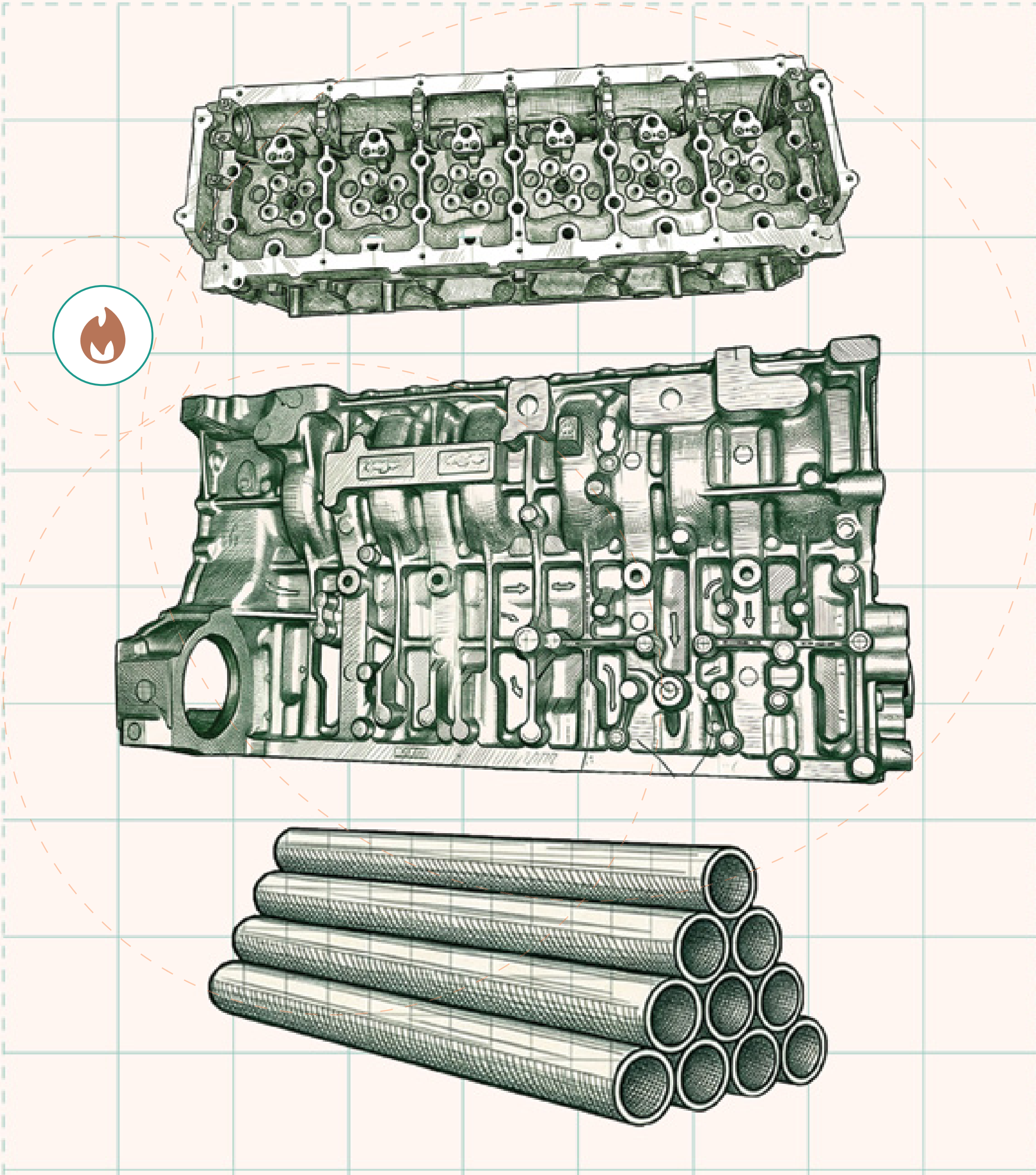
Kirloskar Ferrous

From Strength to Value



MADE IN KIRLOSKAR

Annual Report

2025-26

MADE IN KIRLOSKAR

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

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

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

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

WHERE ONLY BIRDS FLEW,
AN ENGINEER TOOK FLIGHT.

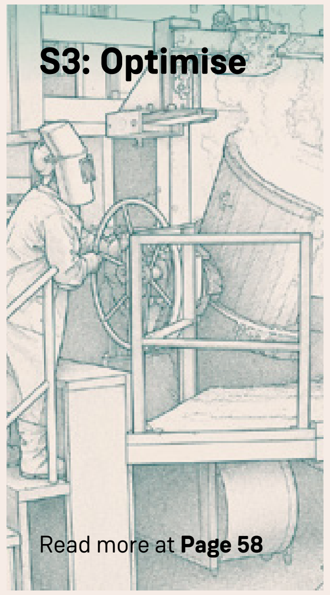
WHEN AN ENGINEER LOOKED AT THE MOON,
SHE SAW A SATELLITE.

LANDS BECAME
TOWNS TURNED
CITIES GREW
COUNTRIES SHAPED
CONTINENTS.

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

From Strength to Value

At Kirloskar Ferrous Industries Limited (KFIL), we believe that true manufacturing excellence lies in how we make. Rooted in a strong engineering foundation, we are continuously refining our processes, enhancing efficiencies, and building a deeply integrated value chain, from raw materials to high-quality, value-added products like castings and seamless tubes. Our journey this year reflects the spirit of 'Made in Kirloskar', where precision, discipline, and innovation come together to create products that our customers can rely on. With focused investments in green energy, improved cost competitiveness, and an unwavering commitment to quality and customer delight, we are not just scaling our operations; we are elevating the way we create value, responsibly and sustainably.



Engineering value across every stage

At KFIL, manufacturing excellence is built on the strength of integration. From captive raw material sourcing to the production of pig iron, castings, steel, seamless tubes, and precision-engineered components, every stage of our value chain is designed to deliver quality, efficiency, and reliability.

Our integrated operations enable greater control over costs, quality, and supply chain responsiveness, allowing us to meet the evolving needs of customers across automotive, engineering, infrastructure, energy, agriculture, and industrial sectors. This seamless integration not only enhances operational resilience but also creates a strong foundation for sustainable value creation.

Driven by advanced manufacturing technologies, process innovation, and metallurgical expertise, we continue to strengthen our portfolio of value-added products. From precision castings and specialised steel grades to seamless tubes and machined components, our solutions are engineered to perform in demanding applications where reliability and consistency are critical.

Innovation remains central to our growth journey. Through ongoing investments in automation, digitalisation, renewable energy, and operational excellence initiatives, we are enhancing productivity while reducing our environmental footprint. The integration of Oliver Engineering Private Limited and the expansion of machining capabilities further reinforce our ability to offer end-to-end solutions and deepen customer partnerships.

Sustainability is embedded across our operations. By leveraging renewable energy, improving resource efficiency, and adopting responsible manufacturing practices, we are building a future-ready organisation that balances business growth with environmental stewardship.

As industries evolve and expectations rise, KFIL remains committed to creating value through engineering excellence, operational discipline, and a relentless focus on customer success. Every product we manufacture reflects the promise of precision, performance, and trust—proudly **Made in Kirloskar**.

CONTENTS

About the report

We are pleased to present our Annual Report, which includes voluntary information to the extent available to us, in accordance with the reporting framework developed and designed by the International Integrated Reporting Council (IIRC) Integrated Reporting Framework (2021), now part of the IFRS Foundation. This Report is primarily intended to address the information requirements of investors (our equity and prospective investors). Our endeavour is to present this information in a manner that is also relevant to all the key stakeholders. This Report also aligns with the following:

Aligned with:

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

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

Scope and boundary

This Report covers information on all business operations of Kirloskar Ferrous Industries Limited, including disclosures defined by International Integrated Reporting Council (IIRC). This Report describes our business model, significant risks, business strategies, opportunities, overall performance and related outcomes.

The parameters for the financial information covered in this Report are related to 'Kirloskar Ferrous Industries Limited' on a standalone basis.

Reporting period

This Integrated Annual Report covers the reporting period from April 1st, 2025 to March 31st, 2026. To provide stakeholders with meaningful context and facilitate YoY comparisons, certain sections of the Report also include information and performance data from previous reporting periods.

Auditors' Report

To ensure the accuracy, reliability, and integrity of the information presented, the Company's financial statements have been independently audited by Kirtane & Pandit LLP – Chartered Accountants and P G Bhagwat LLP, Chartered Accountants. The Independent Auditors' Report forms an integral part of this Report.

Our stakeholders

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

Read more at **Page 50**

Our strategy

- S1: Accelerate
- S2: Transform
- S3: Optimise
- S4: Nurture

Read more at **Page 54**

Stakeholder feedback

We value the perspectives and feedback of our stakeholders and encourage them to share their comments, suggestions, and feedback with us at:

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

Forward-looking statements

This Report contains forward looking statements that describe our expectations, based on reasonable assumptions and past performances. These are subject to change in light of developments in the industry, geographical market conditions, government regulations, laws and other incidental factors. These statements must not be used as a guarantee of our future performance, as the underlying assumptions could change materially.

Corporate information

Board of Directors

Mr. Rahul Kirloskar
Chairman
DIN - 00007319

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

Mr. Venkataramani S.
Independent Director
DIN - 00229998

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

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

Mr. Nishikant B. Ektare
Executive Director (Operations)
DIN - 02109633

Mr. Pravir Kumar Vohra
Independent Director
DIN - 00082545

Dr. Shalini Sarin
Independent Director
DIN - 06604529

Mr. M. S. Srinivasan
Independent Director
DIN - 10709097

Mr. Pattanasetty Rajashekhar
Independent Director
DIN - 09514548

Mr. Sourirajan Rajagopalan
Independent Director
DIN - 10738323

Ms. Aditi Kirloskar
Non-Executive Non-Independent Director
DIN - 07480446

Mr. Aman Kirloskar
Non-Executive Non-Independent Director
DIN - 09823056

Mrs. Pallavi Gokhale
Additional Director
(with effect from June 12th, 2026)
DIN - 00036369

Company secretary

Mr. Mayuresh Gharpure

Statutory auditor

Kirtane & Pandit LLP
Chartered Accountants

P G Bhagwat LLP
Chartered Accountants

Secretarial auditor

M/S. M. J. Risbud & Co.
Practicing Company Secretaries

Cost auditor

Dhananjay V. Joshi & Associates
Cost Accountants

Security trustee for banks

IDBI Trusteeship Services Limited

Bankers

Bank of Maharashtra

Kotak Mahindra Bank Limited

Axis Bank Limited

The Hongkong and Shanghai Banking Corporation Limited (HSBC)

ICICI Bank Limited

HDFC Bank Limited

DBS Bank India Limited

IDBI Bank Limited

IndusInd Bank Limited

Registered office

'One Avante', Level 5, Karve Road, Kothrud, Pune 411038, Maharashtra

Registrar and share transfer agent (RTA)

MUFG Intime India Private Limited

Akshay Complex, Block No 202, 2nd Floor, Off Dhole Patil Road, Near Ganesh Temple, Pune 411001, Maharashtra

Works

- Bevinahalli Village, P. O. Hitnal, Taluka & District Koppal 583234, Karnataka
- Hotgi Road, Shivashahi, Solapur 413224, Maharashtra
- Paramenahally Village, Taluka Hiriyur, District Chitradurga 577598, Karnataka
- MIDC Industrial Area, Ahilyanagar - 414 111
- MIDC Industrial Area, Baramati - 413 133
- Jejuri - Morgaon Road, Jejuri - 412 303
- Sandhrasi village Tehsil – Rajpura 140417 Dist. Patiala, Punjab

Information for the members of the Company

35th Annual General Meeting on Wednesday, August 5th, 2026 at 4.00 p.m. (IST) through Video Conferencing or Other Audio Visual Means.

Decade at a glance

in INR Crores (unless stated otherwise)

Sr. No	KPI	FY2026#	FY2025#	FY2024*	FY2023*	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017
1	Net sales/revenue from operations	6,888.57	6,564.22	6,133.90	6,398.57	3,614.97	2,038.08	1,849.66	2,159.15	1,765.19	1,276.76
2	Other income	62.36	49.69	23.16	51.78	11.29	2.83	15.64	5.53	5.16	5.34
3	Profit before tax	494.17	405.86	476.83	619.26	542.69	363.19	156.18	146.71	54.42	121.09
4	Tax provisions	(10.57)	114.86	155.25	179.55	136.59	61.08	43.81	48.60	16.42	33.26
5	Profit after tax	504.74	291.00	321.58	439.71	406.10	302.11	112.37	98.11	38.00	87.83
6	Dividend (%)	120	110	110	110	110	100	40	40	25	35
7	Dividend per equity share (INR)	6.00	5.50	5.50	5.50	5.50	5.00	2.00	2.00	1.25	1.75
8	Dividend amount**	98.95	90.51	97.53	76.43	76.30	69.17	27.56	27.53	17.16	24.03
9	Earnings per share (INR)	30.63	17.69	19.60	26.85	29.32	21.89	8.16	7.14	2.77	6.40
10	Book value per share (INR)	233.36	207.81	196.35	182.64	95.89	72.02	52.09	47.59	43.05	42.43
11	Equity share capital	82.46	82.31	82.11	81.93	69.36	69.17	68.91	68.82	68.65	68.65
12	Reserves and surplus	3,766.16	3,338.67	3,142.49	2,910.87	1,260.74	927.20	649.02	586.28	522.39	513.92
13	Shareholders' funds	3,848.62	3,420.98	3,224.60	2,992.80	1,330.10	996.37	717.93	655.10	591.04	582.57
14	Long-term loans	509.22	677.83	794.79	644.27	515.59	206.77	228.24	53.00	-	-
15	Capital employed	4,357.53	4,111.64	3,996.45	3,539.23	1,395.00	1,219.64	996.34	795.61	676.76	664.39

*Post merger of the ISMT Ltd.
**Includes dividend paid ISMT Ltd. for FY 2024
#Post merger of OEPL & AESPL

About Kirloskar Group

Engineering solutions for future generations

For over 137 years, the Kirloskar Group has served as a keystone of India's industrial evolution. Its journey began in 1888 by a forward-thinking founder who transitioned from running a modest bicycle repair shop into creating the nation's first iron plough, an act that laid the foundation for India's industrial revolution. This pioneering spirit catalysed a legacy of progress that continues today. Today, the Group is a distinguished leader across multiple sectors—including internal combustion engines, power backup, castings, and pneumatic and cooling systems, providing critical engineering solutions to a diverse global market.

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

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

His son, Shri Shantanurao Laxmanrao Kirloskar, carried this legacy forward with visionary leadership, transforming the Kirloskar Group into one of India's most respected industrial powerhouses. Under his expert guidance, the Group expanded into new sectors and international markets, solidifying the Company's reputation on the global stage. Today, Shri Laxmanrao Kirloskar is remembered as both a pioneer of Indian industry and a reformer dedicated to improving lives. His entrepreneurial spirit continues to provide opportunities for thousands across India and benefits millions more through the Group's extensive global operations.

137
Years of excellence

INR 10,035 Crores
Combined shareholders' funds*

4
Listed companies

7,000+
Total group employees**

INR 48,730 Crores
Combined market capitalisation***

*For listed companies including Kirloskar Ferrous Industries Ltd., Kirloskar Industries Ltd., Kirloskar Oil Engines Ltd., Kirloskar Pneumatic Company Ltd.
**Employees on payroll. ***Market cap based on closing market price of May 29th, 2026.

limitless

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

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

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

Powering industries across every frontier

Kirloskar Group companies

Kirloskar Ferrous Industries Limited (KFIL)

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

Kirloskar Industries Limited (KIL) and Avante Spaces Limited

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

Kirloskar Oil Engines Limited (KOEL)

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

ARKA Fincap Limited

Non-banking Financial company

Kirloskar Pneumatic Company Limited (KPCL)

Compressors and compression systems

Kirloskar Chillers Pvt. Ltd.

Chillers

About Kirloskar Ferrous Industries Limited (KFIL)

Engineering growth, creating value

At Kirloskar Ferrous Industries Limited (KFIL), we are guided by a legacy of manufacturing excellence and a relentless pursuit of innovation. Over the past three decades, we have evolved into one of India's leading integrated ferrous manufacturing companies, delivering high-quality pig iron, castings, steel, seamless tubes, and precision-engineered components to a diverse set of industries. Backed by a strong foundation and a future-focused vision, we continue to strengthen our capabilities and create long-term value for stakeholders through operational excellence, sustainable growth, and customer-centric solutions.

Our journey is defined by continuous progress and a commitment to building differentiated capabilities. Through our integrated business model - spanning mining, pig iron, castings, steel, seamless tubes, and machined components - we have established a unique value chain that enhances efficiency, quality, and resilience. Our advanced manufacturing facilities combine engineering expertise with modern technologies to deliver products that meet the evolving requirements of domestic and global customers. From capacity expansions and renewable energy investments to the integration of Oliver Engineering Private Limited and the advancement of value-added product offerings, every milestone reflects our commitment to innovation, sustainability, and creating limitless opportunities for growth.

35
Years of legacy

2,508
Permanent employees

7
Manufacturing facilities

INR 7,176 Crores
Market capitalisation as on May 29th, 2026

Our endeavour

Our commitment

THIS **VISION** LEADS US ON A **MISSION** WHERE

WE ENGINEER SOLUTIONS TO ENABLE OUR CUSTOMERS TO LIVE THEIR LIMITLESS POTENTIAL

Vision

Be a sustainably growing organisation creating value for all stakeholders with limitless opportunities.

Mission

Be the globally preferred manufacturer of metal and metal products through sustainable practices, delivering innovative and breakthrough solutions to our customers.

We are committed to growth by value creation for all stakeholders by unleashing people's potential.

OUR **VALUES** THAT PROPEL OUR **VISION** WHERE

WE POWER A CARING, PROSPEROUS AND SUSTAINABLE FUTURE

Values

EXCELLENCE
In everything we do, quality without compromise

INTEGRITY
Say what we do and do what we say

COLLABORATION
We grow with people and partners

EMPATHY
Towards all stakeholders. We always listen and learn

VALUE CREATION
Towards all stakeholders. We are building for a shared prosperous future

INNOVATIVE THINKING
Be bold and brave and stay relevant

Our journey

A legacy of progress

1990s

1991
- Operations began at Kirloskar Ferrous Industries Limited

1994
- Commercial production of Pig Iron from Mini Blast Furnace-I
- Commissioning of Turbine Generator-I

1995
- Commercial production from Mini Blast Furnace-II
- Commercial production of Grey Iron castings

2000s

2007
- Acquisition of Solapur foundry from Kirloskar Oil Engines Ltd.
- Commissioning of Hot Blast Stove-I

2008
- Commissioning of HPML Plant, Solapur

2010s

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

2011
- Commissioning of Sinter Plant
- Solapur Foundry operations turned profitable

2013
- Commissioning of Line II at Koppal Plant

2014
- Construction of Administrative Building at Koppal

2016
- Upgradation of Mini Blast Furnace

2017
- Commissioning of the Machine Shop at Koppal

2018
- Commissioning of Solar Plant in Solapur
- Commissioning of 3D Printing Facility

2019
- Commissioning of Railway Siding at Koppal

2020s

2020
- Commissioning of 2 Lakh tonnes Coke Oven
- Started Production of Captive Iron Ore Mines

2021
- Acquisition and commissioning of Hiriyur Pig Iron Unit

2022
- Commissioning of Sinter plant at Hiriyur
- Line II Core Shop Extension- Phase 1, Fettling Shop extension
- Acquisition of ISMT

2023
- ISMT turned profitable within a year of acquisition
- KFIL-ISMT merger proposed
- Commissioning of a 20 MW waste heat recovery plant linked to the second phase of the coke oven

2024
- Acquisition of Oliver Engineering Private Limited
- Commissioning of Pulverised Coal Injection at Koppal
- KFIL-ISMT Started operating as a merged Entity from August 9th, 2024

2025
- Oliver Engineering commenced trial run operations in Q2 FY2025
- Commissioned oxygen enrichment, enabling increased utilisation of pulverised coal, which reduces coke consumption thereby enhancing productivity in Q3 FY2025
- Mining operations restarted, annual permitted quantity 1.24 Lakh metric tonnes in Q3 FY2025
- Phase II of Jalna Solar plant commissioned - total capacity of 70 MW DC at Jalna

2026
- Oliver Engineering commenced Commercial Production in Q1 FY2026
- KFIL-OEPL and AESPL started operating as a merger approved with effective date of April 1st, 2025

Chairman's message

"We are, at our core, a manufacturing company. We compete on the efficiency of what we make and the quality of what we deliver. The discipline our teams have shown—holding margins while volumes were constrained, adding customers in a soft market—gives me confidence that KFIL is not just weathering this cycle but emerging from it structurally stronger."

Dear Fellow Shareholders,

Financial Year 2025-26 was a year that tested the resilience of every ferrous business in India. Commodity prices across pig iron, steel and seamless tubes declined sharply and persistently. Yet Kirloskar Ferrous delivered consolidated revenue from operations of INR 6,889 Crores—a 5% improvement over the prior year—and a profit before tax before exceptional items of INR 512 Crores, an increase of approximately INR 103 Crores over the comparable period. Net profit for the year was at INR 507 Crores, post the Oliver merger-related tax adjustments. In a year when raw material premiums remained stubbornly high and Chinese dumping weighed on realisations, this outcome is a testimony to the depth of integration we have built and the operational disciplines our teams exercise every day.

I want to use this letter to give you an overview about where we are, what we did well, and where we are going.

During the year, focused relentlessly on three cost levers: green energy commissioning, blast furnace productivity, and product-mix improvement. Our 70-megawatt solar power plant at Jalna has operated at full capacity throughout the year. This, along with the existing 12 MW solar capacity at Solapur, brings our combined renewable and captive generation to an effective equivalent of around 82 megawatts. This number will grow as additional wind and solar capacity is commissioned in FY2027.

We also intensified the use of Pulverised Coal Injection at our Mini Blast Furnaces 1 and 2 at Koppal, with scope to increase the current levels as we expand oxygen plant capacity. Coke consumption has come down and productivity has improved. In the pig iron business, our intent is to reduce external sales of commodity pig iron, convert more of it internally into higher-value steel, and protect the margins via value-added products.

Casting is where KFIL's strategy is most visibly rewarding. Including the production from Oliver Engineering's Rajpura foundry, sales volumes were at approximately 1,53,000 metric tonnes of castings in FY2026—a 15% increase over the prior year. Sales realisations remained resilient even as commodity input costs were passed through to customers. We are developing and supplying more intricate, high-precision castings—cylinder blocks and heads, critical engine components, to all the major Automobile OEMs.

Demand from the tractor sector, which accounts for the largest share of our casting volumes, remained strong through FY2026. The automotive and commercial vehicle segments also held up well. Our new foundry at Solapur Phase 2 has been commissioned and is ramping up. Our sixth foundry—a two-part foundry line—is being commissioned to serve the growing demand in that segment. These capacity additions will position us for growth in the current categories as well as for the higher horsepower engine parts.

82 MW

Combined solar capacity

A significant milestone during the year was the successful completion of the merger of Oliver Engineering Private Limited and Adicca Energy Solutions Private Limited with KFIL, following the approval of the Hon'ble National Company Law Tribunal (NCLT). Effective from April 1st, 2025, the merger strengthens the integration of our businesses, streamlines operations, and enhances organisational efficiency. This step reflects our continued focus on simplifying the corporate structure, unlocking synergies, and creating a stronger platform for sustainable long-term growth.

We added three new customers during the year. Our machining operations across all three foundry locations now operate over 80 Machining Centres. Foundry building is capital-intensive and time-consuming. We are progressing methodically, ensuring that these expanded capacities are state of art and can address the growing customer needs in terms of quality and scalability.

Our seamless tube division delivered full-year sales volumes of approximately 1,88,700 metric tonnes—a growth of 12% over FY2025 and the highest annual output since we entered this business.

OCTG—Oil Country Tubular Goods—currently represents approximately 10% of our tube sales. This proportion needs to increase. Premium couplings and high-collapse casing pipes for the oil and gas sector command structurally better margins. We have secured orders and have started initial deliveries. Our target is to push OCTG and premium products to a much larger share of the mix, and this journey will accelerate as we commission larger diameter capacity.

On the iron ore side, we received the preferred bidder letter from the Government of Karnataka for the Jambunatha mine, which carries an environmental clearance for 1.2 million metric tonnes per annum. This is high-quality ore, suited for foundry-grade pig iron and future ductile iron pipe applications. This backward integration puts KFIL business model as one of a kind in the world.

1.53 Lakh MT

Castings sales volume in FY2026—a 15% increase over the prior year

Our investment in green energy is not a reporting exercise. It is a cost reduction programme that also advances our environmental commitments. By Q2 FY2027, we expect to commission an additional 35 megawatts of solar power and 25 megawatts of wind. This will take our combined renewable-equivalent generation to approximately 142 megawatts, up from the 82 megawatts we already operate at Jalna and Solapur.

At Jejuri, our ambition is to transform Jejuri into a certified green steel facility. The Product Carbon Footprint of our Jejuri billets and rolled bars, verified by DNV to the ISO 14067:2018 standard, already reflects this trajectory.

Our balance sheet is healthy. And our operating cash generation is sufficient to self-fund a significant portion of this programme. We will supplement with debt where project economics and timing make it prudent to do so.

Our growth agenda has not come at the expense of shareholder returns. During the year Company's dividend distribution policy, reflecting our continued commitment towards shareholder value creation, the Board of Directors has recommended a total dividend of 120% for FY2026. This includes a proposed final dividend of 60% (INR 3.00 per share), subject to shareholders' approval, in addition to the interim dividend of 60% (INR 3.00 per share) declared during the year.

We are, at our core, a manufacturing company. We compete on the efficiency of what we make and the quality of what we deliver. The discipline our teams have shown—holding margins while volumes were constrained, adding customers in a soft market—gives me confidence that KFIL is not just weathering this cycle but emerging from it structurally stronger.

I thank our customers, employees, suppliers, bankers and the communities around our plants for their continued partnership. And I thank you, our shareholders, for the trust you place in us.

Warm regards,

Rahul C Kirloskar
Chairman, KFIL

In conversation with the Managing Director

R. V. Gumaste | Managing Director, Kirloskar Ferrous Industries Limited

A candid conversation on FY2026 performance, strategic priorities, and the road ahead.

The single biggest positive contributor to FY2026 performance was our casting business, and specifically the shift towards high-complexity, high-precision castings.

Q1. What were the biggest business challenges KFIL faced in FY2026, and how were they addressed?

RVG: FY2026 was, without question, one of the more demanding commodity cycles we have navigated. Let me be direct about what happened: pig iron realisations fell by approximately 6% YoY, continuing a decline that has taken prices down significantly over the past three years. Seamless tube realisations dropped 9% and steel realisations were off by about 5% year on year. These are not small corrections — they were sustained, multi-quarter declines that required us to fundamentally rethink how we manage cost and volume simultaneously.

The second challenge was on the input side. Iron ore costs remained stubbornly high despite weak pig iron prices — the classic cost squeeze. Coal prices gave us some relief, whereas rupee devaluation partly neutralised the benefits. At the same time, Chinese dumping of seamless tubes continued unabated and directly eroded our pricing power in the line pipe segment.

> "What goes down comes up. We did not stop a single project. Companies that cut capex in downturns are the ones who miss the upturn."

How did we respond? We did two things. First, we accelerated green energy commissioning—our 70-megawatt power plant at Jalna has been running at full capacity all year. Power and fuel costs as a proportion of sales came down from 8.0% to 7.6% YoY for FY2026. For the full year, green energy savings were in the range of INR 70-80 Crores.

Second, we continued to invest. We did not stop a single project. The Koppal steelmaking project, the mines development, foundry expansions, wind and solar—everything remained on track. Companies that cut capex in downturns are the ones who miss the upturn. I have seen three decades of commodity cycles. What goes down comes up.

Q2. Which strategic initiatives or operational decisions had the most significant positive impact on performance?

RVG: The single biggest positive contributor to FY26 performance was our casting business—and specifically the shift toward high-complexity, high-precision castings. Our casting Sales volume was 1,53,000 metric tonnes including Oliver volumes, a 15% increase on the prior year. More importantly, our casting sales realisation held steady at around INR 1,25,000 per MT, even as the broader commodity environment pushed prices down across our other product lines.

That realisations' resilience is not an accident. For several years now, we have been deliberately developing more intricate, more technically demanding castings—cylinder blocks and heads, complex earthmoving components, critical engine parts—that command better pricing because few foundries can produce them at the quality and consistency our customers require. We have 29 customers, and the nature of what we supply to each of them is becoming more sophisticated. Every new order we book is at a better price point than a conventional tractor housing.

The second initiative that had a material impact was green energy. I have already mentioned the numbers. But what I want to emphasise is the intent: this is not a sustainability gesture. It is a deliberate cost reduction programme. Solar generates power at a fraction of grid cost. Wind generates more per megawatt than solar. Together, they structurally reduce our manufacturing cost in a way that does not depend on commodity prices recovering.

Third, the debottlenecking and ramp-up of our seamless tube business at Baramati and Ahilyanagar was a significant operational achievement. We achieved an annualised run rate of approximately 1.89 Lakh metric tonnes of tube sales—the first major milestone we had set for this business when we acquired ISMT. At that volume, the business generates meaningful operating leverage.

Q3. How is KFIL thinking about capacity expansion across pig iron, castings, tubes, and steel over the next 2-3 years?

RVG: Let me take each business in turn, because the logic is different for each.

In pig iron, we will temporarily operate at higher volumes—up to 7 Lakh metric tonnes per anuum—but as our Koppal steelmaking project comes onstream, pig iron external sales will come down because a significant portion of our hot metal will feed the steel plant internally.

In castings, our target is to grow from approximately 1,53,000 metric tonnes today to 1,75,000-1,80,000 metric tonnes in FY2027 targeting more than 15% growth YoY. Our current order book position for the next 3 years' delivery obligations requires foundry capacity expansion. Our sixth foundry—a large casting facility—is being commissioned. We will need a seventh foundry in the next two to three years if we are to service all the customers and products we are currently developing.

In seamless tubes, we are targeting an expansion at Baramati to 4 Lakh metric tonnes per annum, adding approximately 1,50,000 tonnes of new capacity alongside the existing 2,30,000 tonnes we are working to fully utilise. This expansion is expected to come onstream over a two-to-three-year horizon.

Steel is where the most consequential change will happen. Our Koppal steelmaking project has all its clearances and is underway. At Jejuri, we are debottlenecking the rolling mill to reach 3 Lakh metric tonnes of rolled output.

In aggregate, our capital programme for this expansion is approximately INR 2,000-2,500 Crores over the next three years, on top of the INR 2,500 Crores we have already invested over the past five years.

Q4. How is KFIL expanding its machined castings and premium connection business for tubes?

RVG: On machined castings: this is a strategic priority, and the progress is tangible. We currently operate over 80 Machining Centres across our three foundry locations — Koppal, Solapur and Rajpura. All of these machines are now operational and in production.

The strategic rationale is simple: a machined casting commands a significantly better price than a raw casting, the value addition remains with us, and it deepens the customer relationship because the customer is buying a precision-machined component, not just cast metal. Our customers increasingly want a supply partner who can deliver ready-to-assemble parts, not just raw castings. We are positioning ourselves to be that partner.

The OCTG — Oil Country Tubular Goods — currently represents approximately 10% of our seamless tube sales. Premium couplings and high-collapse casing pipes for the oil and gas sector are at the higher end of what the seamless tube market offers in terms of margin. We have secured orders from ONGC and other customers, and initial deliveries of premium connection products have begun.

The ambition is to grow OCTG to a larger share of the mix. That requires two things: investment in the premium threading and coupling infrastructure, and consistent quality approvals from customers who have stringent qualification requirements. We have passed the approval process for several key customers already. The ramp-up from here is a matter of volume execution, which is something our team at Baramati is focused on delivering.

Q5. What technology, automation, or digital transformation investments were made during the year?

RVG: Our technology investments in FY2026 were concentrated in three areas: green energy infrastructure, process intensification in ironmaking, and machining capability in castings.

On green energy, the commissioning of wind turbines and the ongoing expansion of solar capacity required significant investment in energy management infrastructure—grid connectivity, metering etc. This is frontier technology application for a manufacturing facility of our type, and we are working on it systematically.

In ironmaking, we have significantly advanced our Pulverised Coal Injection capability at Koppal's Mini Blast Furnaces 1 and 2. This reduces coke consumption, improves blast furnace productivity, and lowers our carbon intensity per tonne of hot metal. These are not trivial engineering achievements for a facility of our scale.

On machining, we are now machining complex engine blocks and heads to tolerances that very few foundries in India can match. We believe the combination of foundry process control and downstream machining capability will be a competitive differentiator for us in the coming years.

Q6. Safety and environmental responsibility are increasingly central to how manufacturing companies are evaluated. What are KFIL's key focus areas on safety and environment—and what initiatives have been undertaken?

RVG: This is a subject I feel strongly about, and I want to address it with the seriousness it deserves. Safety and environmental responsibility are not peripheral to what we do—they are integral to how we run our plants. Let me speak to both.

On safety: our structured Safety Journey, launched in October 2021 with DSS as our partner, has transformed culture and systems across all seven plants. Phase 1 of the Dupont Safety System was completed by August 2024; Phase 2—extending coverage to our Rajpura foundry—concludes by December 2026.

In practice, six safety standards govern every high-risk activity across our operations, from hot metal handling and permit to work, to work at height and road safety. We have invested 35,000+ man-hours in safety training, certified 120 internal trainers, and treat Life Saving Rule violations as Category 1 misconduct. Our Safety App logs over 5,300 interactions per month across 966 sections—giving us real-time visibility on compliance and incident trends. An annual Safety Perception Survey, benchmarked against global peers, tracks our maturity progression. We have moved demonstrably from a reactive culture towards an interdependent one, and we intend to keep moving.

On environment: FY2026 was our most significant year of environmental investment. We spent INR 100 Crores across air emission control, fume extraction, effluent treatment and green belt development. The centrepiece was the installation of primary and secondary fume extraction systems at the Jejuri steel plant—capturing fumes at source at the electric arc furnace and ladle furnace. This required two planned shutdowns, impacting production, but it was a non-negotiable commitment.

Across our other plants, we have upgraded blast furnace gas cleaning and dust collection at Koppal, and commissioned sand reclamation systems at Solapur. We are on a path to CII GreenCo certification for key facilities, and our Jejuri Product Carbon Footprint—verified by DNV to ISO 14067:2018—anchors our green steel credentials.

Taken together, our safety and environmental investments reflect a straightforward conviction: the licence to operate a heavy manufacturing facility in the 21st century depends on doing both of these things well. Not as compliance exercises, but as genuine commitments to our employees, our communities, and our future.

> "We invested INR 100 Crores in environmental programmes in FY2026. Safety and environment are not compliance exercises at KFIL—they are genuine commitments to our people and communities."

Q7. Where does the MD see KFIL in the next 5 years—in terms of scale, business mix, and market position?

RVG: Five years from now, I expect KFIL to be a fundamentally different company in terms of scale and integration, even if the core values and the DNA remain exactly the same.

On scale: we are targeting revenue well more than INR 10,000 Crores. That requires us to deliver on tube expansion to 4 Lakh metric tonnes, casting growth to 3 Lakh metric tonnes, and steel sales growing through both internal tube consumption and external sales of alloy and green steel. These are not aspirational numbers—they flow directly from projects that are either already underway or will be sanctioned in the next twelve months.

On business mix: the pig iron share of revenue and earnings will decline as a proportion. That is deliberate. Pig iron is a commodity; it will always be subject to cycle volatility. Our goal is for castings, seamless tubes and value-added steel together to account for the dominant share of both our revenue and our profitability. This is fundamentally a business mix shift from commodity ironmaking towards engineered products—and that shift improves both the quality and the predictability of our earnings.

On market position: in castings, we want to be among the top two or three foundry groups in India by volume and clearly the first choice for complex, precision ferrous castings across the agricultural, automotive, earthmoving and industrial equipment sectors. In seamless tubes, we want to be a full-range supplier —standard line pipe, OCTG, premium connections and power generation tubes—competitive not just domestically but increasingly in export markets. In green steel, we want Jejuri to be recognised as a benchmark facility in India.

Underpinning all of this is iron ore security, green energy self-sufficiency, and the Koppal steelmaking integration. These three long-cycle investments, once complete, will give KFIL a cost structure that is genuinely difficult for competitors to replicate. That is what I mean when I say we are building for the next decade, not just the next quarter.

I have been in this industry for over four decades. Every cycle has its challenges, and every cycle turns. The companies that emerge stronger are the ones that continue to invest when others hesitate, that upgrade their capabilities when others cut costs, and that think in years rather than quarters. That is what we are doing at KFIL, and I am confident that the next five years will demonstrate it.

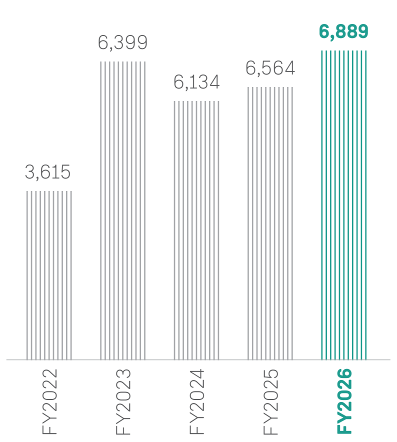
R. V. Gumaste
Managing Director, KFIL

Highlights of the year

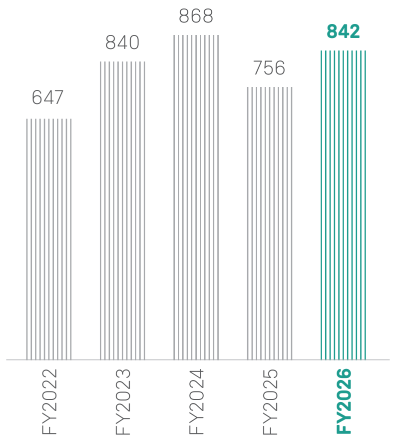
A year of performance and progress

Performance highlights

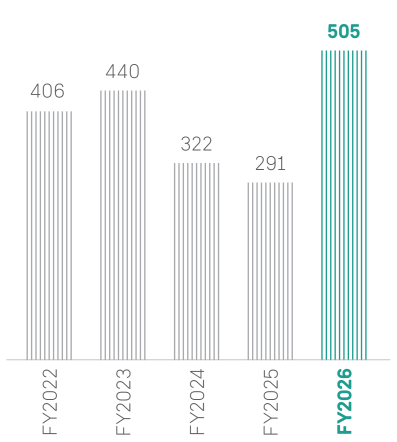
Total revenue from operations
(INR Crores)



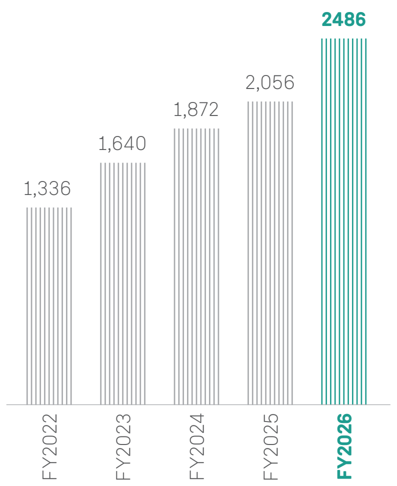
EBITDA
(INR Crores)



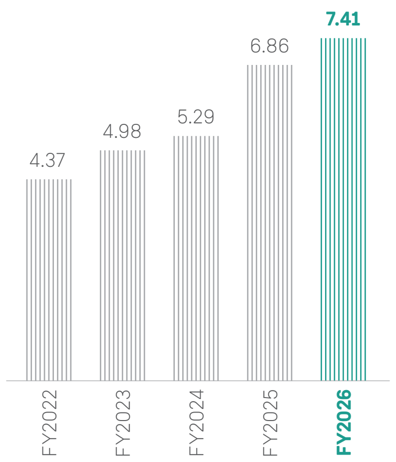
Profit after tax (PAT)
(INR Crores)



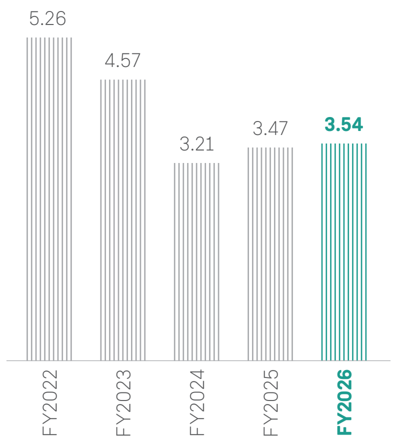
Net worth (INR Crores)



R&D expenditure (INR Crores)

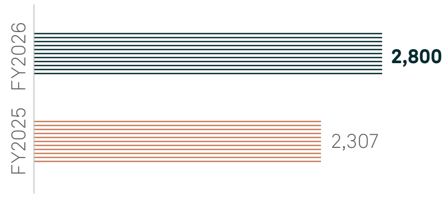


Inventory turnover ratio

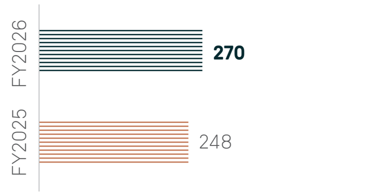


ESG highlights

Energy consumption per rupee of turnover (GJ/INR)

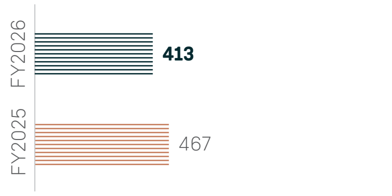


Scope 1 and 2 emission Intensity
Metric tonnes of CO_2 equivalent/INR

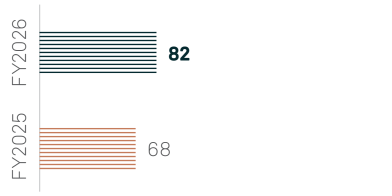


Training given to employees and workers

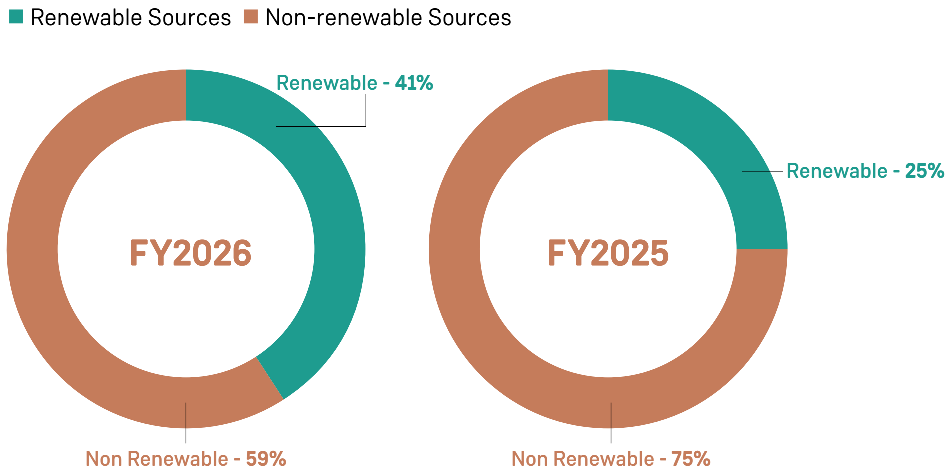
Water intensity per rupee of turnover (Kilolitres/INR)



Waste intensity per rupee of turnover MT/INR



Electricity from renewable and non-renewable sources



The YoY increase in the reported intensity metrics for energy, greenhouse gas emissions, water and waste should be viewed in the context of changes to KFIL's operational footprint during FY2026. The reporting boundary now includes the iron ore mining operations and Oliver Engineering, both of which were not part of previous years operations.

