME - disputed	**2023**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2022	-	-	-	-	-	-	-
3. Others - Non disputed	**2023**	**1,938.876**	**606.062**	**226.583**	**428.572**	**32.351**	**608.253**	**3,840.697**
	2022	2,094.360	630.295	113.522	257.206	92.091	716.358	3,903.832
4. Others - disputed	**2023**	**17.435**	**-**	**-**	**-**	**-**	**15.844**	**33.279**
	2022	28.066	-	-	-	-	12.386	40.452

Unearned revenue i.e. gross amount due to customer is not considered in above table being in nature of non-financial liability and disclosed in note 18.

Note 44 C : Capital work- in- progress

Particulars	Year	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	**2023**	**418.088**	**326.997**	**7.858**	**28.750**	**781.693**
	2022	170.400	25.097	17.143	-	212.640
Projects temporarily suspended	**2023**	**-**	**-**	**3.078**	**-**	**3.078**
	2022	-	1.785	-	-	1.785

Following projects which were expected to be completed by March 23, got delayed and now expected to be completed as -

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Manufacturing plant expansion and Augmentation of existing plant and machinery	145.593	-	-	-	145.593

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 45: SEGMENT REPORTING

Company operates in single reporting segment of 'Fluid Machinery and Systems'. Information in respect of other disclosures as required by 'Ind AS 108- Operating Segments' is given in consolidated financial statements.

NOTE 46: DISCLOSURE IN RESPECT OF IND AS 116, 'LEASES'

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening right-to-use asset	64.329	36.845
Net addition / (deletion)during the year	62.973	54.950
Depreciation charged during the year	(37.591)	(27.466)
Closing right-to-use asset	**89.711**	**64.329**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening lease liability	66.764	39.113
Net addition / (deletion)during the year	62.973	54.814
Finance cost	7.499	4.109
Lease payments including lease termination	(42.673)	(31.272)
Closing lease liability	94.563	66.764
Non-Current	**52.751**	**42.923**
Current	**41.812**	**23.841**

Contractual maturities of lease payments

Particulars	As at 31 March 2023
Less than one year	41.812
Between 1-2 years	31.064
More than 2 years	21.688

1. Short term leases and leases for low value assets are continued to be accounted for as rent expenses.
2. Total cash outflow for lease arrangements during the year is ₹71.066 Mn (PY 2021-22 - ₹59.312 Mn)
3. Company has not entered into any sublease arrangements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 47 A: RATIO ANALYSIS

(Amounts in Million ₹)

Particulars (Reasons where variation is more than 25%)	Year ended 31 March 2023				Year ended 31 March 2022				Absolute Variance (%)
	Numerator	Denominator	%	Days	Numerator	Denominator	%	Days	
Current Ratio									
[Current assets / Current Liability]	15,038.623	9,794.987	1.535		14,853.538	10,421.978	1.425		7.719%
Debt-Equity Ratio									
[Debt/Equity]	1,151.363	12,516.939	0.092		2,364.334	11,253.927	0.210		56.190%
(Reduction in borrowings along with increase in net worth due to higher profits)									
Debt Service Coverage Ratio									
[(PBID+ Exceptional items) /(Interest+ Principal repayment due in next year)]	2,188.519	758.548	2.885		1563.763	1663.941	0.940		206.915%
(Reduction in borrowings along with higher profits)									
Return on Equity Ratio									
[(PAT + exceptional items)/(Total op. Equity+Total cl. Equity)/2]	1,664.443	11,885.433	14.004%		1032.628	10,968.079	9.415%		48.741%
(Higher profits due to better operational performance)									
Inventory Turnover									
[Consumption /(op. Inventory+cl. Inventory)/2]	14,740.360	4,293.181	3.433	106	13,169.411	3,968.755	3.318	110	3.466%
Trade Receivables Turnover									
[Revenue from operations / (op. receivable+cl. receivables)/2]	25,399.345	4,126.809	6.155	59	21,659.422	4,145.718	5.225	70	17.799%
Trade Payable Turnover									
[Purchases/(op.payables+cl. payables)]	14,941.560	4,610.490	3.241	113	13,617.064	4,682.082	2.908	126	11.451%
Net Capital Turnover ratio									
[Revenue from operations/ working capital]	25,399.345	5,243.636	4.844		21,659.422	4,431.560	4.888		0.900%
Net profit Ratio									
[PAT before exceptional items/Revenue from operations]	1,664.443	25,399.345	6.553%		1,032.628	21,659.422	4.768%		37.437%
(Higher profits due to better operational performance)									
Return on Capital Employed [PBIT before exceptional items/Total capital employed (NW-DTA+debt+DTL)] (Higher profits due to better operational performance along with optimum utilisation of capital employed)	2,311.053	13,188.541	17.523%		1,486.642	13,252.506	11.218%		56.204%
Return on Investment (quoted) [ROI=(Income received on FD+ MF)/ (Average outside investment)] (Higher investments as well as increase in interest rates)	95.458	2,679.603	3.562%		41.871	1,910.084	2.192%		62.500%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 47 B: OTHERS

1. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

2. 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(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary (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

3. The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) 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 (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

4. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

5. No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

6. Company has not entered any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956

7. Kirloskar Industries Limited along with Mr. Atul Kirloskar and Mr. Rahul Kirloskar ('the requisionists'), collectively holding more than one-tenth of the paid-up share capital of the Company had requisitioned for an extra-ordinary general meeting ('EGM') of the shareholders of the Company for appointment of an independent and reputed external entity as an independent forensic auditor for conducting a forensic audit to investigate and i) verify the expenses incurred by the Company on legal, professional and consultancy charges over the past 6 (six) years, and the affairs of the Company ii) verify all records, books of accounts, minute books, other documents of company and iii) examine the conduct of Board of Directors of company including independent directors. Accordingly, Notice dated 16th November 2022 for convening EGM along with statement setting out material facts was sent to the shareholders of the Company and the EGM was conducted on 8th December 2022 by the Company. As per the voting results of the said EGM, the resolution as proposed by the requisitionists was defeated since it was not passed by a the majority of the votes of the shareholders, present/ participating and voting.

8. Previous year's figure have been regrouped, wherever required.

For and on behalf of the Board of Directors

Sanjay Kirloskar
Chairman and Managing Director
DIN: 00007885

Rama Kirloskar
Joint Managing Director
DIN: 07474724

Chittaranjan Mate
Chief Financial Officer

Pune : 11 May 2023

Devang Trivedi
Company Secretary

Pune : 11 May 2023

AOC-1

PART "A": SUBSIDIARIES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Venture

(₹ in Million)

Sr. No	Name of the Subsidiary Company	Date of acquisition	Reporting period	Reporting Currency	Relevant Exchange Rate (BS / PL)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country	% of Holding
1	Karad Projects & Motors Ltd.	9-Sep-06	1-Apr-22 to 31-March-23	INR	1 / 1	139.525	1,847.846	3,035.771	1,048.401	350.005	5,150.643	587.724	172.239	415.485	44.648	India	100.00
2	The Kolhapur Steel Limited	2-Aug-08	1-Apr-22 to 31-March-23	INR	1 / 1	417.000	(1,012.802)	520.561	1,116.363	0.000	456.126	(190.768)	0.398	(233.583)	-	India	99.74
3	Kirloskar Corrocoat Pvt. Ltd.	12-Nov-09	1-Apr-22 to 31-March-23	INR	1 / 1	50.000	52.712	207.141	104.428	0.000	352.936	30.968	5.627	25.341	-	India	65.00
4	Kirloskar Brothers International B V	30-Aug-07	1-Apr-22 to 31-March-23	Euro	89.4 / 88.24	2,117.436	(766.008)	1,410.566	59.138	1,238.399	0.000	(29.777)	0.000	(29.777)	-	The Netherlands	100.00
5	SPP Pumps Ltd.	15-Feb-10	1-Apr-22 to 31-March-23	GBP	101.68 / 99.93	305.048	1,375.739	3,017.393	1,336.605	140.596	5,120.444	348.278	68.664	279.614	-	U K	100.00
6	Kirloskar Brothers(Thailand) Ltd.	1-Jan-11	1-Apr-22 to 31-March-23	Baht	2.41 / 2.42	153.331	(123.220)	671.803	641.692	91.158	1,300.126	38.983	13.505	25.479	-	Thailand	100.00
7	SPP Pumps (MENA) L.L.C.	13-Sep-11	1-Apr-22 to 31-March-23	EGP	2.68 / 2.75	231.552	(200.404)	35.922	4.774	0.000	53.877	29.298	0.015	29.283	-	Egypt	100.00
8	Kirloskar Pompen B.V	10-Apr-08	1-Apr-22 to 31-March-23	Euro	89.4 / 88.24	89.400	(300.560)	150.031	361.192	2.235	156.229	(17.841)	0.000	(17.841)	-	The Netherlands	100.00
9	Micawber 784 (Proprietary Ltd.)	29-Oct-09	1-Apr-22 to 31-March-23	Rand	4.63 / 4.63	0.001	48.739	106.480	57.741	0.000	0.000	8.033	1.977	6.056	-	South Africa	100.00
10	SPP Pumps International PTY Limited	3-Dec-13	1-Apr-22 to 31-March-23	Rand	4.63 / 4.63	0.001	43.100	226.735	183.634	0.001	367.437	(0.850)	0.301	(1.151)	-	South Africa	100.00
11	SPP France S A S	11-Jun-13	1-Apr-22 to 31-March-23	Euro	89.4 / 88.24	25.299	(24.493)	38.545	37.739	0.000	136.220	5.904	0.000	5.904	-	France	100.00
12	SPP Pumps Inc	17-Jul-15	1-Apr-22 to 31-March-23	USD	82.21 / 82.24	318.415	250.236	1,133.492	564.841	195.384	2,773.792	243.459	54.484	188.975	-	U S A	100.00
13	SPP Pumps South Africa Proprietary Limited	24-Oct-14	1-Apr-22 to 31-March-23	Rand	4.63 / 4.63	0.000	(110.780)	72.860	183.640	0.000	213.055	34.166	0.928	33.238	-	South Africa	100.00
14	Braybar Pumps Limited	13-Oct-14	1-Apr-22 to 31-March-23	Rand	4.63 / 4.63	0.000	46.327	25.213	(21.114)	0.000	261.828	15.251	6.327	8.925	-	South Africa	100.00

(₹ in Million)

Sr. No	Name of the Subsidiary Company	Date of acquisition	Reporting period	Reporting Currency	Relevant Exchange Rate (BS / PL)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country	% of Holding
15	Rodelta Pumps International BV	14-Jul-15	1-Apr-22 to 31-March-23	Euro	89.4 / 88.24	1.609	(305.259)	258.028	561.678	0.000	323.262	(79.817)	0.000	(79.817)	-	The Netherlands	100.00
16	Rotaserve Overhaul B.V.	4-Jan-16	1-Apr-22 to 31-March-23	Euro	89.4 / 88.24	2.235	148.949	198.675	47.491	0.000	128.672	63.666	0.000	63.666	-	The Netherlands	100.00
17	SPP Pumps Real Estate LLC	16-Aug-12	1-Apr-22 to 31-March-23	USD	82.21 / 82.24	105.229	29.148	627.085	492.707	-7.048	0.000	6.855	0.000	6.855	-	U S A	100.00
18	Syncroflow Inc.	28-Feb-14	1-Apr-22 to 31-March-23	USD	82.21 / 82.24	102.214	275.567	568.648	190.867	0.000	1,480.128	96.579	25.945	70.634	-	U S A	100.00
19	SPP Pumps (Asia) Ltd	27-May-16	1-Apr-22 to 31-March-23	Baht	2.41 / 2.42	4.818	(4.558)	76.227	75.967	0.063	271.288	15.121	3.200	11.921	-	Thailand	100.00
20	SPP Pumps (Singapore) Ltd	29-Jun-16	1-Apr-22 to 31-March-23	SGD	61.83 / 62.19	86.402	(46.393)	131.676	91.667	0.000	451.142	(4.570)	0.010	(4.580)	-	Singapore	100.00

PART “B”: ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Venture

(₹ in Million)

Name of Associates/Joint Ventures	Kirloskar Ebara Pumps Limited
1. Latest audited Balance Sheet Date	31st March 2023
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	225,000
Amount of Investment in Associates/Joint Venture	2.75
Extend of Holding %	45%
3. Date of acquisition of shares	27th January 1988
4. Description of how there is significant influence	It is Jointly Controlled entity
5. Reason why the associate/joint venture is not consolidated	consolidated to the extend of 45%
6. Networth attributable to Shareholding as per latest audited Balance Sheet	884.77
7. Profit / Loss for the year	
(i) Considered in Consolidation	107.03
(ii) Not Considered in Consolidation	130.82
8. Total comprehensive income for the year	
(i) Considered in Consolidation	106.23
(ii) Not Considered in Consolidation	129.84

Details of associate KBL Synerge LPP are not provided as yet to commence operations.

INDEPENDENT AUDITORS REPORT

To the members of **KIRLOSKAR BROTHERS LIMITED**

Report on the audit of the consolidated financial statements

OPINION

We have audited the accompanying consolidated financial statements of **Kirloskar Brothers Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which includes Group's share of profit/loss in its associates and its joint-ventures, which comprise the consolidated balance sheet as at 31 March 2023, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes to consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on financial statements (separate/consolidated) of subsidiaries including associates and joint-ventures as was audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including and Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, of consolidated state of affairs (financial position) of the Group including its associates and joint-ventures as at 31 March 2023, the consolidated profit (financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year then ended.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group including associates and joint-ventures 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 consolidated 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 obtained by us along with the consideration of audit report of the other auditors referred to in "Other matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements taken as a whole, in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the key audit matter relevant for the consolidated financial statements as described below:

Accounting treatment for customer contracts where performance obligations are satisfied over time

Description of key audit matter:

Revenue amounting to ₹ 1,220 million reported in the company's standalone financial statements pertains to customer specific long-term contracts and the same are required to satisfy the recognition and measurement criteria as enunciated in IND AS 115, 'Revenue from Contracts with Customers'. In case of these contracts the revenue is recognised over time and is based on a percentage completion method (POC) for each of such contracts. The stage of project completion is determined based on a ratio of project costs actually incurred till the period / year end to the planned / estimated total cost to complete the said project. This necessarily involves estimations and certain assumptions to be made by the management in determining the total planned costs and an appropriate allocation of costs actually incurred on each project. This inherently creates certain uncertainties and results in complexities in accounting treatment wherein incorrect assumptions and estimates can lead to revenue being recognised in incorrect accounting periods thereby impacting the results. In addition, in POC method revenue recognition and respective collections do not follow a linear trend irrespective of stage completion determined by the company. Collections do depend on satisfaction of certain other performance obligations as laid down in the respective project agreements. Consequently, those amounts that remain as receivables whose due dates for payments depend on other conditions give rise to certain receivables that are due and others not due for payment, requiring the company to adopt a differential accounting classification and treatment. While assessing the contractual obligations as at any period close, change orders and / or cancellations are required to be considered by the company to adopt an appropriate accounting treatment for revenues already recognised, valuation of work in progress and respective receivables. Considering these factors, in the context of our audit this matter was of significance and hence a key audit matter (Refer note 30 to the consolidated financial statements).

Description of Auditor's response:

With a view to verify the alignment of the company's project accounting system with the actual progress of the project and its status at any period close, we designed our audit procedures related to this area to obtain an understanding of project acceptance and execution process and the related accounting controls including verification of compliance with IND AS 115 – 'Revenue from contracts with customers'. These included inter-alia, reading through the material contracts and formation of a standard checklist to note the terms and conditions and considerations required to be taken note of for appropriate financial accounting till a project is finally executed and closed. We discussed with the management the risks associated with the project execution to understand requirement of any specific recognition of financial accounting considerations and developed requisite key controls requiring audit attention and review. The company has automated through its accounting software the method of calculating the percentage of completion method which we have verified on test basis. We reviewed planned costs, their latest estimates, rationale for revision in estimates based on information shared by the management in our discussions, approvals to such revisions in the estimates and compared them with latest costs to complete, related mathematical accuracy and, on a sample, basis validated resulting recognition of revenue. We discussed with management the status of amount receivable and have verified the evidence supporting the recoverability in sample cases. We verified the calculations of expected credit loss provisions and corroborated with specific management discussions on major projects.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Management and Board of Directors are responsible for the preparation of other information. The other information comprises the Board's report and management discussion and analysis included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S AND BOARD OF DIRECTOR'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation 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, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint-ventures in accordance with the accounting principles generally accepted in India, including the Ind AS. The respective management and Board of Directors of the companies included in the consolidated financial statements are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements/consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group including its Associates and joint-ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group including its associates and joint-ventures are responsible for overseeing the financial reporting process of each Company.

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

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

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

A. 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.

B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

D. Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statement and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 including its associates and joint-ventures to cease to continue as a going concern.

E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group including its associates and joint-ventures 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. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

OTHER MATTERS

A. The consolidated financial statements include the Ind AS financial statements of three domestic subsidiaries, whose Ind AS financial statements reflect total assets of ₹ 3,763 million as at 31 March 2023; as well as the total revenue of ₹ 5,960 million, total comprehensive income of ₹ 206 million and net cash outflow of ₹ 56 million for the year then ended. The Statement also includes the Group's share of profit of ₹ 107 million for the year then ended 31 March 2023, in respect of a joint venture, whose financial statements have not been audited by us. These Ind AS financial statements have been audited by their respective independent auditors whose audit reports have been furnished to us by the Holding Company's management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

B. One domestic associate is a non-operative entity and its financial information as at 31 March 2023 is unaudited. This financial information is provided by the Holding Company's management in whose opinion it is not material to the group.

C. The Statement includes the consolidated Ind AS financial statements of one foreign subsidiary, whose consolidated Ind AS financial statements reflect total assets of ₹ 6,724 million as at 31 March 2023; as well as the total revenue of ₹ 11,777 million, total comprehensive income of ₹ 568 million and net cash inflow of ₹ 41 million for the year then ended. These consolidated Ind AS financial statements have been reviewed by other auditor whose special purpose report has been furnished to us, and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the report of such auditor and the procedures performed by us as stated in paragraph above.

Consolidated Ind AS financial statements as mentioned in above paragraph contains eighteen step-down foreign subsidiaries. These components follow different reporting date being 31 December. Their financial statements have been audited by their respective auditors for the year ended 31 December 2022. Respective management of these components have prepared financial information for the period from 1 January 2023 to 31 March 2023 only for the purpose of consolidation with the Ultimate Holding Company.

- Financial information of fifteen foreign subsidiaries has been prepared by the respective management for the period from 1 January 2023 to 31 March 2023 only for the purpose of consolidation with the Ultimate Holding Company. It reflects total assets of ₹ 3,706 million as at 31 March 2023; as well as the total revenue of ₹ 2,003 million, total comprehensive income of ₹ 76 million and net cash outflow of ₹ 138 million for the said period.

- Financial information of one foreign subsidiary for the period from 1 January 2023 to 31 March 2023 has been reviewed by their respective auditor and issued a limited review report on which we have placed our reliance. It reflects total assets of ₹ 3,017 million as at 31 March 2023; as well as the total revenue of ₹ 1,350 million, total comprehensive income of ₹ 62 million and net cash inflow of ₹ 34 million for the said period.

- According to the information and explanations given to us by the Holding Company's management, two foreign subsidiaries are non-operative and their financial information of total assets as at 31 December 2022 and 31 March 2023, total revenue, total comprehensive income and net cash inflow/outflow for the year/period then ended are not material to the group.

D. These step-down subsidiaries are located outside India and their separate/consolidated financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by local auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of these step-down subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. These conversion adjustments made by the Holding Company's management have been reviewed by other auditor.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the other matter paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by section 143 (3) of the Act, based on our audit and on the consideration of report of other auditors on financial statements (separate/consolidated) of such companies as was audited by them and as mentioned in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

B. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors.

C. The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated cash flow statement and consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

D. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

E. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of subsidiary companies including associates and joint-ventures which are companies incorporated in India, none of the directors of the subsidiary companies, associates and joint-ventures which are companies incorporated in India, is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;

F. With respect to the adequacy of internal financial controls over financial reporting of the Group including its associates and joint-ventures which are companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting.

G. With respect to the other matters to be included in the auditor’s report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group including associates and joint-ventures, which are companies incorporated in India, where applicable, to its directors during the year is in accordance with the provisions of section 197 of the Act.

H. With respect to the other matters to be included in the auditor’s report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group including its associates and joint-ventures (refer note 28 to the consolidated financial statements);

ii. the Group including associates and joint-ventures have made provision in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable loses, if any, on long term contracts including derivative contracts (refer note 38 to the consolidated financial statements);

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group including its associates and joint-ventures, which are companies incorporated in India.

iv. Reporting on rule 11(e):

(a) The Management has represented that, to the best of its knowledge and belief, as stated in note no. 48(5) no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company 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 Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as stated in note no. 48(6) no funds (which are material either individually or in the aggregate) 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, 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, 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), as provided under (a) and (b) above, contain any material misstatement.

v. The dividend for the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

vi. Proviso to rule 3(1) of the companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from 1 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

2. With respect to the matters specified in clause (xxi) of paragraph (3) and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the statutory auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Holding Company, we report that in respect of those companies where audits have been completed under section 143 of the Act, there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements. [Refer note no 48 (8)]

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration no. 109983W
by the hand of

CA Pramod Bhise
Partner
Membership no.(F) 047751
UDIN: 23047751BGTHWV8784
Pune, 11 May 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph (F) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

OPINION

We have audited the Internal Financial Controls over Financial Reporting of Kirloskar Brothers Limited (hereinafter referred as "the Holding Company"), its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint-ventures, which are companies incorporated in India, as of 31 March 2023 in conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors referred to in other matters paragraph below, the Group including its associates and joint-ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI').

MANAGEMENTS AND BOARD OF DIRECTORS RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Company's Management and Board of Directors of the of the Holding company and its subsidiary companies, associates and joint-ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Group's including its associates and joint-ventures, which are companies incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, associates and joint-ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's including its associates and joint-ventures which are companies incorporated in India, internal financial controls system over financial reporting.

OTHER MATTERS

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three subsidiaries and a joint-venture, which are companies incorporated in India, is solely based on corresponding reports of the auditors of such Companies.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration no. 109983W
by the hand of

CA Pramod Bhise
Partner
Membership no.(F) 047751
UDIN: 23047751BGTHWV8784
Pune, 11 May 2023

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH 2023

(Amounts in Million ₹)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	4,814.481	4,870.379
Capital work-in-progress		813.408	267.259
Investment property	5	6.952	2.038
Goodwill	3	143.524	139.157
Other intangible assets	3	47.687	37.309
Intangibles under development		6.308	-
Right to use assets	4	305.710	274.053
Financial assets			
Investments accounted using equity method	6	884.770	796.543
Investments	6	20.005	0.005
Trade receivables	7	573.883	390.283
Other financial assets	8	168.539	252.897
Deferred tax assets (net)	19	408.002	417.750
Other non-current assets	9	696.921	1,036.285
Total non-current assets		**8,890.190**	**8,483.958**
Current assets			
Inventories	10	7,139.632	6,435.235
Financial assets			
Current investment	6	2,267.401	2,534.198
Trade receivables	7	4,884.702	5,152.087
Cash and cash equivalents	11 A	2,212.847	1,342.688
Other bank balances	11 B	315.766	298.101
Other financial assets	8	1,034.688	866.887
Current tax assets	19	57.342	92.550
Other current assets	9	3,355.350	3,417.559
Total current assets		**21,267.728**	**20,139.305**
TOTAL ASSETS		**30,157.918**	**28,623.263**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	158.818	158.818
Other equity	13	13,879.963	11,615.424
Equity attributable to owners of parents		**14,038.781**	**11,774.242**
Non-controlling interest		34.037	26.086
Total equity		**14,072.818**	**11,800.328**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	14	1,109.496	1,363.633
Lease liabilities	46	148.506	42.920
Trade payables	15	80.206	74.851
Other financial liabilities	16	13.361	108.448
Provisions	17	274.749	259.433
Other non-current liabilities	18	702.586	687.959
Total non-current liabilities		**2,328.904**	**2,537.244**
Current liabilities			
Financial liabilities			
Borrowings	14	1,418.378	2,388.326
Lease liabilities	46	182.737	166.389
Trade payables			
- Micro, small and medium enterprises	15	800.913	683.536
- Others	15	5,376.218	5,226.980
Other financial liabilities	16	1,679.116	1,384.018
Current tax liability	19	60.874	
Other current liabilities	18	3,398.470	3,696.678
Provisions	17	839.490	739.764
Total current liabilities		**13,756.196**	**14,285.691**
Total liabilities		**16,085.100**	**16,822.935**
TOTAL EQUITY AND LIABILITIES		**30,157.918**	**28,623.263**
Corporate information	1		
Significant accounting policies	2		
See accompanying notes to financial statements	3-48		

The accompanying notes 1 to 48 form an integral part of the financial statements

As per our report of even date attached

For **SHARP & TANNAN ASSOCIATES**
Chartered Accountants
(ICAI Firm Regn. No. 109983W)

Pramod Bhise
Partner
Membership No: (F) - 047751

Pune : 11 May 2023

For and on behalf of the Board of Directors

Sanjay Kirloskar
Chairman and Managing Director
DIN: 00007885

Rama Kirloskar
Joint Managing Director
DIN: 07474724

Chittaranjan Mate
Chief Financial Officer

Pune : 11 May 2023

Devang Trivedi
Company Secretary

Pune : 11 May 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

Particulars	Note No.	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	20	37,302.213	30,576.277
Other income	21	272.671	324.326
Total Income		**37,574.884**	**30,900.603**
Expenses			
Cost of raw materials consumed	22 A	17,811.550	15,164.812
Purchases of stock-in-trade		1,913.537	1,651.360
Changes in inventories of finished goods, stock-in -trade and work-in-progress	22 B	(178.914)	(13.157)
Employee benefits expense	23	5,651.967	5,015.526
Finance costs	24	353.865	334.677
Depreciation and amortization expense	25	685.644	695.143
Other expenses	26	8,114.076	6,697.412
Total expenses		**34,351.725**	**29,545.773**
Profit/(loss)before exceptional items and tax		3,223.159	1,354.830
Exceptional items		42.422	-
Profit before tax		**3,180.737**	**1,354.830**
Tax expenses	19		
(1) Current tax		901.916	423.199
(2) Deferred tax		28.193	79.824
(3) MAT entitlement for earlier years		-	-
(4) (Excess)/ Short provision of earlier years		-	36.477
Total Tax expenses		**930.109**	**539.500**
Profit after tax but before share in profit of joint venture company for the year		**2,250.628**	**815.330**
Share in profit of joint venture company		107.032	128.435
Profit for the year		**2,357.660**	**943.765**
Attributable to			
Non-controlling interest		8.270	0.408
Equity holder's of parent		2,349.390	943.357
Other Comprehensive Income	27		
Items that will not be reclassified to profit or loss			
Remeasurement gains and losses		(45.960)	22.363
Income tax relating to remeasurement gains and losses		19.848	5.968
Share in other comprehensive income of joint venture company		(0.801)	1.165
Items that will be reclassified to profit or loss			
Cash flow hedge		42.927	-
Gains/ losses on currency translation for foreign subsidiaries		137.043	(7.111)
Other Comprehensive Income		**153.057**	**22.385**
Total Comprehensive Income for the year (Comprising of net profit after tax and other comprehensive income for the year)		**2,510.717**	**966.150**
Attributable to		.	
Non-controlling interest		7.951	0.595
Equity holder's of parent		2,502.766	965.555
Earnings per equity share	32		
(1) Basic		29.59	11.88
(2) Diluted		29.59	11.88

Corporate information	1
Significant accounting policies	2
See accompanying notes to financial statements	3 - 48

The accompanying notes 1 to 48 form an integral part of the financial statements

As per our report of even date attached

For **SHARP & TANNAN ASSOCIATES**
Chartered Accountants
(ICAI Firm Regn. No. 109983W)

Pramod Bhise
Partner
Membership No: (F) - 047751

Pune : 11 May 2023

For and on behalf of the Board of Directors

Sanjay Kirloskar
Chairman and Managing Director
DIN: 00007885

Rama Kirloskar
Joint Managing Director
DIN: 07474724

Chittaranjan Mate
Chief Financial Officer

Pune : 11 May 2023

Devang Trivedi
Company Secretary

Pune : 11 May 2023

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A	**Cash flow from operating activities**		
	Net Profit before taxation and extraordinary items	3,180.737	1,354.830
	Adjustments for :-		
1	Depreciation / Amortization	685.644	695.143
2	(Profit)/ Loss on sale of Fixed Assets	(8.297)	0.730
3	Bad debts written off	37.035	88.297
4	Advances, deposits and claims written off	0.545	8.304
5	Provision for loss on long term contracts	(41.414)	21.196
6	Provision for doubtful debts, advances and claims	343.077	80.733
7	Interest Income	(155.162)	(54.035)
8	Interest Expenses	231.913	217.300
9	Excess provision written back	45.106	-
10	Unrealized exchange (gain)/ Loss	126.363	59.831
11	Profit on sale of mutual funds	(42.496)	(32.192)
	Operating Profit Before Working capital changes	**4,403.051**	**2,440.137**
	Adjustments for :-		
1	(Increase)/ decrease in inventories	(704.397)	(406.801)
2	(Increase)/ decrease in trade receivables	(296.327)	(674.092)
3	(Increase)/ decrease in financial assets	(80.959)	(511.107)
4	(Increase)/ decrease in non-financial assets	270.151	415.054
5	Increase/ (decrease) in trade payable	271.970	398.365
6	Increase/ (decrease) in financial liabilities	276.449	(394.393)
7	Increase/ (decrease) in non-financial liabilities	(283.581)	82.343
8	Increase/ (decrease) in provisions	110.496	208.075
	Cash Generated from Operations	**3,966.852**	**1,557.581**
9	Income Tax (Paid) / Refunded	(674.412)	(414.244)
	Net Cash from Operating Activities	**3,292.440**	**1,143.337**
B	**Cash flow from investing activities**		
1	Purchase of Fixed Assets	(1,330.664)	(819.996)
2	Sale of Fixed Assets	131.795	179.005
3	Investment in subsidiaries, associates and joint venture	-	-
4	Investment in mutual funds and deposits with NBFC	(8,240.707)	(6,729.890)
5	Sale of investment in mutual funds and deposits with NBFC	8,530.000	5,496.120
6	Interest Received	134.468	42.213
7	Dividend received	18.000	13.500
	Net Cash from Investment Activities	**(757.108)**	**(1,819.048)**
C	**Cash flow from financing activities**		
1	Proceeds from borrowing	1,496.474	3,031.186
2	Repayment of borrowings	(2,720.559)	(2,284.130)
3	Interest Paid	(231.977)	(207.635)
4	Dividend and tax on dividend paid	(237.773)	(241.506)
5	Loans and advances to joint venture/ associate	-	-
	Net Cash used in Financing Activities	**(1,693.835)**	**297.915**

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
a	Net Increase in Cash and Cash Equivalents (A+B+C)	841.497	(377.796)
b	Cash & Cash Equivalents at beginning of year	1,342.688	1,735.816
c	Unrealized Exchange Gain / (Loss) in cash and cash equivalents	28.662	(15.332)
d	Cash & Cash Equivalents at end of year (refer note 9) (a+b+c)	2,212.847	1,342.688

Note : Cash flow is prepared using the indirect method.
Refer note 43 for cash outflow on account of corporate social responsibility.

As per our report of even date attached

For **SHARP & TANNAN ASSOCIATES**
Chartered Accountants
(ICAI Firm Regn. No. 109983W)

Pramod Bhise
Partner
Membership No: (F) - 047751

Pune : 11 May 2023

For and on behalf of the Board of Directors

Sanjay Kirloskar
Chairman and Managing Director
DIN: 00007885

Rama Kirloskar
Joint Managing Director
DIN: 07474724

Chittaranjan Mate
Chief Financial Officer

Pune : 11 May 2023

Devang Trivedi
Company Secretary

Pune : 11 May 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

A. EQUITY SHARE CAPITAL

Balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
158.818	-	158.818

Balance as at 1 April 2022	Changes in equity share capital during the year	**Balance as at 31 March 2023**
158.818	-	158.818

B. OTHER EQUITY

Particulars	Reserves and Surplus and items of OCI							Total Reserves and Surplus	Non-Controlling interesWt	Total
	Capital Reserve	Capital redemption reserve	Securities Premium	General reserve	Foreign currency translation reserve	Effective portion of cash flow hedges	Retained Earnings			
Balance as at 1 April 2021	5.237	9.237	414.700	6,334.597	297.878	-	3,826.447	10,888.096	25.491	10,913.587
Profit for the year						-	943.357	943.357	0.408	943.765
Other comprehensive income					(7.111)	-	29.309	22.198	0.187	22.385
Dividends and tax thereof						-	(238.227)	(238.227)		(238.227)
Balance as at 31 March 2022	5.237	9.237	414.700	6,334.597	290.767	-	4,560.886	11,615.424	26.086	11,641.510
Profit for the year							2,349.390	2,349.390	8.270	2,357.660
Other comprehensive income					137.043	42.927	(26.594)	153.376	(0.319)	153.057
Dividends and tax thereof							(238.227)	(238.227)		(238.227)
Balance as at 31 March 2023	**5.237**	**9.237**	**414.700**	**6,334.597**	**427.810**	**42.927**	**6,645.455**	**13,879.963**	**34.037**	**13,914.000**

As per our report of even date attached

For **SHARP & TANNAN ASSOCIATES**
Chartered Accountants
(ICAI Firm Regn. No. 109983W)

Pramod Bhise
Partner
Membership No: (F) - 047751

Pune : 11 May 2023

For and on behalf of the Board of Directors

Sanjay Kirloskar
Chairman and Managing Director
DIN: 00007885

Rama Kirloskar
Joint Managing Director
DIN: 07474724

Chittaranjan Mate
Chief Financial Officer

Pune : 11 May 2023

Devang Trivedi
Company Secretary

Pune : 11 May 2023

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

SIGNIFICANT ACCOUNTING POLICIES

(All amounts are in Indian rupees rounded in millions, unless otherwise stated)

1. CORPORATE INFORMATION

Kirloskar Brothers Limited ("KBL") is a public limited Company domiciled in India and incorporated under the provisions of the Indian Companies Act. KBL, its Subsidiaries and Joint Ventures ("Group") are engaged in providing fluid management solutions globally. The core products of the company are Engineered Pumps, Industrial Pumps, Agriculture and Domestic Pumps, Valves, and Hydro turbines.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of Indian Accounting Standards (Ind-AS) notified under the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS have been prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

Group maintains it's accounts on accrual basis following historical cost convention except for certain financial instruments which are measured at fair values. The financial statements have been prepared on accrual and going concern basis.

The financial statements have been approved for issue by the Board of Directors at it's meeting held on 11th May 2023.

2.2 Basis of consolidation and equity accounting

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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 over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The consolidated financial statements relate to Kirloskar Brothers Limited (KBL) and its majority owned subsidiary companies, consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions and the unrealized profit /losses on intra-group transactions, and are presented to the extent possible, in the manner as the Company's independent financial statements.

The names of the subsidiary companies, country of incorporation, and proportion of ownership interest considered in the consolidated financial statements are:

Name of the Company	Country of Incorporation	Proportion of ownership Interest of KBL
Karad Projects and Motors Limited (KPML)	India	100.%
The Kolhapur Steel Limited (TKSL)	India	99.78%
Kirloskar Corrocoat Private Limited (KCPL)	India	65%
Kirloskar Brothers International B V	The Netherlands	100%
SPP Pumps Limited	United Kingdom	100%
Kirloskar Brothers(Thailand) Limited	Thailand	100%
SPP Pumps (MENA) L.L.C.	Egypt	100%
Kirloskar Pompen B.V	The Netherlands	100%
Micawber 784 Proprietary Limited	South Africa	100%
SPP Pumps International PTY Limited	South Africa	100%
SPP France S A S	France	100%
SPP Pumps Inc.	USA	100%
SPP Pumps South Africa Proprietary Limited	South Africa	100%
Braybar Pumps Limited	South Africa	100%
Rodelta Pumps International BV	The Netherlands	100%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

Name of the Company	Country of Incorporation	Proportion of ownership Interest of KBL
Rotaserve Overhaul B.V.	The Netherlands	100%
SPP Pumps Real Estate LLC	U S A	100%
SyncroFlo Inc.	U S A	100%
SPP Pumps (Asia) Ltd	Thailand	100%
SPP Pumps (Singapore) Ltd	Singapore	100%
Rotaserve Limited	United Kingdom	100%
Rotaserve Mozambique	South Africa	100%

Reporting date for Indian subsidiaries and joint venture is 31 March and that to for foreign subsidiaries is 31 December, which is as per the local laws in the respective countries of incorporation. However, in order to have uniform accounting policies management drawn financials of 3 months ended 31 March 2023 are also consolidated. Accordingly, consolidated financials ended 31 March 2023, considers results for foreign subsidiaries for 12 months ended March 2023 only.

The excess of cost to the company of its investment in the subsidiary company over the parents' portion of equity is recognised in the consolidated financial statements as goodwill. The excess of company's share of equity of the subsidiary company over the cost of acquisition is treated as capital reserve.

ii) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii) Loss on control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date when the control is lost. Any resulting gain or loss is recognised in profit or loss.

iv) Equity accounted investees

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Company has accounted 'Investment in Associate and joint venture' under the equity method as per Ind AS 28, whereby the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Company's share of net assets of the associates/ Joint Venture.

The excess of cost to the Company of its investment in the joint venture/ associates entity is set off against the adjusted carrying amount of the investment. Distributions received from the joint venture/ associates reduce the carrying amount of the investment.

The consolidated statement of profit and loss reflects the Company's share of the results of the operations of the joint venture company.