The iron ore mines, established as part of KFIL's backward integration strategy, contribute significantly to operational inputs and resource consumption while having a limited direct impact on revenue generation. In addition, Oliver Engineering operated for the full financial year, whereas its revenue contribution commenced only from the third quarter following the ramp-up of commercial operations. As a result, the operational resource consumption is reflected for the full year, while the corresponding revenue is recognised only for part of the year.

Accordingly, the FY26 intensity metrics are not directly comparable with the previous year's figures, as they reflect the expanded operational boundary and the phased integration of the new businesses.

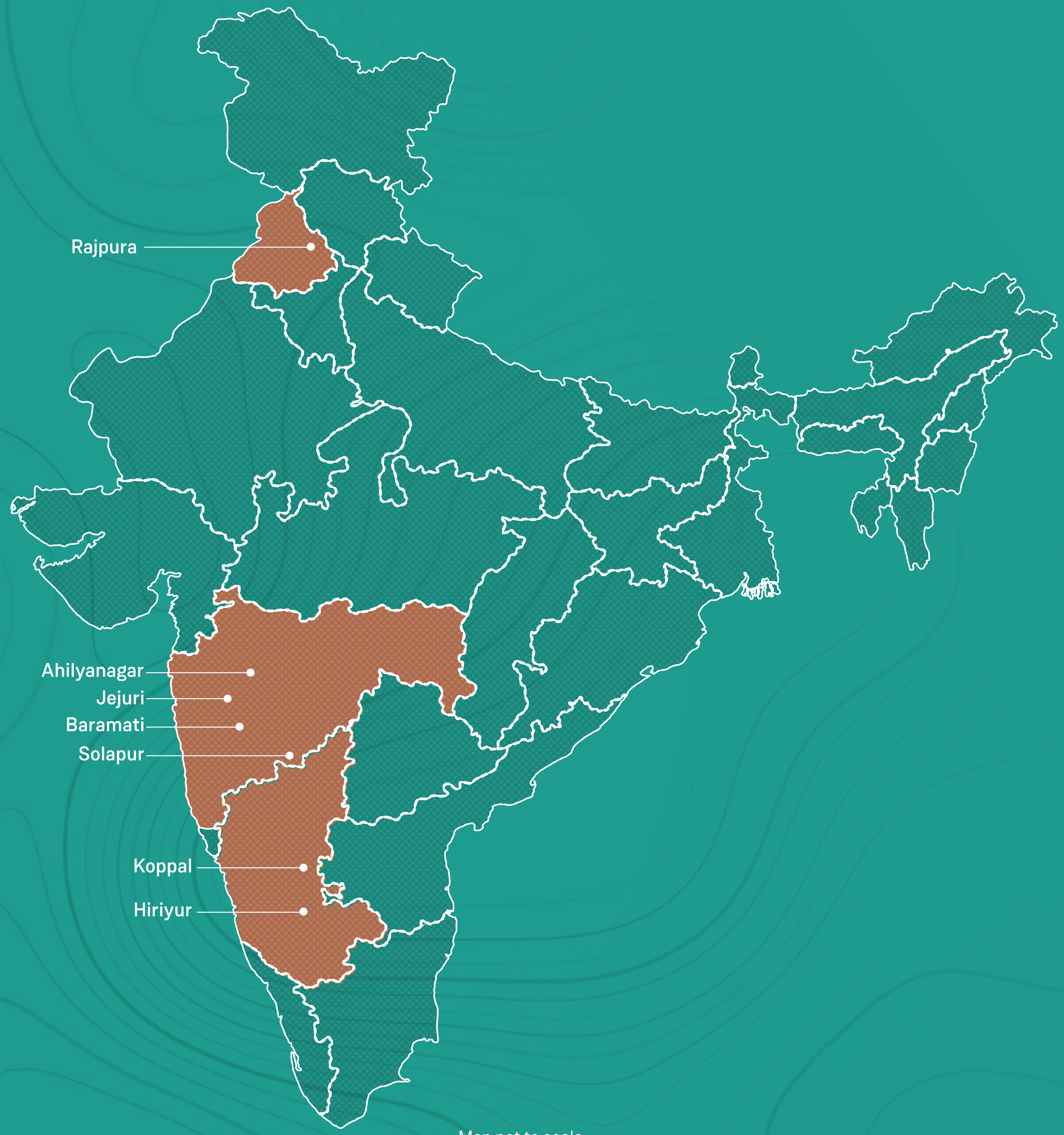
Our presence

Enabling growth across geographies

Our strategically located manufacturing facilities and operational footprint enable us to efficiently serve customers across key industrial regions in India and international markets. Supported by an integrated value chain and strong logistics capabilities, we are well positioned to ensure reliable supply, operational agility, and seamless service delivery across our diverse business segments.

This widespread presence strengthens our ability to respond effectively to evolving customer requirements while maintaining high standards of quality, reliability, and operational excellence. By combining manufacturing scale with a customer-centric approach, we consistently deliver products that meet stringent performance expectations, support timely deliveries, and create lasting value for customers across industries. Our proximity to major manufacturing and consumption hubs further enhances collaboration, responsiveness, and long-term partnerships.

The National Company Law Tribunal approved the Scheme of Absorption by Merger of Oliver Engineering Private Limited and Adicca Energy Solutions Private Limited, both wholly owned subsidiaries, with KFIL on June 2nd, 2026, with appointed date from April 1st, 2025.



Map not to scale.

Our business

Engineering value across sectors

We deliver high-quality metal and engineering solutions tailored to evolving customer needs, leveraging our integrated value chain, manufacturing excellence, and innovation-driven approach to create sustainable value and strengthen long-term partnerships.

Pig iron

Our pig iron business is built on a foundation of quality, consistency, and customer trust. Leveraging our integrated manufacturing capabilities and robust quality assurance processes, we produce a wide range of pig iron grades tailored to the specific requirements of foundries and engineering industries. Stringent process controls and continuous monitoring enable us to maintain precise chemical composition and product quality, ensuring reliable performance across applications.

With a strong focus on operational excellence and customer responsiveness, we strive to deliver superior value through consistent product quality, dependable supply, and timely service. Our commitment to efficiency, reliability, and long-term customer partnerships has enabled us to establish a strong presence across diverse end-user industries.

INR 1,937 Crores
Revenue from pig iron business

28%
Share in total revenue mix

Pig iron – Sales volume (MT)

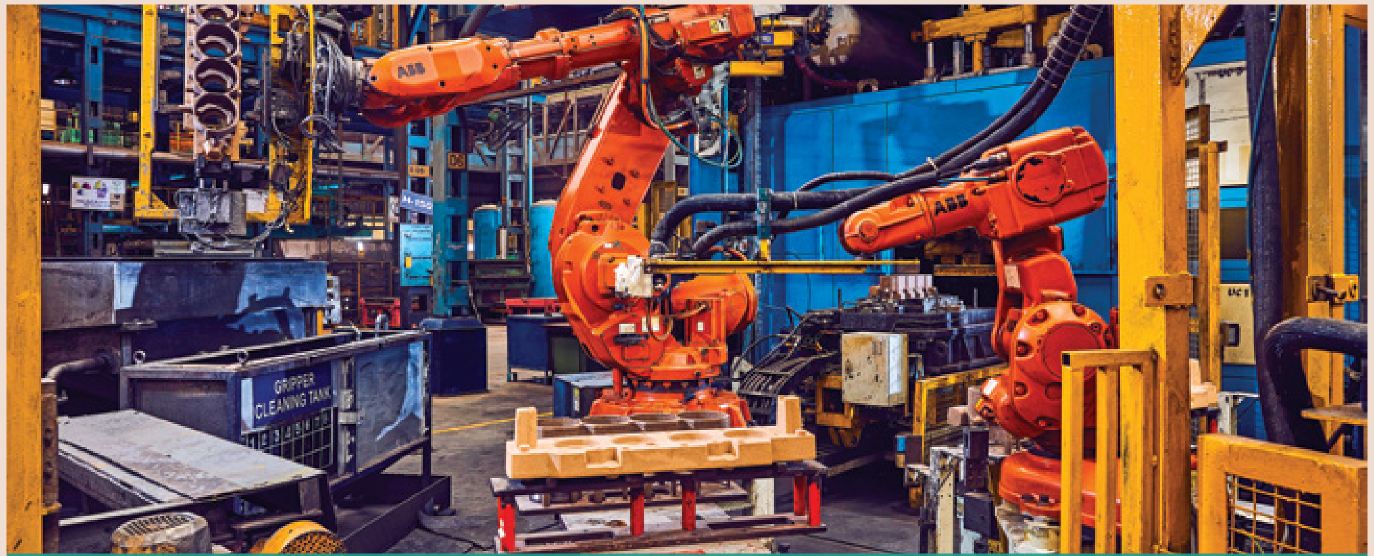
Quarter	FY2025	FY2026
Q1	1,27,143	1,32,932
Q2	1,29,137	1,30,431
Q3	1,19,780	1,20,006
Q4	1,35,727	1,26,711
Total	**5,11,787**	**5,09,539**

Pig iron – Sales (INR Crores)

Quarter	FY2025	FY2026
Q1	537	515
Q2	538	484
Q3	483	440
Q4	517	498
Total	**2,076**	**1,937**

Realisations (INR/MT)

Quarter	FY2025	FY2026
Q1	42,258	38,922
Q2	41,670	37,097
Q3	40,354	36,690
Q4	38,247	39,316
Total	**40,600**	**38,027**



Castings

Our castings business is driven by engineering excellence, innovation, and deep customer engagement. We provide a comprehensive range of high-quality casting solutions tailored to the evolving requirements of OEMs and Tier-I suppliers across automotive, industrial, and engineering sectors. Leveraging advanced manufacturing capabilities and stringent quality standards, we deliver products that meet complex performance, precision, and reliability requirements.

By fostering close collaboration with customers from the design and development stage through commercialisation, we enable faster product development cycles and enhanced value creation. Our growing focus on value-added and machined castings, supported by continuous process improvements and technological advancements, strengthens our ability to offer differentiated solutions while deepening customer relationships and expanding our presence in high-growth end-user segments.

INR 1,877 Crores

Revenue from castings business

27%

Share in total revenue mix

What we offer

Cylinder Blocks

Cylinder Head

Housing

Casting – Sales volume (MT)

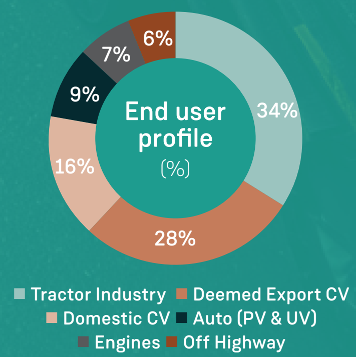
Quarter	FY2025	FY2026
Q1	31,592	34,941
Q2	37,029	39,980
Q3	31,414	38,688
Q4	32,207	38,957
Total	1,32,242	1,52,567

Casting – Sales (INR Crores)

Quarter	FY2025	FY2026
Q1	393	424
Q2	458	488
Q3	391	464
Q4	412	501
Total	1,654	1,877

Realisations (INR/MT)

Quarter	FY2025	FY2026
Q1	1,24,398	1,21,362
Q2	1,23,653	1,22,003
Q3	1,24,323	1,19,896
Q4	1,27,995	1,28,639
Total	1,25,047	1,23,016



Steel

Our steel business is focused on delivering high-quality speciality steel products that cater to the evolving requirements of automotive, engineering, bearing, forging, textile machinery, and industrial applications. Backed by advanced manufacturing capabilities and stringent quality standards, we offer customised solutions that meet demanding specifications for performance, consistency, and reliability.

Leveraging integrated operations and robust metallurgical expertise, we produce a diverse range of steel grades designed to support critical applications across industries. Our continued emphasis on product innovation, process optimisation, and customer-centric development enables us to strengthen our position in value-added steel segments while delivering superior quality and long-term value to our customers.

INR 605 Crores

Revenue from steel business

9%

Share in total revenue mix

Steel – Sales volume (MT)

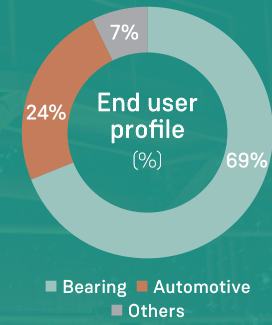
Quarter	FY2025	FY2026
Q1	19,355	20,105
Q2	18,793	19,616
Q3	14,122	20,811
Q4	20,732	24,812
Total	73,002	85,644

Steel – Sales (INR Crores)

Quarter	FY2025	FY2026
Q1	147	144
Q2	144	139
Q3	103	152
Q4	147	170
Total	541	605

Realisations (INR/MT)

Quarter	FY2025	FY2026
Q1	76,001	71,435
Q2	76,362	69,985
Q3	73,228	72,961
Q4	70,841	68,338
Total	74,092	70,571



Our business

Seamless tube

Our seamless tubes business is built on a foundation of engineering excellence, technological capability, and a commitment to quality. Leveraging advanced manufacturing infrastructure, we produce a wide range of seamless tubes that cater to the stringent requirements of industries such as automotive, oil and gas, power, mining, construction, and general engineering. Our ability to deliver products with high dimensional accuracy, superior performance, and consistent quality enables us to serve diverse and demanding applications.

In addition to seamless tubes, we offer a portfolio of value-added products, including precision-machined rings, engineered axles, steering columns, and ready-to-hone tubes, enhancing our presence across specialised market segments. Supported by an integrated manufacturing ecosystem and strong process controls, we ensure operational reliability, supply chain efficiency, and timely delivery, creating enduring value for our customers and stakeholders.

What we offer

- Hydraulic Cylinder Tubes
- Perforated Gun Tubes
- Speed Cut ISMT Hollow Bars
- Boiler Application
- Heat Exchanger
- Header Pipes
- Condenser Tubes
- Multi Rifle Bore Tubes
- Water Wall Tubes
- Super Heater Tubes
- Automotive Application
- Steering Column Tube
- Drive Shaft
- Rocker Arm Shaft

INR 2,130 Crores
Revenue from seamless tubes business

31%
Share in total revenue mix

Tubes – Sales volume (MT)

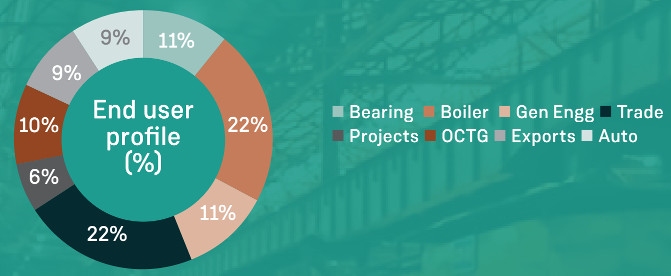
Quarter	FY2025	FY2026
Q1	34,055	48,461
Q2	39,866	49,588
Q3	43,328	39,549
Q4	51,555	51,106
Total	1,68,804	1,88,704

Tubes – Sales (INR Crores)

Quarter	FY2025	FY2026
Q1	428	553
Q2	478	565
Q3	584	443
Q4	613	569
Total	2,103	2,130

Realisations (INR/MT)

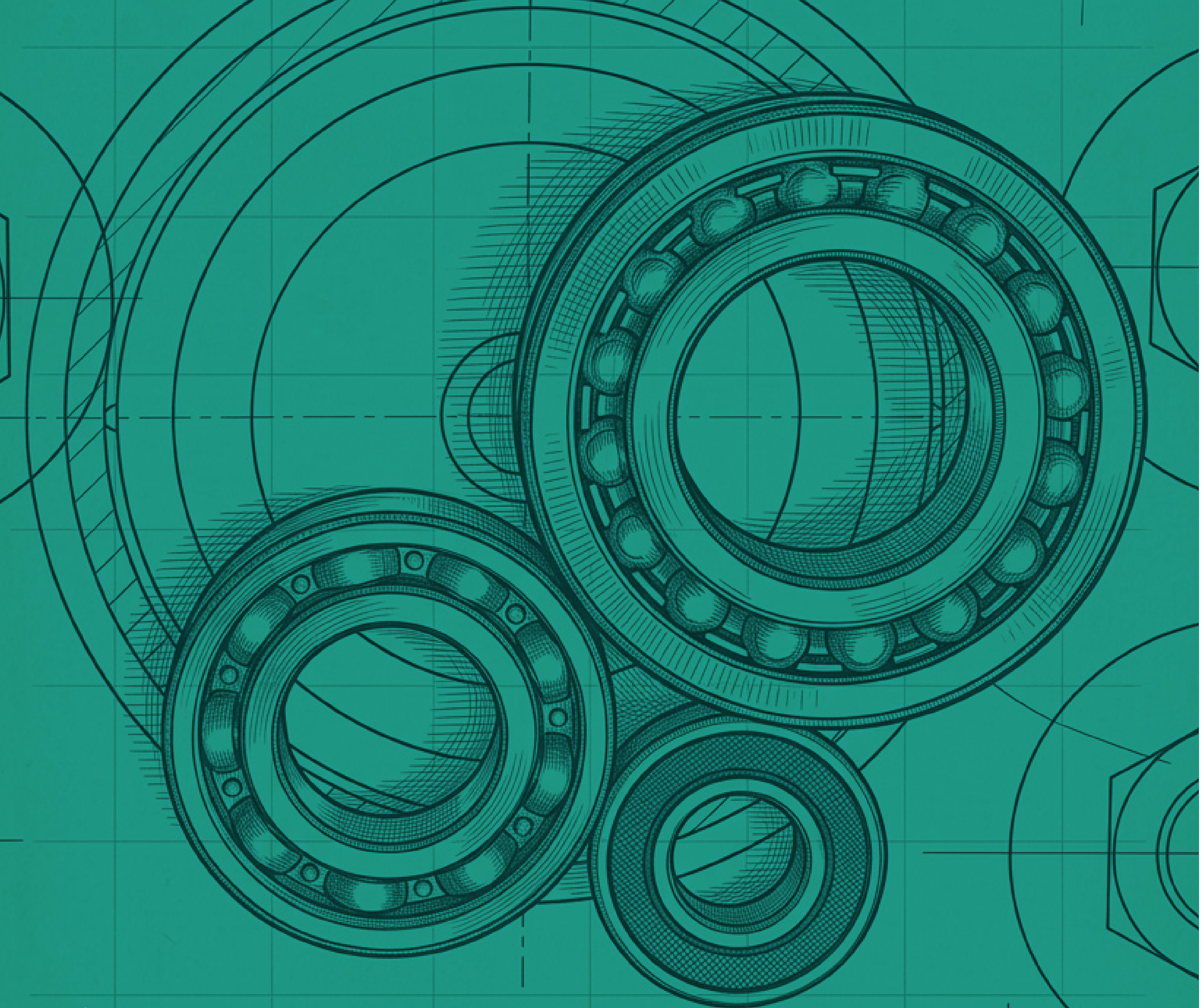
Quarter	FY2025	FY2026
Q1	1,25,670	1,14,057
Q2	1,20,010	1,13,940
Q3	1,34,670	1,12,122
Q4	1,18,957	1,11,394
Total	1,24,593	1,12,899



Our strengths

The pillars of our performance

A resilient business model supported by a strong financial foundation and diversified revenue streams.



18%
10-year Revenue CAGR

19%
10-year PAT CAGR

AA (Stable)
ICRA long-term credit rating

Consistent value creation for shareholders through long-term growth and operational excellence.

INR 7,176+ Crores
Market capitalisation as on May 29th, 2026

An experienced leadership team driving transformation and sustainable growth

57%
Independent Directors

Integrated manufacturing capabilities across the value chain

7
Manufacturing facilities

Diversified product portfolio serving critical industries

10+
Industries served

A people-centric culture with high employee satisfaction

90%
Employee Engagement Score

Robust governance and proactive risk management

Regular
Risk monitoring and review

Awards and recognition

Best Quality Performance
KOEL

Appreciation from
CATERPILLAR for 1103 Project

Unnatha Suraksha Puraskara
National safety Council

ESG Award
Under K Group Sustainability Award

Best Cost Efficiency Award
By Escorts Kubota

1st runner
in the Zero Defect competition by KOEL

ESG/EHS Platinum Category Award
From KOEL

Green Foundry Award
By Institute of Indian Foundrymen

2nd Prize
In IIF Southern Region Kaizen competition: 2025

Raw Material Supplier Award
By Institute of Indian Foundrymen

Corporate governance

Driving responsible governance

Strong governance forms the foundation of sustainable value creation. It guides our decision-making, strengthens accountability, and ensures that our actions remain aligned with the interests of stakeholders. We are committed to upholding the highest standards of ethics, transparency, compliance, and responsible business conduct across all aspects of our operations.

Our governance framework is designed to promote effective oversight, prudent risk management, and long-term strategic execution. Through clearly defined policies, robust internal controls, and an experienced Board, we continue to reinforce stakeholder trust while building a resilient and future-ready organisation.

UN SDGs Impacted

5, 8, 10, 16

Strong systems. Sound oversight.

At KFIL, we maintain a comprehensive internal control environment that promotes operational excellence, financial discipline, and regulatory compliance. Through clearly defined processes, periodic reviews, and a robust Internal Financial Controls framework, we ensure effective monitoring of business activities and risk exposures.

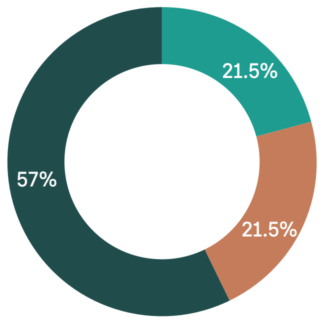
Regular audits, management reviews, and Board-level oversight help strengthen accountability across the organisation. This structured approach enhances transparency, safeguards stakeholder interests, and supports the Company's pursuit of sustainable and responsible growth.

A Board built for the future

KFIL's Board brings together diverse expertise across business leadership, finance, operations, governance, and sustainability. The collective experience of our Directors provides strategic guidance and independent oversight, enabling the Company to navigate a dynamic business environment while remaining focused on long-term value creation.

The Board actively steers the Company's strategic direction, oversees risk and compliance matters, and ensures that stakeholder interests remain at the centre of decision-making. Its balanced composition and strong governance practices continue to reinforce organisational agility and resilience.

Composition



3 Executive Directors

3 Non-Executive Directors

8 Independent Directors

100% Board and Committee meetings attendance

5 years Average tenure of the Board for Independent Directors

61 years Average age of Directors

Committees driving accountability

The Board Committees play a vital role in strengthening governance by providing focused oversight across critical areas of the business. Functioning within clearly defined mandates, they support informed decision-making, regulatory compliance, risk management, stakeholder engagement, and talent governance.

Through regular deliberations and constructive engagement, the Committees contribute to a culture of accountability, transparency, and responsible leadership, helping the Company remain aligned with its strategic objectives and stakeholder expectations.

Policies that guide our conduct

Our governance philosophy is anchored in ethical conduct, transparency, and responsible decision-making. A comprehensive policy framework guides our actions, ensuring consistency, accountability, and compliance across the organisation.

These policies are periodically reviewed and strengthened to align with evolving regulatory requirements, emerging risks, and industry best practices, enabling KFIL to uphold the highest standards of corporate governance.

- Business Responsibility and Sustainability Policy
- Code of Conduct for Directors and Senior Management
- Risk Management Policy
- Dividend Distribution Policy
- Whistle Blower Policy
- Vendor Code of Conduct
- Code for Prevention of Insider Trading
- Policy for Determination of Materiality
- Policy on Nomination, Remuneration and Evaluation
- Policy on Material Subsidiaries
- Document Retention and Archival Policy
- Policy on Dealing with Related Party Transactions

Risk management

Resilience through proactive action

At KFIL, risk management is an integral part of our business strategy and governance framework. We follow a structured and proactive approach to identifying, assessing, and mitigating risks across our operations, finances, and value chain. By continuously monitoring emerging risks and strengthening our resilience, we are better equipped to navigate uncertainties, seize opportunities, and support sustainable long-term value creation for our stakeholders.

Our risk management process

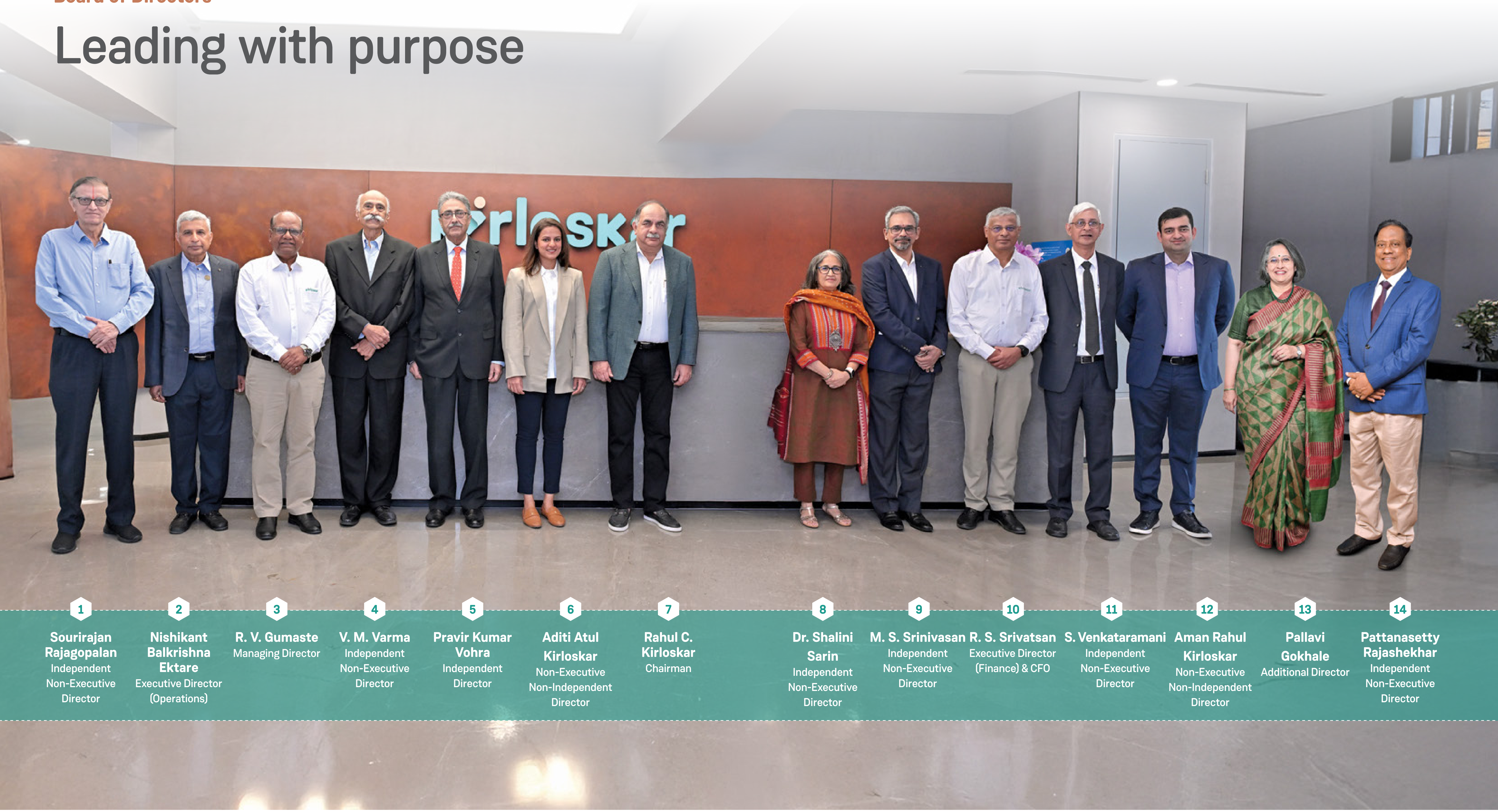
1. Identification and categorisation of risks
2. Risk activity calendar
3. Risk monitoring and review
4. Risk rating
5. Risk mitigation

Risk category	Impact	Mitigation measures	Priority	Capitals impacted
Strategic risk	Arises from internal factors such as poor planning, resource constraints and external factors such as economic downturns, regulatory changes, and customer demands.	• Monitor market trends and government policies • Maintain strong stakeholder relationships • Diversify product portfolio	Medium	
Operational risk	Losses from inadequate/failed processes, people, systems, or external events disrupting daily operations related to human resource, IT, supply chain, mining and more.	• Regularly update machinery and equipment • Implement advanced technologies and automation to improve efficiency	High	
Financial risk	Potential financial losses due to insufficient working capital, poor hedging, or currency fluctuations.	• Pursue strategic mergers and acquisitions to strengthen market position and access new technologies and markets	High	
Compliance risk	Risks from non-compliance with laws, regulations, standards, or policies, leading to penalties or reputational harm.	• Review and update compliance policies • Conduct regular internal audits to ensure adherence and identify gaps	High	
Reputational risk	Potential damage to reputation from negative publicity, ethical breaches, or unmet stakeholder expectations, causing financial and market losses.	• Innovate and develop products to meet customer needs • Ensure product quality and reliability to maintain trust	Medium	
Sustainability risk	Negative impacts from environmental, social, and governance (ESG) factors such as climate change, resource scarcity, and social responsibility.	• Innovate and upgrade equipment/processes for better energy efficiency and reduced waste	Medium	

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

Board of Directors

Leading with purpose



1 **Sourirajan Rajagopalan**
Independent Non-Executive Director

2 **Nishikant Balkrishna Ektare**
Executive Director (Operations)

3 **R. V. Gumaste**
Managing Director

4 **V. M. Varma**
Independent Non-Executive Director

5 **Pravir Kumar Vohra**
Independent Director

6 **Aditi Atul Kirloskar**
Non-Executive Non-Independent Director

7 **Rahul C. Kirloskar**
Chairman

8 **Dr. Shalini Sarin**
Independent Non-Executive Director

9 **M. S. Srinivasan**
Independent Non-Executive Director

10 **R. S. Srivatsan**
Executive Director (Finance) & CFO

11 **S. Venkataramani**
Independent Non-Executive Director

12 **Aman Rahul Kirloskar**
Non-Executive Non-Independent Director

13 **Pallavi Gokhale**
Additional Director

14 **Pattanasetty Rajashekhar**
Independent Non-Executive Director

Operating environment

Navigating a dynamic landscape

We operate at the juncture of ferrous manufacturing, integrated steelmaking and industrial innovation. This year was characterised by historic volumes in the tractor and commercial vehicle segments, a strong policy push for domestic manufacturing, and robust infrastructure spending across India. Despite headwinds from coking coal cost pressures, import-driven pricing competition and global trade uncertainties, our diversified integrated portfolio and operational agility enabled us to navigate challenges while strengthening our position for future growth.

What is changing	How we are capturing the opportunity
Tractor and commercial vehicle segments record all-time high sales this year	• Directly supports castings volume growth – tractor industry accounts for 34% of our castings end-user mix and commercial vehicles (domestic + deemed export) account for 44% • Drives sustained demand for cylinder blocks, cylinder heads, housing and precision engine components from our Koppal and Solapur foundries • Oliver Engineering, Rajpura now serving northern India OEM base - expanding geographic penetration into tractor and commercial vehicle casting markets
Automotive premiumisation and fuel-efficiency trends driving demand for precision-engineered components	• High-HP commercial vehicles and SUVs requiring heavy-duty castings increases demand for KFIL's precision-engineered engine components • OEM requirements for tighter dimensional accuracy and metallurgical consistency play to our advanced manufacturing strengths at Koppal, Solapur and Oliver Engineering • Increasing share of value added/engineered castings in our product mix improves realisation per tonne and deepens customer integration
Bearings segment expanding YoY, driven by infrastructure, railways and emerging EV applications	• Directly supports KFIL's steel division and tubes division where bearings account for 69% of end-user mix for Steel and 11% of end user mix for Tubes • Steel sales volumes grew 17% YoY to 85,644 MT in FY2026, riding this durable structural demand trend • Demand shift toward high-speed, noiseless bearings expands the addressable speciality steel market for KFIL going forward
Tightening supply for specialty steel grades creating pricing power for integrated producers	• KFIL's Electric Arc Furnace (EAF)-based, fully integrated steel operations at Jejuri are well-positioned to serve speciality steel applications in automotive, bearings, forging and precision engineering
Strong global growth in the seamless tubes industry	• Positions KFIL's seamless tubes business for sustained growth across boiler, OCTG, automotive and industrial segments • Boiler segment share grew from 18% to 22% of tubes mix in FY2026; OCTG at 10%, both high-value applications • Secured a 17,000 MT contract with a PSU for supply of tubings and accessories for oil and gas exploration
Coking coal import dependence and Rupee depreciation elevating metallurgical coal input costs	• KFIL's Pulverised Coal Injection (PCI) and oxygen enrichment systems at Koppal provide a sustained, structural reduction in coke consumption rates • Captive iron ore sourcing from Kirloskar Bharat Mines reduces raw material procurement dependency • Coke Bunker Heating with flue gases at Hiriyur (targeted Q3 FY2027) will further reduce coke consumption • Oxygen Plant at Koppal (targeted Q4 FY2027) will augment productivity and coke efficiency further
Focus on sustainable manufacturing and renewable energy adoption gaining momentum among customers and regulators	• Our renewable electricity consumption increased from 25% to 41% this year • KFIL's 82 MW operational solar capacity (Jalna + Solapur), 52 MW WHR captive power, and pipeline of 35 MW solar + 25 MW wind (targeting Q2 FY2027) • Green Steel definition with DNV certification and quarterly Scope 1 and 2 emissions mapping reinforce regulatory compliance and ESG credibility
Growing customer preference for value-added, precision-engineered and application-specific products	• Justifies continued investment in R&D, machining capacity enhancement, and 3D printing • Drives higher margin realisations from premium seamless tubes (OCTG, boiler, premium couplings) and machined castings • Creates differentiation in competitive tender-based segments and deepens OEM partnerships – casting customer base grew from 26 to 29 customers in FY2026

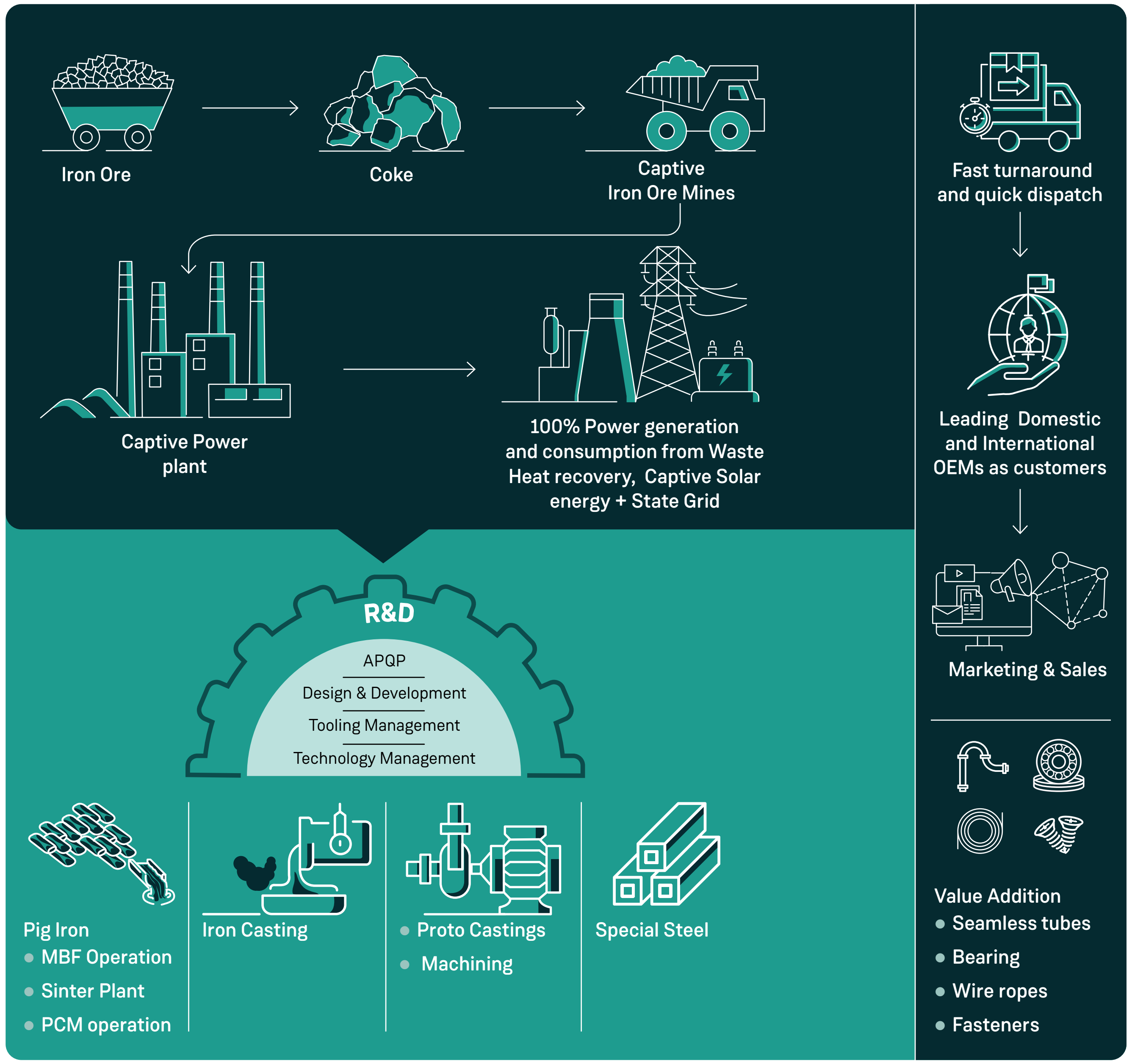
Value creation model

Transforming resources into results

What we have

INR 2,485 Crores	Net worth
INR 509 Crores	Loan
7	Manufacturing units
INR 7.41 Crores	Spent on Research and Development
2,508	Employees on payroll
INR 9.91 Crores	Spent on CSR

Value creation process



Value created / Stakeholders impacted / UN SDGs impacted

Value created		Stakeholders impacted
INR 6,889 Crores	Turnover	Shareholders/Investors
INR 6	Dividend per share	Customers, Dealers, Suppliers
INR 7,176+ Crores	Market capitalisation as on May 29th, 2026	Employees, Customers
2,07,400	People benefited through CSR activities	Employees
4,75,268 MT	Waste recycled	Shareholders/Investors, Customers, Dealers, Suppliers, Employees, Government agencies and regulatory bodies, Society
16,666 MT	Waste reused	

Stakeholder engagement

Creating value through collaboration

At KFIL, stakeholder engagement is fundamental to our approach to sustainable growth and long-term value creation. We actively engage with our stakeholders to understand their expectations, strengthen relationships, and incorporate their perspectives into our decision-making processes. This continuous dialogue enables us to identify emerging opportunities, address key concerns, refine our business strategies, and create shared value for all stakeholders.

Stakeholder engagement process

Establishment of plan → Collection of opinions → Internal report → Improvement activities → Monitoring

Employees

UN SDGs impacted

Capital linkages

What they expect
- Career growth opportunities
- Favourable working conditions
- Fair practices and wages
- Skill development and training programmes
- Health and safety
- Rewards and recognition

How we engage
- Leadership-connect sessions and open houses
- Performance appraisals and career planning reviews
- Digital learning platforms and cross-functional taskforces
- Employee engagement programmes

Frequency of engagement
Regular and need-based

Shareholders/investors

UN SDGs impacted

Capital linkages

What they expect
- Future business plans
- Sustainable top-line and profitable bottom-line growth
- Financial stability

How we engage
- Annual General Meetings
- Analyst meets and investor presentations
- Media releases and regulatory announcements
- Annual Report and financial disclosures

Frequency of engagement
Quarterly

Customers

UN SDGs impacted

Capital linkages

What they expect
- Product quality
- Timely delivery
- Competitive pricing
- New Part Development (NPD) turnaround time
- Surface finish
- After-sales service

How we engage
- One-on-one interactions through sales visits
- Customer satisfaction surveys and quality audits
- Helpdesk and service touchpoints
- Customer events, expos and exhibitions

Frequency of engagement
Need-based and as and when required

Suppliers

UN SDGs impacted

Capital linkages

What they expect
- Sustainable business growth
- Supply chain management
- Transparent business planning
- Ethical practices

How we engage
- One-on-one interactions
- Annual supplier meets and conferences
- Fitter and contractor meetings
- Supplier/vendor audits

Frequency of engagement
Need-based and as and when required

Dealers

UN SDGs impacted

Capital linkages

What they expect
- Product quality and on-time delivery
- Long-term business relationships
- Timely payments
- Ethical conduct

How we engage
- Dealer engagement programmes
- Annual dealer meets

Frequency of engagement
Annual

Society

UN SDGs impacted

Capital linkages

What they expect
- Focus on environment, health and safety
- Livelihood opportunities
- Infrastructure development and education

How we engage
- CSR committee meetings and implementation reviews
- CSR and Socially Perception Surveys
- Informal interactions and CSR programmes

Frequency of engagement
Annual

Government agencies and regulatory bodies

UN SDGs impacted

Capital linkages

What they expect
- Full compliance with rules and regulations
- Accurate and timely reporting

How we engage
- Participation in economic publications, journals and seminars
- Interaction with District, State and Central authorities
- Meetings with Pollution Control Boards and departments
- Submissions to regulatory authorities and industry forums

Frequency of engagement
Periodic

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

Materiality assessment

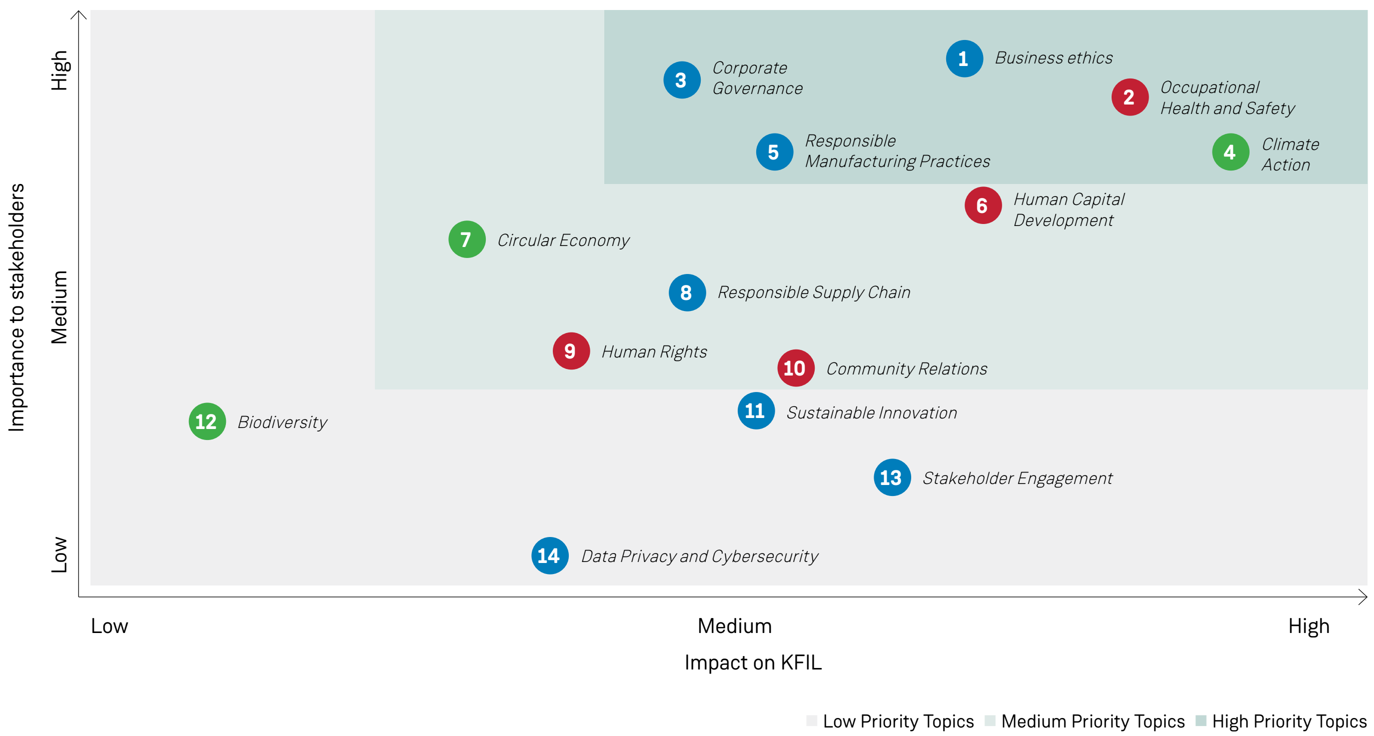
Shaping our priorities

Understanding what matters most to our stakeholders is fundamental to creating long-term value. Our materiality assessment process helps identify and prioritise the issues that have the greatest influence on our business, stakeholders, and broader operating environment. In FY2026, we conducted a materiality re-assessment exercise to re-evaluate the material topics from our material assessment conducted in FY2023 in light of evolving regulatory requirements, market dynamics, and stakeholder priorities.