Unrealized profits and losses resulting from transactions between the joint venture / associates and the Company are eliminated to the extent of Company's interest in the joint venture/associates.

The names of the associates and joint ventures entities, country of incorporation, and proportion of ownership interest considered in the consolidated financial statements are:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

Name of the Company	Country of Incorporation	Proportion of ownership Interest of KBL
KBL Synerge LLP	India	50%
Kirloskar Ebara Pumps Ltd.	India	45%

v) **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

2.3 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on an alternative basis in accordance with Ind AS on each reporting date.

Items	Measurement basis
Derivative financial instruments at fair value through profit or loss	Fair value
Defined benefit plan – plan assets	Fair value

2.4 Current or non-current classification

All assets and liabilities have been classified as current or non-current as per the group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities for product business. In case of project business, operating cycle is dependent on life of specific project/ contract/ service, hence current non-current bifurcation relating to project is based on expected completion date of project which generally exceeds 12 months.

2.5 Functional and presentation currency

Functional currency of KBL, KPML, TKSL and KCPL is Indian currency. The functional currency of other foreign subsidiaries is their respective local currency. These financial statements are presented in Indian Rupees.

All financial information is presented in INR Mn rounded off to three decimal places, except share and per share data, unless otherwise stated.

2.6 Use of judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. The estimates are based on management's best knowledge of current events and actions, however, due to uncertainty about these assumptions and estimates, actual results may differ from these estimates.

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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of defined benefit obligation – The cost of the defined benefit gratuity and pension plan, and the present value of the gratuity/ pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. (Refer note – 34)
- Estimation of leave encashment provision - The cost of the leave encashment and the present value of the leave encashment obligation are determined using actuarial valuations. (Refer note 38)
- Impairment of goodwill – The group estimates the value in use of a cash generating unit (CGU)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

based on the future cash flows after considering the current economic conditions and trends, estimated future operating results and growth rate. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGU's represent the weighted average cost of capital based on historical market returns of comparable companies.

- Impairment of receivables - The impairment provisions for financial receivables disclosed are based on assumptions about risk of default and expected credit loss (Refer note 40)
- Decommissioning liability – Initial estimate of dismantling and restoration liability requires significant judgement about cost inflation index and other factors. (Refer note 38)
- Provision for warranty claims – Provision is recognised based on the key assumptions about likelihood and magnitude of an outflow of resources. (Refer note 38)
- Estimation of provision for loss on long term contract – The provision is recognised when the estimated cost exceeds the estimated revenue for constructions contracts as per Ind AS 115. (Refer note 38)

2.7 Inventories

Inventories are valued at the lower of cost and net realizable value. The cost is calculated on moving weighted average method. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- **Raw materials:** cost includes cost of purchase excluding taxes subsequently recoverable from tax authorities and other costs incurred in bringing the inventories to their present location and condition. However, these items are considered to be realizable at cost if the finished products in which they will be used, are expected to be sold at or above cost.
- **Finished goods and work in progress:** cost includes cost of direct materials, labor and a systematic allocation of fixed and variable production overhead that are incurred in converting raw material into work in progress/ finished goods based on the normal operating capacity and actual capacity respectively.
- **Traded goods:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Based on ageing of inventory and its future potential to generate economic benefit, group provides for slow and non-moving inventory using provision matrix. This provision is reversed once such inventory is consumed or expected to be consumed.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Assessment of net-realizable value is made at regular intervals (each reporting period) and at change of events.

2.8 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand and highly liquid short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

The deposits maintained by the Group with banks and financial institutions comprise time deposits, which can be withdrawn by the Group at any point without prior notice or penalty on the principal.

While other bank balances include, margin money, deposits, earmarked balances with bank, and other bank balances with bank which have restrictions on repatriation.

2.9 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the profit before tax for the effects of:

(1) changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

(2) non-cash items such as depreciation, provisions, unrealized foreign currency gains and losses; and

(3) all other items for which the cash effects are investing or financing cash flows.

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Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

2.10 Property, plant and equipment (PPE)

Measurement

Freehold land is carried at historical cost. All other items of PPE are measured at cost of acquisition or construction less accumulated depreciation and accumulated impairment loss, if any.

The cost of an item of PPE comprises its purchase price, including import duties net of credits and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any discounts and rebates are deducted in arriving at the purchase price.

Own manufactured PPE is capitalized at cost including an appropriate share of overheads. Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalized as a part of the cost of the PPE.

Borrowing costs directly attributable to the construction or acquisition of a qualifying asset up to completion or acquisition are capitalized as part of the cost. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

PPE under construction are disclosed as capital work-in-progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under “Other non-current assets”.

Subsequent costs

The cost of replacing a part of an item of PPE is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of PPE are recognised in the statement of profit and loss as incurred.

Disposal

An item of PPE is derecognized upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of PPE are determined by comparing the proceeds from disposal with the carrying amount of PPE, and are recognised within other income/expenses in the statement of profit and loss.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

The residual values, useful lives and method of depreciation of PPE reviewed at each financial year end and adjusted prospectively, if appropriate. Depreciation on additions to/deductions from, owned assets is calculated pro rata to the period of use. Further, extra shift depreciation is provided wherever applicable. Depreciation charge for impaired assets if any is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Depreciation is recognised in the statement of profit and loss generally on a straight-line basis over the estimated useful lives of each part of an item of PPE and in some cases based on the technical evaluation made by the management.

2.11 Investment property

Investment property is a property, being land or building or part of it, (including those under construction) that is held to earn rental income or for capital appreciation or both but not held for sale in ordinary course of business, use in manufacturing or rendering services or for administrative purposes.

Upon initial recognition, investment property is measured and reported at cost, including transaction costs. The cost of investment property includes its purchase price and directly attributable expenditure, if any. Subsequent expenditure is capitalized to the asset’s carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance

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costs are expensed when incurred. Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The estimated useful life and residual values are reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Investment property in the form of land is not depreciated. Investment properties in the form of building are stated at cost less accumulated depreciation on straight line basis, calculated as per provisions of Schedule II to Companies Act, 2013.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

2.12 Goodwill and intangible assets

Recognition and measurement

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less impairment losses. Goodwill is allocated to the CGUs for the purpose of impairment testing. The allocation is made to those CGUs or group of CGUs that are expected to benefit from the business combination in which goodwill arose.

Other intangible assets are recognised when the asset is identifiable, is within the control of the Group, it is probable that the future economic benefits that are attributable to the asset will flow to the Group and cost of the asset can be reliably measured.

Intangible assets acquired by the Group that have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level.

Subsequent measurement

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortization is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The method of amortization and useful life is reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortization on impaired assets is provided by adjusting the amortization charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

Research and development costs –

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognised in the statement of profit and loss.

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During the period of development, the asset is tested for impairment annually.

2.13 Interest in joint operations

The company as joint operator recognizes in relation to its interest in a joint operation, it's share in the assets/ liabilities held / incurred jointly with the other parties of the joint arrangements. Revenue is recognised for its share of revenue from the sale of output by the joint operator. Expenses are recognised for its share of expenses incurred jointly with the other parties of the joint arrangements.

2.14 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences in relation to the foreign currency borrowings to the extent those are regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized in the cost of that asset. Qualifying assets are those assets which necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are expensed in the period in which they are incurred.

2.15 Revenue recognition

Group recognizes revenue from contracts with customers when it satisfies a performance obligation.

Revenue is measured at transaction price i.e. Consideration to which group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and after considering effect of variable consideration, significant financing component, if any.

For contracts with multiple performance obligations, transaction price is allocated to different performance obligations based on their standalone selling price. In such case, revenue recognition criteria are applied separately to different performance obligations, in order to reflect the substance of the transaction and revenue is recognised separately for each obligation as and when the recognition criteria for the component is fulfilled.

Sale of goods

Revenue from the sale of goods is recognized when the control of the goods is transferred to the buyer. For contracts that permit the customer to return an item, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Amounts included in revenue are net of returns, trade allowances, rebates, goods and service tax, value added taxes.

Customer loyalty programs

Group allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programs is deferred, and is recognized as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The deferred revenue is included in contract liabilities.

Rendering of services

Revenue is recognized over the time as and when customer receives the benefit of company's performance and the company has an enforceable right to payment for services transferred.

Construction Contracts

Contract revenue includes initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

Contract revenue and contract cost arising from fixed price contract are recognized in accordance with the percentage completion method (POC). The stage of completion is measured with reference to cost incurred to date as a percentage of total estimated cost of each contract. Until such time (25% of Project Cost) where the outcome of the contract cannot be ascertained reliably, the Group recognizes revenue equal to actual cost.

Full provision is made for any loss estimated on a contract in the year in which it is first foreseen.

Where the group is involved in providing operation and maintenance services under a single construction

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contract, then the consideration is allocated on a relative stand-alone price basis between various obligations of a contract.

For contracts where progress billing exceeds the aggregate of contract costs incurred to-date and recognized profits (or recognized losses, as the case may be), the surplus is shown as the amount due to customers.

For contracts where the aggregate of contract costs incurred to-date and recognized profits (or recognized losses, as the case may be) exceed progress billing, the deficit is shown as the amount due from customers. Amount due from customers is shown as part of other non-financial assets as the contractual right for consideration is dependent on completion of contractual milestones.

Amounts received before the related work is performed are disclosed in the Balance Sheet as a liability towards advance received. Amounts billed for work performed but yet to be paid by the customer are disclosed in the Balance Sheet as trade receivables.

The amount of retention money held by the customers is disclosed as part of other current assets.

2.16 Other income

Interest is recognized on a time proportion basis determined by the amount outstanding and the rate applicable using the effective interest rate (EIR) method. Dividend income and export benefits are recognised in the statement of profit and loss on the date that the Group's right to receive payment is established.

Interest receivable on customer dues is recognised as income in the Statement of Profit and Loss on accrual basis provided there is no uncertainty towards its realization.

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

2.17 Foreign currencies transactions

Transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the end of reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet
- Income and expenses are translated at average exchange rates, and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

2.18 Employee benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short term compensated absences, leave travel allowance etc. are recognized in the period in which the employee renders the related service.

Post-employment benefits

Defined contribution plans

The Group's superannuation scheme, state governed provident fund schemes and employee state insurance scheme are defined contribution plans. The Group has no further payment obligations once the contributions

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have been paid. The contributions are recognised as employee benefit expenses when they are due.

Defined Benefit Plans

The employees' gratuity fund schemes and provident fund scheme managed by a trust and pension scheme are the Group's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes gains/ losses on settlement of a defined plan when the settlement occurs.

The Group pays contribution to a recognized provident fund trusts in respect of above mentioned PF schemes.

Other long term employee benefits

Compensated absences liabilities means, the liabilities for earned leave that are not expected to be settled wholly within twelve months after the end of the reporting period in which the employee 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 the terms of the related obligation. Re-measurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss.

2.19 Income taxes

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or items recognised directly in equity or in OCI.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that were enacted at the reporting date in the country where the Group operates and generates taxable income. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year. The tax effect is calculated on the accumulated timing differences at the end of the accounting period based on prevailing enacted or subsequently enacted regulations.

Deferred tax liabilities are recognized for all timing differences including temporary differences associated with investment in subsidiaries and associates and interest in joint venture. Deferred tax assets are recognized for deductible timing differences only to the extent there is reasonable certainty that sufficient

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future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria are met.

2.20 Share-based payments

Share based compensation benefits are provided to the employees (including senior executives) of the Group under the Group's Employee Stock Option Scheme, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The fair value of the options granted to employees is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.21 Provisions

A Provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

Warranty provisions

A provision for warranty is recognised when the underlying products and services are sold to the customer based on historical warranty data and at its best estimate using expected value method. The initial estimate of warranty-related costs is revised annually.

Provision for decommissioning and site restoration

The Group has a legal obligation for decommissioning of windmills and restoring the site back to its original condition. Decommissioning and restoration costs are measured initially at its best estimate using expected value method. The present value of initial estimates is provided as a liability and corresponding amount is capitalized as a part of the windmill. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liability is disclosed when Group has:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; or

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- present obligation arising from past events, when no reliable estimate is possible; or
- A possible obligation arising from past events where the probability of outflow of resources is not remote.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.

2.22 Leases

Group has adopted Ind AS 116 'Leases' from 1 April 2019. On transition, Group has recognized right-to-use asset equal to lease liability which is the present value of the remaining lease payments, discounted using incremental borrowing rate at the date of initial application i.e. 1 April 2019.

Lease is a contract that provides to the customer (lessee) the right to use an asset for a period of time in exchange for consideration.

- **Group as a Lessee**

A lessee is required to recognised assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognize depreciation of leased assets separately from interest on lease liabilities in the statement of Profit and Loss.

Initial Measurement

Right to use asset

At the commencement date, the Company measures the right-of-use asset at cost.

The cost of the right-of-use asset shall comprise:

- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee; and
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

Subsequent measurement

Right to use assets

Subsequently the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease Liability

Subsequently the Company measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability at the interest rate implicit in the lease, if that rate can be readily determined or the Company's incremental borrowing rate.
- reducing the carrying amount to reflect the lease payments made; and

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- re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments.

Group as a Lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.23 Impairment of non-financial assets

The Group assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

2.24 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group

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determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.25 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets except trade receivables are recognized initially at fair value plus or minus the transaction cost. Trade receivables that do not contain financial component are measured at transaction price in accordance with Ind AS 115. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets are subsequently measured at amortized cost if,

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial asset

Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant

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increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Financial liabilities

Initial recognition and measurement

The Group initially recognizes loans and advances, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortization.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under ‘effective portion of cash flow hedges’. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

For all hedged forecast transactions, the amount accumulated in other equity is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss

2.26 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

- 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 (if any).

2.27 Segment reporting

Operating segments are reporting in a manner consistent with the internal reporting to the chief operating decision maker (CODM).

The board of directors of the company assesses the financial performance and position of the group and makes strategic decisions. The Board of Directors, which are identified as a CODM, consists of chief executive officer, chief financial officer and all other executive directors.

Group operates in single reporting segment of 'Fluid Machinery and Systems'

2.28 Recent accounting pronouncement

The Ministry of Corporate Affairs (MCA) on 31 March 2023, has issued Companies (Indian Accounting Standard) Amendment Rules, 2023 in consultation with the National Financial Reporting Authority (NFRA).

The notification states that these rules shall be applicable from 1 April 2023 and would thus be applicable for the financial year ending 31 March 2024.

The amendments to Ind AS are intended to keep the Ind AS aligned with the amendments made in IFRS.

- **Amendments to Ind AS 1, "Presentation of Financial Statements"**

  Companies should now disclose material accounting policy information rather than their significant accounting policies, together with other information, which is relevant to an understanding of financial statements.

- **Amendments to Ind AS 8, "Accounting policies, Change in Accounting Estimates and Errors"**

  1. Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'
  2. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty
  3. A company develops an accounting estimate to achieve the objective set out by an accounting policy.
  4. Accounting estimates include: a) Selection of a measurement technique (estimation or valuation technique) b) Selecting the inputs to be used when applying the chosen measurement technique.

- **Amendments to Ind AS 12, "Income Taxes"**

  1. Narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations)
  2. Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences
  3. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 3: PROPERTY, PLANT AND EQUIPMENT. GOODWILL AND INTANGIBLE ASSETS

(Amounts in Million ₹)

	Property, plant and equipment										Intangible Assets		
	Land free hold	Land lease hold	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Railway siding	Total	Goodwill	Computer software	Other intangible assets	Total
Gross Block													
As at 1 April 2021	574.915	85.332	2,737.326	7,197.632	734.507	57.844	123.271	1.714	11,512.540	141.200	326.635	206.932	533.567
Additions	11.971	-	243.967	779.608	17.795	14.581	30.085	-	1,098.007		6.863	-	6.863
Disposals /impairment	-	-	-	(73.114)	(2.522)	(1.143)	(5.728)	-	(82.507)	-	(0.043)	-	(0.043)
Exchange difference	(17.103)	(0.022)	11.032	17.187	(1.719)	(0.004)	0.453	-	9.824	(2.043)	(0.409)	0.396	(0.013)
As at 31 March 2022	569.783	85.310	2,992.325	7,921.313	748.060	71.278	148.081	1.714	12,537.864	139.157	333.046	207.328	540.374
Additions	110.124	-	102.437	357.360	24.965	21.167	2.741	-	618.794		28.857	-	28.857
Disposals /impairment	(37.845)	-	(13.764)	(93.013)	(9.806)	(0.726)	(5.546)	-	(160.700)	-	(0.060)	-	(0.060)
Exchange difference	10.268	5.160	20.056	4.357	22.580	0.012	(0.461)	-	61.972	4.367	0.957	12.576	13.533
As at 31 March 2023	**652.330**	**90.470**	**3,101.054**	**8,190.017**	**785.799**	**91.731**	**144.815**	**1.714**	**13,057.930**	**143.524**	**362.800**	**219.904**	**582.704**
Depreciation/ Amortisation													
As at 1 April 2021	-	9.086	845.906	5,600.594	642.094	37.846	90.879	1.714	7,228.119	-	290.682	188.953	479.635
Charge for the year	-	1.544	79.039	435.478	33.876	7.681	8.833	-	566.451		17.512	6.076	23.588
Depreciation on disposal	-	-	-	(75.592)	(7.362)	(1.143)	(5.831)	-	(89.928)		(0.043)	-	(0.043)
Exchange difference	-	2.846	(6.953)	(7.052)	(25.233)	(0.003)	(0.761)	-	(37.157)		(0.063)	(0.052)	(0.115)
As at 31 March 2022	-	13.476	917.992	5,953.428	643.374	44.381	93.120	1.714	7,667.485	-	308.088	194.977	503.065
Charge for the year	-	1.460	83.507	432.359	28.983	10.273	11.108	-	567.690		17.149	6.814	23.963
Depreciation on disposal	-	-	(1.314)	(24.793)	(2.258)	(0.719)	(4.512)	-	(33.596)		(3.665)	-	(3.665)
Exchange difference	-	(2.789)	22.875	(21.598)	42.777	0.012	0.593	-	41.870		0.172	11.482	11.654
As at 31 March 2023	**-**	**12.147**	**1,023.060**	**6,339.396**	**712.876**	**53.947**	**100.309**	**1.714**	**8,243.449**	**-**	**321.744**	**213.273**	**535.017**
Net block													
As at 1 April 2021	574.915	76.246	1,891.420	1,597.038	92.412	19.998	32.392	(0.000)	4,284.421	141.200	35.953	17.979	53.932
As at 31 March 2022	569.783	71.834	2,074.333	1,967.885	104.686	26.897	54.961	(0.000)	4,870.379	139.157	24.958	12.351	37.309
As at 31 March 2023	**652.330**	**78.323**	**2,077.994**	**1,850.621**	**72.923**	**37.784**	**44.506**	**(0.000)**	**4,814.481**	**143.524**	**41.056**	**6.631**	**47.687**

Notes:

a) Plants and machineries acquired out of proceeds of term loan, are pledged as security against the loan.
b) During the year no provision envisaged for impairment loss .
c) Refer note no 29 for estimated amount of contract remaining to be executed on capital account.
d) Company has not revalued any property, plant and equipment during the FY 2022-23 and FY 2021-22
e) All title deeds of immovable properties are held in the name of company
f) Other intangible assets includes sales tax deferral rights, trade marks, patents and licenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 4 : RIGHT TO USE ASSETS

Particulars	Amt
Opeing balance as at 1 April 2021	301.712
Net addition / (deletion)during the year including forex	77.339
Depreciation	(104.998)
Balance as at 31 March 2022	**274.053**
Net addition / (deletion)during the year including forex	125.542
Depreciation	(93.885)
Balance as at 31 March 2023	**305.710**

NOTE 5 : INVESTMENT PROPERTY

Particulars	Amt
Gross Block	
As at 1 April 2021	25.724
Net addition / (deletion)during the year including forex	(22.944)
As at 31 March 2022	**2.780**
Net addition / (deletion)during the year including forex	5.020
As at 31 March 2023	**7.800**
Depreciation and Impairment	
As at 1 April 2021	0.636
Charge for the year	0.106
Depreciation on disposals	-
As at 31 March 2022	**0.742**
Charge for the year	0.106
Depreciation on disposals	-
As at 31 March 2023	**0.848**
Net block	
As at 1 April 2021	25.088
As at 31 March 2022	2.038
As at 31 March 2023	**6.952**

INFORMATION REGARDING INCOME AND EXPENDITURE OF INVESTMENT PROPERTY

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Rental Income derived from investment property	-	-
Less: Direct operating expenses *	-	-
Profit arising from investment properties before depreciation and indirect expenses	-	-
Less - Depreciation	0.106	0.106
Profit/ (loss) arising from investment properties after depreciation and indirect expenses	(0.106)	(0.106)

* Considering the materiality, operating expenses are not apportioned to investment property.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

Fair Value

The group obtains independent valuations for its investment properties. The valuation model considers current prices in active market on reliable estimates of future cash-flows.