Our approach to materiality assessment

Step	Description		Outcomes
1 Stakeholder identification	Understand the business and key stakeholders	Identify stakeholders and plan their role in the assessment	**Key stakeholder groups**
2 Material topics identification	Identify relevant ESG material topics	Screening of potential material topics through peer benchmarking and review of rating agencies	**List of material topics for assessment**
3 Stakeholder engagement	Prepare and circulate stakeholder questionnaire	Engage with identified stakeholders, both external and internal, to prioritise topics	**Stakeholder questionnaire and stakeholder responses**
4 Analysis of responses	Analyse stakeholder responses	Define scoring methodology for assessing material topics and thresholds to determine materiality of the topics	**Assessment methodology and thresholds**
5 Mapping and visualisation	Visualise the material topics in a matrix	Formulate the materiality matrix based on prioritisation of topics and impact on the business	**Materiality assessment matrix**

Materiality matrix



Our material topics

Environment	Social	Governance
3. Climate action	1. Occupational health and safety	2. Business ethics
7. Circular economy	6. Human capital management	4. Corporate governance
12. Biodiversity	9. Human rights	11. Sustainable innovation
	10. Community relations	5. Responsible manufacturing practices
		8. Responsible supply chain
		14. Cybersecurity and data privacy
		13. Stakeholder engagement

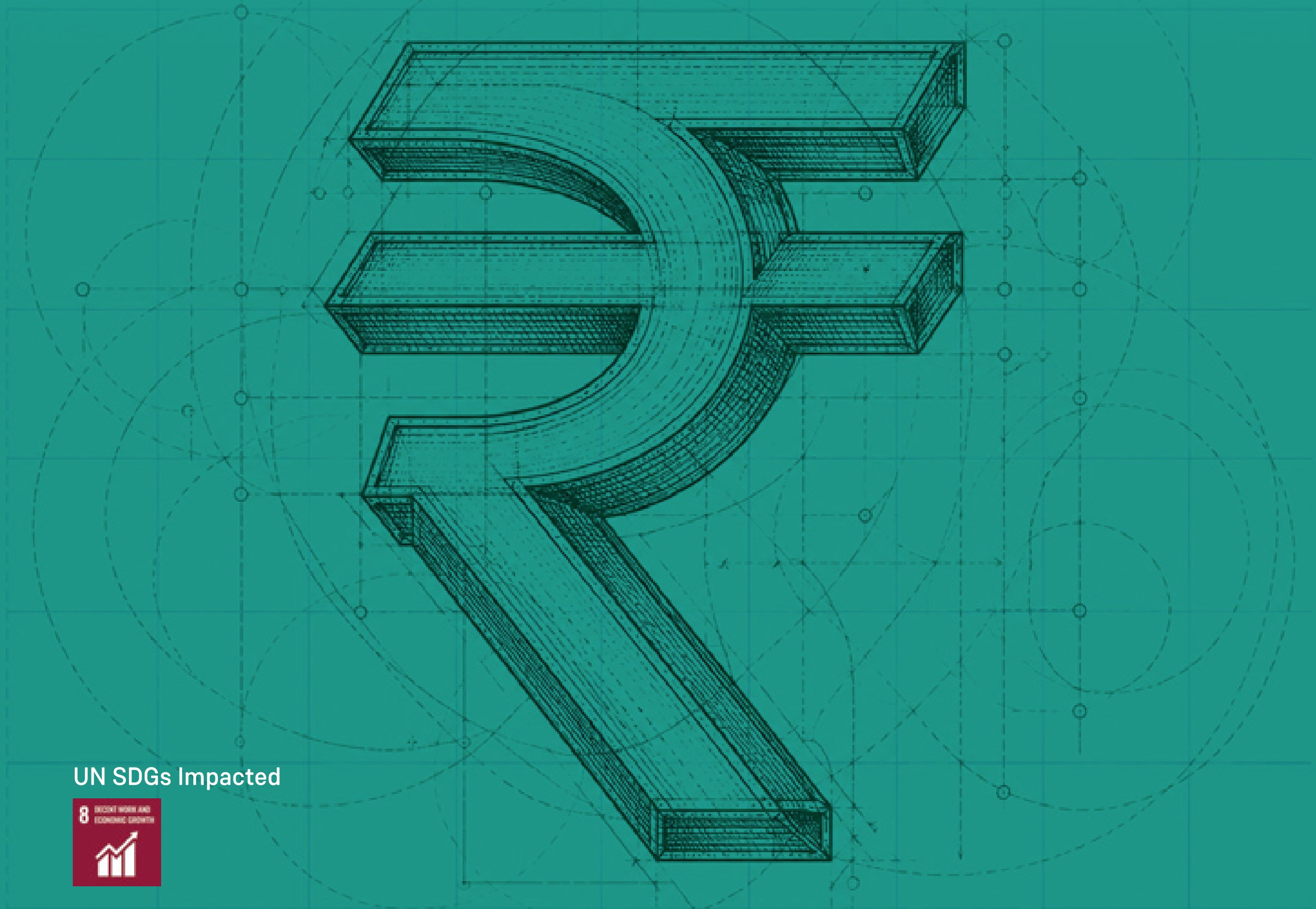
ESG commitments

Pillar	Target	Material topics impacted
Environment	10% reduction in carbon emission intensity (Scope 1 + Scope 2) by 2030	Climate action
	Increase renewable energy/waste heat recovery to 50% of total energy requirements by 2030	Climate action Circular economy
	Working towards Zero Liquid Discharge across all plants	Circular economy
Social	Cover 100% of employees under Code of Conduct training	Human capital management Business ethics
	Community development through focused CSR initiatives	Community relations Human rights
Governance	Obtain BRSR Core assurance as per SEBI guidelines	Corporate governance Business ethics Stakeholder engagement
	Zero data breaches	Cybersecurity and data privacy

S1: Accelerate

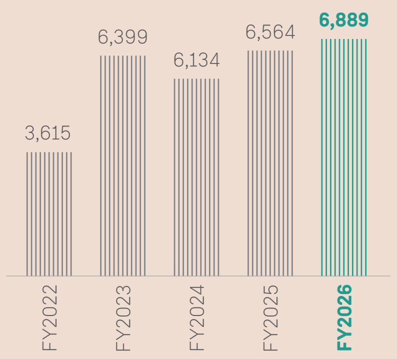
Financial performance

We maintain strong financial discipline through strategic capital allocation, cost optimisation across all operations and a sharp focus on sustaining healthy cash flows. Our efforts have enhanced cost-efficiency and value creation, enabling strong business outcomes and long-term, sustainable growth. In FY2026, we delivered revenue of INR 6,889 Crores, EBITDA of INR 842 Crores at 12.3% margin, and PAT of INR 505 Crores, driven by broad-based volume growth, lower finance costs and continued operational improvements.

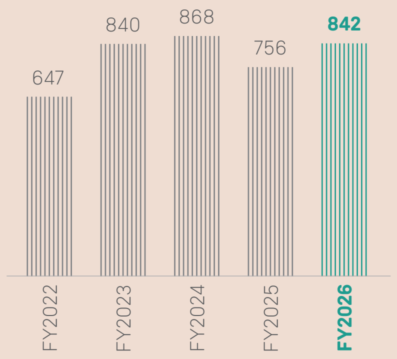


UN SDGs Impacted

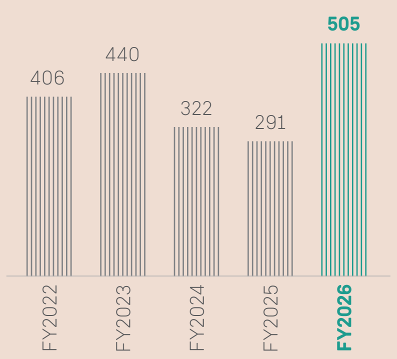
Revenue
(INR Crores)



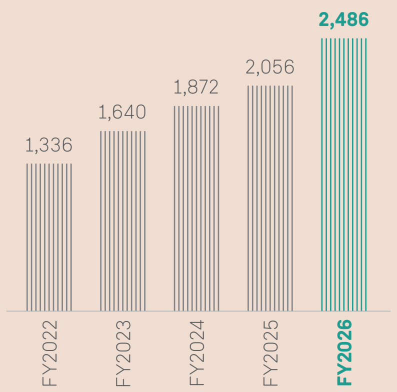
EBITDA
(INR Crores)



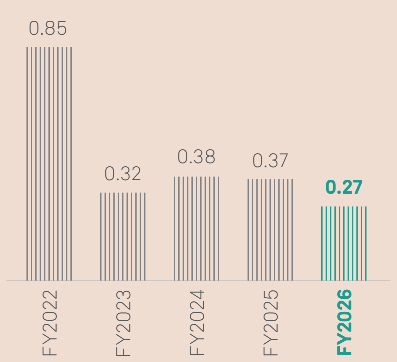
PAT
(INR Crores)



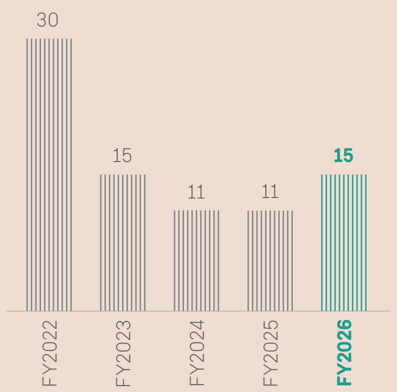
Net worth
(INR Crores)



Debt-Equity ratio
(times)



ROCE
(%)



S2: Transform

Innovation, technology and product development

We have strengthened our innovation-led growth strategy through a multi-dimensional approach based on technological advancement, product diversification, capacity enhancement and sustainability. These initiatives are methodically designed to build competitive, future-ready capabilities across casting, machining, energy and material systems. These efforts ensure our alignment with shifting market dynamics and broader industrial priorities of the nation.

UN SDGs Impacted

Operational efficiency: Squeezing more from existing assets

KFIL continues to drive operational efficiency by enhancing output and productivity from its existing assets. Initiatives include increasing Pulverised Coal Injection (PCI) levels to reduce coke consumption, one of the largest cost components in pig iron production. The commissioning of the oxygen plant is expected to improve furnace productivity and support higher throughput, while the planned upgrade of the Hiriyur blast furnace will expand annual capacity, enabling better asset utilisation and operational efficiency.

Process improvement: Capacity, quality, and de-bottlenecking

We are undertaking targeted process upgrades to address capacity constraints and improve operational efficiency across key business segments. The planned expansion of the Baramati tube mill is expected to increase capacity to 4 Lakh metric tonnes per annum, strengthening our growth prospects in the tubes business. We are also progressing the commissioning of a Coke Bunker Heating system and a new Foundry Line in FY2027 to enhance throughput and improve energy efficiency.

These investments form part of our broader annual capex programme, reflecting a disciplined and sustained approach to capacity enhancement, process optimisation, and long-term value creation.

Energy management: Cost insulation through renewables

Energy management has emerged as a significant driver of cost efficiency alongside its environmental benefits. To further strengthen our energy portfolio, we are adding 35 MW of solar and 25 MW of wind capacity. Complementing these efforts, the Jejuri plant is pursuing Green Steel and Product Carbon Footprint certification under ISO 14067:2018 with DNV assurance, aligning our energy transition initiatives with evolving customer expectations and carbon disclosure requirements.

How this keeps KFIL ahead of the market

Our focus on operational efficiency, energy optimisation, and process improvement strengthens our ability to navigate industry cyclicality and maintain margin resilience. While pig iron and tube realisations witnessed YoY price declines, efficiency gains and energy savings helped offset a significant portion of the resulting margin pressure. Cost leadership remains a central pillar of our FY2027 strategy, supported by ongoing initiatives in process optimisation, product enhancement, and market diversification. Collectively, these efforts underpin our ambition of improving EBITDA margins.

Importantly, our growth strategy is centred not only on expanding capacity but also on improving the efficiency of every incremental tonne produced. Major investments, including the Baramati tube mill expansion, the Hiriyur blast furnace upgrade, and the new foundry line, are being complemented by energy efficiency and productivity initiatives that help reduce the marginal cost of growth while enhancing long-term competitiveness.

INR 7.41 Crores

Spent on R&D

S3: Optimise

Manufacturing excellence and environmental stewardship

At KFIL, manufacturing excellence and environmental stewardship go hand in hand. Guided by decades of engineering expertise, we continue to strengthen our capabilities through investments in advanced technologies, process innovation, and operational efficiency. At the same time, we remain committed to responsible manufacturing by improving resource efficiency, reducing emissions, conserving energy and water, and advancing circular economy practices. This balanced approach enables us to deliver high-quality products, create sustainable value for stakeholders, and contribute to a more resilient and environmentally responsible future.

UN SDGs Impacted

Manufacturing excellence

Our legacy of manufacturing excellence is built on decades of experience reinforced by continuous investments in advanced technology and infrastructure. By placing quality, reliability and performance at the forefront, we consistently meet the expectations of our customers and maintain our position as a trusted manufacturing partner across pig iron, castings, steel and seamless tubes.

We drive quality excellence and operational effectiveness through a range of continuous improvement initiatives, including Workplace Management (5S), regular Gemba Walks, Daily Work Management (DWM), and the structured 8D problem-solving methodology for product and process quality enhancement. We also strengthened delivery performance through the implementation of the On-Time-In-Full (OTIF) improvement framework, supported by a Buffer Penetration Reporting System based on the Theory of Constraints (TOC). In parallel, we actively encouraged employee-driven Kaizen initiatives to improve productivity, eliminate waste, and enhance process reliability.

Key manufacturing achievements

Oliver engineering (Rajpura)

Strong operational ramp-up: Production scaled from 1,602 MT in Q1 to 3,977 MT in Q4, achieving over 2.5x growth during FY2026.

Steel division (Jejuri)

Highest-ever steel volumes: Achieved record production of 85,644 MT, registering 17% YoY growth.

Finalised Green Steel Definition with DNV as a certifying agency and institutionalised quarterly Scope 1, 2 & 3 emissions mapping.

Castings business

Sustained growth momentum: Volumes increased to 1,40,245 MT, with the customer base expanding from 26 to 29 customers.

Seamless tubes business

Record volumes and production: Volumes grew to 1,88,704 MT, while Ahilyanagar recorded its highest-ever Cold Draw and Cold Pilger production.

Koppal expansion progress

Key regulatory approvals secured: Received Environmental Clearance (MoEF&CC) and Consent for Establishment (CFE) for the Koppal Steel Plant expansion.

Capacity enhancement

Growth-ready operations: Obtained revised CTO approvals for increased production capacities at the Ahilyanagar and Jejuri facilities.

Our manufacturing facilities

Kirloskar Ferrous

Pig Iron
- **Koppal** – Number of Blast Furnace: 2, Capacity. 396K MTPA (1M)
- **Hiriyur** – Number of Blast Furnace: 1, Capacity. 155K MTPA (LM)

Casting
- **Koppal** – Number of Lines: 2, Capacity: 110K MTPA
- **Solapur** – Number of Lines: 2, Capacity 78K MTPA
- **Rajpura** – Number of Lines: 1, Capacity: Phase 1 28K MTPA, Phase 11 60K MTPA

Steel
- **Jejuri** – Capacity: 300K MTPA
- **Koppal** – Capacity: 500K MTPA

Tubes
- **Ahilyanagar** – Capacity: 50K MTPA
- **Baramati** – Capacity: 200K MTPA

Total capacity per annum

~2,00,000 MT
Iron Castings

~3,00,000 MT
Steel*

~7,00,000 MT
Pig Iron

~3,70,000 MT
Seamless Tubes**

*Liquid Metal
**Hot Mill Rolling

Koppal plant

Castings and pig iron

The Koppal facility is the cornerstone of our integrated manufacturing ecosystem, bringing together pig iron, castings, coke production, and captive power generation within a single complex. We enhanced foundry automation through robotic core coating upgrades, advanced drying ovens on Core Line 1, and integration of LAMPE cells for critical cold box core production. Full utilisation of PCI and oxygen enrichment systems improved process efficiency and reduced coke consumption, while our 52 MW captive power infrastructure continued to support energy self-sufficiency. We also secured Environmental Clearance from MoEF&CC for the proposed Koppal Steel Plant expansion and received Consent for Establishment (CFE) from KSPCB.

Our focus on quality excellence was recognised with a Gold Rating under the Q Prime Program in collaboration with Daimler India Commercial Vehicles (DICV). We strengthened the deployment of key quality and continuous improvement practices, including Quality Gates, Visual Management, Quick Changeover Techniques, Daily Work Management, Risk Management, and Lean Tools. These efforts were recognised through several awards, including the Best Cost Efficiency Award from Escorts Kubota, Best Quality Performance Award and Zero Defect Competition recognition from KOEL, the Raw Material Supplier Award from the Institute of Indian Foundrymen (IIF), and a podium finish at the IIF Southern Region Kaizen Competition 2025.

Hiriyur plant

Pig iron

The Hiriyur Pig Iron Plant continues to play a vital role in strengthening KFIL's integrated operations and raw material security. During FY2026, the PCI and oxygen enrichment systems operated at optimal efficiency, supporting improved productivity and reduced coke consumption. The ongoing implementation of coke bunker heating using flue gas from the sinter cooler is further enhancing thermal efficiency, while the utilisation of 100% dry dust generated from Fume Extraction Systems and Electrostatic Precipitators in the sinter plant reflects the facility's commitment to resource efficiency and circularity.

Solapur plant

Castings

The Solapur plant continues to be a key pillar of KFIL's foundry operations. During FY2026, we advanced the development of our Two-Part Foundry, targeted for commissioning in FY2027, which will enhance its capability to manufacture large castings ranging from 200 kg to 1,200 kg. Ongoing investments in shell core automation and fettling capacity augmentation are expected to further improve operational efficiency and productivity. Reflecting its commitment to sustainable manufacturing, the plant reclaims approximately 40% of its core sand and recycles 100% of forging and machining scrap.

Jejuri plant

Steel

The Jejuri plant remains central to KFIL's strategy of strengthening its presence in high-quality and speciality steel segments serving automotive, bearings, hydraulics, and other engineering applications. The Steel division was awarded Green Steel Certification during the year, while quarterly mapping of Scope 1 and 2 emissions further strengthened its sustainability framework. Advancing its circular manufacturing agenda, the plant continues to utilise recycled internal materials in steelmaking and repurpose mill scale at the Koppal sinter plant, supporting resource efficiency across operations.

Baramati plant

Seamless tubes

The Baramati plant continued to strengthen its manufacturing capabilities through a series of capacity enhancement and operational efficiency initiatives. Four additional 100 MT storage bins were commissioned, increasing post-PQF storage capacity from 250 MT to 400 MT and improving material handling efficiency across operations.

The facility also doubled its Quench & Temper (Q&T) processing capacity for 2 7/8" tubing to 50 MT per day through the WBF + NTF route, enhancing its ability to cater to specialised oil and gas applications. The PNG fuel system, commissioned in FY2025, continued to deliver improved energy efficiency and lower emissions, while oxygen enrichment studies were initiated to further optimise combustion performance and process efficiency.

In line with its focus on value-added products, the plant continued to advance the development of premium in-house coupling solutions for the oil and gas sector, strengthening its product portfolio and customer offerings.

Ahilyanagar plant

Seamless tubes

The Ahilyanagar plant undertook a comprehensive productivity enhancement and debottlenecking programme across its Rolling Mills, Roller Hearth Furnaces, Cold Draw, Cold Pilger, Heat Treatment, Pickling, and Finishing operations. A series of process optimisation initiatives improved throughput, equipment utilisation, and manufacturing efficiency, while the conversion of Mill-1 RTHF and Mill-2 PHF to cleaner PNG fuel strengthened the plant's sustainability performance.

These efforts resulted in the highest-ever production in Cold Draw and Cold Pilger operations and supported growth in overall sales volumes. Improved production planning, stronger schedule adherence, and higher throughput across key manufacturing streams further enhanced operational performance. The facility also received a revised Consent to Operate (CTO) for increased production capacity, supporting its future growth trajectory.

Oliver engineering

FY2026 marked a significant milestone for KFIL with the acquisition and integration of Oliver Engineering's Rajpura facility into the Company's manufacturing ecosystem. Following the commencement of production in October 2024, the facility witnessed a strong operational ramp-up during the year, supported by 14 product approvals and the ongoing commissioning of a fully equipped machine shop. The acquisition strengthens KFIL's presence in the precision castings segment while expanding its value-added manufacturing capabilities and customer reach.

Equipped with advanced technologies, including modern machine shop capabilities, an SG iron-making facility, and Lip Axis pouring systems, the Rajpura plant enhances KFIL's ability to deliver high-quality casting solutions with greater precision, efficiency, and scale. Reflecting the Company's commitment to sustainable manufacturing, the facility utilises 80% green sand in its sand plant and incorporates 45% recycled scrap in the melt shop, promoting resource efficiency while maintaining high standards of product quality and operational performance.

Sales volume in FY2026 (MT)

1,602 Q1	3,311 Q2
3,434 Q3	3,977 Q4

Our certifications

Indian Register Quality Systems
Certificate of Approval

CERTIFICATE NO.: IRQS/250500015
IATF CERTIFICATE NO.: 0561273

To certify the Quality Management System meets the requirements of **IATF 16949:2016 (1st Edition 01-Oct-2016)**

Kirloskar Ferrous Industries Limited

ADDRESS	EXTENDED MANUFACTURING SITE ADDRESS
Post Bevinahalli - 583 234, Taluka & District: Koppal, Karnataka, India	Machine Shop Division # Unit-II, Bevinahalli Village & Post - 583 234, Survey 56/1, 62/2, Taluka & District: Koppal, Karnataka, India
IATF USI Code: PT24ZA	IATF USI Code: GT2LKY

having been audited in accordance with the "Rules for Achieving and Maintaining IATF Recognition"

ISSUED ON	VALID TILL DATE
JANUARY 02, 2025	JANUARY 01, 2028

CERTIFICATION SCOPE

Manufacture of Pig Iron, Ferrous Castings and Machined Ferrous Castings

[Exclusions: Product Design Input and Output (8.3.3.1 & 8.3.5.1)]

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Supply chain management

At KFIL, we have cultivated a resilient and adaptive supply chain architecture designed to navigate industry cyclicality and operational volatility. By maintaining strategic safety stocks and establishing warehouses in proximity to customers, we ensure uninterrupted service even amid demand fluctuations. We proactively mitigate risks through multi-sourcing, rigorous supplier audits, buffer inventories, and reliable logistics redundancies. These measures enabled us to maintain uninterrupted availability of raw materials and ensure smooth production operations, with no significant supply chain disruptions during the year.

To sustain cost competitiveness without compromising quality, we pursue supplier consolidation, strategic partnerships, and competitive bidding through RFQs and e-auctions. Our emphasis on local sourcing, standardised specifications, and fit-for-purpose materials enhances both efficiency and responsiveness. Anchored by a robust vendor evaluation framework, we ensure consistent performance across quality, delivery, and cost parameters, strengthening operational excellence and customer satisfaction.

We follow a disciplined procurement and vendor management approach focused on cost efficiency, quality assurance, and supply reliability. Strong vendor partnerships, regular technical interactions, structured performance reviews, and digitalised order management systems enhance transparency and responsiveness across the value chain. Through effective inventory planning and close coordination with suppliers and logistics partners, we continue to support operational continuity and consistently meet customer requirements.

Customer-first approach

Our customer-first approach is anchored in reliability, responsiveness, and operational excellence. During the year, we achieved a 100% on-time delivery rate for key customers, including Volvo, Daimler, Caterpillar, Mahindra, and KOEL, successfully meeting customer schedules without causing any disruption to their production operations. We also strengthened product quality by effectively mitigating shrinkage and inclusion defects, contributing to a reduction in the rejection rate to 7.43%.

Supporting this performance is a robust inventory management framework that enhances visibility and agility across the value chain. Integrated through Oracle ERP, the system enables real-time tracking of raw materials, castings, spares, and by-products, ensuring effective inventory control and planning. A carefully managed inventory buffer, supported by the Theory of Constraints (TOC)-based planning and vendor-managed inventories near customer locations, helps optimise fulfilment and reduce lead times. Regular stock audits and continuous inventory monitoring further strengthen supply chain resilience, enabling us to respond efficiently to evolving customer requirements.

Commercial excellence in Tubes business

Secured a major order from a leading PSU for the supply of tubings and accessories for oil and gas exploration.

17,000 MT

Oil and gas contract

3 new customer approvals

From leading OEMs

Customer visits

At KFIL, our investment decisions are anchored in a customer-first philosophy, with a clear focus on creating long-term value through quality, reliability, and operational excellence.

We believe that meaningful customer relationships are built on transparency and trust. Regular customer visits to our manufacturing facilities provide an opportunity for open engagement, enabling customers to experience our manufacturing capabilities, quality systems, technological advancements, and sustainability initiatives firsthand. These interactions foster collaborative problem-solving, strengthen confidence in our processes, and help us align our investments with evolving customer expectations.

Guided by these insights, we continue to invest across our manufacturing ecosystem to enhance capacity, improve product quality, strengthen supply reliability, and accelerate innovation. Investments in iron ore mining, advanced foundry capabilities through Oliver Engineering, seamless tubes, and technology-enabled manufacturing have strengthened integration across our value chain, enabling us to deliver consistent quality and dependable performance.

Environmental stewardship

At KFIL, environmental stewardship is embedded within our approach to sustainable growth and responsible manufacturing. We are committed to minimising our environmental footprint through resource-efficient operations, pollution prevention, energy conservation, and the adoption of cleaner technologies. By integrating environmental considerations into our decision-making processes, we strive to enhance operational resilience, support climate action, and create long-term value for stakeholders while contributing to a more sustainable future.

Environmental management system

KFIL has established a robust Environmental Management System (EMS) across all its locations, certified to ISO 14001:2015 by TÜV. Guided by a comprehensive environmental policy, the EMS provides a structured framework for identifying environmental impacts, setting performance objectives, and implementing mitigation measures. Regular reviews by the management ensure continuous improvement in environmental performance, while initiatives focused on energy efficiency, water conservation, pollution prevention, and responsible resource utilisation reinforce the Company's commitment to sustainable operations.

Environmental monitoring

The Company employs advanced environmental monitoring systems to ensure compliance and transparency across its operations. Online Continuous Emission Monitoring Systems (OCEMS) enable real-time tracking of key emissions parameters, allowing timely corrective actions and proactive environmental management. Automated alerts, periodic calibration, and data validation processes ensure accuracy and reliability, while environmental performance is tracked through digital platforms to strengthen sustainability reporting and informed decision-making.

Energy management

Energy efficiency is a key enabler of our operational excellence and sustainability strategy. Our decarbonisation strategy is driven by investments in renewable energy, cleaner fuels, energy-efficient technologies, and emission control systems. Initiatives such as fuel conversion to PNG, installation of VFDs, deployment of electric forklifts, replacement of inefficient motors, and implementation of fume extraction and dust extraction systems have helped reduce dependence on conventional energy sources and lower greenhouse gas emissions. While renewable energy deployment and captive power generation have contributed to reductions in Scope 2 emissions, fuel substitution and process optimisation initiatives have supported reductions in Scope 1 emissions.

Our efforts to improve energy efficiency have translated into measurable outcomes. Under the Government of India's Perform, Achieve and Trade (PAT) Scheme Cycle III, the Koppal plant achieved a Specific Energy Consumption (SEC) of 0.4667 TOE per tonne against a target SEC of 0.5076 TOE per tonne, outperforming the target and earning 12,576 Energy Saving Certificates (ESCerts). The plant is currently covered under PAT Cycle VII-A with a revised SEC target of 0.4427 TOE per tonne, representing a further 5.14% reduction target from the FY2020 baseline.

Optimising electricity consumption

Electricity consumption across our operations is continuously monitored and optimised through a combination of technological interventions and process improvements aimed at enhancing efficiency and reducing energy losses.

Variable Frequency Drives (VFDs)

VFDs have been deployed on high-power equipment such as blowers, pumps, and fans across Koppal, Hiriyur, and Solapur. By enabling load-based speed control, these systems minimise partial-load energy losses and improve equipment efficiency.

Energy-efficient equipment and furnaces

The installation of IGBT-based furnaces at Solapur has improved power conversion efficiency while reducing harmonic distortion. Additional gains have been achieved through optimised furnace loading practices, reduced holding times, and the replacement of ageing motors with energy-efficient alternatives, resulting in significant energy savings.

Compressed air optimisation

Compressed air systems have been optimised through preventive maintenance, leak detection, and balanced loading practices, improving efficiency across energy-intensive operations.

Captive power utilisation

Captive power generation using waste heat recovery systems and surplus blast furnace gas helps reduce dependence on external power sources while improving overall energy efficiency and reliability.

Fuel and raw material optimisation

Fuel represents a significant component of operational energy consumption. We focus on improving combustion efficiency, optimising raw material utilisation, and adopting cleaner fuels to enhance productivity while reducing our environmental footprint.

Blast furnace optimisation

The installation of Bell-Less Tops (BLTs) in MBF-1 and MBF-2 at Koppal has improved burden distribution and reduced raw material consumption. Pulverised Coal Injection (PCI) and oxygen enrichment systems have further enhanced combustion efficiency and reduced coke consumption.

Fuel substitution

Cleaner fuels are being adopted across operations to improve environmental performance. Key initiatives include the replacement of LSHS, Furnace Oil, LPG, and other conventional fuels with PNG across select operations, the deployment of cleaner PNG fuel at Ahilyanagar, and the conversion of furnace oil-based systems to LPG-based ovens at Solapur.

Waste heat recovery and in-house power generation

Recovering and utilising waste heat remains an important component of our energy strategy, enabling us to improve resource efficiency and reduce dependence on conventional energy sources.

Captive power at Koppal

A 40 MW captive power plant utilises waste heat generated from coke ovens, while an additional 12 MW is produced using blast furnace flue gases. Together, these facilities make the Koppal plant nearly self-sufficient in power generation.

Coke drying system

We commissioned a coke drying system at MBF #1 and MBF #2 that utilises waste heat recovered from the sinter cooler.

Sinter cooler heat reuse

Heat recovered from sinter coolers is redirected to preheat coke bunkers in MBF-1 and MBF-2, reducing auxiliary fuel consumption and improving overall process efficiency.

Installation of waste heat recovery boiler

We have installed a Waste Heat Recovery Boiler (WHRB) utilising Blast Furnace Gas and Coke Oven Gas for captive power generation. This initiative enhances energy efficiency, reduces dependence on external power sources, and lowers our environmental footprint.

Digital energy monitoring

Digital technologies are helping create a more connected and data-driven energy management ecosystem across our facilities.

Smart instrumentation

Smart meters, power quality analysers, and IoT-enabled sensors have been deployed across plants to enable real-time monitoring of electricity, gas, steam, and water utilities. These systems facilitate faster anomaly detection and more informed decision-making.

Solapur's advanced infrastructure

Detailed tracking of power factor, energy consumption, and thermal utility performance at Solapur enables immediate corrective actions and supports continuous operational optimisation.

Centralised energy command centre

A group-wide Energy Command Centre is being established at One Avante, Pune. The platform will integrate energy data from all KFIL locations, enabling real-time tracking, predictive analytics, remote diagnostics, and optimised allocation of renewable energy resources.

Adoption of renewable energy sources across plants

The transition towards renewable energy remains an important element of our sustainability roadmap. Through investments in solar and wind power, renewable energy sourcing, and captive power generation through waste heat recovery and surplus blast furnace gas, we are steadily increasing the share of cleaner energy in our overall energy mix. These initiatives contribute to reductions in Scope 2 greenhouse gas emissions, strengthen energy security, and support our long-term decarbonisation ambitions.

51.5 MW
Captive power generation through WHRB and TG

12 MW
Solar power plant operational at Solapur Plant

70 MW
Captive solar power plant at Jalna

Emissions management

We adopt a technology-driven approach to emission management, supported by advanced environmental monitoring systems that enable real-time tracking of key pollutants, including sulphur dioxide (SO_2), nitrogen oxides (NO_x), particulate matter, and carbon monoxide (CO). Integrated data collection, automated alerts, and cloud-based monitoring platforms facilitate timely identification of emission fluctuations and support prompt corrective action. Continuous data transmission to regulatory authorities, routine calibration, and periodic cross-verification ensure data accuracy, regulatory compliance, and operational transparency. These systems also provide valuable insights into emission trends, helping identify improvement opportunities and strengthen environmental performance across our operations.

Our decarbonisation journey gained further momentum with the Steel division at Jejuri receiving Green Steel Certification, recognising its efforts towards low-carbon manufacturing. We also institutionalised quarterly mapping of Scope 1 and 2 greenhouse gas emissions across the organisation, enhancing visibility into our carbon footprint and enabling data-driven climate action. Together, these initiatives support our long-term objective of reducing emissions, improving environmental accountability, and advancing sustainable manufacturing practices.

Emissions inventory

Parameter	Unit	FY2026 (Current financial year)	FY2025 (Previous financial year)
Total Scope 1 Emissions	Metric tonnes of CO_2 equivalent	16,85,981	14,49,419
Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, where available			
Total Scope 2 Emissions	Metric tonnes of CO_2 equivalent	1,75,478	1,78,725
Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, where available			
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	Metric tonnes of CO_2 equivalent/rupee	270	248
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	Metric tonnes of CO_2 equivalent/USD	5,496	NA
Total Scope 1 and Scope 2 emission intensity in terms of physical output- Production in mass	Metric tonnes of CO_2 equivalent/MT	1.43	1.39
Total Scope 1 and Scope 2 emission intensity (optional) – null		-	-

The YoY intensity metrics for energy, greenhouse gas emissions, water and waste are not directly comparable with the previous year due to the expansion of KFIL's reporting boundary during FY2026.

The inclusion of the iron ore mining operations, which support the Company's backward integration strategy, has increased operational resource consumption without a commensurate increase in revenue. Additionally, Oliver Engineering's operations have been included for the full financial year, while its revenue contribution reflects only the period following the commencement and ramp-up of commercial operations during the second half of the year. Consequently, the FY2026 intensity metrics are influenced by the expanded operational footprint and the phased revenue contribution from the newly integrated businesses.

Air quality management

We adopt a proactive and data-driven approach to managing air quality across our operations. Continuous Emission Monitoring Systems (CEMS) provide real-time visibility into key pollutants, including particulate matter, SO_x, and NO_x, enabling timely corrective action whenever required. Ambient air quality monitoring is conducted across various locations within our facilities to assess pollutant concentrations and identify opportunities for improvement. In addition, regular stack emission testing helps evaluate the performance of pollution control systems and ensures compliance with prescribed regulatory standards. Supported by continuous monitoring, analytical insights, and independent validation, these measures help reduce environmental impact and promote cleaner air within and around our operational areas.

Air emissions

Parameter	FY2026 (Current financial year)		FY2025 (Previous financial year)	
	Value	Unit	Value	Unit
NO_x	175	MT	236	MT
SO_x	519	MT	1,064	MT
Particulate matter (PM)	1,016	MT	1,156	MT
Persistent organic pollutants (POP)	0	MT	0	MT
Volatile organic compounds (VOC)	0	MT	0	MT
Hazardous air pollutants (HAP)	0	MT	0	MT

Water management

Water stewardship is an integral part of our sustainability strategy. We focus on reducing freshwater consumption, increasing water reuse, and improving water-use efficiency across our operations through a combination of process optimisation, recycling initiatives, and awareness-driven interventions. Our approach supports responsible resource management while strengthening operational resilience and environmental performance.

Reuse of wastewater in slag granulation

As part of our circular water management approach, wastewater is collected and reused in the slag granulation process. This initiative enables the recycling of water used in high-temperature slag cooling operations, reducing dependence on freshwater sources while minimising wastewater discharge. By integrating reuse into core manufacturing processes, we enhance both resource efficiency and environmental sustainability.

Rainwater harvesting

To augment water availability and reduce pressure on conventional water sources, we have established dedicated rainwater harvesting systems across our facilities. These systems capture and store monsoon runoff, which is subsequently utilised for various plant operations. The initiative contributes to groundwater conservation and supports sustainable water sourcing practices.

Utilisation of STP treated water

Our Sewage Treatment Plants (STPs) recover and treat domestic and process wastewater for non-potable applications. Treated water is utilised for plantation development, greenbelt maintenance, road sprinkling, and other utility requirements within the plant premises. This practice reduces freshwater consumption while supporting greener and more sustainable operations.

Water conservation awareness

Water conservation extends beyond infrastructure and technology. We actively promote responsible water usage through employee awareness initiatives and visual communication at key consumption points across our facilities. These efforts encourage behavioural change and strengthen a culture of water stewardship throughout the organisation.

Zero Liquid Discharge (ZLD) implementation

We are progressively advancing towards Zero Liquid Discharge (ZLD) across our operations. These systems recover and treat wastewater streams to maximise water reuse and minimise liquid effluent discharge, leaving behind only solid residues for safe disposal. The adoption of ZLD reflects our commitment to responsible water management and alignment with evolving environmental standards and best practices.

Water parameters

Parameter	FY2026 (Current financial year)		FY2025 (Previous financial year)	
	Value	Unit	Value	Unit
Water withdrawal by source (in kilolitres)				
(i) Surface water	24,30,797	Kilolitres	22,43,057	Kilolitres
(ii) Groundwater	4,08,520	Kilolitres	4,49,615	Kilolitres
(iii) Third party water	8,240	Kilolitres	3,72,675	Kilolitres
(iv) Seawater/desalinated water	Nil	Kilolitres	Nil	Kilolitres
Others	Nil	Kilolitres	Nil	Kilolitres
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	28,47,559	Kilolitres	30,65,347	Kilolitres
Total volume of water consumption (in kilolitres)	28,47,559	Kilolitres	30,65,347	Kilolitres
Water intensity per rupee of turnover (Total water consumption/ Revenue from operations)	413	Kilolitres/rupee	467	Kilolitres/rupee
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	8,408	Kilolitres/USD	NA	Kilolitres/USD
Water intensity in terms of physical output - Production in mass	2.18	Kilolitres/MT	2.62	Kilolitres/MT
Water intensity (optional) - null	-	-	-	-

Waste management and circular economy

Our waste management approach is guided by the principles of the circular economy, with a focus on reducing waste generation, maximising resource recovery, and increasing material reuse across operations. By integrating recycling and reuse practices into our manufacturing processes, we minimise waste sent for disposal, improve resource efficiency, and reduce the environmental footprint of our operations.

Recycling of reinforcement tubes and tie rods

Material recovery remains an important aspect of our manufacturing processes. Approximately 90% of reinforcement tubes and tie rods used in operations are recycled and reintroduced into the production cycle. This reduces the consumption of virgin raw materials while lowering the environmental impact associated with waste disposal.

Reuse of rejected cores and waste sand

In our foundry operations, rejected cores and waste sand are recovered and reused within the production process. This practice improves material utilisation, reduces waste generation, and supports more sustainable manufacturing by diverting materials away from disposal streams.

Recovery and reuse of runner risers

Runner risers generated during the casting process are fully recovered and reprocessed for reuse within the system. By reintegrating these by-products into production, we reduce the requirement for fresh input materials, improve material efficiency, and support circular resource utilisation.

Waste parameters

Parameter	FY2026 (Current financial year) Value	FY2025 (Previous financial year) Value
Total waste generated (in metric tonnes)		
Plastic waste	535.37	359.97
E-waste	25.26	3.49
Biomedical waste	0.01	0.01
Construction and demolition waste	762.60	994.66
Battery waste	6.44	7.41
Radioactive waste	0	0
Other Hazardous waste		
Other Hazardous waste	727	224.62
Other Non-hazardous waste		
Other Non-hazardous waste	5,62,186	4,45,193
Total Waste Generated	5,64,243	4,46,783
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations) (Metric tonne/rupee)	81.91	67.95
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) (Metric tonne/USD)	1,666	NA
Waste intensity in terms of physical output - Production in mass (Metric tonne/MT)	0.43	0.38
Waste intensity (optional) – null	-	-

Biodiversity conservation

We recognise the vital role biodiversity plays in maintaining ecological balance and supporting long-term environmental sustainability. Our approach extends beyond regulatory requirements, with annual biodiversity assessments conducted through accredited third-party experts to evaluate and monitor ecological conditions in and around our operational areas. This proactive approach helps identify potential environmental impacts, guide conservation efforts, and strengthen ecosystem resilience across our locations.

Native species plantation

Enhancing green cover and restoring local ecosystems remain important aspects of our biodiversity strategy. As part of our Green Steel initiative, greenbelt areas have been developed across plant locations to promote ecological balance and improve habitat quality. We also conducted surveys of indigenous plant species within a 35-km radius of our facilities to support the creation of native forests and strengthen ecosystem restoration efforts.

To support these initiatives, we established an in-house native nursery with more than 13,000 ready saplings for plantation activities across locations. More than 5,000 plantations have been completed across KFIL's operational sites, contributing to increased green cover, habitat enhancement, and improved ecological health. Building on this progress, an additional 6,000 plantations are planned at the Jejuri, Baramati, and Ahilyanagar facilities.

Biodiversity assessment and ecosystem restoration

A detailed biodiversity assessment was conducted at the Koppal plant and within a 10-km surrounding radius in collaboration with environmental experts. Native species identified through the assessment are being propagated through dedicated nursery initiatives, supporting long-term ecosystem conservation and the restoration of local biodiversity.

Protecting our habitat

We focus on minimising operational impacts on surrounding ecosystems through effective environmental management practices. High-jet water sprinklers and dry fog systems have been installed at dust-prone locations, including sinter plants, raw material yards, and coke oven areas, to reduce fugitive dust emissions and improve local air quality. These measures help protect nearby habitats, support biodiversity conservation, and contribute to a healthier environment for both communities and ecosystems surrounding our operations.

13,000+
Native saplings available in the in-house nursery to support plantation and ecosystem restoration initiatives

5,000+
Trees planted across operational locations to enhance green cover and biodiversity

6,000
Additional plantations planned across Jejuri, Baramati, and Ahilyanagar in the coming year

S4: Nurture

Workforce development and community engagement

Our people and communities are integral to our long-term success. We foster a safe, engaging, and growth-oriented workplace that empowers employees to realise their potential and contribute meaningfully to our business. Beyond our operations, we work closely with local communities through focused development initiatives that address critical needs, enhance resilience, and improve quality of life. By creating value for both our workforce and the communities we serve, we support inclusive growth and sustainable progress.

UN SDGs Impacted

Workforce development

Our dedicated workforce serves as the bedrock of our organisation. As a people-centric organisation, we are deeply invested in nurturing a culture that values individuals and empowers and inspires them to contribute to a meaningful impact. By creating an environment conducive to engagement and growth, we ensure that every team member understands their integral role in shaping our long-term success.

Talent management

At KFIL, we recognise that attracting, developing, and retaining talent is fundamental to achieving our business objectives and sustaining long-term growth. Our talent management approach is aligned with organisational priorities and supported by structured processes, digital platforms, and people-focused initiatives designed to enhance capability, performance, and employee engagement across the organisation.

Talent acquisition

Our talent acquisition framework is guided by well-defined Standard Operating Procedures (SOPs) that promote consistency, transparency, and fairness across recruitment activities. Supported by an in-house talent acquisition team, the process addresses hiring requirements arising from business growth, role vacancies, and workforce transitions. Recruitment planning is aligned with organisational objectives and informed by detailed skill-gap assessments to ensure the availability of future-ready talent.

We have also adopted technology-enabled recruitment practices through the iKARE HRMS – TCS Chroma platform, which streamlines hiring workflows, enhances candidate tracking, and improves the overall recruitment experience. Hiring managers are equipped with structured assessment tools and training programmes to support objective, competency-based selection decisions.

Campus engagement was further strengthened through the नवोदय (New Dawn) initiative, a specially designed 60-day development programme for fresh engineering graduates. The programme combined classroom learning, plant exposure, and live mini projects, culminating in Senior Leadership Connect sessions and functional induction programmes to facilitate a smooth transition into the organisation.

Our recruitment strategies also encompass

- **Strengthening campus connect programmes** to onboard Graduate Engineer Trainees (GETs) and Diploma Engineer Trainees (DETs) from top institutions.
- **Improving employer branding** through social media engagement.
- **Streamlining the recruitment process** to elevate the candidate experience.
- **Regular review** of weekly and monthly recruitment data to ensure prompt fulfilment of critical roles.
- **Collaborative manpower planning and budgeting** with SBU Heads to identify required skills for key roles.

Location-wise new hires

Location	New hires
Pune	47
Ahilyanagar	12
Baramati	37
Jejuri	35
Total	**131**

19
Graduate Engineer Trainees hired

6
Graduate Trainees hired

60 days
Development programme for fresh engineering graduates

Talent retention

Retaining talent remains a key priority for KFIL's people strategy. Our approach focuses on creating an engaging work environment, providing meaningful growth opportunities, recognising employee contributions, and ensuring a seamless employee experience. Retention initiatives are designed based on business requirements, workforce criticality, and insights gathered through employee feedback and engagement platforms.

Our retention efforts include:

Employee connect programmes	Such as town halls, open house discussions and senior leadership interactions to promote open communication.
Compensation and benefits	Aligned with KFIL norms, coupled with articulated HR policies.
People development	Initiatives focused on building competencies across critical functions, such as Purchase, Marketing and Finance. Two dedicated training facilities have been established at each plant, along with a Centre of Excellence at Jejuri.
Employee engagement	Activities such as, wellness programmes, sports events, festival celebrations and participation in quality/safety/ environmental drives.
Organisational Integration	Measures through change management programmes and infrastructure upgrades.

Performance management

Our performance management framework is designed to align individual performance with organisational goals while fostering a culture of continuous learning, accountability, and professional growth. The system focuses not only on evaluating performance outcomes but also on identifying development opportunities, strengthening capabilities, and preparing employees for future roles.

Managers are equipped to assess performance objectively while recognising individual strengths and development areas. Insights from the process are used to create personalised growth plans, ensuring employees receive the support and guidance needed to achieve their full potential. This structured approach enables greater role clarity, encourages continuous improvement, and strengthens leadership pipelines across the organisation.

Step 1	Identification of HPFTS
Step 2	General Intelligence Assessment (GIA)
Step 3	Development Centre (DC) activities
Step 4	Individual Development Plans (IDPS) created
Step 5	Collaboration with KIMS (Kirloskar Institute of Management Studies)
Step 6	Management development programme (MDP) for HPFTS
Step 7	Sharpening managerial and leadership competencies
Step 8	Ready to take up higher responsibilities

Training and development

Building future-ready capabilities is central to our people strategy. We foster a culture of continuous learning through a blend of classroom programmes, digital learning platforms, leadership interventions, and role-based capability-building initiatives. Our learning ecosystem is designed to strengthen technical, functional, behavioural, and leadership competencies while supporting employees at every stage of their professional journey.

Building organisational culture and values

We place strong emphasis on strengthening our organisational culture and ensuring employees remain aligned with our values and guiding principles. During the year, 599 employees across locations were trained on Kirloskar Legacy, Values, and Code of Conduct. The 'Campus to Corporate' programme was also conducted to support the successful integration and professional development of fresh recruits as they transitioned into the organisation.

Advancing digital and functional capabilities

To equip employees with future-relevant skills, we expanded access to learning and capability-building opportunities across the organisation. The LinkedIn Learning Hub was launched, providing employees with access to self-paced learning resources and professional development programmes. Specialised training on AI for HR was delivered to HR teams across plant locations and the Pune office, while awareness sessions on the New Labour Code were conducted for business leaders, EHS teams, and HR professionals to strengthen regulatory understanding and preparedness.

Strengthening safety awareness and compliance

Safety-focused learning remained a key priority across operations. Life Saving Rules (LSR) awareness programmes were conducted across all locations to reinforce safe work practices and strengthen the safety culture. In addition, DSS+ Safety e-Learning modules were launched on the iKARE Learning Management Portal, enabling employees to access structured safety learning content through a digital platform.

Developing leadership and business acumen

Leadership development and managerial effectiveness remain important pillars of our learning agenda. To strengthen commercial and financial decision-making capabilities, two mid-level leaders participated in the five-day programme on 'Developing Commercial and Financial Skills for Strategic Business Decisions' at IIM Ahmedabad. Senior management also underwent assessments through TAPL as part of the Leadership Development Programme, with individual development plans prepared to support leadership growth, succession readiness, and long-term capability development.

Driving organisational development

As part of our broader organisational development agenda, we identified eight priority capability areas aimed at enhancing workforce effectiveness and business performance. During the year, programmes covering Life Management, Finance for Non-Finance Professionals, Basic Excel, and Kirloskar Legacy & Code of Conduct were successfully implemented, with the remaining focus areas scheduled for rollout in FY2027.

95
Training sessions conducted

5,153
Total training participation

599
Employees trained on Legacy & CoC

Employee engagement

We recognise that meaningful employee engagement is essential to building a productive, motivated and future-ready workforce. Our holistic engagement strategy integrates alignment with our broader strategic vision while promoting a workplace culture that values inclusion and recognition.

During the year, the following activities were conducted to encourage employee engagement:

- We conducted Monthly Managers Connect Sessions as part of the Gallup engagement process and developed action plans in collaboration with local leadership and the MERCER team to strengthen employee engagement across locations.
- We fostered open communication and organisational alignment through Senior Management interactions, including MRM sessions, Town Halls, retirement programmes, and monthly birthday celebrations.
- Employees actively participated in the observance of key national, organisational, and awareness events, including Maharashtra Day, Labour Day, Founder's Day, Independence Day, Republic Day, Safety Week, Quality Week, Energy Conservation Week, and Women's Day.
- We promoted teamwork, collaboration, and employee well-being through participation in group-level sporting events, including chess, carrom, badminton, football, and cricket championships.
- We celebrated cultural diversity and strengthened workplace inclusivity through festivities such as Ganesh Festival, Dussehra, Diwali, Makar Sankranti, Ram Navami, Shivjayanti, and Gudhi Padwa, bringing employees together and fostering a sense of belonging.

Human rights

At KFIL, we are firmly committed to upholding and promoting human rights across every aspect of our operations. Clear and articulated policies addressing Prevention of Sexual Harassment (PoSH), non-discrimination and Code of Conduct are actively implemented and made easily accessible to all employees through the HR archive and Knowledge Management portal. An Internal Complaints Committee (ICC) is in place, with regular awareness sessions conducted across locations.

POSH awareness sessions were conducted at all locations during FY2026. Through systematic Human Rights Impact Assessments (HRIAs), we continuously monitor and address potential concerns related to land acquisition, freedom of association, workplace safety, access to health and social inclusion. Awareness on our Whistle Blower Policy, Anti-bribery Policy and ethical standards is consistently reinforced through structured training and open communication channels.

Employee health and safety

The Company recognises that safety is its foremost priority and remains committed to providing a safe and healthy workplace for all employees and contractors. Our objective is to achieve Zero Harm through continuous improvement in safety performance across all operations, including routine, non-routine and outsourced activities. The Safety Excellence Journey is driven by an integrated Safety Organisation governed by the Business Safety Council, Corporate Safety Committees, Apex Committees and Departmental Safety Committees.

ISO 45001
Certified

6,580
Safety training hours in our Steel and Tubes division

1.29
Lost Time Injury Frequency Rate (LTIFR)

Employee health and well-being

At KFIL, our operations are firmly rooted in the belief that a healthy workforce is fundamental to achieving our vision. All KFIL locations are equipped with fully functional Occupational Health Centres, staffed by qualified medical professionals who provide 24x7 emergency medical services, routine care and periodic medical examinations with adequate infrastructure.

During FY2026, we continued to prioritise employee health and well-being through a range of preventive healthcare and wellness initiatives. Annual medical examinations, specialised health screenings, expert-led awareness sessions, and eye-care programmes were conducted across locations to promote early diagnosis and preventive care. Health and nutritional assessments were also organised for women employees, while collaborations with leading healthcare institutions enhanced access to quality medical support. These initiatives benefited approximately 3,806 individuals during the year. In addition, employee welfare programmes such as blood donation camps, health check-ups, Mediclaim awareness sessions, financial planning workshops, POSH awareness programmes, and social security awareness initiatives were conducted to support the holistic well-being of our workforce.

3,806
Individuals benefited by health initiatives

2
Blood donation camps held

Safety governance framework

Safety governance at KFIL is driven through a structured framework led by the Business Steering Council, comprising the Chairman, Deputy Chairman and Convener, with oversight extending across plant-level Apex Committees and specialised Corporate Committees. While the Apex Committees are responsible for safety implementation and performance monitoring at individual locations, the Corporate Committees focus on critical areas such as safety standards and procedures, management programmes, process safety management, and road safety, ensuring a consistent and organisation-wide approach to risk management, compliance, and continuous safety improvement. Each Apex Committee has a Chairman and Deputy Chairman, and each Corporate Committee has a Chairman and Convener.

Safety in Pig Iron and Castings operations

Safety remains a core operational priority across KFIL's Pig Iron and Castings operations.

High-risk safety standards

To realise our vision of an injury-free workplace, the Company has identified critical activities and processes and implemented standardised High-Risk Safety Standards across all plants. These standards include:

- Working at Height (WAH)
- Personal Protective Equipment (PPE)
- Road Safety (RS)
- Permit to Work (PTW)
- Material Handling (MH)
- Lock Out and Tag Out (LOTO)

The Company has also established a robust Process Safety Management (PSM) framework supported by key standards such as:

- Management of Change (MOC)
- Process Technology (PT)
- Emergency Response Planning (ERP)
- Barrier Health Management (BHM)
- Human Factor Risk Profile (HFRP)

Building a strong safety culture

As part of our Safety Culture Transformation journey, we continue to strengthen employee participation and behavioural safety through structured interventions and engagement tools. The Safety Interaction Tool facilitates proactive, two-way safety conversations at the workplace, helping recognise safe behaviours, address at-risk practices, and encourage open dialogue on safety concerns.

To further embed a culture of accident prevention and shared responsibility, we have implemented initiatives such as the SAHYOG Suggestion Scheme, SAMANVAYA Safety Action Meetings, SAKSHAM – Action Employees Can Take programme, and the Monthly Safety Theme Programme. Additionally, the 'I Pledge – Life Saving Rules and Consequence Management System' has been implemented across the Koppal, Solapur, Rajpura, and Hiriyur facilities, reinforcing safety awareness, accountability, and compliance with critical life-saving standards.

Safety in Steel and Tubes operations

At KFIL, fostering a strong safety culture begins with continuous awareness, training, and employee engagement. During FY2026, a series of safety programmes and campaigns were conducted across our Steel and Tubes operations to reinforce safe behaviours and strengthen risk awareness. National Road Safety Week was observed with focused campaigns on traffic rules, helmet usage, seatbelt compliance, speed management, and distraction-free driving through the 'Sadak Suraksha Jeevan Raksha' initiative for employees, staff, and contract workers.

National Safety Week was celebrated under the theme 'Engage, Educate and Empower People to Enhance Safety', featuring training programmes on First Aid, Fire Fighting, and Crane Safety, along with employee participation initiatives such as SAHYOG, SAMANVAYA, SAKSHAM, and Chalta-Bolta competitions. We also conducted Defensive Driving Training through an external expert agency and delivered regular in-house programmes covering Incident Management, PPE, Road Safety, Safety Interaction, Material Handling, Permit to Work, Working at Height, Lock Out Tag Out, Contractor Safety Management, and Environment Protection.

To further strengthen accountability and safety ownership, the 'I Pledge – Life Saving Rules and Consequence Management System' was implemented across key facilities, while the Monthly Safety Theme Programme continued to encourage daily safety excellence and proactive hazard identification.

Safety audits conducted

- Risk Analysis (RA)
- Emergency Preparedness and Response Plan (EPRP)
- Electrical Safety Audit (ESA)
- Stability Certificate (STB)
- Safe Operating Procedure (SOP) Review
- HAZOP (Hazard and Operability) Study
- Job Safety Analysis (JSA)
- Fire Audit

Community engagement

Creating shared value extends beyond our operations and into the communities where we live and work. Through focused CSR initiatives and continuous stakeholder engagement, we address local development priorities, enhance access to essential services, and contribute to the overall well-being of the communities we serve.

Guided by the principles of inclusive and sustainable development, we work closely with local stakeholders to implement programmes that strengthen livelihoods, build community resilience, and create lasting social impact. Our efforts are concentrated within and around our operational areas, ensuring that the benefits of growth are shared while fostering long-term, trust-based relationships with neighbouring communities.

INR 9.91 Crores

Total investment towards CSR initiatives

Our CSR focus areas

- Education
- Health and hygiene
- Rural development
- Environment

Education

Empowering futures

We remain resolute on our dedication to enhancing the quality of education, with a particular focus on supporting government schools through comprehensive, need-based interventions. Our initiatives are thoughtfully designed and based on inputs gathered through community engagement and feedback.

During FY2026, we continued to support education and skill development initiatives aimed at enhancing learning outcomes and creating opportunities for students in our communities. At Jejuri, infrastructure upliftment facilities were provided to four government schools and one college, while environment-friendly material bags and bottles were distributed to Wari participants to promote sustainable practices. Across the Koppal, Hiriyur, and Solapur regions, we extended financial assistance and scholarships to students pursuing higher education, including professional, degree, diploma, engineering, medical, veterinary science, horticulture, and agriculture programmes. We also supported educational institutions through the provision of learning equipment, benches, desks, and infrastructure development for school buildings and playgrounds. In addition, we facilitated workshops, seminars, skill enhancement programmes, sports activities, and initiatives focused on the adoption of new educational technologies, contributing to a more enabling and inclusive learning environment.

5

Government schools and colleges supported

Health and hygiene

Enhancing well-being

Our healthcare efforts are guided by a strong emphasis on preventive care, with a clear focus on early diagnosis, health education and community well-being. We continue to support the Jejuri Health Care Centre (Gramin Rugnalay), a critical hub that delivers preventive healthcare services to the local population.

During FY2026, we continued to strengthen healthcare access and community well-being across our areas of operation. At Jejuri, medical equipment and essential infrastructure were provided to the Rural Hospital, while regular specialist visits, Mega Health Camps for school children and senior citizens, and awareness programmes on personal hygiene and adolescent health were conducted. Across the Koppal, Hiriyur, and Solapur regions, we organised health check-up camps in neighbouring villages and government schools, supported by specialist consultations in orthopaedics, gynaecology, cardiology, dentistry, and paediatrics. Mega medical camps were conducted in collaboration with district governments and private hospitals, and financial assistance was extended to community members requiring treatment for chronic and major medical conditions. We also conducted health and hygiene awareness programmes for women, provided medical equipment and infrastructure support to primary healthcare centres, organised blood donation camps in association with hospitals, and facilitated medical camps for differently abled and physically challenged individuals, helping improve healthcare accessibility and outcomes in the communities we serve.

Rural development

Enabling progress

Rural development remains an important pillar of our community engagement efforts. We work closely with local communities to support inclusive growth by strengthening infrastructure, improving access to essential services, and creating livelihood opportunities. Through targeted interventions focused on skill development, community infrastructure, sanitation, and social welfare, we aim to enhance the quality of life and foster sustainable development in the regions where we operate.

During FY2026, we implemented a range of rural development initiatives across our areas of operation. Stormwater drains and concrete roads were constructed in nearby villages to improve civic infrastructure, while waste management programmes were supported through the provision of waste handling and road-cleaning equipment to Gram Panchayats. We also provided office furniture and infrastructure support to Panchayat offices and extended financial assistance for the construction of Samudaya Bhavanas and temples. To promote women's economic empowerment, sewing machines were distributed to women in villages as part of our Rural Development CSR programme, enabling livelihood generation and greater financial independence. In addition, we supported community events and local festival celebrations, further strengthening our engagement with neighbouring communities.

Environment

Protecting nature

Environmental sustainability is an integral part of our CSR strategy. During FY2026, we completed 10 CSR projects focused on biodiversity conservation and environmental stewardship. Key initiatives included the development of a local nursery and plantation of 3,260 saplings at Jejuri, completion of a Butterfly Garden, distribution of environment-friendly bags and bottles to Wari participants, and infrastructure support to educational and healthcare institutions. Rainsuits were also provided to the local police force to support their field operations.

We further strengthened environmental awareness and conservation through greenbelt development, native species plantation drives, and tree plantation initiatives undertaken in collaboration with local authorities. Programmes such as the Kirloskar Vasundhara International Film Festival (KVVF) and Kirloskar Vasundhara Eco Rangers helped promote environmental consciousness and community participation in sustainability efforts.

3,260

Saplings planted in Jejuri using plants from in-house local nursery

Notice

Notice is hereby given that the 35th Annual General Meeting ('AGM') of the Members of **Kirloskar Ferrous Industries Limited** ('Company') will be held on **Wednesday, 5 August 2026 at 4:00 p.m. (IST)** through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') facility, in compliance with provisions of the Companies Act, 2013 ('Act') and rules thereof read with the General Circular No. 14/2020 dated 8 April 2020, the General Circular No. 17/2020 dated 13 April 2020, the General Circular No. 20/2020 dated 5 May 2020 and the General Circular No. 03/2025 dated 22 September 2025 issued by the Ministry of Corporate Affairs [collectively referred to as 'MCA Circulars'] and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30 January 2026 issued by the SEBI [collectively referred to as 'SEBI Circulars'] to transact the business as given below:

Ordinary Business

Item No. 1

To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the financial year ended 31 March 2026 together with the Reports of the Board of Directors and the Auditors' thereon.

Item No. 2

To confirm the payment of Interim Dividend on equity shares and to declare the Final Dividend on equity shares for the financial year ended 31 March 2026.

Item No. 3

To appoint a Director in the place of Mr. Nishikant Balakrishna Ektare (DIN: 02109633), who retires by rotation and being eligible, offers himself for reappointment and to continue as the Executive Director (Operations).

Special Business

Item No. 4

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

"**RESOLVED THAT** pursuant to provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and rules thereof [including any statutory modification(s) or re-enactment thereof for the time being in force]; the Members of the Company hereby ratify the remuneration of ₹ 1,100,000 plus applicable taxes thereon and reimbursement of out-of-pocket expenses payable to M/s. Dhananjay V. Joshi & Associates, Cost Accountants appointed by the Board of Directors as the Cost Auditor to conduct the audit of cost accounting records for the financial year ending 31 March 2027."

Item No. 5

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

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

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

Item No. 6

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

"**RESOLVED THAT** pursuant to provisions of Sections 149, 150, 152, 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013; rules thereof; the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules and regulations [including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force] and the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors; Mr. Sathya Moorthy Venkataramani (DIN: 00229998), who holds office as an Independent Director upto 21 October 2026 and in respect of whom a notice in writing has been received from a Member pursuant to provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of a director, be and is hereby reappointed as an Independent Director of the Company to hold office for another term upto 21 October 2031."

Item No. 7

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

"**RESOLVED THAT** pursuant to provisions of Sections 149, 150, 152, 160, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013; rules thereof; the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules and regulations [including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force] and the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors; Mrs. Pallavi Pratap Gokhale (DIN: 00036369), who was co-opted by the Board of Directors as an Additional Director in the category of Independent Director with effect from 12 June 2026 and holds the office upto the date of annual general meeting and in respect of whom a notice in writing has been received from a Member pursuant to provisions of Section 160 of the Companies Act, 2013 proposing her candidature for the office of a director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto 11 June 2031."

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

Mayuresh Gharpure
Company Secretary

Registered Office:
One Avante, Level 5, Karve Road,
Kothrud, Pune 411038
CIN: L27101PN1991PLC063223
Email: kfilinvestor@kirloskar.com

Date: 12 June 2026
Place: Pune

Notes:

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

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

   - whose names appear as Beneficial Owners as at the end of the business hours on 17 July 2026 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of equity shares held in electronic form and

   - whose names appear as Members in the Register of Members of the Company on 17 July 2026.

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

4. Dividend related information:

   - The SEBI has issued the Master Circular dated 6 February 2026 for Registrars to an Issue and Share Transfer Agents (RTAs) and has mandated all holders of physical securities to furnish Income Tax PAN, contact details (postal address with PIN and mobile number), bank account details and specimen signature for their corresponding folio numbers.

   - Member of the Company holding equity shares in physical form are requested to refer to https://web.in.mpms.mufg.com/KYC-downloads.html and send duly filled and signed hard copies of necessary documents to the email ID investor.helpdesk@in.mpms.mufg.com and by post / courier to the RTA viz. 'MUFG Intime India Private Limited', Akshay Complex, Block No. 202, Second Floor, Off Dhole Patil Road, Near Ganesh Temple, Pune 411001, Maharashtra.

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

   - The Members may note that in accordance with the provisions of the Income Tax Act, 2025 ('Act'), dividend declared and paid by a company is taxable in the hands of shareholders and the Company is required to deduct tax at source ('TDS') at applicable rates. Therefore, the TDS will be deducted at the time of payment of the dividend.

   - To enable the Company to determine appropriate TDS / Withholding tax rate applicable, a Member is requested to upload necessary documents at https://web.in.mpms.mufg.com/formsreg/submission-of-Form-121-41.html

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

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

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

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

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

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

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

6. Corporate Authorisation:

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

7. Inspection Documents:

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

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

8. Members' Queries:

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

9. Speaker Registration for the AGM:

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

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

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

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

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

The remote e-voting period commences on Sunday, 2 August 2026 from 9:00 a.m. (IST) to Tuesday, 4 August 2026 till 5:00 p.m. (IST). During this period, Members of the Company holding equity shares either in physical form or in electronic form as on the Cut-off date i.e. Wednesday, 29 July 2026 may cast the vote electronically through remote e-voting. The remote e-voting facility shall be disabled by NSDL for voting after 5.00 p.m. (IST) on Tuesday, 4 August 2026.

Voting rights shall be reckoned on the number of shares registered in the name of the Member as on the Cut-off date, i.e. Wednesday, 29 July 2026.

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

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

Step 1: Access to NSDL e-voting system

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

In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December, 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 advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "**Access to e-Voting**" under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider** i.e. **NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS**" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022-48867000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B. Login Method for e-Voting and joining virtual meeting for 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 eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 140140 then user ID is 140140001***

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. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      ii. If your email ID is not registered, please follow steps mentioned below in **process for those 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.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

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

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

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

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

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

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

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

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

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

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

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

- Members, whose equity shares are held in physical form, are requested to provide folio number, name of shareholder, scanned copy of the share certificate (front and back), Income Tax PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to kfilinvestor@kirloskar.com.
- Members, whose equity shares are held in electronic form, are requested to provide DPID and CLID (16 digit DPID + CLID or 16 digit Beneficiary ID), Name, client master or copy of Consolidated Account Statement, Income Tax PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to kfilinvestor@kirloskar.com. If you are an individual shareholder holding equity shares in electronic form, you are requested to refer to the login method explained at step 1(A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding equity shares in electronic form.
- Alternatively, a member may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

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

- Procedure for e-voting on the date of the AGM is same as per instructions mentioned above for the remote e-voting.
- Only those Members, who will be present at the AGM through VC / OAVM facility and have not cast their votes on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.
- A Member, who has cast the vote by remote e-voting, may also attend the AGM but shall not be entitled to cast the vote again.

General Instructions for e-voting:

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of duly authorized signatory(ies), who are authorized to vote, to the Scrutinizer by e-mail to csmsp.office@gmail.com with a copy marked to evoting@nsdl.com
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password.
- In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- Once a Member casts the vote on a resolution, the Member shall not be allowed to change it subsequently.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for members available at the 'downloads section' of www.evoting.nsdl.com

You can also contact Ms. Pallavi Mhatre, Assistant Manager via e-mail at evoting@nsdl.com or call 022-48867000.

- You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for sending future communication(s).
- Any person holding equity shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holds equity shares as of the Cut-off Date may obtain the login ID and password by sending a request from the registered email ID to evoting@nsdl.com
- However, if you are registered earlier with the NSDL for e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" or Physical User Reset Password" option available on www.evoting.nsdl.com or call 022-48867000.
- In case of Individual Shareholders holding equity shares in electronic form, who acquire shares of the Company and becomes a Member of the Company after sending of the Notice and holding equity shares as of the Cut-off date may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
- At the AGM, the Chairman shall, after discussion on the business to be transacted at the AGM, allow voting by use of e-voting facility to all those members, who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- Ms. Manasi Paradkar, Practicing Company Secretary (Membership No. FCS-5447 and CP No. 4385) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- After the conclusion of e-voting at the time of the AGM, the Scrutinizer will unblock the votes cast through remote e-voting / e-voting at the AGM and make, not later than forty eight hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any other Director, who shall countersign the same and declare the result of the voting forthwith.
- The results declared along with the report of the Scrutinizer will be filed with BSE Limited within stipulated time and will be placed thereafter on the website of the Company viz. www.kirloskarferrous.com and on the website of NSDL after declaration of results by the Chairman or any other Director.

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

Item No. 3 of the Notice

Mr. Nishikant Balakrishna Ektare, aged 65 years, holds a Bachelors degree in Electrical Engineering from the National Institute of Technology, Nagpur. He possesses working experience in tube industry and steel plant before joining initially as the Maintenance In-charge at Koppal plant of Kirloskar Ferrous Industries Limited in the year 1994. Subsequently, he was promoted to the SBU Head (pig iron plant) in the year 2001. Having successfully led the pig iron business, he took charge as the Chief Operating Officer (Koppal plant) in the year 2013. He worked as the President (Koppal plant) and led various growth initiatives and projects at Koppal plant. After acquisition of majority stake of ISMT Limited by the Company, he was the Managing Director of that company from 10 March 2022 till 8 August 2024. He is passionate about innovation and open to new and breakthrough ideas that could disrupt the business positively.

He does not hold any directorship in any other company.

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

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

The Members at their annual general meeting held on 24 September 2024 have appointed Mr. Nishikant Balakrishna Ektare as the Executive Director (Operations) for a term from 9 August 2024 to 9 March 2027. He shall be liable to retire by rotation during his tenure as the Executive Director (Operations) and his reappointment as such shall not be deemed to constitute a break in his tenure.

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

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

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

Item No. 4 of the Notice

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

Upon recommendation of the Audit Committee, the Board of Directors at its meeting held on 7 May 2026 has appointed 'Dhananjay V. Joshi & Associates', Cost Accountants as the Cost Auditor of the Company to conduct the audit of cost accounting records for the financial year ending 31 March 2027 and approved the remuneration subject to the ratification of the Members at the ensuing annual general meeting.

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

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

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

Item No. 5 of the Notice

The Board of Directors at its meeting held on 7 May 2026 has approved to borrow or raise funds by issuance of non-convertible debentures, in one or more tranches, on private placement basis for general corporate purposes, financing capital expenditure projects and such other purposes as may be decided from time to time by the Board of Directors.

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

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

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

Item No. 6 of the Notice

Pursuant to provisions of Section 149 of the Companies Act, 2013 read with rules thereof and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Members of the Company at their extra ordinary general meeting held on 21 December 2021 have appointed Mr. Sathya Moorthy Venkataramani (DIN: 00229998) as an Independent Director to hold office for a term upto 21 October 2026.

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

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

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

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

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

Upon recommendation of the Nomination and Remuneration Committee and the Board of Directors, the approval of the Members has been sought for his reappointment as an Independent Director to hold office for another term upto 21 October 2031.

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

Brief Profile of Mr. Sathya Moorthy Venkataramani is as given below:

Mr. Sathya Moorthy Venkataramani, aged 64 years, is a graduate in science and a Fellow Chartered Accountant by profession. He has been in practice of Indirect taxes for more than 25 years in the areas of advisory, assessments, appeals, representation before the tribunals, enforcement authorities, etc. He was associated with the partnership firm 'Singhvi, Dev & Unni', Chartered Accountants in various capacities such as employee, partner and advisor for around 30 years and is now in independent practice since January 2020.

He is associated as a member of various committees constituted by trade bodies, professional associations, chambers of commerce, the Institute of Chartered Accountants of India, etc. He is a regular speaker as well as a faculty in the areas of sales tax, value added tax and GST at the State and National level. He has co-authored few books in the subjects of VAT and GST.

He is the Chairman of Audit Committee and a Member of the Nomination and Remuneration Committee and the Risk Management Committee of the Company.

Other Directorships held by him are as given below:

Kirloskar Industries Limited	Sundial Systems Private Limited
Fitwel Tools And Forgings Private Limited	

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

He does not hold any equity share in the Company.

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

He attended all meetings of the Board of Directors of the Company held during the financial year 2025-2026.

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

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

The Board recommends the special resolution as set out at Item No. 6 of the Notice for approval by the members.

Item No. 7 of the Notice

Pursuant to provisions of Section 161 of the Companies Act, 2013, rules thereof and the Articles of Association of the Company and on recommendation of the Nomination and Remuneration Committee; the Board of Directors has co-opted Mrs. Pallavi Pratap Gokhale (DIN: 00036369) as an Additional Director in the category of Independent Director with effect from 12 June 2026.

The Nomination and Remuneration Committee has evaluated the balance of skills, knowledge and experience on the Board and was of the view that Mrs. Pallavi Pratap Gokhale possesses identified capabilities and her role on the Board would be suitable as an advisor to the Company.

Pursuant to following provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

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

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

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

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

Brief profile of Mrs. Pallavi Pratap Gokhale is as given below:

Mrs. Pallavi Pratap Gokhale, aged 54 years, is a commerce graduate and a Chartered Accountant and a Cost Accountant with over two decades of experience in consulting. Through her twenty-plus years of professional services experience, she has supported large Indian organisations and multi-nationals across automotive, industrial products, metals and mining and chemical sectors, in ensuring high levels of corporate governance while achieving business objectives. She comes with deep experience in risk management, process and controls optimisation, digitisation and driving sustainable governance frameworks.

She was associated previously as a partner of 'Ernst & Young LLP India'. She has successfully executed several complex reengineering programs for multi-location, multi-business organizations contributing to operational efficiencies and creating long term value. With a strong track record of collaborating with leadership teams, she has been instrumental in partnering with organisations in setting up robust risk management practices.

She holds directorships in other companies as given below:

Kirloskar Industries Limited	Clean Science and Technology Limited
K Drive Mobility Solutions Private Limited	S H Kelkar and Company Limited
Encube Ethicals Limited	Gokhale Charity Foundation

She holds committee positions in public limited companies as given below:

Name of the Company	Name of the Committee	Position held
Kirloskar Industries Limited	Audit Committee	Member
	Risk Management Committee	Member
S H Kelkar and Company Limited	Audit Committee	Member
	Risk Management Committee	Member
Clean Science and Technology Limited	Audit Committee	Member
	Risk Management Committee	Member

She is a Member of Audit Committee of the Company with effect from 13 June 2026.

She does not hold any equity share in the Company.

She is not related to any other director or key managerial personnel of the Company.

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

Mrs. Pallavi Pratap Gokhale and her relatives may be deemed to be concerned or interested, financially or otherwise, in the resolution to the extent of their shareholding.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the special resolution as set out at Item No. 7 of the Notice for approval by the members.

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

Mayuresh Gharpure
Company Secretary

Registered Office:
One Avante, Level 5, Karve Road,
Kothrud, Pune 411038
CIN: L27101PN1991PLC063223
Email: kfilinvestor@kirloskar.com

Date: 12 June 2026
Place: Pune

Directors' Report

To the Members

The Directors are pleased to present the 35th Annual Report including the Audited Financial Statements (standalone and consolidated) for the financial year ended 31 March 2026 of Kirloskar Ferrous Industries Limited ('Company').

Financial Summary (Standalone)

(₹ in Crores)

Particulars	2025-2026	2024-2025
Total Income	6,950.93	6,613.91
Profit before tax (before Exceptional Items)	511.83	405.86
Exceptional Items	17.66	Nil
Profit before tax (after Exceptional Items)	494.17	405.86
Tax Expenses	(10.57)	114.86
Profit for the year	504.74	291.00
Other Comprehensive Income for the year	5.76	(10.73)
Total Comprehensive Income for the year	510.50	280.27
Profit brought forward from previous year (including reserves absorbed on account of merger)	1,667.13	1,481.11
Final Dividend paid on equity shares	(41.16)	(41.13)
Interim Dividend paid on equity shares	(49.47)	(49.38)
Transfer to General Reserves	(5.00)	(5.00)
Balance carried to Surplus in the Statement of Profit and Loss	2,082.22	1,667.13

Dividend

The Board of Directors at its meeting held on 10 February 2026 declared an Interim Dividend of ₹ 3 per equity share of ₹ 5 each (i.e. 60 percent). The date of payment of the Interim Dividend was 2 March 2026.

The Board of Directors at its meeting held on 12 June 2026 has recommended a Final Dividend of ₹ 3 per equity share of ₹ 5 each (i.e. 60 percent) for approval of the Members at the ensuing annual general meeting.

Accordingly, total dividend payout for the financial year 2025-2026 aggregates to ₹ 6 per equity share of ₹ 5 each (i.e. 120 percent).

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

Company Performance

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

Sale of products

- **Castings**

  The Company continued to maintain the market leadership position in the domestic casting business. The Company sold 1,52,568 MT of castings aggregating to ₹ 1,876 Crores during the financial year 2025-2026 as compared to 1,32,242 MT castings aggregating to ₹ 1,654 Crores in the previous financial year, showing 6 percent increase year-on-year.

- **Pig Iron**

  During the financial year 2025-2026, the Company made sales of 5,10,080 MT of pig iron valued at ₹ 1,937 Crores as compared to 5,11,787 MT of pig iron valued at ₹ 2,076 Crores in the previous financial year. The reduction in the sale value is basically on account of drop in sales realization of pig iron by 6 percent from around ₹ 40,600 per MT in the previous year to around ₹ 38,000 per MT this year due to margin pressure in the pig iron business. Though there is a volume growth of 19,900 MT (11.8 percent over previous year), due to drop in sales realisation the sales in value terms remains same as the previous year.

- **Tubes**

  During the financial year 2025-2026 the Company made sales of 1,88,704 MT of Tubes valued at ₹ 2,130 Crores as compared to 1,68,804 MT of Tubes valued at ₹ 2,103 Crores in the previous financial year.

  The Tube business was buoyant from the last quarter of FY 2024-2025 and clocked growth in quarter 1 of FY 2025-2026 setting the momentum for the year. The Company focussed on improving on-time delivery and customer retention as important goals for the year. The tube business continued its dominance in the automotive and bearing segment. The Company made deep inroads in securing and servicing the power sector demand of critical tubes and grew the business by over 32 percent as compared to FY 2024-2025. The Company witnessed growth over previous year in all segments barring the OCTG, which experienced a drop of over 55 percent The primary reason for this drop was the depressed demand from the oil exploration majors coupled with high inventory of pipes at user locations. Exports business also grew from 5.5 percent to 8.2 percent of total sales in FY 2025-2026 despite the imposition of additional tariffs under Section 232 of Trade Expansion Act in the US. The Company secured multiple orders from oil majors like ONGC and Oil India for casings and tubing i.e. 6,321 MT and 17,000 MT respectively during the year. The onslaught of dumping by China continued until the commencement of the West Asia crisis influencing price realisations and volumes besides adverse product mix.

- **Steel**

  The Company sold 85,644 MT of steel valued at ₹ 605 Crores in the financial year 2025-2026 as compared to 73,002 MT of steel valued at ₹ 541 Crores in the previous financial year.

  The steel business growth of over 17 percent was the result of concerted efforts in retaining and growing with the existing customers and adding new customers. Bearing Steel segment grew by over 9 percent as compared to previous year and constituted 70 percent of the business and Auto segment grew by over 38 percent and constituted 25 percent of the business. Sales realisation dropped during the year on account of raw material cost reduction and pricing pressures from the market.

Operational performance

- **Pig Iron**

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

- **Castings**

  During the year under review, the production of castings increased by 17 percent as compared to the previous year. The Company continuously worked on developing new products, reducing operational costs and increasing the machining and proto business at both locations.

  During FY 2025–2026, the casting division witnessed strong demand across tractor, commercial vehicle, passenger vehicle and engine segments. The Company increased its supplies to key OEM customers through consistent quality and operational reliability.

- **Steel and Tubes**

  During FY 2025-2026, the Company recorded strong growth in both its Tube and Steel businesses. Increase in Tube sales was driven by robust demand from Automotive, Bearing and Power sectors, improved customer retention and enhanced delivery performance. However, the OCTG segment witnessed a decline due to subdued demand from oil exploration companies and high inventory levels at customer locations.

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

- **Finance costs**

  During the year under review, the Company borrowed funds at competitive rates from the banks. The Company in overall reduced term loans and working capital loans compared to previous year, thereby reducing the borrowings and finance cost. The year witnessed high volatility in exchange fluctuation and in overall Rupee depreciated by 11 percent against US Dollar. The Company closely monitored the exchange rate movement and took forward cover to minimize the exchange fluctuation risk.

- **Update on customers**

  During FY 2025-2026, the Company strengthened its customer engagement, expanded export presence and secured strategic long term business partnerships across its operating segments.

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

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

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

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

- **Jambunatha mines in the state of Karnataka**

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

Update on Projects

Following major projects were completed during the financial year 2025-2026 :

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

Scheme of Arrangement and Merger by Absorption of Oliver Engineering Private Limited ('OEPL') and Adicca Energy Solutions Private Limited (AESPL)

The merger of OEPL and AESPL with the Company is a corporate restructuring aimed at long term sustainability, pooling of resources, achieving economies of scale and growth of merged businesses for better administration and cost optimization.

Pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 the Hon'ble National Company Law Tribunal, Mumbai has allowed the Company Petition in respect of the Scheme of Arrangement and Merger by Absorption of Oliver Engineering Private Limited and Adicca Energy Solutions Private Limited with the Company and their respective shareholders and has pronounced an Order on 2 June 2026 approving the Scheme. On 11 June 2026, the Scheme of Arrangement and Merger by Absorption has become operative effective from 1 April 2025.

Changes to the Equity Share Capital

Upon effectiveness of the Scheme of Arrangement and Merger by Absorption; the Authorized Share Capital of the Company stands at ₹ 389,61,00,000 divided into 54,52,20,000 equity shares of ₹ 5 each and 11,70,00,000 preference shares of ₹ 10 each.

During the financial year 2025-2026; 3,04,305 equity shares of ₹ 5 each were allotted upon exercise of stock options pursuant to 'KFIL Employee Stock Option Schemes'. As at the end of the financial year; the issued, subscribed and paid-up share capital of the Company stands increased to ₹ 82,46,08,215 comprising of 16,49,21,643 equity shares of ₹ 5 each.