The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

Fair value as at 31 March 2023 was ₹ 70.773 (PY - ₹ 65.491 Mn) and there is no significant movement in fair value.

NOTE 6 : FINANCIAL ASSETS: INVESTMENTS

	Particulars	As at 31 March 2023	As at 31 March 2022
I	**Long term investments - at cost**		
	Accounted using equity method		
	(a) Investment in Equity instruments	884.770	796.538
	(b) Capital contribution in partnership firm	-	0.005
		884.770	**796.543**
	Others		
	(c) Investment in other Equity instruments	0.005	0.005
	(d) Investment in long term fixed deposit	20.000	-
		20.005	**0.005**
	Total	**904.775**	**796.548**
II	Current investment	2,267.401	2,534.198
		2,267.401	**2,534.198**

Particulars	As at 31 March 2023	As at 31 March 2022
Aggregate amount of quoted investments	1,437.401	1,584.198
Aggregate amount of unquoted investments	1,734.775	1,746.548

Sr No	Particulars	Face Value	Partly Paid / Fully paid	Extent of holding (%) As at 31 March 2023	Extent of holding (%) As at 31 March 2022	No. of Shares / Units As at 31 March 2023	No. of Shares / Units As at 31 March 2022	Amount As at 31 March 2023	Amount As at 31 March 2022
Non-current investments									
(1)	**Investments at fair value through Other comprehensive income**								
	Kirloskar Proprietary Limited *	INR 100	Fully Paid	-	-	512	512	0.005	0.005
(2)	**Investment accounted using equity method**								
a	Kirloskar Ebara Pumps Limited	INR 10	Fully Paid	45%	45%	225,000	225,000	884.770	796.538
b	KBL Synerge LLP*	N A	N A	50%	50%		-	0.000	0.005
	Total Investments accounted using equity method							**884.770**	**796.543**
(3)	**Investment in long term fixed deposits**						**-**	**20.000**	
	Total non-current Investments							**904.775**	**796.548**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

Sr No	Particulars	Amount	
		As at 31 March 2023	As at 31 March 2022
	Current investments		
(4)	**Investments at amortised cost**		
	Investment in fixed deposit with financial institutions - LIC HFL (Int rate - 5.8%)	830.000	950.000
(5)	**(Investment accounted using fair value through profit and loss)**		
a	Investment in mutual funds	1,437.401	1,584.198
	Total current Investments	**2,267.401**	**2,534.198**

*KBL Synerge LLP a limited liability partnership was formed in year 2017 between Kirloskar Brothers Ltd, Mrs. Sneha Phatak and Synerge Overseas Pte. Ltd. This LLP has been created for a short term project. Following are the details of total capital and share of each partner in it. Currently KBL Synerge LLP is not operative and has filed application of striking off name from registrar of LLP. Company has fully provided for this investment.

Name of Partner	Capital Contributed (₹)	Share in Partnership and profit (%)
Kirloskar Brothers Limited	5,000	50
Synerge Overseas Pte. Ltd	2,600	26
Mrs. Sneha Phatak	2,400	24
Total	**10,000**	**100**

The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

Company has not made any additional investment in it's group companies during the year in FY 22-23 and FY 21-22.

The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

NOTE 7 : FINANCIAL ASSETS: TRADE RECEIVABLES

Particular	**As at 31 March 2023**	As at 31 March 2022
Non-current		
Unsecured, considered good	573.883	390.283
Doubtful	952.843	622.176
	1,526.726	**1,012.459**
Less : Provision for significant increase in credit risk and credit impaired receivables	952.843	622.176
	573.883	**390.283**
Current		
Unsecured, considered good	4,884.702	5,152.087
Doubtful	78.173	80.913
	4,962.875	**5,233.000**
Less : Provision for significant increase in credit risk and credit impaired receivables	**78.173**	**80.913**
	4,884.702	**5,152.087**
Total trade receivables	**5,458.585**	**5,542.370**

Trade receivables are non-interest bearing and are generally on terms of 1 to 90 days.Refer note 44 (A) for ageing and 40 (A) for movement in loss allowance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 8 : FINANCIAL ASSETS: OTHER FINANCIAL ASSETS

	Particulars	As at 31 March 2023	As at 31 March 2022
Non-current			
(a)	**Claims receivable**		
	Unsecured, considered good	15.002	17.648
	Doubtful	12.545	12.545
		27.547	**30.193**
	Less : Provision for significant increase in credit risk and credit impaired claims	12.545	12.545
		15.002	**17.648**
(b)	**Fixed deposits with the original maturity of more than 12 months**	63.257	151.928
(c)	**Interest accrued**	-	0.039
(d)	**Security deposits**		
	Unsecured, considered good	90.280	83.282
	Doubtful	10.884	11.147
		101.164	**94.429**
	Less : Provision for significant increase in credit risk and credit impaired deposits	10.884	11.147
		90.280	**83.282**
		168.539	**252.897**
Current			
(a)	**Claims receivable**		
	Unsecured, considered good	21.728	23.146
(b)	**Interest accrued**	35.720	15.026
(c)	**Security deposits**		
	Unsecured, considered good	833.080	828.715
(d)	**Forward contract asset**	144.160	-
		1,034.688	**866.887**
	Total other financial asset	**1,203.227**	**1,119.784**

NOTE 9 : OTHER ASSETS

	Particulars	As at 31 March 2023	As at 31 March 2022
	Non-current		
(a)	**Advances to supplier of capital goods**	23.934	104.108
(b)	**Advances to supplier and others**		
	Unsecured, considered good	245.674	303.370
	Doubtful	72.190	70.340
		317.864	**373.710**
	Less : Provision for doubtful advances	72.190	70.340
		245.674	**303.370**
(c)	**Prepaid expenses**	7.654	5.431
(d)	**Retention**	288.342	371.489
(e)	**Advance income tax (Net of provision)**	120.466	251.887
(f)	**Claims receivable**	10.851	-
		696.921	**1,036.285**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

	Particulars	As at 31 March 2023	As at 31 March 2022
	Current		
(a)	**Advances to supplier and others**		
	Unsecured, considered good	473.493	288.194
(b)	**Prepaid expenses**	236.482	250.014
(c)	**Gross amount due from customer for project related contract work**	186.843	203.097
(d)	**Retention**	1,452.848	1,239.920
(e)	**Claims receivable**	1,005.684	1,436.334
		3,355.350	**3,417.559**
	Total other assets	**4,052.271**	**4,453.844**

NOTE 10 : INVENTORIES

	Particulars	As at 31 March 2023	As at 31 March 2022
(a)	Raw Materials *	2,628.587	2,119.052
(b)	Work-in-progress	2,416.019	2,237.327
(c)	Finished goods	1,410.231	1,682.800
(d)	Stock-in-trade*	521.866	249.075
(e)	Stores and spares	162.929	146.981
	(Mode of valuation refer note 2.7)		
	Total inventories	**7,139.632**	**6,435.235**

(*) 'Include goods in transit - ₹ 174.07 MN (PY 2021-22 : ₹ 111.876 MN)

Amounts recognised in profit or loss

Write-down of inventories to net realizable value/ any loss due to it's obsolete nature (net of reversal) amounted to ₹43.940 MN (PY 2021-22 ₹ 31.569 MN) was recognised as an expense during the year.

NOTE 11 A : CASH AND CASH EQUIVALENTS

	Particulars	As at 31 March 2023	As at 31 March 2022
(a)	**Balances with bank**		
	In current and EEFC account (Including cheques on hand)	1,288.487	766.166
	Bank deposits	920.847	575.074
(b)	**Cash on hand**	3.513	1.448
	Total cash and cash equivalents	**2,212.847**	**1,342.688**

NOTE 11 B : OTHER BANK BALANCES

	Particulars	As at 31 March 2023	As at 31 March 2022
(a)	**Earmarked balances with bank**		
	Unpaid dividend accounts	12.055	11.600
(b)	**Other deposits**	299.666	283.131
(c)	**Margin money**	4.045	3.370
	Total other balances	**315.766**	**298.101**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 12: EQUITY SHARE CAPITAL

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised		
250,000,000 (250,000,000) equity shares of ₹2/- each (₹2/-) each	500.000	500.000
Issued, subscribed & fully paid up		
79,408,926 (79,408,926) equity shares of ₹2/- each (₹2/-) each	158.818	158.818
Total equity share capital	**158.818**	**158.818**

(a) Terms/ rights attached to equity shares .

The company has only one class of equity shares, having face value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share and has a right to receive dividend as recommended by the board of directors subject to the necessary approval from the shareholders. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

For the year ended 31 March 2023 the board of directors have proposed final dividend of ₹4.5 (2022: ₹3.00) per share subject to shareholders' approval.

(b) Reconciliation of share capital

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
	Number	Amount (Million ₹)	Number	Amount (Million ₹)
Shares outstanding at the beginning of the year	79,408,926	158.818	79,408,926	158.818
Shares Issued during the year under ESOS	-	-	-	-
Shares outstanding at the end of the year	**79,408,926**	**158.818**	**79,408,926**	**158.818**

(c) Details of shareholder holding more than 5% shares

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kirloskar Industries Limited	18,988,038	23.91%	18,988,038	23.91%
Mr. Sanjay Chandrakant Kirloskar *	17,847,465	22.48%	17,847,465	22.48%
Mrs. Pratima Sanjay Kirloskar	13,849,488	17.44%	13,849,488	17.44%
Nippon Life India Trustee Ltd. (A/C Nippon India Small Cap Fund)	4,300,851	5.42%	4,278,923	5.39%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

(d) Details of shares held by promoters

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mr. Sanjay Chandrakant Kirloskar *	17,847,465	22.48%	17,847,465	22.48%
Mr. Rahul Chandrakant Kirloskar	404,501	0.51%	404,501	0.51%
Mr. Atul Chandrakant Kirloskar	398,888	0.50%	398,888	0.50%
Mr. Vikram Shreekant Kirloskar	-	0.00%	70,236	0.09%
Ms. Jyotsna Gautam Kulkarni	441,805	0.56%	441,805	0.00%
Ms. Geetanjali Vikram Kirloskar	2,625	0.00%	-	0.00%

There is no change in shares held by promoters' during the FY 2022-23 and 2021-22, except the transfer of partial shares held by late Mr. Vikram Kirloskar to his wife Ms. Geetanjali Kirloskar. Details of shares held by promoter's group are available on Company's website.

** includes 1,761,919 (PY: 1,761,919), 2% (PY: 2%) shares held in the capacity of a trustee.*

For the period of five years immediately preceding the date as at which the balance sheet is prepared, no shares are

i. allotted as fully paid up pursuant to contracts without payment being received in cash

ii. allotted as fully paid shares by way of bonus shares

iii. bought back.

NOTE 13: OTHER EQUITY

	Particulars	As at 31 March 2023	As at 31 March 2022
(a)	**Capital reserve**	5.237	5.237
(b)	**Capital redemption reserve**	9.237	9.237
(c)	**Securities premium**	414.700	414.700
(d)	**General reserves**	6,334.597	6,334.597
(e)	**Foreign Currency Translation Reserve**		
	Opening balance	290.767	297.878
	Add: Current year transfer	137.043	(7.111)
	Closing balance	**427.810**	**290.767**
(f)	**Retained Earnings**		
	Opening balance	4,560.886	3,826.447
	Add : Net profit for the year	2,349.390	943.357
	Other comprehensive income for the year	(26.594)	29.309
	Balance available for appropriation	**6,883.682**	**4,799.113**
	Less : Appropriations :		
	Final and interim dividend	238.227	238.227
	Sub total	**238.227**	**238.227**
	Closing balance	**6,645.455**	**4,560.886**
(g)	**Effective portion of cash flow hedges**		
	Opening balance	-	-
	Other comprehensive income for the year	**42.927**	-
	Closing balance	**42.927**	-
	Total other equity	**13,879.963**	**11,615.424**

Capital reserve:

The company has recognised profit or loss on purchase, sale, issue or forfeiture/ cancellation of own equity instrument to capital reserve.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

Capital redemption reserve:

The Company has recognised Capital Redemption Reserve on redemption of preference shares from its retained earnings as per the applicable provisions of Companies Act, 1956.

Securities premium :

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium.

General reserve:

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Retained earnings:

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Foreign currency translation reserve

Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and are accumulated in separate reserve within equity. The cumulative amount is reclassified to profit and loss, when the investment is disposed off.

Effective portion of cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'.

NOTE 14 : FINANCIAL LIABILITIES: BORROWINGS

	Particulars	As at 31 March 2023	As at 31 March 2022
	Non-current		
	Secured		
	Term loan from HDFC bank	1,478.214	1,738.870
	(Terms of loans: Term loans are availed by the group from various banks across the world. Loans are repayable over the period of 3 to 10 years and carry interest rates varing from 1% to 10.5%. Loans are secured against fixed assets purchased from proceeds of loan and corporate guarantees given by holding company)		
	Less- Current maturities of non-current borrowings	368.718	375.237
		1,109.496	**1,363.633**
	Current		
	Secured		
	Loans repayable on demand from bank		
(i)	Cash / export credit facilities and working capital demand loans	1,049.660	2,013.089
	(Terms of loans: Loan carries interest @ 2% to 10.5% per annum and secured against the inventory, receivables and mortgage of plant & machinery in some cases)		
	Total secured loan - Current	**1,049.660**	**2,013.089**
	Current maturities of long term loan	**368.718**	**375.237**
	Total current borrowings	**1,418.378**	**2,388.326**
	Total borrowings	**2,527.874**	**3,751.959**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

1. The quarterly returns or statements filed by the Company and it's group companies for working capital limits whenever availed with such banks and financial institutions are in agreement with the books of account of the Company and it's group companies.

2. The group has utilized loans for the specific purpose for which same are availed.

3. The Company or any of it's group company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

4. The Company and it's group companies do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

NOTE 15 : FINANCIAL LIABILITIES: TRADE PAYABLES

	Particulars	As at 31 March 2023	As at 31 March 2022
	Non-current		
(a)	Total outstanding dues of creditors other than micro, small and medium enterprises	80.206	74.851
		80.206	**74.851**
	Current		
(a)	Total outstanding dues of micro, small and medium enterprises (refer note 42)	800.913	683.536
(b)	Total outstanding dues of creditors other than micro, small and medium enterprises	5,376.218	5,226.980
	Total	**6,177.131**	**5,910.516**
	Total trade payables	**6,257.337**	**5,985.367**

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 60-day terms except dues to micro and small enterprises which are settled in 45 days or contractual term whichever is earlier. Refer note 44(b) for ageing.

NOTE 16: OTHER FINANCIAL LIABILITIES

	Particulars	As at 31 March 2023	As at 31 March 2022
	Non-current		
	Other liabilities	13.361	108.448
		13.361	**108.448**
	Current		
(a)	**Investor Education & Protection fund (will be credited as and when due).**		
	Unclaimed dividends	12.055	11.600
(b)	**Others**		
	Trade deposits	143.510	85.177
	Salary and reimbursements	640.607	518.204
	Payables on account of purchases of fixed assets	68.101	20.479
	Provision for expenses and other liabilities	814.843	748.558
		1,667.061	**1,372.418**
		1,679.116	**1,384.018**
	Total other financial liabilities	**1,692.477**	**1,492.466**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

Terms and conditions of the above financial liabilities:

1) Other payables are non-interest bearing.