Directors

a) Changes in Directors and Key Managerial Personnel

Pursuant to provisions of Section 152 of the Companies Act, 2013 and rules thereof; Mr. Nishikant Balakrishna Ektare, Executive Director (Operations) [DIN : 02109633], retires by rotation at the ensuing annual general meeting and being eligible, offers himself for reappointment.

Upon recommendation of the Nomination and Remuneration Committee; the Board of Directors at its meeting held on 7 May 2026 has recommended reappointment of Mr. Sathya Moorthy Venkataramani (DIN : 00229998) as an Independent Director for another term to hold office upto 21 October 2031 for approval of the Members at the ensuing annual general meeting. In the opinion of the Board of Directors; he possesses integrity, expertise and experience and holds the valid registration with the databank of Independent Directors pursuant to provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Upon recommendation of the Nomination and Remuneration Committee; the Board of Directors at its meeting held on 12 June 2026 has recommended appointment of Mrs. Pallavi Pratap Gokhale (DIN : 00036369) as an Independent Director for a term to hold office upto 11 June 2031 for approval of the Members at the ensuing annual general meeting. In the opinion of the Board of Directors; she possesses integrity, expertise and experience and holds the valid registration with the databank of Independent Directors pursuant to provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Changes in Directors during the financial year 2025-2026 are as given below :

- The Board of Directors at its meeting held on 9 May 2025 co-opted Ms. Aditi Atul Kirloskar as an Additional Director in the category of Non-Executive Non-Independent with effect from 10 May 2025. The Members at their annual general meeting held on 4 August 2025 have appointed her as a Director liable to retire by rotation.
- The Board of Directors at its meeting held on 6 November 2025 co-opted Mr. Aman Rahul Kirloskar as an Additional Director in the category of Non-Executive Non-Independent with effect from 7 November 2025. The Members of the Company have appointed him as a Director liable to retire by rotation by way of the postal ballot on 12 January 2026.

There was no change in the key managerial personnel during the financial year 2025-2026.

b) Statement on declarations by Independent Directors

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

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

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

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

c) Board Evaluation

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

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

d) Nomination and Remuneration Policy:

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

e) Number of meetings of the Board :

During the financial year 2025-2026, five meetings of the Board of Directors were convened and held, details of which are provided in the Report on Corporate Governance.

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

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

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

During the financial year 2025-2026, the sum of ₹ 33.15 Crores has been granted as the loan to the subsidiaries for the purpose of capital expenditure, refurbishment of plant and machinery and working capital and the sum of ₹ 6.26 Crores has been granted as the loan to contractors in the normal course of business of the Company and to employees in accordance with the policies of the Company.

Loans granted to the subsidiaries [viz. Oliver Engineering Private Limited and Adicca Energy Solutions Private Limited] were in the nature of inter-company transactions and have been eliminated as disclosed in Note No. 52 forming part of the standalone financial statements.

During the financial year 2025-2026, the Company has not given any loan or guarantee or acquired any security exceeding the limit prescribed pursuant to provisions of Section 186(2) of the Companies Act, 2013.

Transactions with related parties

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

Pursuant to provisions of Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014; there are no particulars to be disclosed in the Board's Report.

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

Disclosures

During the financial year 2025-2026;

- Pursuant to provisions of Section 148 of the Companies Act, 2013 and rules thereof; maintenance of cost records has been mandatory for the Company and such accounts and records relating to utilisation of materials, labour and other items of cost have been prepared and maintained.
- Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013 have been complied with.
- The Company has not accepted any public deposit pursuant to provisions of the Companies Act, 2013 and rules thereof.
- There has been no change in the nature of business of the Company.
- To the best of our knowledge, no significant / material order has been received from any regulator, court or tribunal; which may impact the going concern status or the operations of the Company in future.
- No case of fraud by any officer or employee of the Company has been reported by any auditor of the Company either to the Audit Committee or the Board pursuant to provisions of Section 143(12) of the Companies Act, 2013.
- Neither any application has been made nor any proceeding has been pending against the Company under the Insolvency and Bankruptcy Code, 2016.
- There was no incidence of settlement in respect of any loan availed from any bank or financial institution.

Apart from the effectiveness of the Scheme of Arrangement and Merger by Absorption of Oliver Engineering Private Limited and Adicca Energy Solutions Private Limited with the Company and their respective shareholders; there is no material change or commitment occurring after the end of the financial year, which may affect the financial position of the Company.

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

Mr. R. V. Gumaste, Managing Director, Mr. R. S. Srivatsan, Executive Director (Finance) and Chief Financial Officer and Mr. N. B. Ektare, Executive Director (Operations) have neither received any remuneration from the subsidiary companies nor have received any remuneration from Kirloskar Industries Limited ('holding company').

Subsidiary / associate / joint venture companies and Consolidated financial statements

Consolidated Financial Statements of the Company and its subsidiaries for the year ended 31 March 2026 form part of this Annual Report. A statement containing salient features of the financial statements of the subsidiaries / associate companies / joint venture companies for the year ended 31 March 2026 has been annexed to the Financial Statements of the Company in Form AOC-1.

Upon effectiveness of the Scheme of Arrangement and Merger by Absorption; Oliver Engineering Private Limited and Adicca Energy Solutions Private Limited have ceased to be subsidiaries of the Company.

ISMT Enterprises SA, a Luxembourg based subsidiary of the Company, has been officially dissolved and deregistered from the Luxembourg Trade Registry with effect from 1 September 2025. This structural closure is a step in the Company's broader plan to wind up redundant overseas holding structures following its complete amalgamation and absorption of the domestic parent entity ISMT Limited.

Risk Management Framework

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

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

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

Internal Financial Controls

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

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

Vigil Mechanism / Whistle Blower Policy

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

Disclosures pursuant to other statutory laws

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

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

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

- The Company has complied with the provisions of the Maternity Benefit Act, 1961 and has extended all applicable benefits to eligible female employees during the financial year.

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

Pursuant to provisions of Section 134 read with Section 92(3) of the Companies Act, 2013; copies of annual returns filed with the MCA are available at the website of the Company viz. www.kirloskarferrous.com and the Annual Return for the financial year 2025-2026 will be uploaded on the website after filing with the MCA.

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

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

Corporate Social Responsibility (CSR)

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

Details about the composition of CSR Committee and the Report on CSR activities for the financial year under review is annexed herewith as Annexure B.

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

Information pursuant to Rule 5 of the Companies (appointment and remuneration of managerial personnel) Rules, 2014 is annexed herewith as Annexure C. Pursuant to the said rules, the particulars of top ten employees form part of this report. However, in terms of Section 136(1) of the Companies Act, 2013 the Board's Report is being sent to the Members of the Company without such details. Any Member interested to receive such details may write to the Company Secretary at the Registered Office of the Company.

Employee Stock Options Schemes (ESOS)

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

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

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

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

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

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

Auditors

a) Statutory Auditors

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

The Members of the Company at their Annual General Meeting held on 24 September 2024 have appointed M/s. P G BHAGWAT LLP, Chartered Accountants as the Statutory Auditor of the Company to hold office for a term from conclusion of 33rd Annual General Meeting till conclusion of 38th Annual General Meeting to conduct the audit of books of account of the Company for the financial years ending 31 March 2025 and 31 March 2026 jointly with M/s. 'Kirtane & Pandit LLP, Chartered Accountants', present statutory auditor. A certificate has been received from them confirming that requirements prescribed under provisions of Section 141 of the Companies Act, 2013 have been fulfilled.

The reports given by the statutory auditors on the standalone and consolidated financial statements of the Company for the financial year ended 31 March 2026 form part of this Annual report. There is no qualification / reservation / adverse remark in the reports on the audit of standalone and consolidated financial statements given by the statutory auditors.

b) Secretarial Audit

Pursuant to provisions of Section 204 of the Companies Act, 2013 and rules thereof and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Members of the Company have approved the appointment of 'M. J. Risbud & Co', Company Secretaries to provide the secretarial audit reports from the financial year ending 31 March 2026 to the financial year ending 31 March 2030. The Secretarial Audit Report for the financial year ended 31 March 2026 is annexed herewith as Annexure E. There is no qualification / reservation / adverse remark in the Secretarial Audit Report.

Pursuant to the Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30 January 2026 issued by the SEBI, 'M. J. Risbud & Co', Company Secretaries have also issued the Secretarial Compliance Report for the financial year 2025-2026.

c) Cost Auditor

Pursuant to provisions of Section 148 of the Companies Act, 2013 and rules thereof, the Board of Directors has appointed 'Dhananjay V. Joshi & Associates', Cost Accountants as the Cost Auditor to conduct the audit of cost accounting records for the financial year 2026-2027.

Report on Management Discussion and Analysis

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

Report on Corporate Governance

The Company conforms to norms of the corporate governance as envisaged in the Listing Agreement executed with the stock exchange. Pursuant to provisions of Regulation 34(3) of the SEBI (LODR) Regulations, 2015; the Report on Corporate Governance forms part of this Annual Report. A certificate from the secretarial auditor regarding compliance with conditions of corporate governance as required pursuant to provisions of the SEBI (LODR) Regulations, 2015 has been annexed to the Report on Corporate Governance.

Business Responsibility and Sustainability Report

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

Directors' Responsibility Statement

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

- in the preparation of the annual accounts; the applicable accounting standards have been followed and there were no material departures.
- accounting policies as mentioned in the Notes forming part of the Financial Statements have been selected and applied consistently. Further, judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2026 and of the profit of the Company for the year ended on that date.
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the annual financial statements have been prepared on a going concern basis.
- proper internal financial controls were laid down and such internal financial controls were adequate and were operating effectively and
- proper systems were in place to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

Cautionary Statement

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

Appreciation

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

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

Rahul Kirloskar
Chairman
(DIN: 00007319)

Date: 12 June 2026
Place: Pune

Annexure A

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

A. Conservation of energy

(a) Energy conservation measures taken during the financial year 2025-2026 :

- Coke bunkers heating to reduce coke consumption at Koppal plant.
- Replacement of three quantity of old 1100 CFM RM compressors with one energy efficient 3500 CFM CC compressor at Koppal plant.
- All core drying ovens of Line-1 in Koppal foundry has been replaced from FO to PNG.
- Various variable frequency drives installation as per the Energy audit report at both Koppal and Solapur plants.
- Purchase of Renewable Energy (RE) power at Hiriyur plant.
- Replacement of conventional lights with LED light fittings at Koppal, Hiriyur and Solapur Plants.
- Water conservation audit conducted by ENEFIN Bangalore at Koppal plant.
- Fuel conversion from LPG to PNG at Baramati plant.
- STP hot water generator fuel conversion from bio diesel to PNG at Baramati plant.
- Replacement of old pumps with energy efficient pumps at Ahilyanagar and Jejuri plants.
- Installation of screw compressor at Ahilyanagar plant.
- Revamping and operational optimisation at Jejuri plant.

Figures of power generation and fuel consumption:

Particulars	2025-2026	2024-2025
(quantity in lakh units)		
Power generation		
40 MW WHRB Power Plants	3,001	2,549
16 MW Turbo Generators	1,013	963
82 MW Solar Power Plants	1,233	657
(quantity in metric tonnes)		
Fuel consumption in turbo generators for power generation.	198	349

(b) Proposals for the financial year 2026-2027 :

- Coke bunkers heating to reduce coke consumption at Hiriyur plant.
- Replacement of 1.6 MW Main ID fan in sinter plant at Koppal plant with VFD.
- Feasibility study to replace core drying from PNG to BF gas at Koppal plant.
- Setting up 6.3 MW Wind power plants at Solapur plant.
- Increase of existing 10 MW solar plant to 10.8 MW at Solapur plant.
- Purchase of Renewable Energy (RE) power at Hiriyur plant.
- Commissioning of fourth stove at Hiriyur plant.
- Installation of VFD's at Koppal and Hiriyur plants.
- Power factor improvement from 0.96 to 0.98 at Rajpura plant.
- Reduction in specific energy consumption at Rajpura plant.
- 35 MW solar power plant at Jalna.

Set up of 25 MW wind mills.

- LSHS to PNG conversion in re-heating furnace at Jejuri plant.
- Revamping of bogey hearth furnace at Jejuri plant.

Impact of the above measures :

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

B. Technology absorption

Following projects are under implementation :

- Improvements in mini blast furnaces like oxygen enrichment, adoption of vacuum pressure swing absorption technology, coke drying system and installation of additional stove.

- Installation of fume extraction for improvement in indoor air quality.
- Purchase of bright annealing furnace to improve surface quality of tubes for boiler, heat exchanger, automotive, mining applications.
- Installation of separate screw compressor for PTD to avoid transmission losses and energy saving.
- Development of new steel grade products at Ahilyanagar plant.
- Technical discussion on green sand reclamation plant.
- Utilisation of blast furnace gas for core drying purpose.
- Revamping of rotary hearth furnace with latest technology.
- Installation of new pre-heating induction furnace.
- Installation of emergency brake systems for SMS area cranes for human and equipment safety.
- Improvement of conveyor handling system for smooth and effective operations.
- UT and ECT projects for inspection of steel bars.

C. Foreign Exchange Earnings and Outgo

	(₹ in Crores)
Earnings	191.96
Outgo	1,083.91

D. Research and Development (R&D)

The Company focuses in the area of new process and product development in manufacturing operations and in achieving improved processes for manufacture of products thereby to reduce costs.

Specific areas in which R & D carried out by the Company :

- Development of transmission part for electric tractor.
- Development of high capacity engine block for new tractor.
- Development of four cylinder heads.
- Joint design and development of low weight transmission part.
- Development of transmission part for less than 50 hp tractor
- Development of engine cylinder blocks and heads for EURO 7 application.
- Proto part manufacturing of four cylinder block with vertical design.

Benefits derived as result of the above R & D :

- Customer appreciation for supply of proto parts for engine validation and vehicle launch in time.
- Reduced cost for proto casting production.

Future plans of action :

- Lost foam casting process feasibility study and adaptation.
- Adapting 3D printing core making process for mass production through indigenization of raw materials and high speed machines.
- Value engineering solution to original equipment manufacturers.
- Continuous improvements to make the processes more efficient.
- Compacted graphite iron development.

Details of expenditure on R & D are as given below :

(₹ in Crores)

Particulars	2025-2026	2024-2025
Capital	0.36	0.58
Recurring	7.05	6.28
Total R & D expenditure	**7.41**	**6.86**

Annexure B

Annual Report on CSR Activities

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

1. Brief Outline on CSR Policy of the Company

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

2. Composition of CSR Committee

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

During the financial year 2025-2026, one meeting of the CSR Committee was held on 9 May 2025.

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

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

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

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

5.

(a)	Average Net Profit of the Company as per Section 135(5) of the Companies Act, 2013 for the financial years 2022-2023, 2023-2024 and 2024-2025	₹ 4,62,15,56,554
(b)	Two percent of average net profit of the company as per Section 135(5)	₹ 9,24,31,131
(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
(d)	Amount required to be set off for the financial year, if any	₹ 50,00,000
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	₹ 8,74,31,131

6.

(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹ 9,41,27,111
(b)	Amount spent in Administrative Overheads	Nil
(c)	Amount spent on Impact Assessment, if applicable	Nil
(d)	Total amount spent for the financial year [(a)+(b)+(c)]	₹ 9,41,27,111

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

Total amount spent for the financial year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
9,41,27,111	Nil	-	-	Nil	-

(f) Excess amount for set off, if any

Sl No	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per Section 135(5) (Less) Set off for the financial year as per clause 5 above	8,74,31,131
(ii)	Total amount spent for the financial year (Refer note below)	9,41,27,111
(iii)	Excess amount spent for the financial year [(ii)-(i)]	66,95,980
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)+(iv)]	66,95,980

Note:

It includes the excess amount spent towards CSR activities during the financial years 2023-2024 and 2024-2025 and the set off availed for the current financial year.

Financial Year	Amount available for set off till	Amount available for set off from preceding financial years Amount (in ₹)	Amount set off in the financial year, if any Amount (in ₹)	Amount available for set off in subsequent financial years Amount (in ₹)
2023-2024	2026-2027	36,13,845	36,00,000	13,845
2024-2025	2027-2028	14,22,466	14,00,000	22,466
2025-2026	2028-2029	N.A.	N.A.	66,95,980
	Total	**50,36,311**	**50,00,000**	**67,32,291**

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

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to unspent CSR account under section 135(6) (in ₹)	Balance Amount in unspent CSR account under section 135(6) (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY 2022-2023	Nil	-	-	-	-	-	-
2	FY 2023-2024	Nil	-	-	-	-	-	-
3	FY 2024-2025	Nil	-	-	-	-	-	-

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

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

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

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

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

For Kirloskar Ferrous Industries Limited

Rahul Kirloskar
Chairman of the Committee
(DIN : 00007319)

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

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

Date : 7 May 2026

Annexure C

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

Sl. No.	Information required	Particulars
1	The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year	Kindly refer to Table C-1
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Kindly refer to Table C-2
3	The percentage increase in the median remuneration of employees in the financial year	10.23 percent
4	The number of permanent employees on the roll of company	3,336
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out, if there are any exceptional circumstances for increase in the managerial remuneration	Percentage decrease in salaries of managerial personnel at 50th percentile : 1.51 percent Percentage increase in salaries of Non-managerial personnel at 50th percentile : 8.71 percent (Note : Percentage increase in salaries of Non-managerial personnel is in the range 1 percent to 39 percent). The salary increases are a function of various factors like individual performance vis-á-vis individual KPIs, industry trends, economic situation, future growth prospects, etc. besides the performance of the Company. There are no exceptional circumstances for increase in the managerial remuneration.
6	Affirmation that the remuneration is as per the remuneration policy of the company.	Payment of remuneration to Directors is accordance with the Nomination and Remuneration Policy of the Company.

Table C-1 :

Sr. No.	Name of the Director	Ratio of remuneration of each director to the median remuneration of the employees of the Company
1	Mr. Rahul Kirloskar	2.44
2	Mr. R. V. Gumaste (MD)	154.18
3	Mr. V. M. Varma	2.85
4	Mr. S. Venkataramani	4.01
5	Mr. R. S. Srivatsan	65.31
6	Mr. P. Vohra	2.78
7	Dr. Shalini Sarin	2.25
8	Mr. M. S. Srinivasan	1.31
9	Mr. P. Rajashekhar	1.25
10	Mr. S. Rajagopalan	1.25
11	Mr. N. B. Ektare (ED)	56.07
12	Mr. Aman R Kirloskar	Please refer Notes below.
13	Ms. Aditi A Kirloskar	

Table C-2 :

Sr. No.	Name of the Director / KMP	Designation	Percentage increase / (decrease) in the remuneration
1	Mr. Rahul Kirloskar	Non Independent Director	10.17
2	Mr. R. V. Gumaste (MD)	Managing Director and KMP	(1.89)
3	Mr. V. M. Varma	Independent Director	(9.90)
4	Mr. S. Venkataramani	Independent Director	(2.44)
5	Mr. R. S. Srivatsan	Executive Director (Finance) CFO and KMP	(1.83)
6	Mr. P. Vohra	Independent Director	(8.25)
7	Dr. Shalini Sarin	Independent Director	(16.67)
8	Mr. M. S. Srinivasan	Independent Director	5.00
9	Mr. P. Rajashekhar	Independent Director	Nil
10	Mr. S. Rajagopalan	Independent Director	Nil
11	Mr. N. B. Ektare (ED)	Executive Director (Operations)	(1.21)
12	Mr. Mayuresh Gharpure	Company Secretary	10.76
13	Mr. Aman R Kirloskar	Non Independent Director	Please refer Notes below.
14	Ms. Aditi A Kirloskar	Non Independent Director	

Notes :

- Ms. Aditi A Kirloskar has been a Director on the Board of the Company from 10 May 2025.
- Mr. Aman R Kirloskar has been a Director on the Board of the Company from 7 November 2025.

Annexure D

Employee Stock Option Scheme (ESOS) 2017

Disclosures for the financial year ended 31 March 2026 pursuant to Regulation 14 read with Schedule I of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

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

B) Diluted Earnings Per Share (EPS) on issue of equity shares upon exercise of stock options pursuant to all the schemes in accordance with IND-AS 33 (Earnings Per Share) : ₹ 30.53 per equity share.

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

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

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

ii) Method used to account for ESOS :

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

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

iv) Options movement during the year : As on 31 March 2026

Number of options outstanding at the beginning of year	3,22,760
Number of options granted during the year	-
Number of options forfeited / lapsed during the year	39,000
Number of options vested during the year	65,000
Number of options exercised during the year	77,710
Number of shares arising as a result of exercise of options	76,000
Money realized by exercise of options	92,65,030
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	2,06,050
Number of options exercisable at the end of the year	1,54,830

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

Weighted average exercise price : ₹ 73.12

Weighted average fair value : ₹ 59.29

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

a) Senior Managerial Personnel (including Key Managerial Personnel): Not applicable

b) Any other employees, who received a grant in any one year of options amounting to five percent or more of options granted during that year : Not applicable

c) Identified employees, who were granted options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant : Not applicable

vii) Description of the method and significant assumptions used during the year to estimate the fair value of options : Not applicable

(a) The model inputs for options granted during the year ended 31 March 2026 included : Not applicable

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

(c) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility : Not applicable

(d) Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition. : Not applicable

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

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

Sr. No.	Particulars	Details
1	Date of shareholders' approval	27 July 2021
2	Total number of options approved under the Scheme	2,500,000
3	Vesting requirements	There shall be a minimum period of 1 year between grant of options and vesting of options. Vesting shall be subject to the condition that the grantee is in employment or service of the Company on the date of vesting and must neither be serving his notice for termination of employment / service nor subject to any disciplinary proceedings pending against him on the date of vesting.
4	Exercise price or pricing formula	25 percent discount to Market Price of the equity share as on date of grant of options, as decided by the Nomination and Remuneration Committee (NRC), but in no case shall it be less than the face value of the equity share.
5	Maximum term of options granted	The options would vest over a maximum period of 4 years.
6	Source of shares	Primary
7	Variation in terms of options	Subject to necessary approvals as may be required, the NRC may, at any time amend, alter or vary the terms of the KFIL ESOS 2021 and/ or terms of the options already granted under the KFIL ESOS 2021, subject to the condition that such amendment, alteration or variation, as the case may be, is not detrimental to the interest of Employees. With a view to align with provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 effective from 13 August 2021, both schemes have been amended with effect from 22 October 2021 upon the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors of the Company.

ii) Method used to account for ESOS :

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

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

iv) Options movement during the year : As on 31 March 2026

Number of options outstanding at the beginning of year	12,30,515
Number of options granted during the year	-
Number of options forfeited / lapsed during the year	1,40,575
Number of options vested during the year	3,30,925
Number of options exercised during the year	2,40,705
Number of shares arising as a result of exercise of options	2,28,305
Money realized by exercise of options	3,58,43,885
Loan repaid by the Trust during the year from exercise price received	-
Number of options outstanding at the end of the year	8,49,235
Number of options exercisable at the end of the year	2,78,735

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

Weighted average exercise price : ₹ 209.25

Weighted average fair value : ₹ 133.75

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

a) Senior Managerial Personnel (including Key Managerial Personnel) : Not applicable

b) Any other employees, who received a grant in any one year of options amounting to five percent or more of options granted during that year : Not applicable

c) Identified employees, who were granted options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant : Not applicable

vii) Description of the method and significant assumptions used during the year to estimate the fair value of options : Not applicable

(a) The model inputs for options granted during the year ended 31 March 2026 included : Not applicable

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

(c) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility : Not applicable

(d) Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition. : Not applicable

Annexure E

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

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

To,
The Members of
KIRLOSKAR FERROUS INDUSTRIES LIMITED,
One Avante, Level 5, Karve Road, Kothrud, Pune - 411038.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KIRLOSKAR FERROUS INDUSTRIES LIMITED, (CIN: L27101PN1991PLC063223)** (hereinafter called '**the Company**'). Secretarial Audit was conducted in a manner that provided us with 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 31 March 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on 31 March 2026 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

We further report that,

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

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

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

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

We further report that, during the audit period:

(a) The Members of the Company at their Annual General Meeting held on 4 August 2025 have passed the special resolution under sections 42, 71 and 179 of the Act to authorise the Board of Directors of the Company to borrow not exceeding ₹ 1,000 Crores by issuance of Non-convertible Debentures in one or more tranches on private placement basis;

(b) The Board of Directors at its meeting held on 23 September 2024 has approved for closure / sale / liquidation of three subsidiaries, viz. Structo Hydraulics AB, Sweden, ISMT Europe AB, Sweden and ISMT Enterprises, Luxembourg. Aforesaid three foreign subsidiaries have been struck off from the records of the Registry in accordance with the laws at the respective places,

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

(d) After receipt of necessary approvals, the status of ISMT Limited stands as 'Amalgamated' in the records of the Registrar of Companies, Pune with effect from 15 October 2025.

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

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

For M. J. Risbud & Co

Mahesh J. Risbud
Proprietor
Practicing Company Secretary
FCS No. 810 C P No.: 185
UCN – S1981MH000400
PR – 7628/2026
UDIN - F000810H000290321

Date : 7 May 2026
Place : Pune

To,
The Members of
KIRLOSKAR FERROUS INDUSTRIES LIMITED,
One Avante, Level 5, Karve Road, Kothrud,
Pune 411038, Maharashtra

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

1. Maintenance of records is the responsibility of the management of the Company. Our responsibility is to express opinion on these records based on audit.
2. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, Standards is the responsibility of the management of the Company. Our examination was limited to the verification of procedures on test basis.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. The verification was done on a test basis / checklists basis to ensure that correct facts are reflected in records. We believe that the processes and practices followed by me provide a reasonable basis for my opinion.
4. We have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M. J. Risbud & Co

Mahesh J. Risbud
Proprietor
FCS No. 810 C P No.: 185
UCN – S1981MH000400
PR – 7628/2026

Date : 7 May 2026
Place : Pune

Report on Management Discussion and Analysis

(A) Economy Overview and Outlook

Global Economic Overview

The global economy in 2026 experienced slower growth and elevated uncertainty due to geopolitical tensions, persistent inflationary pressures, volatile energy prices and disruptions in global trade and supply chains due to geopolitical tensions in West Asia. According to the International Monetary Fund (IMF), global economic growth is projected at approximately 3.1 percent in 2026 and 3.2 percent in 2027, remaining below long-term historical averages.

The ongoing geopolitical conflicts and energy market disruptions exerted pressure on financial markets and commodity prices worldwide. Inflation remained one of the key concerns across major economies, driven by elevated energy costs, supply chain constraints, and relatively high interest rates maintained by central banks to preserve price stability and financial system resilience.

Advanced economies such as the United States and European Nations continued to witness moderate growth supported by resilient labour markets, investments in technology, and digital transformation initiatives. Emerging economies, however, remained vulnerable to currency volatility, higher debt levels, and imported inflationary pressures.

India continued to outperform most major global economies due to strong domestic demand, large-scale infrastructure investments, rapid digital adoption, and supportive government reforms. Increasing investments in artificial intelligence (AI), automation, and advanced technologies are expected to further support long-term productivity growth globally.

Despite prevailing uncertainties, the overall global economic outlook remains cautiously stable. Governments and policymakers continue to focus on inflation management, economic resilience, supply chain, financial stability, and sustainable growth through structural reforms and international cooperation.

Indian Economy

India maintained its position among the fastest-growing major economies globally. According to IMF estimates, nearly 60% of Indian firms are already using some form of artificial intelligence, which is above the global average and expected to significantly improve productivity and competitiveness.

A key highlight during the year was the improvement in productivity, particularly in the services sector, driven by increasing digital adoption and integration with global value chains. The manufacturing sector also witnessed gradual strengthening supported by policy reforms, government incentives, and infrastructure investments.

The Government of India continued to focus on structural reforms aimed at improving ease of doing business, strengthening manufacturing competitiveness, enhancing labour productivity, and encouraging private sector participation. Continued implementation of labour reforms, infrastructure spending, and digital public infrastructure initiatives supported economic momentum during the year.

Going forward, India's long-term economic outlook remains positive, supported by sustained infrastructure investments, favourable demographics, policy continuity, digital transformation, and strong domestic consumption.

(B) Industry Overview and Outlook

Steel Industry

The Indian steel industry posted a strong FY 2025–26, with crude steel production up over 10% YoY to ~168 million tonnes, retaining India's rank as the world's second-largest producer. Installed capacity reached ~220 million tonnes, on track for the 300-million-tonne 2030 target. Demand stayed healthy across construction, railways, infrastructure, and capital goods, while automotive and tractor manufacturing growth directly supported demand for KFIL's pig iron and casting products. Higher exports and lower imports also restored India's net exporter status.

Investment continued in capacity expansion, value-added products, and green steel, an area where KFIL has advanced through its Product Carbon Footprint certification at the Jejuri plant. The sector continued to face the challenges with import-dependent coking coal costs, rupee depreciation, and high iron ore prices; key input cost variables for KFIL's pig iron and casting operations, alongside global trade uncertainty. The long-term outlook remains positive on strong domestic demand and supportive policy.

Seamless Tubes Industry

The global seamless pipes and tubes industry continued to witness strong growth momentum during 2025, driven by increasing investments in infrastructure, industrial manufacturing, energy projects, automotive, and oil & gas sectors. The market was valued at approximately USD 133.12

Billion in 2025 and is projected to reach USD 215.46 Billion by 2032, growing at a CAGR of 7.12 percent.

Demand for seamless tubes remained strong owing to their superior strength, durability, corrosion resistance, and reliability in high-pressure applications. Technological advancements in metallurgical engineering, heat treatment processes, and automated inspection systems further improved product quality and manufacturing efficiency.

The industry also witnessed changes in supply chain strategies and procurement patterns due to evolving trade regulations and tariff policies globally. Sustainability, emissions reduction, and environmentally responsible manufacturing practices gained increasing importance among customers and regulators.

The long-term outlook for the seamless tubes industry remains favourable, supported by industrialisation, infrastructure expansion, energy transition projects, and increasing demand for high performance engineered products.

Automobile Sector

The global automotive industry continued to undergo significant transformation driven by sustainability requirements, electric mobility adoption, digitalisation, Industry 4.0 technologies, connected mobility, artificial intelligence, and smart manufacturing systems.

The Indian automobile industry delivered a strong performance during FY 2025-2026, with all major vehicle categories recording their highest-ever annual sales after seven years. Commercial vehicles recorded sales of 10.80 lakh units with growth of 12.6 percent. Positive consumer sentiment, supportive policy reforms, easing interest rates and recovery in economic activity contributed to robust vehicle demand.

Demand for high-quality engineering steel, seamless tubes, special bar quality steel, and automotive-grade materials is expected to remain strong due to increasing vehicle production and technological advancements within the sector.

Tractor Industry

The Indian tractor industry achieved a historic milestone during FY 2025-2026 by crossing the one-million-unit annual retail sales mark. The industry recorded annual growth of approximately 18.55 percent over the previous financial year, supported by favourable monsoons, improved farm income, and increasing mechanisation. The sector recorded strong growth driven by favourable monsoon conditions, improved farm incomes, rising agricultural activity, and increasing mechanisation across rural India.

Government support for agricultural modernisation, rural infrastructure development, and easier financing availability further supported industry growth during the year.

The long-term outlook for the tractor industry remains positive due to increasing focus on farm productivity, mechanisation, and rural economic development. Growing demand for tractors and farm equipment is expected to support sustained demand for engineering-grade steel and seamless tubes.

Special Bar Quality (SBQ) Steel

The global Special Bar Quality (SBQ) steel market is expected to witness strong growth over the coming years, driven by increasing demand from automotive, aerospace, industrial machinery, construction, and energy sectors. The market was valued at approximately USD 13.03 billion in 2024 and is projected to reach nearly USD 27.74 Billion by 2034, growing at a CAGR of around 7.85 percent.

SBQ steel is widely used in high-stress and precision-engineered applications, including gears, crankshafts, bearings, and industrial components, owing to its superior strength, machinability, fatigue resistance, and durability.

The automotive sector continues to remain the largest consumer of SBQ steel globally. Rapid industrialisation, increasing infrastructure investments, and expansion of manufacturing activities in Asia-Pacific economies are expected to support long-term demand growth.

Input Commodities Market Update -

Iron Ore Industry

India's iron ore industry continued to witness strong growth during FY 2025-2026 supported by rising demand from the steel, infrastructure, construction, automotive, and energy sectors. India produced around 289 Million MT of iron ore during FY 2024-2025 compared to approximately 277 Million MT in the previous year.

Iron ore remains one of the most critical minerals for India's industrial growth and contributes significantly to the country's overall mineral production value. Increasing domestic steelmaking capacity and infrastructure investment.

The industry also experienced increasing demand for premium-grade iron ore from integrated steel manufacturers. Continued investments in mining expansion, logistics infrastructure, and commercial mining reforms are expected to support future growth.

Coal and Coke

The Indian and global coal and coke markets in FY 2025-2026 are characterised by India's aggressive drive toward domestic self-reliance, set against a backdrop of plateauing global consumption amid sustained investments in energy security. While global thermal coal demand is flattening due to international environmental policies and renewable growth, coking coal and metallurgical coke remain in high demand due to massive blast-furnace infrastructure expansions across Asia.

India is currently the world's second-largest coal producer and consumer. Total coal production has surpassed historic milestones, with captive and commercial blocks crossing 210 Million MT. Overall domestic output remains robust as part of ongoing efforts to substitute imports.

Regarding the Indian Coal and Coke Market, demand for coking coal is surging, driven by the National Steel Policy's target of 300 MT steel capacity. Consequently, domestic raw coking coal production is targeting a scale-up to 83 MT. To curb import reliance, the Ministry of Coal has implemented import substitution policies, which have successfully reduced thermal and petcoke imports despite the continued high demand for premium met coke.

On a global scale, coal demand and trade volumes have hit a plateau. While India and China continue to expand output to ensure energy security, global production is facing downward pressure from oversupply and softening prices. Overall, global demand remains steady amid softening seaborne prices and high stock level.

(C) Risks and concerns

The Company operates in a cyclical industry exposed to various external and internal risks, including :

- Volatility in raw material and energy prices.
- Changes in government policies, duties, and regulations.
- Changes in policies on renewable energy.
- Economic slowdown impacting industrial and infrastructure demand.
- Supply chain disruptions and logistics challenges.
- Currency fluctuations and global trade uncertainties.
- Environmental, climate-related, and sustainability compliance risks.
- Technological disruptions and evolving customer requirements.
- Geopolitical tensions

The Company continues to strengthen its risk management framework through strategic sourcing, operational efficiencies, technology adoption, process controls and continuous monitoring mechanisms.

(D) Cost Control

Your Company adopted following measures to reduce cost :

- Strategically sourced raw material and consumables.
- Installation of solar power plant to reduce the power costs.
- Pulverised coal injection system with oxygen enrichment for both mini blast furnaces at Koppal to reduce the coke consumption.
- Installation of bell less tops for both mini blast furnaces.
- Improvement of projects through Total Productivity Management (TPM), Kaizens, involvement of cross functional teams to bring cost reductions.
- Improved operational efficiencies and cost control measures at all plants have resulted in reduced consumption of consumables, stores and spares.
- Improved power generation using mini blast furnace gas and thereby reducing the power cost.
- Roller hearth furnace II charging method improved for accommodating more batch weight resulted in power saving at the tubes plant.
- Rotary hearth furnace combustion system automated to maintain air fuel ratio and avoid excess air to reduce fuel consumption at the tubes plant.
- Improvement of overall power factor of the plant resulted in additional savings at the steel plant.

(E) Outlook for the current financial year

Going into FY 2026-27, KFIL is well-positioned to capitalise on sustained demand from the automotive, tractor, and capital goods sectors, supported by planned capacity expansion and continued focus on value-added casting products. The Company will continue to strengthen its raw material integration strategy to manage input cost volatility, while advancing its green steel and sustainability initiatives following the Product Carbon Footprint certification at Jejuri. The management remains confident of delivering steady volume and margin growth, building on the operational efficiencies achieved in FY 2025-26.

For further insights on growth strategy and outlook, refer to In conversation with the Managing Director on page 22.

F) Internal Control Systems and their adequacy

The Company maintains adequate internal control systems commensurate with the size, scale, and complexity of its operations. The internal control framework is designed to ensure operational efficiency, reliability of financial reporting, safeguarding of assets, compliance with applicable laws and regulations, and effective risk management.

The Company has established appropriate policies, procedures, and monitoring systems covering financial controls, operational processes, procurement, inventory management, production, quality assurance, safety, and compliance functions.

Internal audits are conducted periodically to assess the adequacy and effectiveness of internal controls, identify improvement opportunities, and ensure adherence to policies and statutory requirements. Audit observations and recommendations are regularly reviewed by the Management and the Audit Committee.

(G) Safety, Health and Environment

Safety

The Company recognises that safety is its foremost priority and remains committed to safeguarding the environment while providing a safe and healthy workplace for all employees and contractors. The objective is to achieve Zero Harm through continuous improvement in safety performance across all operations, including routine, non-routine and outsourced activities.

The Company's Safety Excellence Journey is driven by an integrated Safety Organisation that provides governance, direction and sustainability through the Business Safety Council. This framework is further strengthened by Corporate Safety Committees, Apex Committees and Departmental Safety Committees.

To realise the vision of an injury-free workplace, the Company has identified critical activities and processes and implemented standardised High-Risk Safety Standards across all plants, including:

- Working at Height (WAH)
- Personal Protective Equipment (PPE)
- Road Safety (RS)
- Permit to Work (PTW)
- Material Handling (MH)
- Lock Out and Tag Out (LOTO)

The Company has also established a robust Process Safety Management (PSM) framework supported by key standards such as:

- Management of Change (MOC)
- Process Technology (PT)
- Emergency Response Planning (ERP)
- Barrier Health Management (BHM)
- Human Factor Risk Profile (HFRP)

These initiatives focus on strengthening operational safety, enhancing resilience and ensuring sustainable safety performance.

As part of the Safety Culture Transformation journey, the Company introduced the Safety Interaction Tool to positively influence employee behaviour towards workplace safety. Safety Interaction is a structured, proactive, two-way safety conversation conducted at the workplace to recognise and reinforce safe behaviour, identify and correct at-risk behaviour and engage employees in discussions on safety concerns and issues.

To prevent recurrence of incidents, the Company has established a comprehensive Incident Management System to ensure effective reporting, investigation, analysis and closure of incidents. The investigation process identifies root causes and contributing factors, enabling implementation of corrective and preventive measures to strengthen safety performance.

To maintain a safe workplace, Life-Saving Rules have been implemented in collaboration with DuPont Sustainable Solutions (DSS+) as part of the Consequence Management System Policy (CMSP).

Life-Saving Rules include:

#1 Reporting an Incident

Always report safety incidents irrespective of severity.

#2 Working at Height

Always ensure continuous fall protection while working at height and never work at height without a valid permit.

#3 Working Around Conveyors

Never carry out maintenance or housekeeping while conveyors are in operation, never bypass conveyor safety interlocks and never operate conveyors without safety guards.

The Company adopts a strategic approach to safety through:

- Training employees on safety standards and best practices
- Conducting gap assessments
- Implementing corrective action plans
- Conducting first-party and second-party safety audits

Special safety initiatives such as SAHYOG Suggestion Scheme, SAMANVAYA – Safety Action Meetings and SAKSHAM – Action Employees Can Take have been implemented with a strong focus on accident prevention and continuous improvement.

The Monthly Safety Theme Program has been launched to strengthen safety awareness, increase employee engagement, eliminate unsafe acts and conditions and create a safer workplace.

To improve operational efficiency and promote a proactive safety culture, key safety processes have been digitalised, including:

- Incident Management System (IMS)
- Safety Interaction (SI)
- Permit to Work (PTW)
- SAMANVAYA Tracker
- SAHYOG Tracker
- SAKSHAM Tracker

The effectiveness of health and safety programs is evaluated through leadership demonstrations, periodic reviews, internal and external audits, legal compliance assessments and continuous improvement using the PDCA methodology.

Various safety events such as Fire Service Week, Chemical Disaster Prevention Day, Road Safety Week and National Safety Day are organised throughout the year to strengthen the safety culture and encourage employee participation.

Health

The Occupational Health Centres (OHCs) at all locations are equipped with full-time medical officers and qualified medical staff to provide 24x7 emergency medical services. The OHCs include outpatient facilities for treatment of illnesses and conducting pre-employment and periodic medical examinations.

The Company firmly believes that a healthy workforce is key to organisational success and has undertaken several initiatives focused on employee health and well-being.

During FY 2025-2026, annual medical examinations and special screenings for ageing employees were conducted to identify lifestyle and age-related disorders. The outpatient department catered to both medical and surgical emergencies with adequate infrastructure and medicines.

The Occupational Health Department follows an integrated approach encompassing health promotion, specific protection, early diagnosis and rehabilitation. Expert talks by internal and external specialists were conducted covering cardiology, gastroenterology, eye care, cardiac screening, NCD/ICTC screening and bone density assessment.

Weight reduction programmes and reward-based healthy weight-loss initiatives were undertaken for employees with high BMI. These initiatives facilitated early identification and intervention in cardiac and lifestyle-related diseases, thereby improving quality of life and productivity.

The Company organised super-specialty health camps, specialist doctor visits, health seminars, screening camps and awareness programmes.

In association with HCG Cancer Hospital and Vihaan Heart Care, Hubballi, cardiac awareness programmes were conducted. Health screening and nutritional deficiency assessments for Vitamin D and Vitamin B12 were conducted for women employees and Ladies Club members.

Eye screening camps were organised in association with M. M. Joshi Eye Hospital to identify causes of blindness such as cataract, glaucoma, corneal opacities and infections.

Around 3,806 beneficiaries availed the benefits of these health initiatives, enabling early intervention and prevention of disease progression.

In association with the Department of Factories and Boilers, Koppal, migrant workers were screened for STDs and NCDs.

The Company has signed MoUs with Apollo Hospitals and Fortis Hospitals, Bengaluru, for subsidised treatment of medical and surgical emergencies.

Additional health and wellness initiatives undertaken during the year include:

- Biomedical Waste Handling and Storage Training
- First Aid Training
- Employee Health and Fitness Check-ups
- Health awareness programmes and preventive healthcare initiatives

Environment Management

The Company has established a robust Environmental Management System (EMS) and effectively implemented it across all locations. The system helps proactively minimise environmental footprint, improve resource efficiency and ensure compliance with environmental legislation.

The EMS is certified under ISO 14001:2015 by TÜV and forms the foundation of the Company's commitment to continuous environmental improvement, pollution prevention and sustainability.

Top Management has established a clear environmental policy and regularly reviews EMS performance to ensure continuous improvement. Environmental aspects and impacts arising from operations, products and services are systematically identified, assessed and managed through defined objectives, targets and action plans.

The Company remains committed to fostering innovation while placing environmental sustainability at the core of its operations. Investments in research and development continue to support environmentally responsible technologies aimed at reducing greenhouse gas emissions, improving energy efficiency and minimising waste generation. Responsible manufacturing practices based on resource efficiency, pollution prevention and circular economy principles are implemented throughout the value chain.

The Company's sustainability approach is both proactive and adaptive. Existing processes are continuously optimised to improve operational efficiency, reduce emissions and conserve natural resources such as water and energy. Comprehensive environmental assessments are conducted for all new projects and expansion initiatives.

The Company has installed a Waste Heat Recovery Boiler (WHRB) utilising Blast Furnace Gas and Coke Oven Gas for captive power generation, producing approximately 51.5 MW of electricity for in-house operations, thereby improving energy efficiency and reducing environmental impact.

Environmental Monitoring

The Company regularly conducts environmental monitoring through certified external laboratories and agencies and has implemented Online Continuous Environmental Monitoring Systems (OCEMS).

The monitoring systems continuously measure key pollutants such as particulate matter (PM2.5 and PM10), Sulphur Dioxide (SO_2), Nitrogen Oxides (NO^x) and Carbon Monoxide (CO). Real-time monitoring enables prompt identification of emission fluctuations and corrective actions.

Automated alert mechanisms are integrated into the monitoring systems to notify responsible personnel whenever pollutant levels approach or exceed prescribed limits. Real-time environmental data generated through OCEMS is transmitted directly to regulatory authorities, ensuring transparency and compliance. Continuous data analysis supports emission trend identification, source tracking and implementation of effective pollution control measures.

Sewage Treatment Plants (STP) and Effluent Treatment Plants (ETP), wherever applicable, are continuously monitored to ensure compliance. Treated and recycled water is effectively utilised for operations and plantation activities.

Monitoring systems are regularly calibrated, maintained and cross-verified through manual sampling to ensure data accuracy and reliability. Environmental performance is also being reported through the Updapt sustainability reporting platform.

Environmental data and monitoring results are publicly displayed to promote transparency among stakeholders.

Environmental Activities and Initiatives

The Company undertook several environmental initiatives and achieved significant milestones, including:

- Green Steel Certification for the Steel Division.
- Quarterly mapping of Scope 1, Scope 2 and Scope 3 emissions.
- Safe disposal of hazardous and other wastes through Government-authorised agencies.
- Compliance with Terms of Reference (TOR) under Environmental Clearance requirements at Jejuri and Baramati plants.
- Environmental Clearance from the Ministry of Environment, Forest and Climate Change (MoEF&CC), New Delhi, for Koppal Steel Plant expansion.
- Consent for Establishment from Karnataka State Pollution Control Board (KSPCB) for expansion projects.
- Receipt of revised Consent to Operate (CTO) for increased production capacity at Ahilyanagar and Jejuri plants.
- Maintenance of ISO 14001:2015 certification.
- Employee awareness programmes on Environmental Management Systems.
- Hazardous Waste Management awareness sessions.
- Environmental awareness competitions including essay writing, drawing and slogan writing.
- Eco-friendly festival celebration campaigns.
- Annual Environment Day celebrations with plantation drives.
- Energy Conservation Week awareness programmes.
- Sustainability Awards assessment visits and sustainability initiatives.
- Biodiversity assessment around Koppal operations in collaboration with local communities and environmental groups.

Greenbelt and Environmental Sustainability Initiatives

The Company has undertaken extensive greenbelt development activities across all plant locations as part of its sustainability and Green Steel initiatives.

Key initiatives include:

- Development of greenbelt areas across all plant locations.
- Survey of villages within a 35 km radius to identify indigenous species.
- Creation of native forests to support local biodiversity.
- Establishment of an in-house nursery with over 13,000 saplings.
- Completion of more than 5,000 plantations across plant locations.
- Planned plantation of 6,000 additional saplings at Jejuri, Baramati and Ahilyanagar plants.
- Planned plantation of 3,000 additional saplings at Jejuri under CSR and Sustainability Programmes.
- Plantation of native species in surrounding villages.
- Support to Municipal Corporation plantation initiatives.
- Environmental awareness and safety programmes for schools and local communities.
- Promotion of biodiversity conservation, ecological restoration, carbon sequestration and enhancement of local green cover.

(H) Corporate Social Responsibility

In line with the Company's mission of being a Preferred Employer and Responsible Neighbour, various CSR initiatives were undertaken focusing on Education, Health and Hygiene, Environment and Rural Development.

Education

- Financial assistance for higher education and professional courses.
- Scholarships for meritorious students pursuing SSLC, PUC, Diploma, Engineering, MBBS, MD, MS, Veterinary Science and Agriculture-related courses.
- Financial support for school land acquisition.
- Support for school projects, excursions and educational infrastructure.
- Provision of educational equipment to schools, colleges and engineering institutions.
- Support for workshops, seminars, skill development and educational technology initiatives.
- Distribution of benches and desks to Government schools.
- Infrastructure support for school buildings and playground development.

Health and Hygiene

- Construction of community health centres.
- Organisation of health check-up camps in villages and schools.
- Specialist medical services through Orthopaedic, Gynaecology, Cardiology, Dental and Paediatric experts.
- Mega medical camps in coordination with Government and private hospitals.
- Specialist doctor visits to community health centres.
- Financial assistance for treatment of major medical conditions.
- Health and hygiene awareness programmes for women.
- Medical equipment support to healthcare centres.
- Blood donation camps.
- Camps for differently abled individuals.
- Distribution of nutritional food kits.

Rural Development

- Construction of storm water drains and concrete roads.
- Waste management initiatives and support to Gram Panchayats.
- Office furniture and infrastructure support to Panchayat offices.
- Distribution of sewing machines to women.
- Financial assistance for village festivals and community activities.
- Support for construction of Samudaya Bhavanas and temples.

Environment

- Organisation of Kirloskar Vasundhara International Film Festival (KVVF).
- Conduct of Kirloskar Vasundhara Eco Rangers Programmes.
- Greenbelt development and plantation of native species.

- Support for environmental awareness and sustainability initiatives.

Awards and Recognitions

During the year, the Company received several prestigious recognitions, including:

- Sustainability and Net Zero Initiatives Award 2026 for Steel Plant Jejuri by USB Forum.
- Institutional Safety Excellence Award 2025 from SafeTech.
- National Safety Council of India Safety Award 2025 for Steel and Tube Plants.
- Kirloskar Group ESG Award for KFIL Steel Plant, Jejuri.
- Kirloskar Group EnCon Award for Best Sustainability Project – Tube Plant, Baramati.
- National HR Excellence Award 2025 – Silver Award for Best IR Strategy.
- Zero Defect Competition – 1st Runner-Up Award by KOEL.
- ESG Award under K-Group Sustainability Awards.
- Best Cost Efficiency Award by Escorts Kubota.
- Best Quality Performance Award by KOEL.
- Green Foundry Award by the Institute of Indian Foundrymen.
- Raw Material Supplier Award by the Institute of Indian Foundrymen.
- 2nd Prize in IIF Southern Region Kaizen Competition 2025.
- Global Environment & Sustainability Award 2025 under Environment Protection category.

Human Resource Development and Industrial Relations

The Company considers human resources as one of its most valuable assets and continues to focus on attracting, developing and retaining talent to meet current and future business requirements.

Key HR initiatives undertaken during FY 2025-2026 include:

- Implementation of IKARE HRMS covering Talent Acquisition, Organisation and People Management, Learning Management System, Leave and Attendance and Performance Management System.
- Safety Excellence Standards training programmes.
- Continuous behavioural and technical skill development programmes.
- Launch of DSS+ Safety e-Learning modules through IKARE LMS.
- Launch of LinkedIn Learning for employee development.
- Leadership Development Programmes with assessment through TAPL.
- Management Development Programmes (MDPs) on various leadership topics.
- Strengthening reward and recognition systems through Quarterly Champions Awards, SAYA, Exemplary Awards and Lakshya Awards.
- Skill development programmes for apprentices, learners and contract labour. Training programmes on 5S and Total Productivity Management. Implementation of "I Pledge – Life Saving Rules and Consequence Management System" across plants.
- International Women's Day celebrations and recognition programmes.

  Industry-academia engagement through conferences and lectures by senior management professionals.

(I) Developments in Human Resource/ Industrial Relations

With the rapid advancement of technologies, globalisation of markets and increasing demand for efficiency and sustainability, Human Resource Development ('HRD') has emerged as a critical function in the businesses. HRD focuses not just on equipping employees with technical expertise, but also on leadership development, safety training and fostering innovation to meet global standards.

The Company considers human resource to be an important and valuable asset for the organisation. Therefore, it constantly strives to attract and retain key talents for present and future business needs in order to succeed in the hyper competitive and increasingly complex global economy.

During the financial year, following programs were conducted:

- Safety excellence standards were framed and intensive training to all relevant employees were given on safety Interaction, incident management, work at height, lock out and tag out, personal protective equipment and permit to work standards, etc.
- Management Development Programs ('MDP') were organised.
- Training programmes on behavioural and technical skills were organised on a continuous basis by engaging internal and external faculties to enhance competencies and skills of employees.
- Biomedical Waste Handling and Storage Training.
- Fire Safety Training by MIDC Fire Department.
- First Aid Training by Dr. Anjali Khade.
- LPG Gas Leakage Mock Drill.
- PPE Exhibitions across plant locations.
- Environmental Management System Awareness Programmes.
- Health and Fitness Check-up Programmes.
- Energy Conservation Awareness Campaigns.
- Environmental Protection Oath and World Environment Day Activities.
- Celebrated International Women's Day by recognising and rewarding women employees.
- Organised/sponsored conferences by the educational institutions. Faculty lectures were delivered by the Senior Management of the Company.

(J) Discussion on financial performance with respect to operational performance has been covered in the Directors' Report.

(K) Details relating to Key Financial Ratios

Sl. No.	Particulars	Ratio as of 31 March 2026	Ratio as of 31 March 2025	% Change	Explanations, if any
1	Debtors' Turnover	6.46	6.77	(4.58)	-
2	Inventory Turnover	3.54	3.47	2.02	-
3	Interest Coverage Ratio	4.94	3.81	29.66	Decrease is on account of repayment of borrowings and increased earnings in current year
4	Current Ratio	1.11	1.06	4.72	-
5	Debt Equity Ratio	0.27	0.37	(27.03)	Decrease is on account of repayment of borrowings and increase in other equity due to current year profits
6	Operating Profit Margin (%)	11.96	11.52	3.82	-
7	Net Profit Margin (%)	7.33	4.43	65.46	Refer note no. 52 of standalone financial statements

Details of change in Return on Net Worth as compared to the immediately previous financial year is as given below:

Particulars	Ratio as of 31 March 2026	Ratio as of 31 March 2025	% Change	Explanations, if any
Return on Net worth (Total Equity)	13.06	8.47	54.19	Refer note no. 52 of standalone financial statements

Report on Corporate Governance

[Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI LODR Regulations')]

1. Company's philosophy on Code of Governance

Corporate Governance contains a set of principles, process and systems to be followed by Directors, Management and Employees of the Company for increasing the shareholders' value, keeping in view interest of other stakeholders. While adhering to the above, the Company is committed to integrity, accountability, transparency and compliance with laws and in dealings with the Government, customers, suppliers, employees and other stakeholders.

2. Board of Directors

(a) Composition of the Board

The Board of Directors comprised of Thirteen Directors as on 31 March 2026. Out of these, there is one Managing Director, two Executive Directors, three Non-Executive Non-Independent Directors and seven Independent Directors (including one Woman Director). The Board of Directors is duly constituted pursuant to the provisions of Section 149 of the Companies Act, 2013 and Regulation 17(1) of the SEBI LODR Regulations, 2015.

(b) Number of Board meetings

During the financial year 2025-2026, five meetings of the Board of Directors were held on 9 May 2025, 4 August 2025, 6 November 2025, 10 February 2026 and 9 March 2026.

(c) Directors' attendance record

Details on composition and category of Directors, attendance of each Director at the meeting of the Board of Directors, number of other Board of Directors or Committees in which a Director is a member or chairperson are as given below :

Category of Directors and Name of Director	Financial Year 2025-2026		Number of Directorships in other public limited companies incorporated in India	Committee positions held in other public limited companies	
	Board Meetings held	Board Meetings attended		Member	Chairman
Promoter Directors (Non Executive)					
Mr. Rahul Kirloskar, Chairman	5	5	5	1	Nil
Ms. Aditi Atul Kirloskar	4	3	Nil	Nil	Nil
Mr. Aman Rahul Kirloskar	2	1	1	Nil	Nil
Non Independent Directors (Executive)					
Mr. R. V. Gumaste Managing Director	5	5	Nil	Nil	Nil
Mr. R. S. Srivatsan Executive Director (Finance) and CFO	5	5	Nil	Nil	Nil
Mr. N. B. Ektare Executive Director (Operations)	5	5	Nil	Nil	Nil
Independent Directors (Non Executive)					
Mr. V. M. Varma	5	5	1	2	Nil
Mr. S. Venkataramani	5	5	1	1	Nil
Mr. P. Vohra	5	5	3	2	Nil
Dr. Shalini Sarin	5	5	5	4	Nil
Mr. M. S. Srinivasan	5	5	Nil	Nil	Nil
Mr. P. Rajashekhar	5	5	Nil	Nil	Nil
Mr. S. Rajagopalan	5	5	Nil	Nil	Nil

Notes :

- Directorships held in foreign companies, private limited companies, one person companies and companies under Section 25 of the Companies Act, 1956 / under Section 8 of the Companies Act, 2013 have not been considered.
- For the purpose of reckoning the limit on committee positions, chairmanship / membership of the Audit Committee and the Stakeholders Relationship Committee are considered.
- None of Directors on the Board is a Director of more than seven listed companies.
- Ms. Aditi Kirloskar has been a Director on the Board of the Company from 10 May 2025.
- Mr. Aman Kirloskar has been a Director on the Board of the Company from 7 November 2025.
- Twelve directors on the Board were present at the annual general meeting held on 4 August 2025.

Name of other listed companies, where a Director holds directorship and the category of directorship are as given below :

Name of the Director	Name of the listed entities in which Director holds Directorship	Category of Directorship
Mr. Rahul Kirloskar	Kirloskar Pneumatic Company Limited	Executive Chairman
	Kirloskar Oil Engines Limited	Non Independent Director
	Kirloskar Industries Limited	Non Independent Director
Mr. R. V. Gumaste	Nil	-
Mr. R. S. Srivatsan	Nil	-
Mr. N. B. Ektare	Nil	-
Mr. V. M. Varma	Kirloskar Industries Limited	Independent Director
Mr. S. Venkataramani	Kirloskar Industries Limited	Independent Director
Mr. P. Vohra	Kirloskar Pneumatic Company Limited	Independent Director
	IDFC First Bank Limited	Independent Director
Dr. Shalini Sarin	Kirloskar Oil Engines Limited	Independent Director
	Linde India Limited	Independent Director
	Sagility Limited	Independent Director
	Polyplex Corporation Limited	Independent Director
	Schneider Electric Infrastructure Limited	Independent Director
Mr. M. S. Srinivasan	Nil	-
Mr. P. Rajashekhar	Nil	-
Mr. S. Rajagopalan	Nil	-
Ms. Aditi Kirloskar	Nil	-
Mr. Aman Kirloskar	Nil	-

Mr. Rahul Kirloskar and Mr. Aman Kirloskar, being father and son, are related to each other.

Ms. Aditi Kirloskar is a niece of Mr. Rahul Kirloskar and a cousin sister of Mr. Aman Kirloskar.

None of the other Directors is related to any other Director of the Company as defined pursuant to provisions of the Companies Act, 2013 and rules thereof.

Statement showing number of equity shares of the Company held by the Directors as on 31 March 2026 :

Name of Director	Equity Shares of ₹ 5 each
Mr. Rahul Kirloskar	1,425,279
Mr. R. V. Gumaste	1,087,521
Mr. R. S. Srivatsan	223,000
Mr. N. B. Ektare	117,000
Mr. V. M. Varma	3,922
Mr. S. Venkataramani	Nil
Mr. P. Vohra	Nil
Dr. Shalini Sarin	Nil
Mr. M. S. Srinivasan	934
Mr. P. Rajashekhar	Nil
Mr. S. Rajagopalan	Nil
Ms. Aditi Kirloskar	877,187
Mr. Aman Kirloskar	200

Separate meetings of Independent Directors

Separate meetings of the Independent Directors of the Company were held on 30 December 2025 and 27 March 2026 to discuss, inter-alia:

- the performance of Non-Independent Directors and the Board as a whole;
- the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Six out of seven Independent Directors attended the meeting held on 30 December 2025.

All seven Independent Directors attended the meeting held on 27 March 2026.

Criteria for performance evaluation of Directors has been specified in the section 'Nomination and Remuneration Committee' given below at Item No. 4.

Statement of Declaration by the Independent Directors

All the Independent Directors have given declarations that they meet the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI LODR Regulations and also confirmed that they have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

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

After due assessment of veracity (to the extent possible) of declarations received from Independent Directors, the Board of Directors took on record declarations and confirmations submitted by the Independent Directors pursuant to Regulation 25(8) of the SEBI LODR Regulations.

The Board of Directors is of the view that the Independent Directors fulfill conditions specified in the SEBI LODR Regulations and that they are independent of the management.

Familiarization program for Independent Directors

Independent Directors of the Company are made aware of their role, rights and responsibilities at the time of their appointment, through a formal letter of appointment, which also stipulates various terms and conditions of the engagement. All Board Members are made aware of from time to time, latest applicable legal, regulatory and business developments / updates, by way of presentations where Directors have an opportunity to interact with Key Management Personnel. Presentations include, inter-alia, quarterly and annual results, budgets, review of internal audit report, updates relating to business operations and performance, financial parameters, changes in senior management, major litigations, compliances, risk management and regulatory scenarios and related matters as may arise from time to time.

The Company has conducted various familiarization programs and presentations for Independent Directors. Details of familiarization programs and presentations have been disclosed at the website of the Company, viz. www.kirloskarferrous.com

Skills matrix for the Directors

The Board of Directors of the Company comprises members who bring in the required skills and expertise for effective functioning of the Company, the Board and its Committees.

Skill	Skill definitions
Strategy and Strategic planning	Ability to identify and critically assess strategic opportunities and threats to the Company vis-à-vis the Company's objectives and develop strategies for the Company's long term growth and sustainability.
Corporate Governance	Ability to maintain management accountability and formulate policies to safeguard interests of the Company and shareholders; understanding of control environments and ability to ensure adherence to highest standards of corporate governance.
Business Acumen	Ability to drive success in the market and formulate policies for enhancing market share; ability to understand business environment and economic and regulatory conditions impacting market.
Leadership	Understanding of operations and organizational processes; ability to develop talent and ensure succession planning; ability to bring about organizational change and improvement; ability to manage crisis.
Industry knowledge	Experience and knowledge with respect to pig iron and foundry industry.
Financial Skills	Expertise in financial management, capital allocation, financial reporting requirements; ability to evaluate proposals relating to merger / acquisition and execute the same effectively, including integration of operations.
ESG	Ability to develop and drive leading practices in ESG creating meaningful impact on environment, society and enriching overall governance quotient of the organization
Technology	Ability to anticipate changes in technology, drive product and process innovation.
Legal and Regulatory knowledge	Understanding of regulatory and legal frameworks

Table given below summarizes key skills and expertise possessed by the Board of Directors :

Name of Director	Skills								
	Strategy & Strategic Planning	Corporate Governance	Business Acumen	Leadership	Industry Knowledge	Financial Skills	ESG	Technology	Legal & Regulatory Knowledge
Rahul Kirloskar	√	√	√	√	√	√	√	√	√
R. V. Gumaste	√	√	√	√	√	√	√	√	√
V. M. Varma	√	√	√	√	√	√	√		√
S. Venkataramani	√	√	√	√	√	√	√		√
R S. Srivatsan	√	√	√	√	√	√	√	√	√
P. Vohra	√	√	√	√		√			√
Shalini Sarin	√	√	√	√		√	√		√
N. B. Ektare	√	√	√	√	√	√	√	√	√
M. S. Srinivasan	√	√	√	√	√	√			√
P. Rajashekhar	√	√	√	√	√	√	√		√
S. Rajagopalan	√	√	√	√	√	√	√	√	√
Aditi Kirloskar	√	√			√	√	√		√
Aman Kirloskar	√	√	√	√	√	√	√		√

3. Audit Committee

(a) Composition

The Audit Committee comprises of three Independent Directors.

Mr. S. Venkataramani, an Independent Director is the Chairman of the Audit Committee. Other Members of the Committee are Mr. V. M. Varma and Mr. P. Vohra.

The Company Secretary acts as the Secretary to the Committee.

During the financial year 2025-2026, five meetings of the Audit Committee were held on 8 May 2025, 4 August 2025, 6 November 2025, 10 February 2026 and 9 March 2026.

Details of attendance by committee members are as given below :

Name of Director	Category	Number of meetings held	Number of meetings attended
Mr. S. Venkataramani	Independent and Non – Executive	5	5
Mr. V. M. Varma	Independent and Non – Executive	5	5
Mr. P. Vohra	Independent and Non – Executive	5	5

The Managing Director and the Executive Director(s) attended the meetings of the Audit Committee as the invitees. Representatives of the Statutory Auditors, the Internal Auditor and the Cost Auditor were invited and attended meetings of the Audit Committee.

Mr. S. Venkataramani, the Chairman of the Audit Committee was present at the annual general meeting of the Members of the Company held on 4 August 2025.

The Audit Committee acts as a link between the Management, the Statutory Auditor, the Internal Auditor and the Board of Directors.

The Audit Committee has been vested with following powers :

- To investigate any activity within its terms of its reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

(b) Terms of Reference

The terms of reference of the Audit committee include the matters specified in the SEBI LODR Regulations, 2015 as well as those specified in the Companies Act, 2013 and inter-alia, includes following :

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Examination of the financial statement and the auditor's report thereon.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the Management, the annual financial statements and auditors' report thereon before submission to the Board, for approval, with particular reference to :
  - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Modified opinions in the draft audit report.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses / applications of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture-holders, shareholders (in case of non payment of declared dividends) and creditors.
- To review the functioning of the whistle blower mechanism.
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
- Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10 percent of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc., on the Company and its shareholders.
- Reviewing the following information :
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - c. Internal audit reports relating to internal control weaknesses and
  - d. The appointment, removal and terms of remuneration of the Chief Internal Auditor.
  - e. Statement of deviations :
- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).
- Reviewing with the compliance of provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems of internal control are adequate and are operating effectively.
- Carrying out any other function as mentioned in terms of reference of the Audit Committee and as amended from time to time by the Companies Act, 2013; rules thereof and the SEBI LODR Regulations.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of three Directors, out of which two Directors are Independent Directors.

Dr. Shalini Sarin, Independent Director is the Chairperson of the Nomination and Remuneration Committee. Other Members of the Committee are Mr. Rahul Kirloskar and Mr. S. Venkataramani.

The Company Secretary acts as the Secretary to the Committee.

During the financial year 2025-2026, four meetings of the Nomination and Remuneration Committee were held on 8 May 2025, 4 August 2025, 6 November 2025 and 10 February 2026.

Details of attendance by committee members are as given below :

Name of Director	Category	Number of meetings held	Number of meetings attended
Dr. Shalini Sarin	Independent and Non - Executive	4	4
Mr. Rahul Kirloskar	Non - Independent and Non - Executive	4	4
Mr. S. Venkataramani	Independent and Non - Executive	4	4

Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors has adopted the Nomination and Remuneration Policy for selection and appointment of Directors, Senior Management and their remuneration. The copy of the policy is available at the website of the Company viz. www.kirloskarferrous.com

Terms of reference of the Nomination and Remuneration Committee are as given below :

- Identify persons, who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down.
- Recommend to the Board appointment and/or removal of Directors and senior management.
- Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- For every appointment of an independent director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director and recommend to the Board for appointment as an Independent Director.
- Formulation of criteria for evaluation of performance of independent directors and the board of directors.
- Devising a policy on diversity of board of directors.
- Identifying persons, who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- Perform such functions as may be assigned by the Board of Directors from time to time and
- Carrying out any other function as mentioned in terms of reference of the Nomination and Remuneration Committee and as amended from time to time by the Companies Act, 2013; rules thereof and the SEBI LODR Regulations.

Criteria for performance evaluation of Directors

Performance evaluation of each Director was carried out based on the criteria as laid down by the Nomination and Remuneration Committee.

Criteria for performance evaluation included aspects such as attendance at the meetings, participation and independence during the meetings, interaction with management, role and accountability, knowledge and proficiency. Further, performance evaluation of the Managing Director was also based on the performance and the business achievements of the Company.

5. Stakeholders Relationship Committee

The Company has the Stakeholders Relationship Committee, which comprises of three Directors, viz. Mr. Rahul Kirloskar, Mr. V. M. Varma and Mr. R. S. Srivatsan.

Mr. Rahul Kirloskar acts as the Chairman of the Committee.

During the financial year 2025-2026, one meeting of the Stakeholders Relationship Committee was held on 3 September 2025.

Details of attendance by the committee members are as given below :

Name of Director	Category	Number of meetings held	Number of meetings attended
Mr. Rahul Kirloskar	Non-Independent and Non-Executive	1	1
Mr. V. M. Varma	Independent and Non - Executive	1	1
Mr. R. S. Srivatsan	Executive Director (Finance)	1	1

Terms of reference of the Stakeholders Relationship Committee are as given below :

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company.

Mr. Mayuresh Gharpure, Company Secretary and the Compliance Officer has been authorised by the Board of Directors to consider and approve permissible applications for transfer, transmission, name deletions and related matters and to look into the investor complaints.

Contact details of the Compliance Officer are as given below :
Mr. Mayuresh Gharpure, Company Secretary
Kirloskar Ferrous Industries Limited
'One Avante', Level 5, Karve Road, Kothrud,
Pune 411038, Maharashtra
Telephone No. +91 20 69065040

The Company has designated an exclusive email ID kfilinvestor@kirloskar.com for investors to register grievances, if any. The said email ID has been displayed at the website of the Company.

Two investor complaints were pending as on 31 March 2025. 90 investor complaints were received and 92 investor complaints were redressed during the financial year 2025-2026. No complaint was pending as on 31 March 2026.

6. Risk Management Committee

The Board of Directors at its meeting held on 26 July 2021 has constituted the Risk Management Committee and assigned terms of reference to it. It comprises of four Directors, out of which three Directors are Independent Directors.

Mr. V. M. Varma, Independent Director is the Chairman of the Risk Management Committee. Other Members of the Committee are Mr. R. V. Gumaste, Mr. S. Venkataramani and Mr. P. Vohra.

The Company Secretary acts as the Secretary to the Committee.

During the financial year 2025-2026, two meetings of the Risk Management Committee were held on 4 April 2025 and 28 October 2025.

Details of attendance by the committee members are as given below :

Name of Director	Category	Number of meetings held	Number of meetings attended
Mr. V. M. Varma	Independent and Non - Executive	2	2
Mr. P. Vohra	Independent and Non - Executive	2	2
Mr. S. Venkataramani	Independent and Non - Executive	2	2
Mr. R. V. Gumaste	Managing Director	2	2

Role and powers of the Risk Management Committee are as given below :

- To formulate a detailed risk management policy which shall include :
  a. A framework for identification of internal and external risks specifically faced by the company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  c. Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
- Coordination of its activities with other committees of the Board, wherever required.
- To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
- Such other role / powers as may be assigned from time to time by the SEBI LODR Regulations and the Board of Directors.

7. Senior Management

Particulars of the Senior Management personnel as of 31 March 2026 are as given below :

Name of employee	Designation
Mr. C. Ramesh	Chief Operating Officer (Pig Iron and Castings business)
Mr. P. M. Manojkumar	Chief Operating Officer (Steel and Tubes business)
Mr. Ritesh Joshi #	Chief Human Resources Officer
Mr. Mayuresh Gharpure	Company Secretary (KMP)

Based on recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, Mr. Ritesh Joshi has been the Chief Human Resources Officer ('CHRO') of the Company with effect from 1 October 2025.

8. Remuneration to Directors

a) Remuneration to the Managing Director and the Executive Directors

The Company pays remuneration by way of salary, perquisites, allowances and commission to the Managing Director and the Executive Directors. The commission to the Managing Director and the Executive Directors is decided by the Nomination and Remuneration Committee on determination of the profits for the financial year and approved by the Board of Directors. The remuneration to the Managing Director and the Executive Directors is in accordance with the provisions of the Companies Act, 2013; rules thereof and within the ceiling prescribed thereunder.

Remuneration to Mr. R. V. Gumaste, the Managing Director

The Members of the Company at their Thirty second annual general meeting held on 3 August 2023 approved the re-appointment and the terms of remuneration of Mr. R. V. Gumaste as the Managing Director for a period of 5 years with effect from 1 July 2023. The Company has entered into an agreement with the Managing Director for a period of five years. No notice period and severance fees have been prescribed in the agreement.

Details of remuneration, by payment and provision, for the financial year 2025-2026 are as given below :

Particulars	Amount in ₹
Basic Salary	18,150,000
Special Allowance	2,250,000
House Rent Allowance	1,200,000
Leave Travel Assistance	200,000
Contribution to Provident Fund	2,178,000
Perquisites	1,037,058
Perquisite value for stock options	38,102,500
Gratuity	3,422,995
Leave Encashment	1,643,806
Commission	55,000,000
Total	**123,184,359**

Salary includes basic salary, special allowance and house rent allowance. Perquisites include reimbursement of medical expenses, personal accident insurance and mediclaim insurance premium.

Pursuant to the resolution passed by the Members of the Company at their annual general meeting held on 3 August 2023 and upon the recommendation of the Nomination and Remuneration Committee,

- The Board of Directors at its meeting held on 9 May 2025 has approved the increment in basic salary payable to Mr. R. V. Gumaste from ₹ 1,400,000 per month to ₹ 1,550,000 per month with effect from 1 July 2025.
- The Board of Directors at its meeting held on 10 February 2026 has revised the aggregate limit of the Family Medicare Policy under the mediclaim insurance and the Personal Accident Insurance, not to exceed ₹ 200,000 per annum with effect from 1 April 2025.

Pursuant to 'KFIL Employee Stock Option Scheme 2017'; the Nomination and Remuneration Committee at its meeting held on 3 November 2017 has granted to him 500,000 stock options at an exercise price of ₹ 50 per stock option. 487,500 stock options were vested and have been exercised by him.

Pursuant to 'KFIL Employee Stock Option Scheme 2021'; the Nomination and Remuneration Committee at its meeting held on 19 May 2022 has granted to him 500,000 stock options at an exercise price of ₹ 157 per stock option. These stock options would be vested over a period of four years subject to fulfillment of vesting conditions. As of 31 March 2026; 325,000 stock options were vested and 325,000 stock options have been exercised by him.

Remuneration to Mr. R. S. Srivatsan, the Executive Director (Finance) and CFO

The Members of the Company at their annual general meeting held on 1 August 2022 approved the appointment and the terms of remuneration of Mr. R. S. Srivatsan as the Executive Director (Finance) for a period of five years with effect from 17 May 2022. The Company had entered into an agreement with the Executive Director for a period of five years. No notice period and severance fees have been prescribed in the agreement.

Details of remuneration, by payment and provision, for the financial year 2025-2026 are as given below :

Particulars	Amount in ₹
Basic Salary	12,300,000
Special Allowance	1,440,000
House Rent Allowance	1,200,000
Leave Travel Assistance	120,000
Contribution to Provident Fund	1,476,000
Perquisites	334,791
Perquisite value for stock options	13,580,900
Gratuity	1,727,214
Leave Encashment	Nil
Commission	20,000,000
Total	**52,178,905**

Salary includes basic salary, special allowance and house rent allowance. Perquisites include reimbursement of medical expenses, personal accident insurance and mediclaim insurance premium.

Pursuant to the resolution passed by the Members of the Company at their annual general meeting held on 1 August 2022 and upon the recommendation of the Nomination and Remuneration Committee,

- the Board of Directors at its meeting held on 9 May 2025 has approved the increment in basic salary payable to him from ₹ 950,000 per month to ₹ 1,025,000 per month with effect from 1 April 2025.
- The Board of Directors at its meeting held on 10 February 2026 has revised the aggregate limit of the Family Medicare Policy under the mediclaim insurance and the Personal Accident Insurance, not to exceed ₹ 200,000 per annum with effect from 1 April 2025.

Pursuant to 'KFIL Employee Stock Option Scheme 2017'; the Nomination and Remuneration Committee at its meeting held on 3 November 2017 has granted to him 500,000 stock options at an exercise price of ₹ 50 per stock option. 117,000 stock options were vested and have been exercised by him.

Pursuant to 'KFIL Employee Stock Option Scheme 2021'; the Nomination and Remuneration Committee at its meeting held on 19 May 2022 has granted to him 200,000 stock options at an exercise price of ₹ 157 per stock option. These stock options would be vested over a period of four years subject to fulfillment of vesting conditions. As of 31 March 2026; 130,000 stock options were vested and 106,000 stock options have been exercised by him.

Remuneration to Mr. N. B. Ektare, the Executive Director (Operations)

The Members of the Company at their annual general meeting held on 24 September 2024 have appointed Mr. N. B. Ektare, as the Executive Director (Operations) for a term from 9 August 2024 to 9 March 2027.

Details of remuneration, by payment and provision, for the financial year 2025-2026 are as given below :

Particulars	Amount in ₹
Basic Salary	12,600,000
Special Allowance	1,935,000
House Rent Allowance	1,200,000
Leave Travel Assistance	120,000
Contribution to Provident Fund	1,512,000
Perquisites	428,657
Gratuity	1,639,399
Leave Encashment	249,788
Commission	25,000,000
Total	**44,684,844**

Salary includes basic salary, special allowance and house rent allowance. Perquisites include reimbursement of medical expenses, personal accident insurance and mediclaim insurance premium.

Pursuant to the resolution passed by the Members of the Company at their annual general meeting held on 24 September 2024 and upon the recommendation of the Nomination and Remuneration Committee,

- the Board of Directors at its meeting held on 9 May 2025 has approved the increment in basic salary payable to him from ₹ 975,000 per month to ₹ 1,050,000 per month with effect from 1 April 2025.
- The Board of Directors at its meeting held on 10 February 2026 has revised the aggregate limit of the Family Medicare Policy under the mediclaim insurance and the Personal Accident Insurance, not to exceed ₹ 200,000 per annum with effect from 1 April 2025.

Pursuant to 'KFIL Employee Stock Option Scheme 2017'; the Nomination and Remuneration Committee at its meeting held on 3 November 2017 has granted to him 120,000 stock options at an exercise price of ₹ 50 per stock option. 117,000 stock options were vested and have been exercised by him.

Pursuant to KFIL Employee Stock Option Scheme 2021; the Nomination and Remuneration Committee at its meeting held on 9 August 2024 has granted to him 150,000 stock options at an exercise price of ₹ 563 per stock option and these stock options would be vested over a period of four years subject to fulfillment of vesting conditions.

b) Remuneration to Non-Executive Directors

Section 197 of the Companies Act, 2013 and rules thereof state that, except with the approval of the members in the general meeting by a special resolution, the remuneration payable to Directors, who are neither Managing Directors nor Whole Time Directors, shall not exceed one percent of the net profits of the Company, if there is a Managing Director.

The Members of the Company at their annual general meeting held on 3 August 2017 have authorised the Board of Directors to decide and to pay the remuneration by way of commission (over and above the payment of sitting fees) to Directors of the Company, who are neither Managing Director(s) nor Whole Time Director(s), a sum not exceeding one percent of the net profits of the Company computed in the manner laid down in Section 198 and other applicable provisions, if any, of the Companies Act, 2013, for each financial year commencing from the financial year 2017-2018.

Upon the recommendation of the Nomination and Remuneration Committee and based on the performance of the Company, the Board of Directors decides the remuneration by way of commission to Non-Executive Directors.

Details of commission payable to Non-Executive Directors for the financial year 2025-2026 are as given below :

Name of the Director	Sum (₹)
Mr. Rahul Kirloskar	11,50,000
Mr. V. M. Varma	12,50,000
Mr. S. Venkataramani	20,25,000
Mr. P. Vohra	12,50,000
Dr. Shalini Sarin	11,00,000
Mr. M. S. Srinivasan	5,00,000
Mr. P. Rajashekhar	5,00,000
Mr. S. Rajagopalan	5,00,000
Ms. Aditi Kirloskar	3,00,000
Mr. Aman Kirloskar	1,00,000
Total	**86,75,000**

There are no pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company.

Payment of sitting fees to Non-Executive Directors

The Board of Directors at its meeting held on 5 August 2022 has approved the sitting fees payable to a Non-Executive Director, viz. ₹ 1,00,000 for attending a meeting of the Board of Directors, ₹ 75,000 for attending a meeting of Audit Committee and ₹ 50,000 for attending a meeting of any other Committee as may be constituted from time to time by the Board of Directors.

Details of Sitting Fees paid to Non-Executive Directors during financial year 2025-2026 are as given below :

Name of Director	Amount in ₹
Mr. Rahul Kirloskar	800,000
Ms. Aditi Kirloskar	300,000
Mr. Aman Kirloskar	100,000
Mr. V. M. Varma	1,025,000
Mr. S. Venkataramani	1,175,000
Mr. P. Vohra	975,000
Dr. Shalini Sarin	7,00,000
Mr. M. S. Srinivasan	5,50,000
Mr. P. Rajashekhar	500,000
Mr. S. Rajagopalan	500,000
Total	**66,25,000**

General Body Meetings

Details of previous three annual general meetings held are as given below :

32nd Annual General Meeting on 3 August 2023 at 11.00 a.m. (IST)

The Annual General Meeting was held through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') facility.

Three special resolutions were passed :

- Re-appointment of Mr. Ravindranath Venkatesh Gumaste (DIN : 00082829) as the Managing Director for a term of five years with effect from 1 July 2023 (notwithstanding his completion of the age of seventy years during the proposed tenure) and approval to the terms of remuneration.
- Authority to the Board of Directors of the Company for borrowing or raising of funds not exceeding ₹ 750 Crores by issuance of Non Convertible Debentures in one or more tranches on private placement basis.
- Appointment of Dr. Shalini Sarin (DIN 06604529) as an Independent Director of the Company to hold office for a term upto 12 May 2028.

33rd Annual General Meeting on 24 September 2024 at 11.00 a.m. (IST)

The Annual General Meeting was held through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') facility.

Nine special resolutions were passed :

- Authority to the Board of Directors of the Company for borrowing or raising of funds not exceeding ₹ 1,000 Crores by issuance of Non-convertible Debentures in one or more tranches on private placement basis.
- Appointment of Mr. Maruthuvakudi Sankaranarayana Srinivasan (DIN : 10709097) as an Independent Director of the Company to hold the office for a term upto 15 July 2029.
- Appointment of Mr. Pattanasetty Rajashekhar (DIN : 09514548) as an Independent Director of the Company to hold the office for a term upto 8 August 2029.
- Appointment of Mr. Sourirajan Rajagopalan (DIN : 10738323) as an Independent Director of the Company to hold the office for a term upto 31 August 2028.
- Reappointment of Mr. Vijaydipak Mukundprasad Varma (DIN : 00011352) as an Independent Director of the Company to hold the office for another term upto 30 September 2026.
- Authority to the Board of Directors of the Company pursuant to provisions of Section 180(1)(c) of the Companies Act, 2013 to borrow from time to time any sum or sums of money, which together with the monies borrowed earlier by the Company, may exceed at any time the aggregate of the paid up share capital, the free reserves and the securities premium of the Company by a sum of not more than ₹ 2,000 Crores.
- Authority to the Board of Directors of the Company pursuant to provisions of Section 180(1)(a) of the Companies Act, 2013 to create security from time to time by way of mortgage(s), pledge(s), lien(s), hypothecation(s), charge(s), and/ or any other encumbrance(s) in addition to existing pledge(s), lien(s), mortgage(s), hypothecation(s) and/or charge(s) created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board of Directors may determine, on all or any of the assets of the Company (including immovable and/or movable properties of the Company), both present and future, and/or the whole or substantially the whole of the undertaking(s) wheresoever situated, in favour of bank(s) / non-banking financial companies / public financial institution(s) / body corporate(s) / security trustee(s) / debenture trustee(s) / investor(s), to secure the loan(s) and/or the credit facilities and/ or the debt(s), availed / to be availed by the Company and/or debenture(s) / bond(s), issued / to be issued, upto a sum of ₹ 3,000 Crores at any point of time.
- Authority to the Board of Directors of the Company pursuant to provisions of Section 186 of the Companies Act, 2013 for :
  - giving loans to any person(s) or other body corporate(s),
  - giving guarantees or providing security in connection with a loan to any other body corporate(s) or person(s),
  - acquiring whether by way of subscription, purchase or otherwise, the securities of any other body corporate(s),

  upto a sum, the aggregate outstanding of which shall not exceed at any time by ₹ 2,000 Crores over and above the aggregate of the paid up share capital, the free reserves and the securities premium of the Company
- Approval to the alteration of the Articles of Association of the Company by inserting new Article 87(c) i.e., 'Appointment of Chairman Emeritus of the Company", after the present Article 87(b) of the Articles of Association of the Company.

34th Annual General Meeting on 4 August 2025 at 04.00 p.m. (IST)

The Annual General Meeting was held through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') facility.

One Special Resolution was passed :

- Authority to the Board of Directors of the Company for borrowing or raising of funds not exceeding ₹ 1,000 Crores by issuance of Non-convertible Debentures in one or more tranches on private placement basis.

Postal Ballot

During the year, the following ordinary resolution was passed by the shareholders by way of postal ballot:

Particulars of the resolution	Total votes cast in favour		Total votes cast against	
	Number of shares	Percentage of votes cast	Number of shares	Percentage of votes cast
Appointment of Mr. Aman Rahul Kirloskar (DIN : 09823056) as a Director of the Company liable to retire by rotation.	112,756,291	99.97 %	33,472	0.03 %

The Notice of Postal Ballot dated 11 December 2025 was sent to the Members. The remote e-voting for the postal ballot commenced on Sunday, 14 December 2025 at 9.00 a.m. (IST) and ended on Monday, 12 January 2026 at 5.00 p.m. (IST). Mrs. Manasi Paradkar, Practicing Company Secretary was appointed as the Scrutinizer to conduct the postal ballot voting process in a fair and transparent manner. According to the Scrutinizer's report, the said resolution was passed by the Members of the Company with requisite majority.

The result of the postal ballot was declared on 14 January 2026 and filed with BSE Limited.

9. Means of Communication

In compliance with requirements of the SEBI LODR Regulations; the financial results are filed at regular intervals with the BSE Limited, immediately after approval by the Board of Directors. The financial results of the Company are available at the website of BSE Limited viz, www.bseindia.com and that of the Company viz. www.kirloskarferrous.com

Presentations to investors / analysts and official news releases are also available at the website of the Company, viz, www.kirloskarferrous.com

Extract of financial results are published in national and local dailies such as Financial Express (English language newspaper) and Loksatta (Marathi language newspaper) having wide circulation. Since the financial results are available at the websites of BSE Limited and the Company and extract of the same are also published in national and regional newspapers, they are not sent individually to each member.