2) For explanations on the Group's credit risk management processes. (refer note 40)

NOTE 17: PROVISIONS

	Particulars	As at 31 March 2023	As at 31 March 2022
	Non-current		
	Provisions for employee benefits		
(a)	Compensated absences (refer note 38)	150.605	151.435
(b)	Pension scheme (refer note 34)	43.899	38.617
(c)	Gratuity (refer note 34)	24.602	23.561
		219.106	**213.613**
	Other provisions		
(a)	Provision for product warranty (refer note 38)	46.022	36.928
(b)	Provision for decommissioning and restoration costs (refer note 38)	9.621	8.892
		55.643	**45.820**
		274.749	**259.433**
	Current		
	Provisions for employee benefits		
(a)	Compensated absences (refer note 38)	170.348	165.946
(b)	Gratuity and Provident fund (refer note 34)	74.991	47.158
		245.339	**213.104**
	Other provisions (refer note 38)		
(a)	Provision for product warranty	573.009	464.104
(b)	Provision for loss on long term contracts	21.142	62.556
		594.151	**526.660**
		839.490	**739.764**
	Total provisions	**1,114.239**	**999.197**

NOTE 18: OTHER LIABILITIES

	Particulars	As at 31 March 2023	As at 31 March 2022
	Non-current		
	Non-current		
(a)	Gross amount due to customers for project related contract work	165.947	165.624
(b)	Advance from customer	536.639	522.335
		702.586	**687.959**
	Current		
(a)	Gross amount due to customers for project related contract work	1,392.865	1,398.859
(b)	Advances from customer	1,709.229	1,931.786
(c)	Contribution to provident fund and superannuation fund	76.346	132.915
(d)	Statutory dues	168.855	143.994
(e)	Deferred revenue	51.175	89.124
		3,398.470	**3,696.678**
	Total other non-financial liabilities	**4,101.056**	**4,384.637**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 19 : INCOME TAX

(1) The major components of income tax expense for the year ended 31 March 2023 and 31 March 2022 are:

(a) Statement of profit and loss

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current income tax:		
Current income tax charge (Net of MAT credit entitlement)	901.916	423.199
Adjustments in respect of income tax of previous year	-	36.477
Deferred tax:		
Relating to origination and reversal of temporary differences	28.193	79.824
Income tax expense reported in the statement of profit or loss	**930.109**	**539.500**

(b) Statement of other comprehensive income (OCI)

Tax related to items recognised in OCI during in the year:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Related to remeasurement gains and losses		
Income tax charged to OCI	(19.848)	(5.968)
Deferred tax charged to OCI	-	-
	(19.848)	**(5.968)**

(2) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31 March 2023 and 31 March 2022:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Accounting profit before tax	3,180.737	1,354.830
At India's statutory income tax rate of 25.168%/ (25.168%) (a)	800.528	340.984
Adjustments		
Non deductible expenses / accelerated deduction (b) (Including provisions for advances, Interest on TDS, donation, penalties etc.)	(26.997)	(34.060)
Tax impact of above adjustments	(6.795)	(8.572)
Rate difference on opening DTA/ DTL/ different tax rates from holding company	(53.158)	19.540
Tax impact of B/F losses (Tax losses on which DTA is not recognised)	(55.026)	(169.384)
Other items	(14.602)	(3.832)
Earlier year excess / short provision	-	(36.266)
Total (c)	**(129.581)**	**(198.514)**
Tax expenses at effective rate (a-c)	**930.109**	**539.500**
Tax expenses recorded in books	**930.109**	**539.500**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

(3) Movement in deferred tax

(a) Balance sheet

Deferred tax relates to the following: DTL/ (DTA)	As at 31 March 2023	As at 31 March 2022
Property, plant and equipment (Depreciation)	85.591	80.998
Employee benefits	(121.705)	(110.261)
Provision for doubtful debts and advances	(455.569)	(352.142)
Others - (DTA) /DTL (Including deferred tax on undistributed profits of joint venture and carry forwarded losses)	102.917	47.192
	(388.766)	**(334.213)**
MAT credit	(19.236)	(83.537)
	(408.002)	**(417.750)**
Reflected in balance sheet as		
Deferred tax asset	408.002	417.750

(b) Statement of profit and loss

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Property, plant and equipment (Depreciation)	4.593	(3.070)
Employee benefits	(11.444)	4.094
Provision for doubtful debts and advances	(103.427)	(19.848)
Others - (DTA) /DTL (Including deferred tax on undistributed profits of joint venture and carry forwarded losses)	55.726	10.166
	(54.552)	**(8.658)**
MAT Credit utilised and forex difference	82.745	88.482
Deferred tax expense/(income)	**28.193**	**79.824**

(4) Movement in Current tax

(a) Balance sheet

Reflected in balance sheet as	Year ended 31 March 2023	Year ended 31 March 2022
Non- current advance tax	120.466	251.887
Current advance tax	57.342	92.550
Current tax liability	(60.874)	
	116.934	**344.437**

(b) Statement of profit and loss and other comprehensive income

Movement in current tax	Year ended 31 March 2023	Year ended 31 March 2022
Current tax (asset)/ liability as at beginning of year	(344.437)	(389.870)
Add: Additional provision during the year - Statement of Profit and loss account	901.916	459.676
Add: Additional provision during the year - Other comprehensive income	(19.848)	(5.968)
Less: Current tax paid during the year (Net of refund received for previous years)	(654.565)	(408.275)
Non Current tax (asset)/ liability as at end of year	**(116.934)**	**(344.437)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 20: REVENUE FROM OPERATIONS

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
(a)	**Sale of products** (Refer note 30 for the construction contract revenue)	35,986.426	29,083.940
(b)	**Sale of services**	735.080	858.735
		36,721.506	**29,942.675**
(c)	**Other operating revenues** (majorly includes scrap sales and exports benefits)	580.707	633.602
	Total	**37,302.213**	**30,576.277**

NOTE 21: OTHER INCOME

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
(a)	**Interest Income**		
	From customers and others	133.705	39.643
	On income tax and sales tax refund	0.787	0.023
(b)	**Release of deferred income**	20.670	14.369
(c)	**Profit on sale of mutual fund investment**	42.496	32.192
(d)	**Other non-operating income**	75.013	238.099
	Total	**272.671**	**324.326**

NOTE 22: COST OF RAW MATERIALS CONSUMED , CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK -IN- TRADE AND WORK-IN-PROGRESS

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
(A)	**Cost of raw material consumed**	17,811.550	15,164.812
(B)	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	Opening Stock (Refer note 10)		
	Finished goods	1,682.800	1,483.708
	Work-in- progress	2,237.327	2,313.191
	Stock in trade	249.075	359.146
		4,169.202	**4,156.045**
	Closing Stock (Refer note 10)		
	Finished goods	1,410.231	1,682.800
	Work-in- progress	2,416.019	2,237.327
	Stock in trade	521.866	249.075
		4,348.116	**4,169.202**
	Total change in inventories	**(178.914)**	**(13.157)**

NOTE 23: EMPLOYEE BENEFITS EXPENSE

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
(a)	**Salaries, wages and bonus**	5,055.733	4,522.001
(b)	**Defined contribution plans**	251.750	184.165
	Contribution to provident fund, superannuation fund and ESIC		
(c)	**Defined benefit plans**	134.147	146.299
	Gratuity, Provident fund and Pension		
(d)	**Welfare expenses**	210.337	163.061
	Total	**5,651.967**	**5,015.526**

** Includes payment on account of Voluntary Retirement Scheme ₹ nil (PY 2021-22 - ₹5.520 MN).*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 24: FINANCE COSTS

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a)	**Interest expense** (at effective interest rate/ market rate of interest)	231.913	217.300
(b)	**Other borrowing costs** (includes bank guarantee commission, LC charges, loan processing charges)	121.952	117.377
	Total	**353.865**	**334.677**

NOTE 25: DEPRECIATION AND AMORTISATION EXPENSE

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a)	Depreciation on property, plant and equipment and investment property	567.796	566.557
(b)	Amortization of intangible assets	23.963	23.588
(c)	Amortisation of right to use assets (Lease)	93.885	104.998
	Total	**685.644**	**695.143**

NOTE 26: OTHER EXPENSES

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Other Manufacturing Expenses		
Stores and spares consumed	1,385.442	1,078.991
Processing charges	957.565	826.865
Power & fuel	580.909	479.462
Repairs and maintenance		
Plant and machinery	240.795	230.362
Buildings	101.780	100.781
Other	64.017	63.996
Other expenses		
Rent	40.167	30.346
Rates and taxes	103.668	124.466
Travelling and conveyance	344.111	187.140
Communication expenses	94.104	99.592
Insurance	186.269	170.016
Directors' sitting fees	7.578	7.890
Royalties and fees *	70.680	59.659
Freight and forwarding charges	659.358	596.527
Brokerage and commission	184.745	125.935
Advertisements and publicity	214.787	156.147
Provision for product warranty	334.469	358.119
Loss on sale/disposal of fixed assets	13.582	0.730
Provision for doubtful debts, advances and claims	343.077	80.733
Bad debts written off	37.035	88.297
Advances, deposits and claims written off	0.545	8.304
Auditor's remuneration (refer note 31)	45.397	46.679
Professional, consultancy and legal expenses	670.906	599.681
Security services	71.826	65.967

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Computer services	338.857	291.179
Non-executive directors remuneration	14.375	13.550
Stationery & Printing	39.924	39.459
Training course expenses	27.223	20.136
Outside labour charges	453.052	363.581
Foreign exchange difference (net)	198.108	76.836
Corporate social responsibility expenses (refer note 43)	32.177	31.407
Other miscellaneous expenses	257.548	274.579
Total	**8,114.076**	**6,697.412**

**As specified in note given in the Board's Report in respect of legal proceeding pending against KPL, the Company has in the interim, without prejudice to all its rights and contentions, including those in the pending proceedings, in compliance with the order of Hon'ble commercial court, Pune has deposited the claimed royalty amount by way of cheque in safe custody of the Ld. Nazir, District court, Pune from the quarter ended October 2018 onwards until 3rd quarter of 2022-23.*

NOTE 27: OTHER COMPREHENSIVE INCOME

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Items that will not be reclassified to statement of profit and loss		
Remeasurement gains and losses on post employments benefits	(45.960)	22.363
Tax on Remeasurements gains and losses	19.848	5.968
Share in other comprehensive income of joint venture company	(0.801)	1.165
Items that will be reclassified to statement of profit and loss		
Cash flow hedge	42.927	-
Gains/ losses on currency translation for foreign subsidiaries	137.043	(7.111)
Total	**153.057**	**22.385**

NOTE 28 : CONTINGENT LIABILITIES

	Particulars	As at 31 March 2023	As at 31 March 2022
	Other money for which the company is contingently liable for		
i)	Central Excise and Service tax (Matter Subjudice)	1,049.113	1,048.672
ii)	Sales Tax (Matter Subjudice)	212.482	280.723
iii)	Income Tax (Matter Subjudice)	154.407	154.024
iv)	Labour Matters (Matter Subjudice)	45.069	69.001
v)	Other Legal Cases (Matter Subjudice)	547.465	503.080
		2,008.536	**2,055.500**

Group does not expect any reimbursement in respect of the above contingent liabilities. It is not practicable to estimate the timing of cash flow if any with respect to above matters.

NOTE 29 : COMMITMENTS

	Particulars	As at 31 March 2023	As at 31 March 2022
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	551.471	281.000
ii)	Letters of credit outstanding	894.385	521.605
		1,445.856	**802.605**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 30 : ADDITIONAL DISCLOSURES AS REQUIRED BY IND AS 115 'REVENUE FROM CONTRACTS WITH CUSTOMERS'

a) Additional details in relation to contracts satisfied over the period

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
a)	Contract Revenue recognised as revenue for the year	1,219.619	1,357.765
b)	Advances received	1,040.495	1,054.480
c)	Amount of retentions	1,741.190	1,611.409
d)	**Gross amount due from customer**		
	Contract costs incurred	7,765.211	9,216.748
	Recognised Profits less recognised Losses	2,862.222	2,509.231
	Less: Progress Billing	10,364.917	11,447.570
	Less: Provision for gross amount due from customer	75.673	75.312
		186.843	**203.097**
e)	**Gross amount due to customer**		
	Contract costs incurred	27,312.296	26,036.163
	Recognised Profits less recognised Losses	4,680.577	4,888.535
	Less: Progress Billing	33,551.685	32,489.181
		(1,558.812)	**(1,564.483)**

i. Movement in gross amount due from customer and due to customer is due to difference in revenue recognition as compared to progress billings.

b) Reconciliation of revenue from sale of products with the contracted price

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
a)	Contracted price	37,096.651	30,306.658
b)	Less - trade discounts, volume rebates, late delivery charges etc	375.145	363.983
	Total revenue	**36,721.506**	**29,942.675**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening contracted price of orders as at start of the year	54,857.436	55,937.852
Add - Fresh orders/change orders received (net) including exchange rate movement	-	248.555
Less- Orders completed during year	(89.633)	(1,328.971)
Closing contracted price of orders as at the end of the year	**54,767.803**	**54,857.436**
a. Revenue out of orders completed during the year	3.527	41.594
b. Revenue out of orders under execution at the end of the year (I)	1,216.093	1,313.518
Total Revenue recognised during the year	**1,219.619**	**1,355.112**
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	42,286.285	42,330.809
Balance revenue to be recognised in future viz. Order book (III)	11,265.425	11,213.109
Closing contracted price of orders as at the end of the year (I+II+III)	**54,767.803**	**54,857.436**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 31: REMUNERATION TO AUDITORS

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Statutory Auditors :		
a) Audit Fees	31.135	32.564
b) Tax Audit Fees	5.053	0.426
c) VAT/ GST Audit Fees	0.261	2.555
d) Limited review fees	3.289	3.361
e) Certification services	0.235	0.506
f) Other services	0.012	7.072
g) Expenses reimbursed	5.412	0.195
Sub total	**45.397**	**46.679**

NOTE 32 : EARNING PER SHARE (BASIC AND DILUTED)

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
a)	Profit for the year before tax	3,180.737	1,354.830
	Less : Attributable Tax thereto	930.109	539.500
	Add: Share of profit / (loss) in joint venture company	107.032	128.435
		2,357.660	**943.765**
	Less: Attributable to Non-controlling interest	8.270	0.408
	Profit attributable to owners of equity	**2,349.390**	**943.357**
b)	Weighted average number of equity shares used as denominator	79,408,926	79,408,926
c)	Basic earning per share of nominal value of ₹ 2/- each	29.59	11.88

NOTE 33: EXPENDITURE ON RESEARCH & DEVELOPMENT ACTIVITIES

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
a)	Revenue expenditure	258.004	245.359
b)	Capital Expenditure	2.308	0.464
		260.312	**245.823**

NOTE 34 : EMPLOYEE BENEFITS

i. Defined Contribution Plans:

Amount of ₹ 251.750 Mn.(PY 2021-22 ₹ 184.165 Mn) is recognised as an expense towards defined contribution plan and included in Employees benefits expense (Note-23 in the Profit and Loss Statement.)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

ii. Defined Benefit Plans:

a) The amounts recognised in Balance Sheet are as follows: Funded Plan

Particulars		As at 31 March 2023		As at 31 March 2022	
		Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
A.	Amount to be recognised in Balance Sheet				
	Present Value of Defined Benefit Obligation	647.694	1,834.825	546.318	1,586.091
	Less: Fair Value of Plan Assets	545.523	1,868.485	485.812	1,605.918
	Amount to be recognised as liability or (asset)	**102.171**	**(33.660)**	**60.506**	**(19.827)**
B.	Amounts reflected in the Balance Sheet				
	Liabilities	102.171		60.506	
	Assets	-	33.660		19.827
	Net Liability/(Assets)	**102.171**	**(33.660)**	**60.506**	**(19.827)**

b) The amounts recognised in the Profit and Loss Statement are as follows: Funded Plan

Particulars		FY 2022-23		FY 2021-22	
		Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
1	Current Service Cost	43.414	59.660	37.626	48.860
2	Acquisition (gain)/ loss	-	-	-	-
3	Past Service Cost	-	-	-	-
4	Net Interest (income)/expenses	2.197	(7.475)	(0.088)	(2.951)
5	Actuarial Losses/(Gains)	-	-	-	-
6	Curtailment (Gain)/ loss	-	-	-	-
7	Settlement (Gain)/loss	-	-	-	-
8	Others				
	Net periodic benefit cost recognised in the statement of profit & loss- (Employee benefit expenses - Note 23)	**45.611**	**52.185**	**37.538**	**45.909**

c) The amounts recognised in the statement of other comprehensive income (OCI) : Funded Plan

Particulars		FY 2022-23		FY 2021-22	
		Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
1	Opening amount recognised in OCI outside profit and loss account	-	-	-	-
2	Remeasurements for the year - Obligation (Gain)/loss	55.871	87.367	27.205	26.523
3	Remeasurement for the year - Plan assets (Gain) / Loss	(3.244)	(95.774)	(2.067)	(74.100)
4	Total Remeasurements Cost / (Credit) for the year recognised in OCI	52.627	(8.407)	25.140	(47.577)
5	Less: Accumulated balances transferred to retained earnings	52.627	(8.407)	25.140	(47.577)
	Closing balances (remeasurement (gain)/ loss recognised OCI	**-**	**-**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows: Funded Plan

	Particulars	As at 31 March 2023		As at 31 March 2022	
		Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
1	Balance of the present value of Defined benefit Obligation at the beginning year	546.318	1,586.091	495.532	1,490.666
2	Acquisition adjustment	-	-	-	-
3	Transfer in/ (out)	0.751	(10.070)	0.460	-
4	Interest expenses	36.094	107.119	29.998	88.609
5	Past Service Cost	-	-	-	-
6	Current Service Cost	43.414	59.660	37.626	48.860
7	Curtailment Cost / (credit)	-	-	-	-
8	Settlement Cost/ (credit)	-	-	-	-
9	Benefits paid	(34.754)	(111.645)	(44.503)	(168.354)
10	Employee Contribution	-	116.303	-	99.787
11	Remeasurements on obligation - (Gain) / Loss	55.871	87.367	27.205	26.523
	Present value of obligation as at the end of the year	**647.694**	**1,834.825**	**546.318**	**1,586.091**

e) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows: Funded Plan

	Particulars	As at 31 March 2023		As at 31 March 2022	
		Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
1	Fair value of the plan assets as at beginning of the year	485.812	1,605.918	496.951	1,466.401
2	Acquit ion adjustment	(0.283)	-	-	-
3	Transfer in/(out)	0.073	(10.070)	-	-
4	Interest income	33.897	114.594	30.086	91.560
5	Contributions	58.176	173.914	1.213	142.211
6	Benefits paid	(34.755)	(111.645)	(44.504)	(168.354)
7	Mortality Charges and Taxes	(0.611)	-	-	-
8	Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	3.214	95.774	2.066	74.100
	Fair value of plan assets as at the end of the year	**545.523**	**1,868.485**	**485.812**	**1,605.918**

f) Net interest (Income) /expenses: Funded Plan

	Particulars	FY 2022-23		FY 2021-22	
		Gratuity Plan (Funded)	Provident Fund (Funded)	Gratuity Plan (Funded)	Provident Fund (Funded)
1	Interest (Income) / Expense – Obligation	36.094	107.119	29.998	88.609
2	Interest (Income) / Expense – Plan assets	(33.897)	(114.594)	(30.086)	(91.560)
3	Net Interest (Income) / Expense for the year	2.197	(7.475)	(0.088)	(2.951)

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FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

g) The broad categories of plan assets as a percentage of total plan assets of Employee's Gratuity Scheme are as under:

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years.

h) The amounts pertaining to defined benefit plans are as follows: Funded Plan

Particulars	As at 31 March 2023		As at 31 March 2022	
	Gratuity Plan	Provident Fund	Gratuity Plan	Provident Fund
	(Funded)	(Funded)	(Funded)	(Funded)
Defined Benefit Obligation	647.694	1,834.825	546.318	1,586.091
Plan Assets	545.523	1,868.485	485.812	1,605.918
Surplus/(Deficit)	(102.171)	33.660	(60.506)	19.827

i) The amounts recognised in Balance Sheet are as follows: Non Funded Plan

Particulars	As at 31 March 2023		As at 31 March 2022	
	Gratuity Plan	Pension Scheme	Gratuity Plan	Pension Scheme
	(Non Funded)	(Non Funded)	(Non Funded)	(Non Funded)
A. Amount to be recognised in Balance Sheet				
Present Value of Defined Benefit Obligation	31.015	43.899	29.812	38.617
Less: Fair Value of Plan Assets	-	-	-	-
Amount to be recognised as liability or (asset)	31.015	43.899	29.812	38.617
B. Amounts reflected in the Balance Sheet				
Liabilities	31.015	43.899	29.812	38.617
Assets		-		-
Net Liability/(Assets)	**31.015**	**43.899**	**29.812**	**38.617**

j) The amounts recognised in the Profit and Loss Statement are as follows: Non Funded Plan