10. General Shareholders' Information

Corporate Identification Number (CIN)	L27101PN1991PLC063223
Day, Date and Time	Wednesday, 5 August 2026 at 4:00 p.m. (IST)
Venue	Through Video Conferencing or Other Audio Visual Means (VC / OAVM)
Record Date for payment of dividend	Friday, 17 July 2026
Financial Year	For the financial year from 1 April 2025 to 31 March 2026; financial results were announced as given below : First quarter 4 August 2025 Second quarter 6 November 2025 Third quarter 10 February 2026 Annual 7 May 2026
ISIN	INE884B01025
Dividend payment date	On or before 13 August 2026
Listing on stock exchange	BSE Limited (scrip code : 500245)

The annual listing fees till date has been paid to BSE Limited.

Registrar and Share Transfer Agent (RTA)

MUFG Intime India Private Limited (a SEBI Registered Registrar and Share Transfer Agent) has been maintaining activities in relation to the share transfer facility.

Contact details of the RTA are as given below :
MUFG Intime India Private Limited
Akshay Complex, Block No 202, Second Floor, Off Dhole Patil Road,
Near Ganesh Temple, Pune 411001, Maharashtra
Telephone No. (020) 46014473 Fax No. (020) 26163503
Email : investor.helpdesk@in.mpms.mufg.com.

Share Transfer System

Pursuant to proviso to Regulation 40 of the SEBI LODR Regulations read with the Circular dated 7 September 2020 issued by the SEBI; transfer of securities should take place in electronic form with effect from 1 April 2019. However, applications for transfer of securities like change of name, name deletion, transmission and transposition are permitted for securities held in physical form.

Applications for permissible transfer of equity shares held in physical form are processed by the RTA of the Company, approved at regular intervals and are returned after the registration of transfers within fifteen days from the date of receipt, subject to the verification of all documents lodged with the Company. The applications for transfer of shares under objection are returned within a week from the date of receipt.

Pursuant to the Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated 6 February 2026 issued by the SEBI, it is mandatory to issue equity shares only in demat form while processing investor service requests viz., issue of duplicate securities certificate, claim from merger escrow account / unclaimed suspense account, renewal / exchange of security certificate, endorsement, sub-division / splitting of security certificate, consolidation of security certificates / folios, transmission and transposition.

Pursuant to the Circular No. HO/38/13/11(2)2026-MIRSD-POD/I/3750/2026 dated 30 January 2026 issued by the SEBI, a special window has been made available from 5 February 2026 to 4 February 2027 for the transfer and dematerialisation of physical securities relating to transactions executed prior to 1 April 2019.

Shareholding Pattern as on 31 March 2026

Category	Number of Shares	Percentage of Shareholding
Promoters and Promoters Group	83,785,041	50.80
Mutual Funds	19,777,812	11.99
Domestic Companies	11,201,922	6.79
Investor Education and Protection Fund (IEPF)	3,123,287	1.89
Alternate Investments Funds	914,117	0.55
Foreign Institutional Investors	28,549	0.02
Foreign Portfolio Investors	2,905,360	1.76
Financial Institutions / Banks	611	0.00
Foreign Banks	196	0.00
NBFCs registered with RBI	43,837	0.03
Central Government	40	0.00
Non Resident Indians	1,961,247	1.19
Directors and their relatives	1,432,377	0.87
Foreign Nationals	68	0.00
Employees	950,785	0.58
Hindu Undivided Families (HUF)	2,265,434	1.37
Clearing Members	109,360	0.07
Trusts	46,505	0.03
Limited Liability Partnerships (LLP)	341,408	0.21
General Public	36,033,687	21.85
Total	**16,49,21,643**	**100.00**

Distribution of Shareholding as on 31 March 2026

Nominal Value of Shares (₹)		Shareholders		Shares	
From	To	Number	Percentage to Total	Number	Percentage to Total
1	5,000	91,400	98.92	16,011,195	9.71
5,001	10,000	479	0.52	3,460,242	2.10
10,001	20,000	243	0.26	3,470,002	2.10
20,001	30,000	85	0.09	2,127,934	1.29
30,001	40,000	40	0.05	1,371,125	0.83
40,001	50,000	22	0.02	979,332	0.59
50,001	100,000	50	0.05	3,657,864	2.22
100,001	and above	81	0.09	133,843,949	81.16
Total		**92,400**	**100.00**	**164,921,643**	**100.00**

Equity Shares in electronic form

As on 31 March 2026, 98.60 percent of paid-up equity share capital of the Company was held in electronic form.

Outstanding Global Depository Receipts / American Depository Receipts / Warrants or any convertible instruments, conversion date and impact on equity

There was no convertible instrument outstanding as on 31 March 2026 for conversion into equity shares.

Plant Locations

- Bevinahalli Village, P.O. Hitnal, Taluka and District Koppal 583234, Karnataka
- Hotgi Road, Shivashahi, Solapur 413224, Maharashtra
- Paramenahally Village, Taluka Hiriyur, District Chitradurga 577598, Karnataka
- MIDC Industrial Area, Ahilyanagar 414111, Maharashtra
- MIDC Industrial Area, Baramati 413133, Maharashtra
- Jejuri Morgaon Road, Jejuri 412303, Maharashtra

Address for correspondence

Kirloskar Ferrous Industries Limited
'One Avante', Level 5, Karve Road, Kothrud,
Pune 411038, Maharashtra
Telephone No. (020) 69065040
Email : kfilinvestor@kirloskar.com

MUFG Intime India Private Limited
Akshay Complex, Block No 202,
Second Floor, Off Dhole Patil Road,
Near Ganesh Temple, Pune 411001
Telephone No. (020) 46014473 / 26161629
Fax No. (020) 26163503
Email : investor.helpdesk@in.mpms.mufg.com.

List of credit ratings obtained

ICRA Limited vide its rationale dated 30 December 2025 has assigned the short-term rating of 'ICRA A1+' for fund based and non fund based facilities and the long-term rating of 'ICRA AA (stable)' for fund based facilities. The sum of ₹1,325 Crores was raised by issue of commercial papers during the financial year 2025-2026.

11. Other Disclosures

a) Related Party Transactions

During the financial year 2025-2026, there were no materially significant transaction with any related party that may have potential conflict with the interests of the Company. The Board of Directors has adopted the policy on related party transactions. The copy of the policy is available at the website of the Company, viz. www.kirloskarferrous.com

Details of transactions of the Company with any person or entity belonging to the Promoter / Promoter Group(s), which hold(s) ten percent or more shareholding in the Company are as given below :

(₹ in Crores)

Name of the promoter / promoter group(s)	Nature of relationship	Nature of transactions	2025-2026		2024-2025	
			Transaction value	Outstanding amount carried in balance sheet	Transaction value	Outstanding amount carried in balance sheet
Kirloskar Industries Limited	Promoter Group	Payment of licenses fees for the office	-	-	0.05	-
		Rent deposit receivable		0.03	-	0.03

b) There has been no instance of non-compliance by the Company on any matter related to capital markets during previous three financial years.

c) Vigil Mechanism / Whistle Blower Policy

The Board of Directors has adopted the Vigil Mechanism / Whistle Blower Policy. The policy has provided a mechanism for Directors, Employees and other persons dealing with the Company to report to the Chairman of the Audit Committee, any instance of unethical behaviour, actual or suspected fraud or violation of the Code of Conduct for Board of Directors and Senior Management (the Code) or ethics policy or leakage of Unpublished Price Sensitive Information (UPSI), by any person, who is in possession of UPSI, to any other person in any manner whatsoever, except as otherwise permitted under the SEBI (Prohibition of Insider Trading) Regulations or any other instance. The policy has been uploaded at the website of the Company, viz. www.kirloskarferrous.com No person has been denied access to the Audit Committee.

d) Disclosures about commodity price risks and commodity hedging activities have been provided in the Notes forming part of the Financial Statements.

e) Details regarding adoption of non-mandatory requirements as specified in Regulation 27(1) read with Schedule II of the SEBI LODR Regulations are as given below :

- The Company does not incur any expenses for maintaining the office of the Chairman.
- Shareholder Rights

Since financial results are available at the website of BSE Limited and the Company and extract of the same are published in national and regional newspapers, the financial results are not sent individually to each member.

- Modified opinion(s) in audit report :

Audited financial statements (standalone and consolidated) of the Company for the financial year ended 31 March 2026 have unmodified audit opinion.

- Separate posts of the Chairman and the Managing Director

The Company has separate persons to the post of the Chairman and the Managing Director. The Chairman is a Non-Executive Director and is not related to the Managing Director as per definition of the term 'Relative' defined under the Companies Act, 2013.

- Reporting of Internal Auditor :

The Internal Auditor reports directly to the Audit Committee.

e) The Board of Directors has adopted the 'policy on determination of material subsidiaries'. The policy has been uploaded at the website of the Company, viz. www.kirloskarferrous.com

f) The Company has not raised any funds through preferential allotment or qualified institutions placement during the financial year 2025-2026.

g) Certificate from Practicing Company Secretary

M/s. M. J. Risbud & Co, Practicing Company Secretary has issued a certificate confirming that 'None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI or the Ministry of Corporate Affairs or any such statutory authority.'

h) During the year under review, all recommendations given by the committees of the Board (which are mandatorily required) have been accepted by the Board.

i) Details of payment of total fees to the statutory auditors have been disclosed in the Notes forming part of the Financial Statements.

j) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are as given below :

Number of complaints pending at the beginning of financial year	Nil
Number of complaints filed during the financial year	Nil
Number of complaints disposed off during the financial year	Nil
Number of complaints pending at the end of financial year	Nil

k) Details of the Cost Auditor

With reference to the General Circular No. 15/2011 dated 11 April 2011 issued by the Government of India, Ministry of Corporate Affairs, Cost Audit Branch, New Delhi; details of the Cost Auditor and filing of cost audit report with the Central Government are as given below :

M/s. Dhananjay V. Joshi & Associates, Cost Accountants (Firm Registration No. 000030) CMA Pride, Ground Floor, Plot No. 6, S. No. 16/6, Erandawana Housing Society, Erandawana, Pune 411004, Maharashtra

Email ID: dvjasso@dvjasso.com

The Cost Audit Report for the financial year ended 31 March 2025 has been filed with the Central Government on 1 September 2025.

l) During the year under review, the Company has not given any loan or advance to any firm or company [except details of loans given to the wholly owned subsidiaries as disclosed in the notes to the financial statements], in which any Director of the Company is interested.

m) The Company does not have any material subsidiary for the financial year ended 31 March 2026.

n) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI LODR Regulations.

o) Report on Management Discussion and Analysis forms part of the Annual Report and is in accordance with requirements specified in Schedule V of the SEBI LODR Regulations, 2015.

p) Disclosure pursuant to Clause 5A of Paragraph A of Part A of Schedule III to the SEBI LODR Regulations, 2015

The Company filed Writ Petition (OS) No. 710 of 2025 - *Kirloskar Ferrous Industries Limited & Anr. v. Securities and Exchange Board of India* ("**Writ Petition**") before the Hon'ble Bombay High Court inter alia challenging the constitutional validity of Regulation 30A read with Clause 5A of Part A of Para A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Regulations**"). One of the primary contentions taken by the Company in the said Writ Petition was that a mere disclosure of an agreement by a listed entity, to which such listed entity is not a party, shall not automatically bind the listed entity in absence of adoption or ratification of such agreement by the listed entity. During the course of the hearing in the Writ Petition, SEBI agreed with the Company's stand and provided a clarification in the Affidavit in Reply filed by SEBI before the Hon'ble Bombay High Court as well as the hearing conducted, that the **mere disclosure of any agreement by a listed entity, shall not, by itself mean that the listed entity admits that such agreement is binding on itself or as having an impact on its management or control, or imposing any restriction or creating any liability upon itself. SEBI further clarified that the listed entities may include such a disclaimer as a part of their disclosure**.

Pursuant to and relying upon the aforesaid clarifications issued by SEBI to the Regulations, as more particularly contained in the Order dated 23 September 2025 passed by the Hon'ble Bombay High Court in the Writ Petition, the Company disclosed the Deed of Family Settlement dated 11 September 2009, entered amongst some of the individual members of the Kirloskar family in their individual capacities ("DFS") under the Regulations (as read with SEBI's clarifications) subject to the following disclaimers/clarifications:

(i) The Company states that mere disclosure of the DFS by the Company, shall not mean that the Company admits to the contents of the DFS or otherwise that such DFS is binding on the Company or as having an impact on its management or control, or imposing any restriction or creating any liability upon itself.

(ii) The Company expressly states that the Company is neither a party to the DFS nor has it ever taken the DFS on record nor has it otherwise ratified or approved the DFS and neither has it agreed to be bound by the DFS.

(iii) The Company does not admit that the DFS is binding on the Company or that the DFS otherwise in any manner has any impact on its management or control, and the Company expressly states that the DFS does not impose any restriction or create any liability upon the Company in any manner whatsoever.

CEO / CFO Certification

A certificate signed by the Managing Director and the Executive Director (Finance) and CFO confirming compliance of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board of Directors at its meeting held on 7 May 2026.

Registration of details of bank account for payment of dividend by electronic means

As per Regulation 12 of the SEBI LODR Regulations, the Company shall use electronic modes of payment such as electronic clearing services, direct credit, real time gross settlement, national electronic funds transfer, etc. for making payment of dividend.

Accordingly, Members holding shares in electronic form and in physical form are requested to register necessary details of bank account with the Depository Participants and the Registrar and Share Transfer Agent, viz. MUFG Intime India Private Limited respectively.

Transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)

Pursuant to provisions of Section 124(5) of the Companies Act, 2013 and rules thereof; any money transferred to the Unpaid Dividend Account of a company, which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF).

After transfer of unpaid dividend to the IEPF, any person claiming to be entitled to such amount may apply to the IEPF Authority in accordance with provisions of Section 125 of the Companies Act, 2013 and rules thereof.

A Member, who has not yet encashed dividend warrant(s), is requested to make claim without any delay to the Registrar and Share Transfer Agent of the Company, i.e. MUFG Intime India Private Limited.

Due dates for transfer of unclaimed dividend to the IEPF :

Financial Year	Dividend percent	Date of Declaration (DD/MM/YYYY)	Date of Payment (DD/MM/YYYY)	Date on which dividend will become part of IEPF (DD/MM/YYYY)
2018-2019 (Final)	20	23/07/2019	30/07/2019	28/08/2026
2019-2020 (Interim)	40	05/03/2020	20/03/2020	11/04/2027
2020-2021 (Interim)	40	02/03/2021	25/03/2021	08/04/2028
2020-2021 (Final)	60	27/07/2021	10/08/2021	02/09/2028
2021-2022 (Interim)	50	24/01/2022	18/02/2022	02/03/2029
2021-2022 (Final)	60	01/08/2022	19/08/2022	07/09/2029
2022-2023 (Interim)	50	07/02/2023	03/03/2023	16/03/2030
2022-2023 (Final)	60	03/08/2023	04/08/2023	17/08/2030
2023-2024 (Interim)	60	07/03/2024	28/03/2024	02/02/2031
2023-2024 (Final)	50	24/09/2024	22/10/2024	30/10/2031
2024-2025 (Interim)	60	04/02/2025	03/03/2025	10/03/2032
2024-2025 (Final)	50	04/08/2025	08/08/2025	15/08/2032
2025-2026 (Interim)	60	10/02/2026	02/03/2026	09/03/2033

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

Pursuant to provisions of Section 124(6) of the Companies Act, 2013 and rules thereof as amended from time to time, all shares, in respect of which dividend has not been claimed for a period of seven years from the date of such transfer shall be transferred by the company in the name of Investor Education and Protection Fund (IEPF) alongwith a statement containing such details as may be prescribed.

The IEPF Authority launched the second phase of the "Saksham Niveshak" campaign for a period of 100 days from 1 April 2026 to 9 July 2026 for shareholders, whose dividends remain unpaid or unclaimed. Eligible shareholders are encouraged to avail the facility and complete requisite formalities within the prescribed timelines.

Procedure for dealing with unclaimed shares

Pursuant to Regulation 39(4) of the SEBI LODR Regulations, the Company had sent reminder letters to those shareholders, whose share certificates have returned undelivered by the postal authorities due to insufficient / incorrect information and are lying with the Company. These share certificates will be sent to eligible shareholders upon submission of necessary documents to the Company.

Declaration of compliance with the Code of Conduct

To the Members of Kirloskar Ferrous Industries Limited,

The Company has laid down a Code of Conduct for the Board members and the Senior Management Personnel. The Code of Conduct is available on the website of the Company, viz. www.kirloskarferrous.com

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

For Kirloskar Ferrous Industries Limited

R. V. Gumaste
Managing Director
DIN : 00082829

Date : 7 May 2026
Place : Pune

Certificate on Compliance with the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015 Relating to Corporate Governance Requirements

To
The Members of
Kirloskar Ferrous Industries Limited,
'One Avante', Level 5, Karve Road,
Kothrud, Pune 411038

We have examined compliance by Kirloskar Ferrous Industries Limited (CIN : L27101PN1991PLC063223) ('the Company') with the requirements under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended ('Listing Regulations') relating to compliance of conditions of corporate governance for the financial year ended on 31 March 2026.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note / References on Certification of Corporate Governance and Auditing Standards issued by the Institute of Company Secretaries of India ('ICSI') in so far as applicable for the purpose of this certificate.

Based on our examination of records, in our opinion and to the best of our information and according to the explanations given to us and the representations by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of schedule V of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance under the Listing Regulations. The examination is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For M. J. Risbud & Co.

Mahesh J. Risbud
Proprietor
Practicing Company Secretaries
FCS No. 810, CP No.: 185
UCN - S1981MH000400
PR - 7628 /2026
UDIN - F000810H000290869

Date: 07th May, 2026
Place: Pune

Business Responsibility and Sustainability Report (BRSR)

SECTION A GENERAL DISCLOSURES

SECTION B MANAGEMENT AND PROCESS DISCLOSURES

SECTION C PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

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

PRINCIPLE 2

Business should provide goods and services in a manner that is sustainable and safe.

PRINCIPLE 3

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

PRINCIPLE 4

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

PRINCIPLE 5

Businesses should respect and promote human rights.

PRINCIPLE 6

Businesses should respect and make e orts to protect and restore the environment.

PRINCIPLE 7

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

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development.

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner.

SECTION A: General disclosures

I. Details of the listed entity

1.	**Corporate Identity Number (CIN) of the Listed Entity**	L27101PN1991PLC063223
2.	**Name of the Listed Entity**	Kirloskar Ferrous Industries Limited ('KFIL')
3.	**Year of incorporation**	1991
4.	**Registered office address**	'One Avante', Level 5, Karve Road, Kothrud, Pune 411038, Maharashtra
5.	**Corporate address**	'One Avante', Level 5, Karve Road, Kothrud, Pune 411038, Maharashtra
6.	**E-mail**	kfilinvestor@kirloskar.com
7.	**Telephone**	+91 20 69065040
8.	**Website**	http://www.kirloskarferrous.com/
9.	**Financial year for which reporting is being done**	2025-2026
10.	**Name of the Stock Exchange(s) where shares are listed**	BSE Limited
11.	**Paid-up Capital**	₹ 82.46 Crores
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. Mayuresh Gharpure Company Secretary Contact Number: (020) 69065040 Email ID: kfilinvestor@kirloskar.com
13.	**Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).**	Standalone basis
14.	**Name of assurance provider**	BDO India Services Private Limited
15.	**Type of assurance obtained**	Limited Assurance

II. Product/Services

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

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Seamless Steel Tubes	Manufacture & supply of seamless steel tubes	30.92%
2.	Pig Iron	Manufacturing & supply of quality Pig iron	28.13%
3.	Grey Iron Castings	Manufacturing & supply of complex and critical grey iron castings	27.24%
4.	Steel	Manufacture & supply of steel	8.78%
5.	Others	Others - Sales of the By-product	4.93%

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

Sr. No.	Product / Service	NIC Code	% of total Turnover contributed
1.	Seamless Steel Tubes	24311	30.92%
2.	Pig Iron	24101	28.13%
3.	Grey Iron Castings	24319	27.24%
4.	Steel	24105	8.78%

III. Operations

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

Location	Number of Plants	Number of Offices	Total
National	8	1	9
International	Nil	Nil	Nil

Note: Offices available in the plant campus are not considered separately under offices, They are considered as part of plant only.

19. Markets served by the entity

a. Number of locations

Location	Number
National (No. of States)	25
International (No. of Countries)	16

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

Our products are exported to 16 countries. Out of total turnover INR 6,888.57 Crores, the percentage of revenue from exports contribute to 2.79% (INR 191.96 Crores).

c. A brief on types of customers

Kirloskar Ferrous Industries Limited (KFIL) is a diversified manufacturing company delivering high-quality metal products and solutions to a wide range of industries. With integrated operations and strong manufacturing capabilities, the Company caters to evolving customer requirements across domestic and global markets.

Grey Iron Castings

KFIL develops customised grey iron castings for OEMs and Tier-1 suppliers, serving sectors such as automobiles, tractors, construction equipment, infrastructure, and industrial engines. The division focuses on precision, reliability, and application-driven solutions.

Pig Iron

The Company manufactures pig iron in multiple grades for industries including automobiles, textiles, pumps, diesel engines, and pipe manufacturing. Its consistent product quality supports a diverse industrial customer base.

Steel and Seamless Tubes

KFIL's steel and seamless tube offerings cater to automobile, bearing, general engineering, OCTG, construction, and OEM segments. The division is driven by quality manufacturing and cost-efficient solutions aligned with industry requirements.

IV. Employees

20. Details as of the end of the financial year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)
Employees								
1.	Permanent (D)	2,235	2,177	97%	58	3%	0	0%
2.	Other than Permanent (E)	273	238	87%	35	13%	0	0%
3.	**Total employees (D+E)**	**2,508**	**2,415**	**96%**	**93**	**4%**	**0**	**0%**
Workers								
4.	Permanent (F)	1,099	1,099	100%	0	0%	0	0%
5.	Other than Permanent (G)	5,657	5,557	98%	100	2%	0	0%
6.	**Total workers (F+G)**	**6,756**	**6,656**	**99%**	**100**	**1%**	**0**	**0%**

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)
Differently Abled Employees								
1.	Permanent (D)	4	4	100%	0	0%	0	0%
2.	Other than Permanent (E)	1	1	100%	0	0%	0	0%
3.	**Total differently-abled employees (D+E)**	**5**	**5**	**100%**	**0**	**0%**	**0**	**0%**
Differently Abled Workers								
4.	Permanent (F)	0	0	0%	0	0%	0	0%
5.	Other than Permanent (G)	0	0	0%	0	0%	0	0%
6.	**Total differently-abled workers (F+G)**	**0**	**0**	**0%**	**0**	**0%**	**0**	**0%**

21. Participation/Inclusion/Representation of Women:

	Total (A)	Number and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	13	2	15%
Key Management Personnel	1	Nil	-

22. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

	FY 2026				FY 2025*				FY 2024*			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
Permanent Employees	12.1	7.6	-	12.0	11.3	12.7	-	11.3	13.7	20.3	-	13.8
Permanent Workers	8.9	0	-	8.9	7.6	0	-	7.6	6.6	0	-	6.6

*The approach of categorisation of 'employee' and 'worker' has been revised internally to streamline the data consolidation across financial years and hence values for FY 2024-25, FY 2023-24 have been restated. (with *)

The same should follow for all the HR & health & safety related quantitative indicators across the BRSR.

The FY 2025-26 data is not comparable with FY 2024-25 due to the inclusion of two new locations within the reporting boundary during FY 2025-26.

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

23. a. Names of holding/ subsidiary/ associate companies/ joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Kirloskar Industries Limited	Holding	45.93	No
2	Tridem Port and Power Company Private Limited	Subsidiary	100	No
3	Nagapattinam Energy Private Limited	Subsidiary	100	No
4	Best Exim Private Limited	Subsidiary	100	No
5	Success Power and Infraprojects Private Limited	Subsidiary	100	No
6	Marshal Microware Infrastructure Development Company Private Limited	Subsidiary	100	No

VI. CSR Details

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

Yes

(ii) Turnover (in Rs.): 6,888.57 Crores

(iii) Net worth (in Rs.): 2,485.48 Crores

VII. Transparency and Disclosure Compliances

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

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2026			FY 2025		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	0
Investors (other than shareholders)	Yes	0	0	-	0	0	
Shareholders	Yes	90	0	-	150	2*	
Employees and workers	Yes	0	0	-	0	0	
Customers	Yes	0	0	-	0	0	
Value Chain Partners	Yes, Weblink not available	0	NA	-	0	0	

2 complaints of FY'25 are closed in April 2025 .

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

Sr. No.	Material issue identified	Is it risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Occupational Health and Safety	Both (Risk and Opportunity)	Occupational health and safety is a critical material topic for KFIL given the nature of its operations, which include iron making, foundry, steel and seamless tube manufacturing involving high-temperature processes, heavy machinery and complex shop floor activities. These operating conditions expose employees and contract workers to occupational health, safety and process-related risks which, if inadequately managed, could result in injuries, occupational illnesses, operational disruptions and regulatory non-compliance. At the same time, strong health and safety practices present an opportunity to enhance employee well-being, workforce productivity, business resilience and the Company's reputation as a responsible employer.	To address occupational health and safety risks, the Company has adopted a structured and systemdriven safety management approach with a vision of achieving zero harm. This includes an integrated safety governance framework supported by corporate and plantlevel safety committees, uniform highrisk operating standards, process safety management systems, lifesaving rules, and regular internal and external audits. The Company ensures comprehensive health and safety training coverage, operates 24×7 occupational health centers across locations, and undertakes proactive health surveillance and wellness initiatives. Continuous leadership engagement, behavioral safety programmes and periodic reviews are used to strengthen safety culture and drive ongoing improvement.	**Positive:** Robust occupational health and safety practices also support improved workforce engagement and productivity, reduce accident related downtime and enable stable and uninterrupted operations. **Negative:** Inadequate management of occupational health and safety risks may result in compensation liabilities, increased insurance costs, loss of skilled manpower and operational disruptions.
2	Business Ethics	Both (Risk and Opportunity)	Business ethics is identified as a key opportunity for KFIL as strong ethical conduct forms the foundation of transparent governance, regulatory compliance and long-term stakeholder trust. As a listed entity with a diversified manufacturing footprint and multiple stakeholder interfaces, the Company has the opportunity to differentiate itself through high standards of integrity, accountability and responsible business conduct. At the same time, any deviation from ethical standards could adversely affect stakeholder trust, brand reputation and regulatory standing. Consistent ethical practices support sustainable growth, enhance confidence among investors, customers and regulators, and reinforce the Company's position as a trusted business partner operating with strong governance values.	KFIL has established a comprehensive governance and ethics framework designed to embed integrity and ethical decision-making across the Company. This includes a clearly articulated Code of Conduct applicable to Directors, senior management and employees, supported by policies on anti bribery, whistle-blower mechanisms, insider trading, related-party transactions and data protection. Ethical awareness is reinforced through regular training programmes, leadership communication and compliance monitoring. Robust internal control systems, internal and external audits, and active oversight by the Board and its committees are used to ensure adherence to ethical standards, promote transparency and strengthen accountability across all levels of the Company.	**Positive:** Strong ethical practices enhance brand credibility, strengthen long-term customer and investor relationships, reduce litigation and compliance costs. A strong ethics framework also supports stable access to capital, improves stakeholder confidence, enables smoother regulatory engagement. **Negative:** Ethical lapses could lead to regulatory penalties, contractual losses, reputational damage, disruption of business relationships and erosion of shareholder value.
3	Corporate Governance	Both (Risk and Opportunity)	Corporate governance forms the foundation for strategic oversight, regulatory compliance and stakeholder confidence at KFIL, and represents a significant opportunity to strengthen accountability, transparency and long-term value creation. As a listed entity operating in a regulated environment with multiple subsidiaries and diverse stakeholder interfaces, a strong governance framework enables disciplined decision-making, effective risk management and alignment of business strategy with stakeholder expectations. Robust governance practices also enhance trust among investors, customers, regulators and other stakeholders, supporting sustainable growth and resilience. While weaknesses in governance structures, Board effectiveness, compliance or internal controls could expose the Company to regulatory action or reputational impact, a well functioning corporate governance framework positions KFIL to proactively manage risks, reinforce ethical leadership and drive resilience.	To mitigate corporate governance risks, the Company has established a comprehensive governance framework aligned with applicable laws, regulations and best practices. This includes a well-constituted Board with defined roles and responsibilities, supported by key committees overseeing audit, risk management, nominations and remuneration, and stakeholder relations. The Company has put in place robust internal control and compliance mechanisms, supported by internal and statutory audits, risk management systems and regular reporting to the Board. Codes and policies governing ethical conduct, related party transactions, insider trading and whistleblower mechanisms are implemented across KFIL. Ongoing Board evaluation, management accountability, disclosures and periodic reviews are used to strengthen oversight, ensure regulatory compliance and address governance related risks proactively.	**Positive:** Effective corporate governance also supports sustainable growth, improved access to capital and resilient decision-making. **Negative:** Weak corporate governance may also result in heightened regulatory scrutiny, increased compliance costs, management distraction and loss of investor confidence.
4	Responsible Supply Chain	Opportunity	At KFIL, responsible supply chain management directly influences operational resilience, product quality, regulatory compliance and stakeholder confidence. As a manufacturing company with a diversified and multitier supply base for raw materials, components and services, the Company can strengthen ethical sourcing, environmental and social compliance, and supplier reliability. A responsible supply chain supports continuity of operations, reduces exposure to external disruptions and enhances alignment with customer, investor and regulatory expectations on sustainability and governance.	KFIL has established structured procurement and supplier management practices aimed at strengthening transparency, accountability and sustainability across the value chain. This includes defined supplier selection and evaluation criteria, contractual obligations relating to ethical conduct and compliance, and ongoing engagement with vendors to communicate expectations on quality, safety, labor practices and environmental responsibility. Periodic supplier assessments, performance reviews and risk-based monitoring are undertaken to promote responsible practices and continuous improvement. By integrating sustainability and governance considerations into procurement decisions, the Company works towards building long-term, reliable supplier relationships and a resilient supply ecosystem.	**Positive:** Responsible supply chain practices support improved supply reliability, cost stability, operational efficiency. **Negative:** Weak supply chain governance may also result in supply disruptions, quality issues and increased operational costs.

Sr. No.	Material issue identified	Is it risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Human Capital Development	Opportunity	Human capital development is a key material topic for KFIL as its long-term performance, operational efficiency and ability to execute business strategy are closely linked to the skills, engagement and wellbeing of its workforce. Operating in specialized and assetintensive manufacturing environments requires technical expertise, strong leadership, shopfloor capabilities and a motivated employee base. Effective human capital management enables the Company to attract, develop and retain talent, enhance productivity, build organizational resilience and support sustainable growth, while also strengthening its reputation as a responsible and preferred employer.	At KFIL, we have implemented structured human resource policies and practices focused on talent acquisition, capability building, employee engagement, performance management and succession planning. Emphasis is placed on continuous learning and development through training programmes, leadership development initiatives and skill enhancement aligned with business needs. The Company promotes a culture of diversity, inclusion, health, safety and wellbeing, supported by fair employment practices, transparent communication and employee engagement mechanisms. Regular performance reviews, feedback systems and workforce planning processes are used to align individual objectives with organizational goals and strengthen long-term human capital development.	**Positive:** Effective human capital management also contributes to higher productivity, improved workforce retention, stronger leadership pipelines. **Negative:** Weak human capital practices may result in talent attrition, skill gaps, lower employee morale and increased recruitment and training costs.
6	Climate Action	Both (Risk and Opportunity)	Company due to the carbonintensive nature of iron making, casting and steel manufacturing operations, which require significant energy inputs and generate greenhouse gas emissions. The Company is exposed to transition risks arising from evolving climate regulations, energy price volatility, stakeholder expectations on decarbonization and potential future carbon costs. Climate action also presents an opportunity to improve energy efficiency, reduce emissions intensity, enhance operational resilience and align with long-term sustainability expectations of customers, investors and regulators.	To mitigate climate related risks and address the opportunity, the Company has implemented a structured energy and emissions management approach across its manufacturing locations. This includes comprehensive energy management programmes focused on process optimization, deployment of variable frequency drives on highpower equipment, adoption of energy efficient IGBT-based furnaces, optimization of compressed air systems and tighter monitoring of electricity consumption. The Company leverages captive power generation using blast furnace gas at its Hiriyur plant, thereby reducing dependence on grid power and supporting decarbonization efforts. Use of cleaner fuels, digital monitoring systems and continual identification of energy-saving projects form part of the Company's ongoing climate strategy.	**Positive:** Effective climate action initiatives can lead to lower energy consumption, reduced fuel and electricity costs, improved operating efficiency and protection against future carbon-related costs or regulatory levies. Investments in energy efficiency and captive power utilisation also enhance resilience against energy price volatility. **Negative:** Inadequate response to climaterelated risks may result in higher operating costs due to inefficient energy use, increased exposure to regulatory compliance requirements, potential future carbon pricing mechanisms and loss of competitiveness with customers seeking lowercarbon products.
7	Responsible Manufacturing Practices	Opportunity	Responsible manufacturing practices is a key opportunity for KFIL as it directly influence product quality, customer trust, regulatory compliance and longterm competitiveness. As a manufacturer of pig iron, iron castings, steel and seamless tubes serving diverse industrial applications, the Company has the opportunity to differentiate itself through consistent quality, safety, reliability and responsible use of resources across the product life cycle. Responsible manufacturing supports alignment with customer requirements, reduces downstream risks and strengthens the Company's reputation as a reliable and responsible manufacturing partner.	KFIL integrates responsible manufacturing principles across production processes, quality management systems and operational controls. Emphasis is placed on maintaining consistent product quality, process discipline and adherence to applicable standards and customer specifications. Operational practices focus on efficient use of raw materials and energy, process optimization, waste minimization and continual improvement in manufacturing performance. Cross-functional reviews, quality assurance mechanisms and customer engagement are used to ensure products meet intended performance, safety and reliability expectations. These practices support responsible use of resources, reduce defects and rework, and enhance stewardship across the value chain.	**Positive:** Responsible manufacturing practices can lead to improved product quality, higher customer satisfaction, repeat business and access to premium or longterm contracts. Efficient manufacturing and reduced defects lower material losses, rework costs and warranty exposures, supporting better operating margins. **Negative:** Weak stewardship may result in quality failures, customer complaints, product rejections, recalls or contractual penalties, leading to increased costs, loss of customer confidence and reduced competitiveness.

Sr. No.	Material issue identified	Is it risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Circular Economy	Opportunity	KFIL's core manufacturing processes inherently involve intensive use of raw materials, energy and by-products. As a producer of pig iron, iron castings, steel and seamless tubes, the Company could improve resource efficiency, maximize material recovery and reduce waste through circular practices. Adopting circular economy principles supports sustainable manufacturing, reduces dependence on virgin raw materials and aligns with growing customer, regulatory and investor expectations on responsible resource use.	KFIL focuses on improving material efficiency and promoting circular practices across its operations. Manufacturing processes are designed to optimize raw material utilization, increase internal reuse and recovery of process by-products, and minimize waste generation. Scrap and recoverable materials generated during production are systematically reintroduced into the manufacturing process wherever feasible, reducing reliance on fresh inputs. Continuous process optimization initiatives, operational controls and monitoring systems are implemented to improve yield, reduce losses and enhance overall resource productivity. These efforts support a transition towards more circular operations while maintaining product quality and operational efficiency.	**Positive:** Effective circular economy practices can lead to lower raw material procurement costs, improved process yields, reduced waste disposal expenses and enhanced operational efficiency. **Negative:** Limited adoption of circular practices may result in higher raw material dependency, increased waste handling costs and reduced competitiveness as customers and regulators increasingly emphasize resource efficiency and circularity.
9	Community Relations	Opportunity	Community relations is identified as a material opportunity for KFIL as its manufacturing operations are closely linked to the socioeconomic context of the regions in which it operates. With facilities located across multiple geographies, KFIL can build strong, trustbased relationships with local communities by contributing to social development, addressing local needs and maintaining its social license to operate. Constructive community engagement supports stable operations, strengthens the Company's reputation as a responsible corporate citizen and aligns with stakeholder expectations on inclusive and sustainable development.	KFIL undertakes structured community development and social responsibility initiatives aligned with its CSR Policy and statutory obligations. CSR programmes focus on areas such as education, healthcare, environmental protection and community wellbeing, designed to create long-term positive impact in communities surrounding its operations. The Company engages with local stakeholders to understand community priorities and ensures that projects are implemented in a responsible, transparent and needbased manner. These initiatives are supported by governance mechanisms for planning, monitoring and review to ensure effective utilization of resources and sustained community engagement.	**Positive:** Strong community relations can support continuity of operations, reduce local disruptions, strengthen stakeholder goodwill and enhance the Company's reputation. **Negative:** Insufficient engagement with communities may increase the risk of local opposition, operational disruptions, delays or heightened scrutiny
10	Sustainable Innovation	Opportunity	Sustainable innovation enables KFIL to integrate sustainability considerations into product design, manufacturing processes and operational practices. In an increasingly competitive and sustainability conscious market, the Company can enhance competitiveness by innovating in areas such as process efficiency, energy use, resource optimization and product performance. Sustainable innovation supports long-term value creation by aligning operational excellence with environmental responsibility and evolving customer and regulatory expectations.	KFIL focuses on continuous improvement and innovation across manufacturing processes and operations, with an emphasis on efficiency, quality and sustainability. Innovation efforts are directed towards adopting advanced technologies, optimizing process design, improving energy and resource efficiency and reducing waste and emissions intensity. Cross functional collaboration, technology upgrades and data driven decision-making are used to embed sustainability into operational innovation. These initiatives enable the Company to improve manufacturing performance while progressively reducing its environmental footprint and supporting responsible growth.	**Positive:** Sustainable innovation can lead to improved process efficiency, cost reductions through lower energy and material consumption, enhanced product quality and differentiation, and stronger alignment with customer expectations. **Negative:** Insufficient focus on sustainable innovation may result in higher operating costs, slower adoption of efficiency enhancing technologies and reduced ability to respond to evolving market and regulatory expectations.

Sr. No.	Material issue identified	Is it risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	Human Rights	Risk	Due to the nature and scale of KFIL's manufacturing operations, which involve a diverse workforce comprising permanent employees and contract labor, as well as an extended supply chain, human rights is a material risk for the Company. Risks may arise in areas such as labor practices, working conditions, fair wages, occupational health and safety, freedom of association and prevention of discrimination or harassment. Any failure to uphold internationally recognized human rights standards across operations or the value chain could expose KFIL to regulatory action, legal liabilities, reputational damage and loss of stakeholder trust. Given increasing regulatory and stakeholder expectations around responsible business conduct, effective management of human rights risks is critical.	To mitigate human rights-related risks, KFIL has instituted policies and governance mechanisms aligned with applicable labor laws, regulatory requirements and ethical standards. This includes clear codes of conduct, policies on fair employment practices and mechanisms to prevent discrimination, harassment and unfair labor practices. The Company promotes awareness of expected standards among employees and contractors and undertakes monitoring and compliance checks to ensure adherence across operations. Grievance redressal mechanisms are in place to enable reporting and resolution of concerns in a timely and structured manner. Continued oversight by management and periodic reviews help identify gaps and strengthen human rights practices across the organization and its value chain.	**Positive:** Effective management of human rights risks supports workforce stability, improved employee engagement and stronger stakeholder confidence, contributing to uninterrupted operations. **Negative:** Failure to address human rights risks could lead to regulatory penalties, litigation, reputational damage, workforce unrest, disruptions in operations or supply chains, and potential loss of business opportunities with customers and partners who prioritize responsible sourcing and labor practices.
12	Stakeholder Engagement	Risk	KFIL's operations, growth strategy and long-term performance are influenced by the expectations and perceptions of a diverse set of stakeholders, including employees, customers, suppliers, investors, communities and regulatory authorities. Inadequate or ineffective engagement with these stakeholders may lead to misalignment of expectations, delayed identification of emerging risks, erosion of trust and reputational challenges. Given the Company's multilocation manufacturing footprint and regulated operating environment, structured and transparent stakeholder engagement is critical to maintaining business continuity and safeguarding stakeholder confidence.	the Company follows a structured approach to stakeholder identification, prioritisation and engagement. Different engagement channels and frequencies are adopted based on stakeholder groups, including formal disclosures, statutory communications, meetings, consultations and feedback mechanisms. Stakeholder inputs are used to identify material issues, inform decision-making and strengthen responsiveness to stakeholder concerns. Oversight by management and integration of stakeholder perspectives into sustainability, risk management and governance frameworks help ensure that engagement remains consistent, transparent and aligned with business objectives.	**Positive:** Effective stakeholder engagement supports stable relationships, enhances trust, reduces the likelihood of disputes or disruptions and contributes to smoother business operations and long-term value creation. **Negative:** Weak or inconsistent stakeholder engagement may result in loss of stakeholder confidence, increased grievances, regulatory or community-level challenges, reputational impact and potential delays or disruptions that could adversely affect business performance.
13	Biodiversity	Risk	Biodiversity is identified as a material risk for KFIL due to the nature of its manufacturing operations, captive resource use and physical footprint, which may interact with land, water and surrounding ecosystems. Activities such as raw material sourcing, energy generation, water use, waste handling and infrastructure development have the potential to impact local biodiversity if not managed responsibly. Increasing regulatory scrutiny, stakeholder expectations and evolving environmental norms heighten the importance of identifying, monitoring and mitigating biodiversity related risks to avoid adverse environmental impacts and associated business consequences.	To mitigate biodiversity related risks, the Company integrates environmental management practices across its operations with a focus on minimizing adverse impacts on land and water resources. Environmental controls, monitoring systems and compliance mechanisms are implemented to manage emissions, effluents and waste in line with regulatory requirements. Water stewardship practices, including treatment and reuse within premises, help reduce pressure on local water bodies. Environmental management systems, audits and continual improvement initiatives are used to identify potential risks and strengthen safeguards. These measures support responsible site operations and help limit unintended impacts on surrounding ecosystems.	**Positive:** Effective management of biodiversity related risks can help avoid environmental liabilities, regulatory penalties and project delays, while supporting regulatory compliance and operational continuity. **Negative:** Failure to adequately manage biodiversity impacts may result in regulatory action, remediation costs, restrictions on operations, reputational damage and increased scrutiny from regulators and local stakeholders, potentially affecting business continuity and costs.
14	Data Privacy and Cyber security	Risk	a) Data breaches and the loss of confidential information can result in significant financial losses, legal liabilities, and reputational damage for the Company. b) Cyber-attacks can disrupt business operations, causing downtime, productivity losses, and negative impacts on overall financial performance. c) Inadequate prevention, detection, and remediation of data security threats can erode customer trust, hinder customer acquisition and retention, and ultimately reduce market share and demand for the Company's products.	a) The Company conducts ITGC audits and assessments by Statutory and Internal Auditors to identify and address data privacy vulnerabilities, risks, and compliance gaps. b) IT follows data minimization principles by collecting only the information required for business purposes, retaining it only for the necessary period, and ensuring secure disposal thereafter. c) Multiple controls are implemented to safeguard data security and privacy, including user awareness and training programs, endpoint and network security measures. Measures like Secure Internet Access (ZIA), Extended Detection and Response (XDR), Next Gen Firewall, 24X7 Security Monitoring (SOC), IAM (SSO+MFA)Threat Intelligence etc. have been in place as preventive measures d) Proactive monitoring and analysis of emerging vulnerabilities and threats are carried out, along with due diligence to ensure that all third parties have adequate data protection measures and procedures in place. VAPT and SOC are in place for proactive monitoring and addressal.	**Positive:** Effective management of data privacy and cyber security risks helps protect business continuity, reduces the likelihood of financial losses arising from cyber incidents, and supports regulatory compliance, thereby safeguarding operational stability. **Negative:** Cyber security incidents or data privacy breaches could lead to financial losses from system downtime, remediation costs, regulatory penalties, legal liabilities and reputational damage, potentially affecting business performance and stakeholder confidence.