Particulars	FY 2022-23		FY 2021-22	
	Gratuity Plan	Pension Scheme	Gratuity	Pension Scheme
	(Non Funded)	(Non Funded)	(Non Funded)	(Non Funded)
1 Current Service Cost	1.714	2.280	1.916	2.292
2 Acquisition (gain)/ loss	-	-	-	-
3 Past Service Cost	-	-	-	-
3 Net Interest (income)/expenses	1.914	1.839	1.943	1.719
5 Actuarial Losses/(Gains)	-	-	-	-
6 Curtailment (Gain)/ loss	-	-	-	-
7 Settlement (Gain)/loss	-	-	-	-
8 Others				
Net periodic benefit cost recognised in the statement of profit & loss- (Employee benefit expenses - Note 23)	**3.628**	**4.119**	**3.859**	**4.011**

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(Amounts in Million ₹)

k) **The amounts recognised in the statement of other comprehensive income (OCI) : Non Funded Plan**

	Particulars	FY 2022-23		FY 2021-22	
		Gratuity Plan (Non Funded)	Pension Fund (Non Funded)	Gratuity Plan (Non Funded)	Pension Scheme (Non Funded)
1	Opening amount recognised in OCI outside profit and loss account	-	-	-	-
2	Remeasurements for the year - Obligation (Gain)/loss	1.736	(0.025)	(1.819)	1.894
3	Remeasurement for the year - Plan assets (Gain) / Loss	-	-	-	-
4	Total Remeasurements Cost / (Credit) for the year recognised in OCI	1.736	(0.025)	(1.819)	1.894
5	Less: Accumulated balances transferred to retained earnings	1.736	(0.025)	(1.819)	1.894
	Closing balances (remeasurement (gain)/loss recognised OCI	-	-	-	-

l) **The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows: Non Funded Plan**

	Particulars	As at 31 March 2023		As at 31 March 2022	
		Gratuity Plan (Non Funded)	Pension Scheme (Non Funded)	Gratuity Plan (Non Funded)	Pension Scheme (Non Funded)
1	Balance of the present value of - Defined benefit Obligation as at beginning of the year	29.812	38.617	31.096	36.286
2	Acquisition adjustment	-	-	-	-
3	Transfer in/ (out)	-	-	-	-
4	Interest expenses	1.914	1.839	1.943	1.719
5	Past Service Cost	-	-	-	-
6	Current Service Cost	1.714	2.280	1.916	2.292
7	Curtailment Cost / (credit)	-	-	-	-
8	Settlement Cost/ (credit)	-	-	-	-
9	Benefits paid	(4.161)	(3.442)	(3.324)	(3.249)
10	Remeasurements on obligation - (Gain) / Loss	1.736	(0.025)	(1.819)	4.187
11	Foreign exchange difference	-	4.630	-	(2.618)
	Present value of obligation as at the end of the year	31.015	43.899	29.812	38.617

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(Amounts in Million ₹)

m) Net interest (Income) /expenses Non Funded Plan

Particulars		FY 2022-23		FY 2021-22	
		Gratuity Plan (Non Funded)	Pension Scheme (Non Funded)	Gratuity Plan (Non Funded)	Pension Scheme (Non Funded)
1	Interest (Income) / Expense – Obligation	1.914	1.839	1.943	1.719
2	Interest (Income) / Expense – Plan assets	-	-	-	-
3	Net Interest (Income) / Expense for the year	1.914	1.839	1.943	1.719

n) The amounts pertaining to defined benefit plans are as follows:Non Funded Plan

	As at 31 March 2023		As at 31 March 2022	
	Gratuity Plan (Non Funded)	Pension Scheme (Non Funded)	Gratuity Plan (Non Funded)	Pension Scheme (Non Funded)
Defined Benefit Obligation	31.015	43.899	29.812	38.617
Plan Assets	-	-	-	-
Surplus/(Deficit)	(31.015)	(43.899)	(29.812)	(38.617)

Basis used to determine the overall expected return:

The net interest approach effectively assumes an expected rate of return on plan assets equal to the beginning of the year Discount Rate. Expected return of 6.8 % (PY 2021-22 6.3%) has been used for the valuation purpose.

o) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

1. Discount rate as at 31-03-2023 - 7.40% (PY- 6.80%)
2. Expected return on plan assets as at 31-03-2023- 6.8%(PY- 6.3%)
3. Salary growth rate : For Gratuity Scheme - 10% (PY - 8%). Impact for change in accounting estimate along with other remeasuremnt impact is recognised in other comprehensive income.
4. Attrition rate: For gratuity scheme the attrition rate is taken at 11% (PY - 11%)
5. The estimates of future salary increase considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

p) General descriptions of defined plans:

1 Gratuity Plan:

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

2 Company's Pension Plan:

The company operates a Pension Scheme for specified ex-employees wherein the beneficiaries are entitled to defined monthly pension.

q) The Company expects to fund ₹ 102.171 MN (PY ₹ 52.77 MN) towards its gratuity plan in the year 2023-24.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 35 :RELATED PARTY DISCLOSURES

(A) Names of the related party and nature of relationship where control/ significant influence exists

Sr. No.	Name of the related party	Nature of relationship
1	Karad Projects and Motors Limited	Subsidiary Company
2	The Kolhapur Steel Limited	Subsidiary Company
3	Kirloskar Corrocoat Private Limited	Subsidiary Company
4	Kirloskar Brothers International BV	Subsidiary Company
5	SPP Pumps Limited	Subsidiary of Kirloskar Brothers International B.V.
6	Kirloskar Brothers(Thailand) Limited	Subsidiary of Kirloskar Brothers International B.V.
7	SPP Pumps (MENA) LLC	Subsidiary of Kirloskar Brothers International B.V.
8	Kirloskar Pompen BV	Subsidiary of Kirloskar Brothers International B.V.
9	Micawber 784 Proprietary Limited	Subsidiary of Kirloskar Brothers International B.V.
10	SPP Pumps International Proprietary Limited	Subsidiary of Kirloskar Brothers International B.V.
11	Rotaserve Limited	Subsidiary of Kirloskar Brothers International B.V.
12	SPP France S.A.S	Subsidiary of SPP Pumps Limited
13	SPP Pumps Inc	Subsidiary of SPP Pumps Limited
14	SPP Pumps South Africa Proprietary Limited	Subsidiary of SPP Pumps International Proprietary Limited
15	Braybar Pumps Proprietary Limited	Subsidiary of SPP Pumps International Proprietary Limited
16	Rodelta Pumps International BV	Subsidiary of Kirloskar Brothers International B.V.
17	Rotaserve BV	Subsidiary of Kirloskar Pompen BV
18	SPP Pumps Real Estate LLC	Subsidiary of SPP Pumps Inc
19	SyncroFlo Inc.	Subsidiary of SPP Pumps Inc
20	SPP Pumps (Asia) Ltd	Subsidiary of Kiroskar Brothers (Thailand) Ltd
21	SPP Pumps (Singapore) Ltd	Subsidiary of Kiroskar Brothers (Thailand) Ltd
22	Rotaserve Mozambique	Subsidiary of SPP Pumps International Proprietary Limited
23	KBL synerge LLP	Associate of Kirloskar Brothers Limited
24	Kirloskar Ebara Pumps Limited	Joint venture of Kirloskar Brothers Limited

(B) Names of related parties with whom transactions have been entered into:

Sr. No.	Nature of relationship		Name of the related party
1)	Joint Venture	Kirloskar Ebara Pumps Limited	
2)	Key Management Personnel	Mr. Sanjay Kirloskar	Mr. K.Taranath
		Ms. Rama Kirloskar	Mr. Owen Shelvin
		Mr. Alok Kirloskar	Mr. C.M. Mate
		Mr. Pratap Shirke	Mr. Stephen Apel
		Mr. Rakesh Mohan	Mr. Achyut Dhadphale
		Mrs. Shailaja Kher	Ms. Prabha Kulkarni
		Mr. Pradyumna Vyas	Mr. Akshay Dhar
		Mr. S. Unnikrishnan	Mr. Ravindra Samant
		Mr. Shobinder Duggal	Mr. John Karen
		Mr. Shrinivas Dempo	Mr. Mohammed Hassan
		Ms. Ramni Nirula	Mr. Clive Harper
		Mr. Amitava Mukherjee	Mr. Bob Tichband
		Mr. Vivek Pendharkar	Mr. Remko Dubois

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

Sr. No.	Nature of relationship	Name of the related party	
		Ms. Rekha Sethi	Mr. Ajeet Kulkarni
		Ms. Manjiri Jawadekar	Mr. Suresh Deshpande
		Mr. Ajay Deshpande	Mr.Rudrappa Mahajan
		Mr. Graham Greenwood	Mr. Rakesh Mohan
3)	Relatives of Key Management Personnel	Mrs.Pratima Kirloskar (Wife of Mr. Sanjay Kirloskar)	
4)	Post Employee Benefit Plans	Kirloskar Brothers Ltd Employees Prov. Fund For Engg.Factory	
		Kirloskar Brothers Ltd Staff Members Prov. Fund	
		Kirloskar Brothers Limited,Kirloskarvadi Employee Gratuity Fund	
		Kirloskar Brothers Executive Staff Superannuation fund	
5)	Substantial Interest	Corrocoat Limited, UK	

(C) Disclosure of related parties transactions

Sr No	Nature of transaction/relationship/major parties	Year ended 2022-23		Year ended 2021-22	
		Amount	Amount	Amount	Amount
1	**Purchase of goods**	**102.275**		**33.739**	
	Joint Venture				
	Kirloskar Ebara Pumps Limited		91.025		27.809
	Substantial Interest				
	Corrocoat Limited, UK		11.250		5.930
2	**Sale of goods/contract revenue**	**37.365**		**2.324**	
	Joint Venture				
	Kirloskar Ebara Pumps Limited		37.365		2.324
3	**Rendering Services**	**75.095**		**78.890**	
	Joint Venture				
	Kirloskar Ebara Pumps Limited		75.095		78.890
4	**Receiving Services**	**20.892**		**7.386**	
	Joint Venture				
	Kirloskar Ebara Pumps Limited		15.767		0.869
	Substantial Interest				
	Corrocoat Limited, UK		-		0.112
	Relatives of Key Management Personnel				
	Mrs. Pratima Kirloskar		5.125		6.405
5	**Reimbursement of expenses by KBL**	**-**		**13.178**	
	Joint Venture				
	Kirloskar Ebara Pumps Limited		-		13.178

NOTES TO THE FINANCIAL STATEMENTS

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(Amounts in Million ₹)

Sr No	Nature of transaction/relationship/major parties	Year ended 2022-23		Year ended 2021-22	
		Amount	Amount	Amount	Amount
6	**Dividend received**	**18.000**		**13.500**	
	Joint Venture				
	Kirloskar Ebara Pumps Limited		18.000		13.500
7	**Dividend paid**	**96.949**		**96.504**	
	Key Management Personnel				
	Mr. Sanjay Kirloskar (*)		54.692		54.405
	Mr. Alok Kirloskar		0.319		0.244
	Mr. Pratap Shirke		0.060		0.060
	Ms. Rama Kirloskar		0.300		0.225
	Relatives of Key Management Personnel				
	Mrs. Pratima Kirloskar		41.578		41.571
8	**Remuneration Paid**	**286.505**		**205.474**	
	Key Management Personnel				
	Short Term Employee Benefit				
	Mr. Sanjay Kirloskar		65.027		47.570
	Mr. Ravindra Samant		8.028		7.149
	Ms. Rama Kirloskar		65.484		23.807
	Mr. Alok Kirloskar		32.621		26.795
	Mr. Stefan Apel		17.613		21.465
	Mr. Remko Dubois		28.477		23.910
	Mr. Ajeet Kulkarni		0.851		1.049
	Mr. Owen Shevlin		21.727		18.067
	Mr. Mohammed Hassan		1.480		1.804
	Mr. John Kahren		25.212		21.680
	Mr. Bob Tichband		19.985		12.178
		14.876		**13.109**	
	Key Management Personnel				
	Commission on profits				
	Mr. S Unnikrishnan		1.500		1.300
	Mr. Pratap Shirke		3.500		1.300
	Mr. Kishor Chaukar		-		-
	Mr. Rakesh Mohan		0.500		1.300
	Mr. Rajeev Kher		-		1.083
	Mr. Pradyumna Vyas		0.188		1.300
	Ms. Shailaja Kher		0.188		1.300
	Mr. Shobinder Duggal		1.500		1.192
	Mr. Shrinivas Dempo		1.500		1.192
	Ms. Ramni Nirula		1.500		1.192
	Mr. Amitava Mukherjee		1.500		0.650
	Mr. Vivek Pendharkar		1.500		0.650
	Ms. Rekha Sethi		1.500		0.650
		7.812		**9.031**	
	Key Management Personnel				
	Sitting Fees				
	Mr. Pratap Shirke		0.825		2.353

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(Amounts in Million ₹)

Sr No	Nature of transaction/relationship/major parties	Year ended 2022-23		Year ended 2021-22	
		Amount	Amount	Amount	Amount
	Mr. Alok Kirloskar		0.630		0.480
	Mr. K.Taranath		0.123		0.100
	Mr. Clive Harper		0.020		0.030
	Mr. Chittranjan Mate		0.030		0.030
	Mr. Sanjay Kirloskar		0.060		0.045
	Ms. Rama Kirloskar		-		0.150
	Mr. Rakesh Mohan		0.300		1.200
	Mr. Rajeev Kher		-		0.803
	Mr. S Unnikrishnan		1.125		1.125
	Mr. Achyut Dhadphale		0.118		0.098
	Ms. Prabha Kulkarni		0.025		0.043
	Mr. Pradyumna Vyas		0.075		0.420
	Ms. Shailaja Kher		-		0.503
	Mr. Shobinder Duggal		0.975		0.473
	Mr. Shrinivas Dempo		0.600		0.338
	Ms. Ramni Nirula		0.525		0.405
	Mr. Amitava Mukherjee		0.975		0.135
	Mr. Vivek Pendharkar		0.600		0.150
	Ms. Rekha Sethi		0.600		0.135
	Mr. Akshay Dhar		0.048		0.015
	Mr. Suresh Deshpande		0.030		-
	Ms. Manjiri Jawadekar		0.045		-
	Mr.Rudrappa Mahajan		0.038		-
	Mr. Ajay Deshpande		0.035		-
	Mr. Graham Greenwood		0.010		-
	Post Employment Benefit	**10.932**		**14.947**	
	Mr. Sanjay Kirloskar		3.180		3.180
	Ms. Rama Kirloskar		1.888		4.294
	Mr. Ravindra Samant		1.095		1.120
	Mr. Alok Kirloskar		1.428		2.433
	Mr. Bob Tichband		1.906		1.415
	Mr. Mohammed Hassan		-		-
	Mr. Stefan Apel		-		1.631
	Mr. John Kahren		1.435		0.874
9	**Contribution paid to post Employment benefit plans**	**113.194**		**46.740**	
	Provident Fund		58.558		44.636
	Superannuation Fund		1.860		2.104
	Gratuity Trust		52.776		-
10	**Reimbursement received**	**4.250**		**2.851**	
	Joint Venture				
	Kirloskar Ebara Pumps Limited		4.250		2.851

(*) Includes dividend received in capacity of trustee of ₹ 5.285 Mn. (PY- ₹ 5.285 Mn.)
Purchases and sales reported are net of discounts, returns etc.

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(Amounts in Million ₹)

(D) Amount due to/from related parties

Sr No	Nature of transaction/relationship/major parties	Year ended 2022-23		Year ended 2021-22	
		Amount	Amount for Major parties	Amount	Amount for Major parties
1	**Accounts receivables**				
	Joint Venture	**74.926**		**44.980**	
	Kirloskar Ebara Pumps Limited		74.926		44.980
2	**Accounts payables**	**95.582**		**3.005**	
a	**Joint Venture**				
	Kirloskar Ebara Pumps Limited		94.799		1.315
b	**Substantial Interest**				
	Corrocoat Limited, UK		0.783		1.690
	Key Management Personnel (#)	**114.516**		**56.004**	
	Mr. Sanjay Kirloskar		47.000		32.058
	Mr. S Unnikrishnan		1.500		1.300
	Mr. Pratap Shirke		1.500		1.300
	Mr. Alok Kirloskar		1.500		1.300
	Mr. Kishor Chaukar		-		-
	Mr. Rakesh Mohan		0.500		1.300
	Ms. Rama Kirloskar		53.140		9.540
	Mr. Rajeev Kher		-		1.080
	Mr. Pradymana Vyas		0.188		1.300
	Ms. Shailaja Kher		0.188		1.300
	Mr. K.Taranath		-		-
	Mr. Achyut Dhadphale		-		-
	Mr. Amitava Mukherjee		1.500		0.650
	Ms. Rekha Sethi		1.500		0.650
	Ms.Ramini Niruala		1.500		1.192
	Mr. Shrinivas Dempo		1.500		1.192
	Mr. Shobinder Duggal		1.500		1.192
	Mr. Vivek Pendharkar		1.500		0.650
c	**Relatives of Key Management Personnel**	**-**		**0.870**	
	Mrs Pratima Kirloskar		-		0.870

(#) Commission to Chairman- Managing Director and Non-Executive Directors is approved in board meeting held on 11th May 2023. Payment will be made in the year 2023-24

NOTE 36 : DISCLOSURE PURSUANT TO SCHEDULE V READ WITH REGULATIONS 34(3) AND 53(F) OF THE SEBI(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS,2015 :

A Loans and advances in the nature of loans for working capital requirements :

Name of the Company	Balance as at		Maximum outstanding	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
To Subsidiary Companies				
The Kolhapur Steel Limited	141.142	159.614	159.614	160.414
To Associate				
KBL Synerge LLP	-	-	-	-

** Consists of ₹ 9.610 Mn unsecured loan given under order from Board for Industrial and Financial Reconstructions (BIFR) in 2008-09 without any specific agreed terms for charge of interest and repayment. Balance loan of ₹ 131.532 Mn is with specified terms and conditions.*

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B Loans and advances in the nature of loans to firms/companies in which directors are interested: NIL

C Investment by the loanee (borrower) in the shares of the Company or subsidiary of the Company : NIL

Note:- Loans to employees under various schemes of the company (such as housing loan, furniture loan, education loan etc.) have been considered to be outside the purview of this disclosure requirements.

NOTE 37 : JOINT VENTURE AND JOINTLY CONTROLLED OPERATIONS

a) List of Joint Venture

Sr No	Name of the Joint Venture	Description	Ownership Interest	Country of Incorporation
1	Kirloskar Ebara Pumps Limited	Jointly controlled entity	45%	India

b) Financial Interest in Jointly controlled entities

Sr. No	Name of the Joint Venture	Summarized financial information	As at 31 March 2023	As at 31 March 2022
1	Kirloskar Ebara Pumps Limited	Assets	2,941.938	2,342.219
		Liabilities	975.784	572.133
			FY 2022-23	FY 2021-22
		Income	2,409.472	2,306.693
		Expenses(including tax expenses)	2,171.622	2,021.281
		Profit after tax	237.850	285.412
		Other comprehensive income	(1.781)	2.590
		Total comprehensive income	**236.069**	**288.002**

c) Contingent liabilities , if any , incurred in relation to interest in Joint Ventures: For income tax - Nil (₹ Nil)

d) Capital commitments , if any , in relation to interest in Joint Ventures : ₹ 10.110 Million (₹ 23.627 Million)

e) List of Jointly controlled operations :

Sr No	Name of the Jointly controlled operation	Description	Ownership Interest	Country of Incorporation
1	HCC - KBL *	Jointly controlled operations	N A	India
2	KBL – MCCL	Jointly controlled operations	N A	India
3	KCCPL – IHP – BRC – TAIPPL – KBL JV *	Jointly controlled operations	N A	India
4	IVRCL – KBL JV	Jointly controlled operations	N A	India
5	Maytas – KBL JV	Jointly controlled operations	N A	India
6	Larsen & Toubro – KBL JV	Jointly controlled operations	N A	India
7	KBL-MEIL-KCCPL JV	Jointly controlled operations	N A	India
8	KBL – PLR JV	Jointly controlled operations	N A	India
9	KBL – Koya – VA Tech JV	Jointly controlled operations	N A	India
10	KBL – PIL Consortium	Jointly controlled operations	N A	India
11	Larsen & Toubro – KBL – Maytas JV	Jointly controlled operations	N A	India
12	IVRCL – KBL – MEIL JV	Jointly controlled operations	N A	India
13	Pioneer – Avantica – ZVS – KBL JV	Jointly controlled operations	N A	India
14	AMR – Maytas – KBL – WEG JV *	Jointly controlled operations	N A	India

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Sr No	Name of the Jointly controlled operation	Description	Ownership Interest	Country of Incorporation
15	Indu – Shrinivasa Constructions – KBL – WEG JV	Jointly controlled operations	N A	India
16	MEIL – KBL – IVRCL JV	Jointly controlled operations	N A	India
17	MEIL – Maytas – KBL JV	Jointly controlled operations	N A	India
18	KCCPL – TAIPPL – KBL JV	Jointly controlled operations	N A	India
19	KBL-SPML JV	Jointly controlled operations	N A	India
20	MEIL - KBL JV *	Jointly controlled operations	N A	India
21	MAYTAS – MEIL – KBL JV	Jointly controlled operations	N A	India
22	Gondwana - KBL JV	Jointly controlled operations	N A	India
23	MEIL -PRASAD-KBL CONSORTIUM	Jointly controlled operations	N A	India
24	JCPL - MEIL - KBL CONSORTIUM	Jointly controlled operations	N A	India
25	KBL -PTIL UJV	Jointly controlled operations	N A	India
26	KBL - RATNA - JOINT VENTURE	Jointly controlled operations	N A	India
27	MEIL-KBL-WEG CONSORTIUM	Jointly controlled operations	N A	India
28	MEIL-KBL- (KDWSP) JV	Jointly controlled operations	N A	India
29	KBL and TCIPL JOINT VENTURE	Jointly controlled operations	N A	India
30	ACPL & KBL JV *	Jointly controlled operations	N A	India
31	Kirloskar Brothers Ltd. JV *	Jointly controlled operations	N A	India
32	ITD CEMENTATION INDIA LIMITED JV	Jointly controlled operations	N A	India
33	GSJ - KBL JV	Jointly controlled operations	N A	India
34	JBL-KBL-GSJ JV	Jointly controlled operations	N A	India

** These JVs are operationally and financially closed, however formal dissolution of JV is in progress*

NOTE 38 : DETAILS OF PROVISIONS AND MOVEMENTS IN EACH CLASS OF PROVISIONS

Particulars	Provision for compensated absences	Provision for product warranty	Provision for decommissioning and restoration cost	Provision for loss on long term contracts
Carrying amount as at 1 April 2021	**303.183**	**351.647**	**8.218**	**41.360**
Add: Provision during the year 2021-22 net of reversal of excess provision for earlier years	44.863	363.926	-	30.945
Add: Unwinding of discounts	-	2.580	0.674	-
Less: Amount utilized during the year 2021-22	(30.665)	(209.543)	-	(9.234)
Less: Amount reversed during the year 2021-22	-	(5.806)	-	-
Add: Foreign exchange difference	-	(1.772)	-	(0.515)
Carrying amount as at 31 March 2022	**317.381**	**501.032**	**8.892**	**62.556**
Add: Provision during the year 2022-23 net of reversal of excess provision for earlier years	36.770	352.012	-	(39.890)
Add: Unwinding of discounts	-	4.870	0.729	(4.038)
Less: Amount utilized during the year 2022-23	(33.198)	(226.151)	-	(0.004)
Less: Amount reversed during the year 2022-23	-	(17.757)	-	-
Add: Foreign exchange difference		5.025	-	2.518
Carrying amount as at 31 March 2023	**320.953**	**619.031**	**9.621**	**21.142**
Non-current provision	**150.605**	**46.022**	**9.621**	**-**
Current provision	**170.348**	**573.009**	**-**	**21.142**

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Compensated absences

The cost of the leave encashment and the present value of the leave encashment obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates.

Provision for warranty

Provision for warranty is made for estimated warranty claims in respect of products sold, which are under warranty at the end of the reporting period. These claims are expected to be settled in the next 18 months. Management records the provision based on the historical warranty claims information and any recent trends that may suggest future claims which could differ from historical amount.

Provision for decommissioning and restoration cost

A provision has been recognised for decommissioning and restoration costs associated with windmills on lease hold land. The Company is committed to restore the site at the end of useful life of windmills.

Provision for long term contract

A provision is made for the expected loss of the projects, where the estimated cost is more than the estimated revenue. Changes in estimated cost and estimated revenue are assessed by the management at the end of reporting period based on the price variation received/ given, change in the scope of project and revision of estimates regarding date of completion, expected costs to be incurred, changes in external circumstances such as applicable tax rates etc.

NOTE 39 : FAIR VALUE MEASUREMENTS

As per assessments made by the management fair values of all financial instruments carried at amortised costs (except as specified below) are not materially different from their carrying amounts since they are either short term nature or the interest rates applicable are equal to the current market rate of interest.

The Company has not performed a fair valuation of its investment in unquoted ordinary shares which are classified as FVOCI (refer Note 5), as the Company believes that impact of change on account of fair value is insignificant.

Sr. No	Particulars	Carrying value	
		As at 31 March 2023	As at 31 March 2022
	Levelled at Level 1		
(a)	**Carried at fair value through Profit and loss (FVTPL)**		
	Investment in Mutual funds	1,437.401	1,584.198
	Levelled at Level 2		
(b)	**Carried at amortised cost**		
	Investment in fixed deposits with financial institution	850.000	950.000
	Trade receivable	5,458.585	5,542.370
	Other financial assets	1,203.227	1,119.784
	Cash and cash equivalent	2,212.847	1,342.688
	Other bank balances	315.766	298.101
	Levelled at Level 3		
(c)	Investments in unquoted equity shares (FVOCI)	0.005	0.005
	Financial Liabilities		
(a)	**Carried at amortised cost**		
	Non-current borrowings	1,109.496	1,363.633
	Current borrowings	1,418.378	2,388.326
	Trade payable	6,257.337	5,985.367
	Lease liability	331.243	209.309
	Other financial liabilities	1,692.477	1,492.466

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NOTE 40: FINANCIAL RISK MANAGEMENT POLICY AND OBJECTIVES

‘Group’s principal financial liabilities, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance Group’s operations and to provide guarantees to support its operations. Group’s principal financial assets include trade and other receivables, security deposits and cash and cash equivalents, that derive directly from its operations.

In order to minimize any adverse effects on the financial performance of the Group, it has taken various measures. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and impact of the same in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost, corporate guarantees issued to group companies	Ageing analysis, External credit rating (wherever available)	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk- Interest rate risk	Long term borrowings at variable rate	Sensitivity Analysis	Mixed portfolio of fixed and variable interest rate loans
Market risk -Foreign Currency Risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity Analysis	Management follows established risk management policies, including use of derivatives like foreign exchange forward contracts, where the economic conditions match the Group's policy.

‘The Group’s risk management is carried out by management, under policies approved by the board of directors. Group’s treasury identifies, evaluates and hedges financial risks in close cooperation with the Group’s operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, and investment of excess liquidity.

(A) Credit Risk

‘Credit risk in case of the Group arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit risk management

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

(i) Actual or expected significant adverse changes in business,

(ii) Actual or expected significant changes in the operating results of the counterparty,

(iii) Financial or economic conditions that are expected to cause a significant change to counterparty’s ability to meet its obligations,

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(iv) Significant increases in credit risk on other financial instruments of the same counterparty,

(v) Significant changes in the value of collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

The Group provides for expected credit loss in case of trade receivables, claims receivable and security deposits when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Group etc.

For the security deposits and claims receivable, provision for expected loss is made considering 12 months expected credit loss. Provision for lifetime credit loss is made if there is significant increase in credit risk for such financial assets.

In respect of trade receivable, Group uses the simplified approach for the provision for expected loss. The lifetime expected loss provision is recognised based on the provision matrix as decided by the management, based on the historical experience of recoverability. The Group categorizes a receivable for provision for doubtful debts/write off when a debtor fails to make contractual payments greater than 1 year past due in case product business and 4 years past due in case of project business. In addition to this Group also provides the expected loss based on the overdue number of days for receivables as per the provision matrix. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Provision for expected credit loss

Financial assets for which loss allowance is measured using Expected Credit Losses (ECL) model as per Ind AS 109,

Exposure to Risk	**As at 31 March 2023**	As at 31 March 2022
Trade Receivables	6,489.600	6,245.459
Less : Expected Loss	1,031.015	703.089
	5,458.585	**5,542.370**
Security Deposits	934.244	923.145
Less : Expected Loss	10.884	11.147
	923.360	**911.998**
Claims Receivable	49.275	53.339
Less : Expected Loss	12.545	12.545
	36.730	**40.794**

Trade receivable ageing used in the provision matrix for life time expected credit loss is as -

	As at 31 March 2023	As at 31 March 2022
Trade Receivables		
Neither past due nor impaired	2,831.110	2,270.046
Past due but not impaired		
Less than 180 days	1,078.459	1,725.966
181 - 365 days	377.791	380.054
More than 365 days	1,171.225	1,166.304
Total	**5,458.585**	**5,542.370**

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(Amounts in Million ₹)

Reconciliation of loss provision

	Trade receivables	Others
Loss allowance as at 1 April 2021	768.642	30.818
Changes in loss allowance	(65.553)	(7.126)
Loss allowance as at 31 March 2022	703.089	23.692
Changes in loss allowance	327.926	(0.263)
Loss allowance as at 31 March 2023	**1,031.015**	**23.429**

** Movement in loss allowance is primarily on account of additional ECL provision based on ageing.*

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash 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 businesses, Group maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is carried out in accordance with practice and limits set by the group. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Exposure to Risk	**As at 31 March 2023**	As at 31 March 2022
Interest bearing borrowings		
On demand	1,065.734	1,012.705
Less than 180 days	418.131	1,380.327
181 - 365 days	0.587	4.910
More than 365 days	1,043.422	1,354.017
Total	**2,527.874**	**3,751.959**
Other financial liabilities		
On demand	153.981	95.258
Less than 180 days	1,504.135	1,280.914
181 - 365 days	7.486	2.161
More than 365 days	26.875	114.133
Total	**1,692.477**	**1,492.466**
Lease liability		
On demand	-	-
Less than 180 days	91.368	83.195
181 - 365 days	91.368	83.194
More than 365 days	148.506	42.920
Total	**331.243**	**209.309**
Trade & other payables		
On demand / Not due	2,837.032	2,337.546
Less than 180 days	1,588.996	1,243.145
181 - 365 days	516.648	1,083.301
More than 365 days	1,314.661	1,321.375
Total	**6,257.337**	**5,985.367**

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The Group has access to following undrawn facilities at the end of the reporting year (Interest rates 2.0% - 10.5%)

Exposure to Risk	As at 31 March 2023	As at 31 March 2022
Expiring within one year	2,249.109	1,346.710
Expiring beyond one year	-	-

C) Market risk - Interest rate risk

The company's exposure to the risk of changes in market interest rates relates to borrowings with floating interest rates. To manage the risk, company has created balance portfolio of fixed and variable interest rate borrowings.

Change of 0.5%, in the base rates will have effect of INR 12.639 MN on the company's profitability.

(D) Foreign Currency Risk

The group is exposed to foreign exchange risk mainly through its sales to overseas customers and purchases from overseas suppliers in various foreign currencies.

The group evaluates exchange rate exposure arising from foreign currency transactions and the group follows established risk management policies, including use of natural hedge between receivables and payables, use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk, where the economic conditions match the group's policy.

Foreign currency exposure :

Financial Assets	Currency	Amount in Foreign Currency (MN)		Amount in INR (MN)	
		As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Trade Receivables	EUR	0.228	1.144	20.289	96.192
	GBP	0.286	0.139	29.002	13.848
	USD	11.984	12.365	984.717	937.107
	AED	0.145	-	-	-
	SGD	-	0.003	-	0.148
Bank Accounts	EGP	0.841	0.358	2.243	1.482
	EUR	0.364	0.051	32.450	4.325
	GBP	0.843	0.514	85.502	51.089
	USD	2.987	1.729	245.456	131.069
	XOF	0.014	0.144	0.002	0.025
	SGD	-	0.014	-	0.766
	AED	0.083	0.019	1.841	0.377
	IDR	-	142.567	-	0.755
	CZK	-	0.719	-	2.481
Other Deposits	EGP	0.083	-	-	-
	USD	0.003	0.003	0.222	0.205
Amount Due from Employees	EUR	0.003	-	0.276	-
	GBP	0.011	0.005	1.124	0.523
	THB	0.002	-	0.005	-
	USD	0.011	0.002	0.888	0.174

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Financial Liabilities	Currency	Amount in Foreign Currency (MN)		Amount in INR (MN)	
		As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Trade Payables	EGP	0.731	0.731	1.949	3.025
	EUR	0.896	1.356	79.815	114.053
	GBP	7.054	0.065	715.051	6.481
	USD	4.192	4.660	344.498	353.175
	VND	15,649.974	15,649.974	45.385	51.645
	XOF	150.041	149.962	20.436	25.494
	SGD	0.004	0.003	0.217	0.140
	IDR	-	11.435	-	0.061
	AED	9.083	0.176	202.208	3.437
Amount Due to Employees	EUR	0.003	-	0.262	-
	USD	0.002	(0.002)	0.187	(0.155)

Currency wise net exposure (assets - liabilities)

Particulars	Amount in Foreign Currency (MN)		Amount in INR (MN)	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
EGP	0.193	(0.373)	0.294	(1.543)
EUR	(0.304)	(0.161)	(27.062)	(13.537)
GBP	(5.913)	0.593	(599.423)	58.979
USD	10.789	9.438	886.599	715.330
VND	(15,649.974)	(15,649.974)	(45.385)	(51.645)
XOF	(150.027)	(149.818)	(20.434)	(25.469)
SGD	(0.004)	0.014	(0.217)	0.774
CNY	-	(11.435)	-	(0.061)
CZK	-	0.719	-	2.481
AED	(8.854)	(0.157)	(200.367)	(3.059)
THB	0.002	-	0.005	-
IDR	-	142.567	-	0.755
Total			**(5.991)**	**683.005**

Sensitivity Analysis

Currency	Amount in INR (MN)		Sensitivity % (2022-23)	Sensitivity % (2021-22)
	As at 31 March 2023	As at 31 March 2022		
EGP	0.294	(1.543)	4.25%	3.54%
EUR	(27.062)	(13.537)	2.12%	4.19%
GBP	(599.423)	58.979	2.08%	4.33%
USD	886.599	715.330	4.89%	3.25%
VND	(45.385)	(51.645)	0.49%	3.01%
XOF	(20.434)	(25.469)	3.44%	7.96%
SGD	(0.217)	0.774	4.58%	3.84%
CZK	-	2.481	-	6.69%
AED	(200.367)	(3.059)	2.25%	2.18%
THB	0.005	-	2.91%	-
IDR	-	0.755	-	1.69%
Total	**(5.991)**	**683.005**		

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Particulars	Impact on profit (strengthen)		Impact on profit (weakening)	
	2022-23	2021-22	**2022-23**	2021-22
EGP	(0.012)	0.055	0.012	(0.055)
EUR	0.574	0.568	(0.574)	(0.568)
GBP	12.468	(2.556)	(12.468)	2.556
USD	(43.355)	(23.232)	43.355	23.232
JPY	-	-	-	-
VND	0.222	1.553	(0.222)	(1.553)
XOF	0.703	2.027	(0.703)	(2.027)
SGD	0.010	(0.030)	(0.010)	0.030
CZK	-	(0.166)	-	0.166
AED	4.508	0.067	(4.508)	(0.067)
THB	(0.000)	-	-	-
IDR	-	(0.013)	-	0.013
Total	**(24.882)**	**(21.728)**	**24.882**	**21.728**

** Sensitivity % are derived based on variation in the exchange rates over the period of last 5 years.*

(EGP- Egyptian Pound, EUR- Euro, GBP - Great Britain Pound, USD - US Dollar, JPY - Japanese Yen VND- Vietnamese Dong, SGD- Singapore Dollar, , AED-Arab emirates Dirham, XOF- CFA Franc, IDR- Indonesian rupiah, MYR- Malaysian Ringgit, CZK - Czech Koruna)

NOTE 41: CAPITAL MANAGEMENT

a) Risk management

The group's objectives when managing capital are to

- safeguard it's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, change debt mix. Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents and investment in mutual funds) divided by Total 'equity' (including non-controlling interest) plus net debt.

The group's strategy is to maintain a gearing ratio within 30%. The gearing ratios were as follows:

Particulars	**As at 31 March 2023**	As at 31 March 2022
Loans and borrowings (Including current maturities of long term debt)	2,527.874	3,751.959
Less: Cash and cash equivalents (Including other bank balances)	2,528.613	1,640.790
Less: Investment in mutual funds	**2,267.401**	**2,534.198**
Net debt	**(2,268.140)**	**(423.029)**

Gearing ratio is not applicable as net debt of group is negative.

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b) Dividend

Particulars	As at 31 March 2023	As at 31 March 2022
Equity Shares		
(i) Interim dividend for the year	-	
(ii) Dividends not recognised at the end of the reporting year	357.340	238.227
(iii) Dividends not recognised at the end of the reporting year payable to non-controlling interest	-	-

Since year end the directors have recommended the payment of a final dividend of INR 4.5 per fully paid equity share (31 March 2022 - INR 3 per fully paid equity share). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

NOTE 42: DISCLOSURE IN RESPECT OF MICRO, SMALL AND MEDIUM ENTERPRISES

Group has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2023. The disclosure pursuant to the said Act is as under:

Particulars	Year ended 31 March 2023	Year ended 31 March 2023
Total outstanding amount in respect of Micro, small and medium enterprises	800.913	683.536
Other disclosures in respect of micro and small enterprises		
Principal amount due and remaining unpaid	40.010	4.822
Interest due on above and unpaid interest	1.070	0.103
Interest paid	-	-
Payment made beyond appointment day	392.490	426.961
Interest due and payable for the period of delay	2.936	4.933
Interest accrued and remaining unpaid (excluding interest accured for earlier years)	3.114	5.036
Amount of further interest remaining due and payable in succeeding years	2.939	5.087

The identification of suppliers as micro, small and medium enterprise as defined under the Micro, Small and Medium Enterprises Development Act 2006, was done on the basis of information to the extent provided by the suppliers of group.

Delay in payment is mainly on account of quality issues of vendors.

NOTE 43 : CORPORATE SOCIAL RESPONSIBILITY EXPENDITURES

(a) Amount required to be spent by the group during the current year is ₹ 29.943 MN (₹ 30.935 MN)

(b) Amount spent by the group during the current year is ₹ 32.177 Million (₹ 31.407 Million)

The group as per its policy on Corporate Social Responsibility (CSR) and recommendation and approval of the CSR committee has contributed ₹ 6.5 Million towards education through its implementing agency Vikas Charitable Trust in the current financial year,

₹ 12.47 Mn on Skill Development Programme, ₹ 3.11 Mn on village bus project, ₹ 7.5 Mn towards Education, Health through Srinivasan services Trust and balance amount on various projects for students and society at large (including WASH activity for students, bio-diversity restoration project, donation to village Grampanchyats etc) The company has not spent any amount towards construction or acquisition of asset.

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(Amounts in Million ₹)

NOTE 44 A : TRADE RECEIVABLES AGEING

Trade receivables as at 31 March 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivable							
Considered good	2,830.641	1,077.874	355.437	511.558	137.958	526.578	5,440.046
Which have significant increase in credit risk	-	0.383	22.337	118.519	78.540	595.257	815.036
Credit impaired	-	0.202	0.013	2.016	2.030	69.587	73.848
Total undisputed trade receivables (a)	**2,830.641**	**1,078.459**	**377.787**	**632.093**	**218.528**	**1,191.422**	**6,328.930**
Disputed trade receivables							
Considered good	0.469	-	-	0.417	-	17.648	18.534
Which have significant increase in credit risk	-	-	0.004	37.597	35.976	57.961	131.538
Credit impaired	-	-	-	-	-	10.598	10.598
Total Disputed trade receivables (b)	**0.469**	**-**	**0.004**	**38.014**	**35.976**	**86.207**	**160.670**
Total trade receivables (a+b)	**2,831.110**	**1,078.459**	**377.791**	**670.107**	**254.504**	**1,277.629**	**6,489.600**
Provision for increase in significant risk and credit impaired							**1,031.015**
Net trade receivables							**5,458.585**

Trade receivables as at 31 March 2022

Particulars	**Not due**	**Outstanding for following periods from due date of payment**					**Total**
		Less than 6 months	**6 months to 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
Undisputed trade receivable							
Considered good	2,270.046	1,725.943	360.424	323.138	306.787	511.989	5,498.327
Which have significant increase in credit risk	-	-	13.860	32.170	98.460	460.491	604.981
Credit impaired	-	0.023	0.000	1.751	1.742	22.965	26.481
Total undisputed trade receivables (a)	**2,270.046**	**1,725.966**	**374.284**	**357.059**	**406.989**	**995.445**	**6,129.789**
Disputed trade receivables							
Considered good	-	-	5.770	0.410	-	37.860	44.040
Which have significant increase in credit risk	-	-	-	-	23.150	39.020	62.170
Credit impaired	-	-	-	-	-	9.460	9.460
Total Disputed trade receivables (b)	**-**	**-**	**5.770**	**0.410**	**23.150**	**86.340**	**115.670**
Total trade receivables (a+b)	**2,270.046**	**1,725.966**	**380.054**	**357.469**	**430.139**	**1,081.785**	**6,245.459**
Provision for increase in significant risk and credit impaired							**703.089**
Net trade receivables							**5,542.370**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 44 B : TRADE PAYABLES AGEING

Particulars	Year	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
1 . MSME - Non disputed	**2023**	**698.768**	**61.932**	**12.111**	**1.238**	**8.986**	**17.880**	**800.915**
	2022	645.127	20.878	17.531	-	-	-	683.536
2. MSME - disputed	**2023**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2022	-	-	-	-	-	-	-
3 . Others - Non disputed	**2023**	**2,120.830**	**1,527.064**	**504.537**	**505.557**	**35.473**	**729.684**	**5,423.145**
	2022	1,664.354	1,222.267	1,065.770	323.660	144.389	840.939	5,261.379
4 . Others - disputed	**2023**	**17.435**	**-**	**-**	**-**	**-**	**15.844**	**33.279**
	2022	28.066	-	-	-	-	12.386	40.452

'Unearned revenue i.e. gross amount due to customer is not considered in above table being in nature of non-financial liability and disclosed in note 18.

NOTE 44 C : CAPITAL WORK- IN- PROGRESS AND INTANGIBLES UNDER DEVELOPMENT

Particulars	Year	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	**2023**	**453.033**	**326.997**	**7.858**	**28.750**	**816.638**
	2022	221.527	26.187	17.143	0.617	265.474
Projects temporarily suspended	**2023**	**-**	**-**	**3.078**	**-**	**3.078**
	2022	-	1.785	-	-	1.785

Following projects which were expected to be completed by March 23, got delayed and now expected to get completed as per following table.

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Manufacturing plant expansion and Augmentation of existing plant and machinery	145.593	-	-	-	145.593

NOTE 45: SEGMENT REPORTING

Group operates in single reporting segment of 'Fluid Machinery and Systems' Group is not having single major customer having transactions more than 10% of total revenue of group.

		Within India		Outside India		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
a)	Segment Revenue Geographic Segment by location of customer	24,940.143	21,236.586	12,362.070	9,339.691	37,302.213	30,576.277
b)	Carrying Amount of non-current assets other than deferred tax asset and financial assets	5,597.609	5,341.261	1,237.382	1,285.220	6,834.991	6,626.481

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 46: DISCLOSURE IN RESPECT OF IND AS 116, 'LEASES'

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening right-to-use asset	274.053	301.712
Net addition during the year including forex difference	125.542	77.339
Depreciation charged during the year	(93.885)	(104.998)
Closing right-to-use asset	**305.710**	**274.053**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening lease liability	209.309	305.097
Net addition / (deletion) during the year including forex	208.819	(7.103)
Finance cost	15.334	12.521
Lease payments	(102.219)	(101.206)
Closing lease liability	331.243	209.309
Non-Current	**148.506**	**42.920**
Current	**182.737**	**166.389**

Contractual maturities of lease payments

Particulars	As at 31 March 2023	As at 31 March 2022
Less than one year	172.842	75.800
Between 1-2 years	67.889	52.362
More than 2 years	95.625	99.877

1. Short term leases and leases for low value assets are continued to be accounted for as rent expenses.

2. Total cash outflow for lease arrangements during the year is ₹ 142.386 Mn (PY -₹ 131.552 Mn)

3. Group has not entered into any sublease arrangements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 47: ADDITIONAL INFORMATION REGARDING SUBSIDIARIES AS PER SCHEDULE III OF THE COMPANIES ACT, 2013

(Amounts in Million ₹)

Name of the Entity in the Group	As at 31 March 2023		Year ended 31 March 2023					
	Net Assets (Total Assets - Total Liabilities)		Share in Profits or Loss		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated P&L	Amount	As % of consolidated OCI	Amount	As % of consolidated Total comprehensive income	Amount
Parent								
Kirloskar Brothers Limited (including effect of consolidation, elimination and other adjustment)	91.310%	12,849.822	66.388%	1,565.203	73.407%	112.355	66.816%	1,677.558
Subsidiaries								
Indian								
1. Karad Projects and Motors Pvt Ltd	6.017%	846.708	17.193%	405.357	0.508%	0.777	16.176%	406.134
2. The Kolhapur Steel Limited	(4.181%)	(588.434)	(10.074%)	(237.517)	(0.457%)	(0.700)	(9.488%)	(238.217)
3. Kirloskar Corrocoat Private Limited	(0.203%)	(28.602)	0.665%	15.678	(6.384%)	(9.771)	0.235%	5.906
Foreign								
1. Kirloskar Brothers International B V (Consolidated)	0.578%	81.285	20.938%	493.637	28.047%	42.927	21.371%	536.564
Non-controlling interest in all Subsidiaries Associates (Investment as per equity method)								
Indian	0.242%	34.038	0.351%	8.270	5.403%	8.270	0.659%	16.541
Foreign	0.000%	0.000	0.000%	0.000	0.000%	0.000	0.000%	0.000
Joint Ventures(investment as per the equity method)								
Indian								
Kirloskar Ebara Pumps Limited	6.239%	878.001	4.540%	107.032	(0.523%)	(0.801)	4.231%	106.231
TOTAL	**100.000%**	**14072.818**	**100.000%**	**2357.660**	**100.000%**	**153.057**	**100.000%**	**2510.717**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

(Amounts in Million ₹)

NOTE 48: OTHERS

1. The group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

2. The group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

3. No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

4. Company and its subsidiaries in India have not entered any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956

5. 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(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary (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

6. The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) 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 (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

7. Kirloskar Industries Limited along with Mr. Atul Kirloskar and Mr. Rahul Kirloskar ('the requisionists'), collectively holding more than one-tenth of the paid-up share capital of the Company had requisitioned for an extra-ordinary general meeting ('EGM') of the shareholders of the Company for appointment of an independent and reputed external entity as an independent forensic auditor for conducting a forensic audit to investigate and i) verify the expenses incurred by the Company on legal, professional and consultancy charges over the past 6 (six) years, and the affairs of the Company ii) verify all records, books of accounts, minute books, other documents of company and iii) examine the conduct of Board of Directors of company including independent directors. Accordingly, Notice dated 16th November 2022 for convening EGM along with statement setting out material facts was sent to the shareholders of the Company and the EGM was conducted on 8th December 2022 by the Company. As per the voting results of the said EGM, the resolution as proposed by the requisitionists was defeated since it was not passed by a the majority of the votes of the shareholders, present/participating and voting.

8. Statutory auditors of one of the subsidiaries i.e. TKSL have stated in 'Emphasis of Matter paragraph' of the audit report, that they have considered TKSL as going concern inspite of negative net worth, based on support provided by parent company.

9. Previous year's figure have been regrouped, wherever required.

For and on behalf of the Board of Directors

Sanjay Kirloskar
Chairman and Managing Director
DIN: 00007885

Rama Kirloskar
Joint Managing Director
DIN: 07474724

Chittaranjan Mate
Chief Financial Officer
Pune : 11 May 2023

Devang Trivedi
Company Secretary
Pune : 11 May 2023

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ABBREVIATIONS

3D	3 Dimensional
3Rs	Reduce, Reuse & Recycle
AI	Artificial Intelligence
AIMA	All India Management Association
AMC	Annual Maintenance Contract
ANSI	American National Standards Institute
API	American Petroleum Institute
APOEM	Authorised Pump-set Original Equipment Manufacturer
AR	Augmented Reality
ARC	Authorised Refurbishment Centre
ASTM	American Society for Testing and Materials
ATDP	Advanced Technology Product Division
ATEX	ATmosphere EXplosible
AVP	Associate Vice President
B2B	Business-to-Business
B2C	Business-to-Consumer
BEE	Bureau of Energy Efficiency
BIS	Bureau of Indian Standards
BPCL	Bharat Petroleum Corporation Limited
BoD	Board of Directors
BRSR	Business Responsibility and Sustainability Report
BSE	Bombay Stock Exchange Limited
BN	Billion
CAPEX	Capital Expenditure
CBA	Collective Bargaining Agreement
CBIP	Central Board of Irrigation & Power
C-DoT	Centre for Development of Telematics
CE	Conformist Européenne
CED	Cathodic Electro Deposition
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CII	Confederation of Indian Industry
CHRM&C	Corporate Human Resource Management and Communication
CMD	Chairman and Managing Director
CMERI	Central Mechanical Engineering Research Institute
CMO	Chief Marketing Officer
CNC	Computerised Numerical Control
CO	Carbon Monoxide
CPS	Customer Perception Survey
COD	Central Ordinance Depot
CPCB	Central Pollution Control Board
CRISIL	Credit Rating Information Services of India Limited
CRM	Complaint Relationship Management
CSR	Corporate Social Responsibility
CWPRS	Central Water and Power Research Station
CY	Calendar Year
DEI	Diversity, Equity, and Inclusion
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EES	Employee Engagement Survey
EHS	Environment, Health, and Safety
ENCON	Energy Conservation
EPC	Engineering, Procurement and Construction
EPS	Earnings Per Share
EPR	Extended Producer Responsibility
ESD	Engineering Services Division
ERM	Enterprise Risk Management
ESG	Environmental Social and Governance
EU	European Union
ESIC	Employees State Insurance Corporation
ETP	Effluent Treatment Plant
FEMA	Foreign Exchange Management Act, 1999
FFT	Fast Fourier Transform
FGD	Flue Gas Desulphurisation
FICCI	Federation of Indian Chambers of Commerce and Industry
FIEO	Federation of Indian Export Organisations
FM/UL	Factory Mutual (FM) and/or Underwriting Laboratories (UL)
FY	Financial Year
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation
GHG	Green House Gas
GI	Galvanised Iron
GJ	Giga Joule
GOI	Government of India
GPM	Gallons Per Minute
GRI	Global Reporting Initiative
GTM	Go To Market

HANA	High-performance Analytic Appliance
HDPE	High Density Polyethylene
HEG	Hindustan Electro–Graphites
HI	Hydraulic Institute
HP	Horsepower
HIRA	Hazard Identification & Risk Assessment
HO	Head Office
HOD	Head of Department
HPCL	Hindustan Petroleum Corporation Limited
HYPN	Hydropneumatic Pressure Boosting System
HPML	High Pressure Molding Line
HR	Human Resource
IATF	International Automotive Task Force
IBR	Indian Boiler Regulation
IDM	India Design Mark
ICC	Internal Complaint Committee
IEEMA	Indian Electric and Electronic Manufacturers' Association
IEX	Indian Energy Exchange
IFA	Indian Foundry Association
IGAAP	Indian Generally Accepted Accounting Principles
IIRC	International Integrated Reporting Council
IIS	Indian Institute of Science
IMD	International Institute for Management Development
IMS	Integrated Management System
Ind AS	Indian Accounting Standards
INR	Indian Rupees
IOCL	Indian Oil Corporation Ltd
IOM	Installation and Operation Manual
IoT	Internet of Things
IPMA	Indian Pump Manufacturers' Association
IR	Integrated Report
IRS	Indian Register of Shipping
ISO	International Organization for Standardization
IT	Information Technology
JMAC	Japan Management Association Consultants Inc.
JMD	Joint Managing Director
KBL	Kirloskar Brothers Limited
KCPL	Kirloskar Corrocoat Private Limited
KEPL	Kirloskar Ebara Pumps Limited
kL	Kilo Litre

KMP	Key Managerial Personnel
KOV	Kirloskarvadi
KPIs	Key Performance Indicators
KPML	Karad Projects & Motors Limited
KVM	Kernel-based Virtual Machine
KW	Kilowatt
kWh	Kilowatt Hours
LCA	Life Cycle Analysis
LEED	Leadership in Energy and Environmental Design
LLC	Lowest Life-cycle Cost
LLC	Limited Liability Company
LOTO	Lock-Out Tag-Out
LMS	Learning Management System
LPG	Liquefied Petroleum Gas
LTIFR	Lost Time Injury Frequency Rate
MCCIA	Mahratta Chamber of Commerce, Industries and Agriculture
MD	Managing Director
MEI	Minimum Efficiency Index
MIT	Massachusetts Institute of Technology
ML	Machine Learning
mn	Million
MNC	Multinational Corporation
MSEE	Master of Science in Environmental Engineering
MSMEs	Ministry of Micro, Small & Medium Enterprises
MT	Metric Tonnes
MW	Megawatt
NA	Not Applicable
NABL	National Accreditation Board for Testing and Calibration Laboratories
NDT	Non-Destructive Testing
NGO	Non-governmental Organization
NGRBC	National Guidelines on Responsible Business Conduct
NH4	National Highway-4/Mumbai Bangalore Highway
NORSOK	Norsk Sokkels Konkurranseposisjon (the competitive position of the Norwegian continental shelf)
NOx	Nitrogen Oxides
NPHSR	Net Positive Suction Head Required
NPS	National Pension Scheme
NSC	National Safety Council

NSF	National Sanitation Foundation
NSFMFP	National Society of Fluid Mechanics and Fluid Power
NTPC	National Thermal Power Corporation
OAVM	Other Audio-Visual Means
OEE	Overall Equipment Effectiveness
OEM	Original Equipment Manufacturer
OHSAS	Occupational Health and Safety Assessment Series
OTIF	On Time In Full
PAT	Profit After Tax
PAT	Pump As Turbine
PED	Pressure Equipment Directive
PF	Provident Fund
PLC	Programmable Logic Controller
PM-STIAC	Prime Minister's Science Technology and Innovation Advisory Council
PNG	Piped Natural Gas
POSH	Prevention of Sexual Harassment Committee
PPE	Personal Protective Equipment
PSB	Pump Shaft Break
PSI	Pounds per Square Inch
R&D	Research & Development
RAPP	Rajasthan Atomic Power Station
R&R	Rehabilitation and Resettlement
RBI	Reserve Bank of India
RE	Renewable Energy
RO	Reverse Osmosis
ROCE	Return on Capital Employed
SAIF	Sophisticated Analytical Instrument Facilities
SATHI	Sophisticated Analytical & Technical Help Institutes
SCADA	Supervisory Control and Data Acquisition
SCM	Supply Chain Management
SEBI	Securities and Exchange Board of India
SCORES	SEBI Complaints Redress System
SHL/SHM	Series solid handling pumps
SIDBI	Small Industries Development Bank of India
SIEMA	The Southern India Engineering Manufacturers' Association
SKU	Stock Keeping Unit
SLDP	Support Level Development Program
SOx	Sulphur Oxides
SMEs	Small and Medium-sized Enterprises
SP	Self- priming
SPM	Suspended Particulate Matter
SPCB	State Pollution Control Board
SQIP	Supplier Quality Improvement Program
TERI	The Energy and Resources Institute
STP	Sewage Treatment Plant
TIFAC	Technology Information, Forecasting and Assessment Council
TKSL	The Kolhapur Steel Limited
TPQM	Total Productivity and Quality Management
UAE	United Arab Emirates
UK	United Kingdom
UN SDGs	United Nations Sustainable Development Goals
USA	United States of America
USD	U.S. Dollar
VA/VE	Value Analysis and Value Engineering
VFD	Variable Frequency Drive
VNIT	Visvesvaraya National Institute of Technology
VR/AR	Virtual Reality and Augmented Reality
VSD	Variable Speed Drive
ZAR	South African Rand

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