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	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1. Web Link of the Policies, if available.									
a. Vigil Mechanism / Whistle Blower Policy	Vigil Mechanism / Whistle Blower - Policy: https://www.kirloskarferrous.com/documents/174991/18a5f1c5-5017-01b7-eea7-efdc235abab6 Policy								
b. Dividend Distribution Policy	https://www.kirloskarferrous.com/documents/174991/b5334486-ea2b-a8b1-cbf3-abbb1d586371								
c. Policy on Related Party Transactions	https://www.kirloskarferrous.com/documents/174991/8c6364dd-f2d4-926c-34f2-85b74f5e3fa6								
d. Policy for Determination of Material Events or Information	https://www.kirloskarferrous.com/documents/174991/5588ff7c-ab0a-a84b-d39e-ee08210e735c								
e. Nomination and Remuneration Policy	https://www.kirloskarferrous.com/documents/174991/fedd1cc9-e304-ef7a-4d13-1af866cd1272								
f. Corporate Social Responsibility (CSR) Policy	https://www.kirloskarferrous.com/documents/174991/3c6ddf58-b733-949c-65d9-7686d3987db8								
g. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of Kirloskar Ferrous Industries Limited	https://www.kirloskarferrous.com/documents/174991/7cf1f039-adf2-6d17-d9e3-a0fac1f5a436								
h. Code for the Board Of Directors and Senior Management	https://www.kirloskarferrous.com/documents/174991/d9ca13d2-e666-74cc-0f83-3e0189ab56c8								
i. Archival Policy	https://www.kirloskarferrous.com/documents/174991/4249a19b-4535-4e40-7709-68bb7979c2c2								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	KFIL has adopted Integrated Management System (IMS) that covers all national, international standards including IATF 16949:2016 (Quality Management System), ISO -14001: 2015 (Environment Management System) and ISO 45001:2018 (Safety Management System) certifications.								
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any.	KFIL has completed materiality assessment and identified relevant material topics for the company. KFIL has set targets for Environmental Social Governance (ESG) KPIs related to reduction in the energy, GHG emissions, water, waste and safety improvement								
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	Performance against these targets is monitored and reported by the company in the annual report								

Governance, leadership and oversight

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

KFIL's sustainability journey is rooted in the belief that industrial progress and environmental responsibility must advance together. As a responsible manufacturer, the Company continues to embed sustainability across its operations by aligning business growth with environmental stewardship, social well-being, and robust governance practices. Our ESG approach is guided by material priorities and reflects our commitment to creating enduring value for stakeholders while contributing to a low-carbon and inclusive future.

The year marked important strides in strengthening KFIL's green manufacturing capabilities. Through sustained investments in renewable energy, waste heat recovery systems, cleaner fuels, and process efficiency initiatives, the Company is steadily reducing its carbon footprint and improving resource efficiency. KFIL currently operates significant solar and wind capacities and has outlined an ambitious renewable energy expansion roadmap for FY'29. Coupled with initiatives such as captive power generation using blast furnace gas, waste heat recovery and LPG / Furnace Oil conversion to PNG, these efforts are expected to substantially enhance the share of green energy in operations.

In recognition of these efforts, KFIL's Jejuri plant received DNV verification for the Product Carbon Footprint of billets and rolled bars under ISO 14067:2018 standards. The products qualify under the 5-star rated green steel category as per the Government of India's Green Steel Taxonomy, demonstrating the Company's commitment to responsible steel manufacturing. Further reinforcing this progress, KFIL was honoured with the prestigious 'Best Net Zero Initiative of the Year 2026' award at the Net Zero Summit and Awards 2026, recognising the Company's focused approach towards decarbonisation and sustainable operations.

People, safety, and integrity remain central to KFIL's growth philosophy. The Company continues to strengthen its health and safety systems with the objective of ensuring a safe and healthy workplace for employees and workers. At the same time, our governance practices continue to uphold transparency, ethical conduct, and accountability across the value chain. KFIL remains committed to pursuing sustainable growth while building a resilient and responsible organisation for the future.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Mr. R V Gumaste, Managing Director

9. Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability-related issues? (Yes / No). If yes, provide details.

Yes, KFIL has constituted an ESG Committee to guide decision-making on sustainability-related initiatives and oversee the implementation of ESG goals, targets, and commitments across the organisation.

10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director									Frequency (Based on the requirement)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Periodically / Based on the requirement								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Periodically / Based on the requirements -The Company ensures compliance with all applicable legal and regulatory requirements								

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

No, Company has reviewed and evaluated the policies internally.

12. If the 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 disclosure

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

Kirloskar Ferrous Industries Limited is committed to upholding the highest standards of integrity, ethics, transparency, and accountability across all its business operations through strong governance frameworks and compliance practices. Ethical business conduct strengthens stakeholder trust and confidence, protects stakeholder interests, and enhances the Company's brand value and reputation.

Essential Indicators

1. Percentage coverage by training and awareness programmes 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 respective category covered by the awareness programmes
Board of Directors	5	Business ethics, risk management, regulatory affairs, health & safety practices and sustainable business practices	100%
Key Managerial Personnel	2	Leadership Safety Efforts, Leader Standard Workshop, Personal Profile Assessment, Trait Emotional Intelligence Quote, 360 Degree Feedback, Team Audit business, regulatory, safety, ESG matters	100%
Employees other than BoD and KMPs	1,375	Safety & Occupational health, KFIL Safety standards like Incident management, Safety Interactions, Permit to work, LOTO, PPEs, Contractor safety management, Work at height, Barrier health management, Emergency response Ethics, Transparency & Governance,, Employee Well-being, MDP, Human Rights, Environmental Sustainability, Customer Value	100%
Workers	3,350	Safety & Occupational health Induction, KFIL Safety standards like Incident management, Safety Interactions, Permit to work, LOTO, PPEs, Contractor safety management, Work at height, Barrier health management, Emergency response	100%

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):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	No monetary fine or penalty, which may fall within the purview of materiality as per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was levied on the Company.				
Settlement					
Compounding fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil			
Punishment				

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

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

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

Kirloskar Ferrous Industries Limited has established a Vigil Mechanism/Whistle-blower Policy covering matters related to anti-corruption and anti-bribery. The Company follows a zero-tolerance approach towards bribery, corruption, and unethical conduct. Employees, directors, channel partners, suppliers, business associates, customers, contractors, and agency staff may report suspected instances of misconduct or unethical practices through protected disclosures to the Ombudsman.

All reported concerns are investigated in a fair and confidential manner, and appropriate disciplinary or corrective actions may be initiated based on the severity of the matter. Such actions may include warning, monetary penalty, suspension, or any other measure deemed appropriate by the Company. The Vigil Mechanism/Whistle-blower Policy is available on the Company's website.

The vigil mechanism/ whistle blower policy is available at the weblink Vigil Mechanism / Whistle Blower Policy:

https://www.kirloskarferrous.com/documents/174991/18a5f1c5-5017-01b7-eea7-efdc235abab6 Policy

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 2026	FY 2025
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

Nil

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

Not applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2026	FY 2025
Number of days of accounts payables	105.40	94.27

· In FY'25, Number of days payable is 92.27 considering merger with Oliver Engineering, Rajpura .

9. Open-ness of business

Provide details of the concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2026	FY 2025
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	17.4%	19.5%
	b. Number of dealers distributors to whom sales are made	50	61
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	59.4%	60.2%
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	0.86%	0%
	b. Sales (Sales to related parties/ Total Sales)	2.7%	0.04%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0.00%	99.92%
	d. Investments (Investments in related parties/ Total Investments made)	0.00%	90.55%

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
15	Awareness on Health and safety,	KFIL conducts periodic training programmes for its value chain partners. It is currently in the process of reviewing to establish a structured mechanism to track and monitor the percentage of value chain partners covered under these training initiatives.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No). If yes, provide details of the same.

Yes, Kirloskar Ferrous Industries Limited has established a robust system, supported by defined systems and policies, to identify, prevent, and manage potential conflicts of interest involving Board members and senior management personnel. All Directors adhere to the Company's Code of Conduct, which promotes the highest standards of integrity, transparency, and accountability in all business decisions and actions.

A conflict of interest may arise when the personal interests of a Director or senior management member interfere, or appear to interfere, with the interests of the Company. The Code of Conduct provides detailed guidance to ensure that Directors and senior management avoid situations that may result in direct or indirect conflicts and act in the best interests of the Company at all times

The code of conduct is available at the weblink viz. https://www.kirloskarferrous.com/documents/174991/d9ca13d2-e666-74cc-0f83-3e0189ab56c8

PRINCIPLE 2 Business 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 2026	FY 2025	Details of improvements in environmental and social impacts
R&D	-	-	The Company does not undertake independent research and development (R&D) activities. Product development activities are primarily customer-driven, wherein designs are provided by customers and are jointly developed by the Company's development teams to meet customer requirements. Accordingly, no specific R&D investments were made during the reporting period towards technologies exclusively intended to improve environmental and social impacts of products and processes. Therefore, the percentage of such investments to total R&D investments is reported as Nil / Not Applicable.
Capex	43%	23%	• Renewable energy • Pulverized Coal Injection (PCI) • Fume and Dust extraction system

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, Kirloskar Ferrous Industries Limited requires all suppliers, contractors to comply with the Company's terms and conditions mentioned in the Purchase order. These terms & conditions pertaining to the Environment, Safety and rules & regulations forms the foundation of sustainable sourcing. Additionally, KFIL have supplier code of conduct and sign off from the raw material / critical supplier is being taken for the adherence to supplier code of conduct. The Code encompasses key principles relating to human rights and labour practices, health, safety and environmental standards, and ethical business conduct.

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

100%, Kirloskar Ferrous Industries Limited requires all suppliers, contractors to comply with the Company's terms and conditions mentioned in the Purchase order. These terms & conditions pertaining to the Environment, Safety and rules & regulations forms the foundation of sustainable sourcing. Additionally, KFIL have supplier code of conduct and sign off from all the raw material / critical supplier is being taken for the adherence to supplier code of conduct. The Code encompasses key principles relating to human rights and labour practices, health, safety and environmental standards, and ethical business conduct.

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)

Not applicable

b. E-waste:

Not applicable

c. Hazardous waste:

Not applicable

d. Other waste:

Not applicable

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

Yes, Extended Producer Responsibility (EPR) is applicable to Kirloskar Ferrous Industries Limited in accordance with the Plastic Waste Management Rules, 2016 and related amendments. The Company has secured EPR authorisation from the Central Pollution Control Board (CPCB) and has aligned its waste collection and compliance mechanisms with the EPR targets and guidelines prescribed by the regulator.

Further, KFIL submits annual returns to the CPCB as part of its ongoing commitment to regulatory compliance and responsible waste management practices.

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?

Nil

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Nil

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).

Sr No.	Indicate input material	Recycled or re-used input material to total material	
		FY 2026	FY 2025
1	Runner Riser	3.03%	2.47%
2	In-house Metal Scrap	1.00%	0.69%
3	Procured Metal Scrap	7.55%	7.55%
4	Steel & Tube Plant scrap	2.59%	3.28%

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

Not Applicable

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

Not Applicable

PRINCIPLE 3 Business 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	2,177	2,177	100%	2,177	100%	NA	NA	0	0%	0	0%
Female	58	58	100%	58	100%	58	100%	NA	NA	0	0%
Total	**2,235**	**2,235**	**100%**	**2,235**	**100%**	**58**	**3%**	**0**	**0%**	**0**	**0%**
Other than Permanent employees											
Male	238	238	100%	238	100%	NA	NA	0	0%	0	0%
Female	35	35	100%	35	100%	35	100%	NA	NA	0	0%
Total	**273**	**273**	**100%**	**273**	**100%**	**35**	**13%**	**0**	**0%**	**0**	**0%**

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

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A	Number (C)	% (C / A)	Number (D	% (D / A	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	1,099	1,099	100%	1,099	100%	NA	NA	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	NA	NA	0	0%
Total	**1,099**	**1,099**	**100%**	**1,099**	**100%**	**0**	**0%**	**0**	**0%**	**0**	**0%**
Other than Permanent workers											
Male	5,557	5,557	100%	5,557	100%	NA	NA	0	0%	0	0%
Female	100	100	100%	100	100%	100	100%	NA	NA	0	0%
Total	**5,657**	**5,657**	**100%**	**5,657**	**100%**	**100**	**2%**	**0**	**0%**	**0**	**0%**

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

	FY 2026	FY 2025
Cost incurred on well-being measures as a % of total revenue of the company	0.44%	0.43%

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

Benefits	FY 2026			FY 2025		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%*	100%*	Y	100%*	100%*	Y
ESI	100%*	100%*	Y	100%*	100%*	Y

* All the applicable employees and workers are covered under gratuity and ESI as per the Gratuity and ESIC act

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, all our main offices and locations where such employees are deployed are equipped with the necessary facilities to ensure accessibility for differently abled employees and workers

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.

Kirloskar Ferrous Industries Limited is committed to providing equal opportunities to differently abled employees and workers across all business units, including in areas such as recruitment, career advancement, and professional development. The Company also ensures fair and equitable remuneration for all employees and workers, including persons with disabilities, with compensation aligned to the nature of work, skills, qualifications, and experience, while remaining competitive and non-discriminatory.

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%	NA	NA
Total	100%	100%	NA	NA

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/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes Works Committee meeting being held on monthly basis involving workers representatives, managerial representative and shop floor managers to improve the working standards, welfare issues, productivity improvement, safety kaizens and to mitigate environmental and safety issues. Minutes of the meeting was circulated to communicate the details on grievances received and addressed. Apart from the above, standing meeting being held every day to review the issues / productivity / maintenance / facilities to take appropriate actions for resolving them. Effective grievance redressal system is in place Forums available - IR Committee, Whistle Blower, Ethics Help Line - Speak Up
Other than Permanent Workers	Yes • Grivience interactions are conducted on the shop floor with contract labour workers to understand their concerns related to working conditions, safety, welfare, and other operational matters. • Minutes of the Meetings recorded and forwarded to the concerned departments for necessary corrective actions and resolution. We continuously follow up to ensure grievances are closed promptly. • Forums availanle - Whistle Blower, Ethics Help Line - Speak Up
Permanent Employees	Yes • Grievance redressal mechanism available for employees . Regular grievance meetings are conducted with permanent employees, staff members, and contract labour workers to identify and resolve workplace issues. • Forums available are Ethics Help Line - Speak Up and Whistle Blower
Other than Permanent Employees	Yes • Grievance redressal mechanism available for other than permanent employees i.e trainess (DET/GET). Regular grievance meetings are conducted to identify and resolve workplace issues. • Forums available - Ethics Help Line - Speak Upand Whistle Blower

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

Category	FY 2026			FY 2025		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	**2,235**	**0**	**0%**	**2,044**	**0**	**0%**
Male	2177	0	0%	2,012	0	0%
Female	58	0	0%	32	0	0%
Total Permanent Workers	**1,099**	**1,099**	**100%**	**1202**	**1202**	**100%**
Male	1,099	1,099	100%	1202	1202	100%
Female	0	0	0%	0	0	0%

Additionally The FY 2025-26 data is not comparable with FY 2024-25 due to the inclusion of two new locations within the reporting boundary during FY 2025-26."

8. Details of training given to employees and workers:

Category	FY 2026					FY 2025				
	Total (A)	On Health and safety measures		On Skill up gradation		Total (D)	On Health and safety measures		On Skill up gradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	2,415	2,415	100%	1,862	77%	2171	2171	100%	1303	60%
Female	93	93	100%	90	97%	56	56	100%	47	84%
Total	**2,508**	**2,508**	**100%**	**1,952**	**78%**	**2227**	**2227**	**100%**	**1350**	**61%**
Workers										
Male	6,656	6,656	100%	3,951	59%	6023	6023	100%	3360	56%
Female	100	100	100%	85	85%	88	88	100%	76	86%
Total	**6,756**	**6,756**	**100%**	**4,036**	**60%**	**6111**	**6111**	**100%**	**3436**	**56%**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2026			FY 2025		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	2,177	2,177	100%	2,012	2,012	100%
Female	58	58	100%	32	32	100%
Total	**2,235**	**2,235**	**100%**	**2,044**	**2,044**	**100%**
Workers						
Male	1,099	1,099	100%	1,202	1,202	100%
Female	0	0	0%	0	0	0
Total	**1,099**	**1,099**	**100%**	**1,202**	**1,202**	**100%**

Note: The disclosures presented in this table pertain solely to permanent employees and workers.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?

Yes, the Company has implemented an Occupational Health and Safety Management System (OHSMS) for all employees and workers across all business units. An appropriate governance structure is in place to monitor performance against health and safety-related Key Performance Indicators (KPIs), and periodic audits by third-party agencies are conducted to assess compliance and effectiveness. The Company has implemented ISO 45001:2018 (Occupational Health and Safety Management System) through a globally recognised ISO certification body.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Workplace hazards are identified and managed through various safety assessment and risk management processes, including Risk Assessment (RA), Hazard Identification and Risk Assessment (HIRA), plant safety inspections, Job Safety Analysis (JSA), Process Hazard Analysis (PHA), Hazard and Operability (HAZOP) studies, Barrier Health Management, and Management of Change (MoC).

- **Risk Assessment (RA):** Conducted to identify hazards and risks that may potentially harm employees and workers within the plant premises.
- **Hazard Identification and Risk Assessment (HIRA):** A systematic process used to identify potential sources of harm and hazards, followed by risk analysis, evaluation, and implementation of appropriate control measures to mitigate identified risks.
- **Job Safety Analysis (JSA):** Involves breaking down work activities into individual steps, identifying associated risks at each stage, and establishing suitable control measures to minimize the likelihood and impact of incidents.
- **HAZOP (Hazard and Operability Study):** Applied to identify and prevent potential hazards before the introduction of any new process or modification within the facility.
- **Barrier Health Management:** Implemented to identify critical hazards under different operating scenarios and ensure that preventive and mitigative barriers are effectively maintained and functioning.
- **Process Safety Management (PSM):** Supports the safe operation of process technologies and ensures structured management of change to prevent major accidents.
- In addition, the Health and Safety Department, along with independent third-party agencies, conducts periodic inspections to assess and mitigate health and safety risks across the organization.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

- Yes. The Company has established a structured process and platform for reporting work-related hazards, supported by tools and forums such as Safety Interaction (SI), Safety Action Meetings (SAM), Saksham, Sahyog, various audit processes, and Safety Committee meetings.
- The Safety Interaction tool and Safety Excellence App enable reporting of incidents, including near-misses, dangerous occurrences, process incidents, and high-potential events. Group discussions on safety are conducted through toolbox talks held at the beginning of each shift, before the start of operations.
- The Safety Action Meetings (SAM) initiative is used to identify work-related hazards and implement corrective actions. Workmen form small groups in their respective areas, identify potential hazards, brainstorm solutions, and execute them collectively.
- SAHYOG is an employee-driven safety suggestion scheme that encourages and recognises safety-related improvement ideas from workers. Reward and recognition programs are in place to incentivise employees and workers for reporting near-miss incidents and contributing positively to the Company's safety culture.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes. An Occupational Health Centre (OHC) operates 24×7 within the plant premises, staffed with qualified doctors and necessary nursing personnel. The OHC also provides non-occupational and general healthcare services to employees and workers. Following annual health check-up camps, specialist doctors are invited to counsel focused groups of patients based on their health conditions.

The Company follows a three-pronged approach to employee health:

- Proactive: Expert talks, health awareness sessions, and free vaccinations (e.g., Hepatitis-B, Typhoid,).
- Preventive: Periodic medical and eye check-ups, cardiac screening, and programmes for non-communicable diseases (NCD) and HIV counselling and testing (ICTC).
- Reactive: Structured weight-reduction plans for employees with high BMI, along with rewards for achieving healthy weight-loss targets.
- Health initiatives such as health camps, specialist-doctor visits, health seminars, and a weight-reduction challenge are organised regularly to safeguard the well-being of all employees and workers.

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

Safety Incident/Number	Category	FY 2026	FY 2025*
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.29	2.80
	Workers	1.67	2.02
Total recordable work-related injuries	Employees	6	3
	Workers	17	8
No. of fatalities	Employees	0	0
	Workers	1	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

* Based on the criteria's of recordable Injuries (> 48 hrs. absenteeism from the duty) , Details for FY'25 and FY'26 are updated

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company has engaged a recognised safety consulting firm, to strengthen its safety management systems and practices toward excellence. In collaboration with consulting firm as a safety partners, a robust safety governance structure has been developed to monitor and drive the transformation of the Company's safety culture. This structure includes Apex Safety Committees for implementation and Corporate Safety Committees to support, develop, and oversee standards, all under the supervision of the Business Steering Committee (BSC).

Site-specific high-risk safety standards have been formulated and are periodically reviewed through the integrated safety governance framework, with necessary corrective interventions taken whenever required. In addition to the formal health and safety standards, several safety tools have been introduced to reinforce a positive safety culture and improve operational behaviour.

The following key standards and practices have been implemented:

- **Safety Interactions:** Foster behavioural change among workmen and achieve quick-win improvements through leadership involvement in field rounds, demonstrating visible concern for employee safety.
- **Incident Investigation:** Establish an incident-tracking and reporting system to conduct scientific investigations, learn from incidents, and implement proactive measures to prevent recurrence.
- **Barrier Health Management:** Use an accountability-driven approach to evaluate, upgrade (where needed), and maintain the health of preventive and mitigative barriers for each risk scenario.

- **Process Safety Management:** Apply management systems and controls (programs, procedures, audits, and evaluations) to identify, understand, and control process hazards, preventing process-related injuries and incidents.
- **Contractor Safety Management:**
  - Improve overall contractor safety management at KFIL.
  - Develop and maintain a qualified contractor pool through periodic evaluation and review.
- **Rules and Procedures:** Identify all tasks requiring standards and establish clear rules and procedures for safe execution.
- Standards for high-risk activities, including:
  1. Personal Protective Equipment (PPE).
  2. Permit-to-Work.
  3. Lockout-Tagout (LOTO).
  4. Material Handling.
  5. Road Safety.
  6. Work at Heights.
- **Capability Development and Communication:** Build skills and competency to ensure consistent implementation of safety activities and prioritised standards across all business units.

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

	FY 2026			FY 2025		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-

14. Assessment for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

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

The Company follows a structured incident investigation framework under which all safety-related incidents, including near misses, are systematically assessed to identify root causes and strengthen preventive controls. Corrective and Preventive Actions (CAPA) are implemented based on investigation findings, while insights from HIRA (Hazard Identification and Risk Assessment), JSA (Job Safety Analysis), and HAZOP (Hazard and Operability Study) are integrated into remedial measures. The learning's and controls are further implemented across relevant plant areas to minimise the risk of similar incidents recurring across operations.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

A) Employees (Y/N)

Yes. Workmen's Compensation (WC) policy and Employee State Insurance (ESI) corporation policy and Employees Death Linked Insurance (EDLI) under Provident Fund act coverage is provided to all employees and workers as applicable.

B) Workers(Y/N).

Yes

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

KFIL assesses value chain compliance through a structured monitoring mechanism, with overall compliance maintained at 100%. Monthly compliance reviews are conducted, supported by verification of statutory remittance records, including Provident Fund (PF), Employees' State Insurance (ESI), and other applicable regulatory requirements.

The Company promotes adherence to applicable laws and regulations across its value chain through supplier due diligence and continuous engagement. Key measures include:

- Integrating compliance requirements into supplier onboarding and procurement processes.
- Requiring suppliers to comply with applicable labour laws, taxation regulations, social security obligations, and other statutory requirements.
- Periodically reviewing supplier declarations and relevant statutory compliance documentation, where applicable.
- Engaging suppliers through ESG and governance assessments to encourage responsible business practices.
- Monitoring supplier performance and addressing identified compliance gaps through corrective actions and follow-up engagements.

These mechanisms help strengthen governance across the value chain and support KFIL's commitment to responsible and compliant business practices.

For more information, refer value chain disclosure

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 2026	FY 2025	FY 2026	FY 2025
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

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

Yes, KFIL conducts need-based interactions with employees post-retirement or termination of employment and extends the necessary guidance and support.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed*
Health and safety practices	100%
Working Conditions	100%

*Response is provided based on Health & Safety assessment of contractors and terms & conditions mentioned in the purchase agreement pertaining to Health and safety and working conditions

For more information, refer value chain disclosure

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.

Nil

PRINCIPLE 4 Business 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.

KFIL has identified employees, customers, investors, vendors, contractors, technical partners, local communities, and government/regulatory authorities as its key stakeholders. To engage effectively with these stakeholder groups, the KFIL has established various formal and informal communication and engagement mechanisms that help in understanding and addressing their expectations and concerns in a timely manner.

Kirloskar Ferrous Industries Limited identifies its key stakeholders as individuals and groups that are either affected by the Company's operations, products, and services or have a direct or indirect influence on its business performance. The Company places significant emphasis on maintaining regular and transparent communication with its stakeholders and has established effective feedback mechanisms to understand, address, and respond to their concerns and expectations.

Nature of Association	Identified Stakeholder (Process Owner)
Responsibility: Stakeholders towards whom the company has legal, commercial and moral responsibilities	• Board / Investors /Shareholders (MD, CFO, CS) • Government Agencies (HR Head)
Dependence: Stakeholders who are dependent on the Company's activities, products or services and whom the Company is dependent for its operations.	• Strategic Suppliers / Partners (SBU Heads, Materials heads) • Employees (HR Head) • Dealers (Marketing Head) • Suppliers (Materials Head)
Influence: Stakeholders who can impact the Company's strategic decision-making	• Key Customers (MD, SBU heads, QA & NPD Head and Marketing Head) • Society (HR Head)

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as a Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors & Shareholders	No	Website – https://www.kirloskarferrous.com/investors Annual General Meetings, Annual Reports. - Quarterly Results, Press Releases, Media Interactions. - Investor Presentations, Investor Meets, Emails, One-to-one Interactions	- Monthly - Quarterly - Alternate year	To share financial results and updates on the performance of the company
Employees	No	In person / Virtual	- Monthly	To share mutual needs and expectations and to develop strategic partnerships. Quality, Cost and Delivery Improvements. Share Business Plans
Customers & Dealers	No	Email, Customer Visits, Customer meets, Dealer meets, Customer satisfaction survey, Customer events, Camps and Exhibitions	As and when scheduled	To share updates on KFIL product related details such as product improvements and technical specifications and business opportunities.
Vendors	No	In person / Virtual discussions, One-to-one interaction, Supplier Audit	As and when scheduled	To share mutual needs and expectations and to develop strategic partnerships. Quality, Cost and Delivery Improvements. Share Business Plans
Contractors	No	Contractor Meetings	As and when scheduled	To share key updates, to discuss improvement opportunities pertaining to Safety, Health, Environment and other statutory requirements.
Technical Partners	No	In person / Virtual discussions	As and when scheduled	To share updates and understand sustainable innovations in product development.
Local Community	No	Community Meetings	As and when scheduled	Focus on better community life by developing the model villages. Construction of roads and drainages, cleanliness, construction of temples, School, Primary Health Centre, greenery development, Swachh Abhiyan, organizing sports and cultural events
Government & Regulatory	No	Email Communication Meetings scheduled by Government bodies.	As and when scheduled	Align with the rules, regulations and statutory requirements prescribed by the respective government bodies

Leadership Indicators

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

At Kirloskar Ferrous Industries Limited, consultations on economic, environmental, and social matters are undertaken periodically with identified stakeholders through focused group discussions, surveys, and other appropriate engagement platforms. The feedback gathered through these interactions is systematically evaluated and utilised for identifying and implementing relevant improvement actions. Updates on the actions taken, along with significant stakeholder inputs, are regularly presented to the Board of Directors during Board meetings to ensure effective governance oversight and drive continuous improvement initiatives.

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 the policies and activities of the entity.

Yes. Kirloskar Ferrous Industries Limited identifies Environment, Social, and Governance (ESG) material topics through a structured and comprehensive materiality assessment process. The assessment incorporates inputs from stakeholder surveys, recognised sustainability frameworks, and ESG priorities observed across industry peers. The Company engages with both internal and external stakeholders through customised questionnaires designed specifically for different stakeholder groups.

The identification of ESG material topics is carried out holistically by considering stakeholder expectations, concerns, priorities, and areas of interest. Based on the assessment outcomes, the Company prioritises key ESG issues and integrates them into its policies, sustainability-driven business strategy, and related goals and targets.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

All community development and CSR activities are implemented through the KFIL Rural Development Trust, established in 2001

At Kirloskar Ferrous Industries Limited, dedicated teams oversee the planning and implementation of Corporate Social Responsibility (CSR) initiatives and projects. Concerns and issues relating to vulnerable and marginalised groups are addressed through a structured grievance redressal mechanism to ensure timely and effective resolution.

KFIL also undertakes community and environmental awareness initiatives through programmes such as the "Kirloskar Vasundhara International Film Festival" and "Kirloskar Vasundhara ECO Rangers", which include seminars, workshops, and lectures conducted in collaboration with relevant stakeholders

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:

Category	FY 2026			FY 2025		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	2,235	2,235	100%	2,044	2,044	100%
Other than permanent	273	273	100%	183	183	100%
Total Employees	**2,508**	**2,508**	**100%**	**2,227**	**2,227**	**100%**
Workers						
Permanent	1,099	1,099	100%	1,202	1,202	100%
Other than permanent	5,657	4,837	86%	4,909	3,834	78%
Total Employees	**6,756**	**5,936**	**88%**	**6,111**	**5,036**	**82%**

The FY 2025-26 data is not comparable with FY 2024-25 due to the inclusion of two new locations within the reporting boundary during FY 2025-26.

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

	FY 2026					FY 2025				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	2,235	0	0%	2,235	100%	2044	0	0	2044	100%
Male	2,177	0	0%	2,177	100%	2012	0	0	2012	100%
Female	58	0	0%	58	100%	32	0	0	32	100%
Other than Permanent	273	0	0%	273	100%	183	0	0	183	100%
Male	238	0	0%	238	100%	159	0	0	159	100%
Female	35	0	0%	35	100%	24	0	0	24	100%
Workers										
Permanent	1,099	0	0%	1,099	100%	1,202	0	0	1,202	100%
Male	1099	0	0%	1,099	100%	1,202	0	0	1,202	100%
Female	0	0	0%	0	0%	0	0	0	0	0%
Other than Permanent	5,657	5,521	98%	136	2%	4,909	4,798	98%	111	2%
Male	5,557	5,436	98%	121	2%	4,821	4,722	98%	99	2.%
Female	100	85	85%	15	15%	88	76	86%	12	14%

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

a. Median remuneration/wages:

	Male		Female		Other	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	11	22,25,000	2	12,00,000	Nil	-
Key Managerial Personnel	1	54,91,471	Nil	-	Nil	-
Permanent Employees / Permanent workers other than BoD and KMP	2,808	7,99,150	33	5,14,944	Nil	-

Note: Median is computed on the basis of permanent employees / workers on the rolls of the Company for the full Financial Year 2025-2026.

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

	FY 2026	FY 2025
Gross wages paid to females as % of total wages	1.20	0.71%

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

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

Yes, the Company has established a structured grievance redressal mechanism led by representatives from the Human Resources function and senior leadership to address human rights-related concerns in a fair and timely manner. Employees and workers are encouraged to report instances of discrimination, harassment, unfair treatment, or any violation of human dignity. To strengthen accountability and effective resolution of concerns, the Company has constituted dedicated bodies such as the Grievance Committee, Works Committee, POSH Committee, Ethics Committee, and Standing Orders to address and mitigate human rights-related issues across operations.

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

	FY 2026			FY 2025		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

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

	FY 2026	FY 2025
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees/workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

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

Yes, the Company has established a Vigil Mechanism and Whistle-blower Policy to promote ethical, transparent, and responsible business practices aligned with the highest standards of integrity and professional conduct. Employees and workers are encouraged to report genuine concerns related to unethical behaviour, suspected fraud, or violations of the Company's Code of Conduct. The Company ensures protection to whistle-blowers against any form of unfair treatment arising from protected disclosures and also takes appropriate action in cases of misuse of the mechanism.

The Company does not tolerate discrimination, harassment, victimisation, retaliation, or any adverse employment action against whistle-blowers. Protection is extended against threats, intimidation, demotion, transfer, denial of promotion, disciplinary action, or any misuse of authority that may hinder the whistle-blower from performing duties or raising concerns. In addition, Complaints Committees have been constituted across KFIL facilities to investigate matters related to discrimination and harassment and to implement necessary corrective measures.

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

Yes

10. Assessment 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

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

Not applicable

Leadership Indicators

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

Not applicable. As there are no grievances related to human rights, there is no such requirement to modify or change business processes.

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

NA

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, The Company's plant premises and offices are accessible to differently abled visitors.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	100
Forced/involuntary labor	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100

Note - Above details are given based on the terms & conditions communicated through PO to value chain partners

5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments in Question 4 above.

NA

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 2026 (Current Financial Year)		FY 2025 (Previous Financial Year)	
	Value	Unit	Value	Unit
From renewable sources				
Total electricity consumption (A)	610,694	GJ	297,103	GJ
Total fuel consumption (B)	73,986	GJ	141,563	GJ
Energy consumption through other sources (C)	-		-	
Total energy consumed from renewable sources (A+B+C)	684,680.03	GJ	438,666	GJ
From non-renewable sources				
Total electricity consumption (D)	889,738	GJ	885,015	GJ
Total fuel consumption (E)	17,713,684	GJ	13,822,875	GJ
Energy consumption through other sources (F)	-		-	

Parameter	FY 2026 (Current Financial Year)		FY 2025 (Previous Financial Year)	
	Value	Unit	Value	Unit
Total energy consumed from non-renewable sources (D+E+F))	18,603,422	GJ	14,707,890	GJ
Total energy consumed (A+B+C+D+E+F)	19,288,102.33	GJ	15,146,556	GJ
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations)	2,800	GJ/rupee	2,307	GJ/rupee
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	56,952	GJ/USD	47,672	GJ/USD
Energy intensity in terms of physical output - Production in mass	14.35	GJ/MT	12.97	GJ/MT

Note: The FY 2025-26 data is not comparable with FY 2024-25 due to the inclusion of two new locations within the reporting boundary during FY 2025-26

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, Limited assurance is carried out by BDO India Services Private Limited.

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.

The Company's Koppal plant is covered under the Perform, Achieve and Trade (PAT) scheme. During PAT Cycle III, the plant recorded a Specific Energy Consumption (SEC) of 0.4667 TOE per tonne, outperforming the target SEC of 0.5076 TOE per tonne for FY 2019-20, thereby surpassing the target by 0.0374 TOE per tonne. Owing to this improved energy performance, the plant was awarded 12,576 Energy Saving Certificates (ESCerts).

The plant is presently included under PAT Cycle VII-A, with a revised target SEC of 0.4427 TOE per tonne for FY 2024-25, reflecting a 5.14% reduction from the baseline year (2019-20). The Company has submitted Form 1 to the Bureau of Energy Efficiency (BEE) for evaluation of its performance against the assigned target, and the assessment is currently in progress.

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

Parameter	FY 2026 (Current Financial Year)		FY 2025 (Previous Financial Year)	
	Value	Unit	Value	Unit
Water withdrawal by source (in kilolitres)				
(i) Surface water	24,30,797	Kilolitres	22,43,057	Kilolitres
(ii) Groundwater	4,08,520	Kilolitres	4,49,615	Kilolitres
(iii) Third party water	8,240	Kilolitres	3,72,675	Kilolitres
(iv) Seawater / desalinated water	Nil	Kilolitres	Nil	Kilolitres
Others	Nil	Kilolitres	Nil	Kilolitres
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	28,47,559	Kilolitres	30,65,347	Kilolitres
Total volume of water consumption (in kilolitres)	28,47,559	Kilolitres	30,65,347	Kilolitres
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	413	Kilolitres/rupee	467	Kilolitres/rupee
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	8,408	Kilolitres/USD	9,648	Kilolitres/USD
Water intensity in terms of physical output- Production in mass	2.12	Kilolitres/MT	2.62	Kilolitres/MT
Water intensity (optional) - null	-	-	-	-

Note: The FY 2025-26 data is not comparable with FY 2024-25 due to the inclusion of two new locations within the reporting boundary during FY 2025-26

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, Limited assurance carried out by BDO India Services Private Limited.

4. Provide the following details related to water discharged:

Nil

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:

Yes, Domestic sewage wastewater is treated in the on-site sewage treatment plant (STP) and reused for gardening and toilet flushing, supporting efficient water management and minimising discharge to the environment.

Wastewater generated from operations is treated in the designated treatment system and then reused suitably, thereby reducing freshwater consumption

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

Parameter	FY 2026 (Current Financial Year)		FY 2025 (Previous Financial Year)	
	Value	Please specify unit	Value	Please specify unit
NOx	175	MT	236	MT
SOx	519	MT	1,064	MT
Particulate matter (PM)	1,016	MT	1,156	MT
Persistent organic pollutants (POP)	0	MT	0	MT
Volatile organic compounds (VOC)	0	MT	0	MT
Hazardous air pollutants (HAP)	0	MT	0	MT

Note : The FY 2025-26 data is not comparable with FY 2024-25 due to the inclusion of two new locations within the reporting boundary during FY 2025-26

Using PNG instead of LSHS and LPG at A'nagar and Baramati resulted in a considerable reduction in SOx, and PM values. At Jejuri, installed the Fume Extraction System (FES).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

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

Parameter	Unit	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Total Scope 1 Emissions	Metric tonnes of CO_2 equivalent	16,79,822	14,49,419
Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available			
Total Scope 2 Emissions	Metric tonnes of CO_2 equivalent	1,75,478	1,78,725
Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available			
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO_2 equivalent/rupee	269	248
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO_2 equivalent/USD	5,477	5,124
Total Scope 1 and Scope 2 emission intensity in terms of physical output-Production in mass	Metric tonnes of CO_2 equivalent/MT	1.38	1.39
Total Scope 1 and Scope 2 emission intensity (optional)- null		-	-

Note : The FY 2025-26 data is not comparable with FY 2024-25 due to the inclusion of two new locations within the reporting boundary during FY 2025-26

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, Limited assurance carried out by BDO India Services Private Limited.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details

KFIL is strengthening its transition towards renewable energy by advancing solar and wind power initiatives. The Company currently operates a solar capacity of 60 MW (AC) / 82 MW (DC) and a wind capacity of 2.5 MW (AC). It has outlined plans to scale this up to 135 MW (AC) / 187 MW (DC) for solar & wind by FY 2028-29 in Maharashtra. These developments are expected to meet approximately 68% of the electricity requirements of the Steel and Tubes division as well as the Solapur unit.

In addition, KFIL leverages process efficiencies to optimise energy utilisation. Waste heat recovered from the coke oven plant is utilised for captive power generation with a capacity of 40 MW at Koppal plant, while surplus blast furnace gas is channelled into a captive power plant with a capacity of 11.5 MW at Koppal and 4 MW at Hiriyur. Together, these contribute to a total captive power capacity of 51.5 MW at Koppal and 4 MW at Hiriyur, enabling the Company to meet its in-house electricity demand at the Koppal plant.

The Company has also undertaken multiple initiatives to enhance energy efficiency and conserve resources. These include conversion of Furnace oil / LPG to PNG, the installation of variable frequency drives (VFDs), replacement of older low-tension motors with energy-efficient alternatives, and conducting plant-level energy audits to identify opportunities for optimisation and improved energy conservation

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

a. Total Waste generated

Parameter	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
	Value	Value
Total Waste generated (in metric tonnes)		
Plastic waste	535.37	359.97
E-waste	25.26	3.49
Biomedical waste	0.01	0.01
Construction and demolition waste	762.60	994.66
Battery waste	6.44	7.41
Radioactive waste	0	0
Other Hazardous waste	791	225.00
Other Non hazardous waste	5,61,447	4,45,193
Total Waste Generated	5,63,567	4,46,783
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) (Metric ton/rupee)	81.81	67.95
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) (Metric ton/USD)	1,664	1,406
Waste intensity in terms of physical output - Production in mass (Metric ton/MT)	0.42	0.38
Waste intensity (optional) – null	-	-

Note: The FY 2025-26 data is not comparable with FY 2024-25 due to the inclusion of two new locations within the reporting boundary during FY 2025-26

b. For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Total Waste

Parameter	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste: Total Waste		
(i) Recycled	4,75,009	3,34,515
(ii) Re-used	16,666	14,459
(iii) Other recovery operations	0	0
Total	**4,91,675**	**3,48,974**

Note: The FY 2025-26 data is not comparable with FY 2024-25 due to the inclusion of two new locations within the reporting boundary during FY 2025-26

c. For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Total Waste

Parameter	FY 2026 (Current \ Financial Year)	FY 2025 (Previous Financial Year)
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste: Total Waste		
(i) Incineration	591.34	0.0037
(ii) Landfilling	77,974	1,01,086
(iii) Other disposal operations	0.0001	47,068
Total	**78,565**	**1,48,155**

Note: The FY 2025-26 data is not comparable with FY 2024-25 due to the inclusion of two new locations within the reporting boundary during FY 2025-26

Due to more comprehensive detailing of disposal methods in FY'26, the figures are not comparable with FY'25

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes

KFIL is committed to adopting environmentally responsible waste management practices across its operation. Waste generated across our operations is segregated into appropriate categories, stored in designated storage areas, and then transferred to authorised waste recyclers, co-processors, re-users and disposal facilities in full compliance with the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

KFIL also adopts wastewater treatment systems to ensure compliance with applicable quality standards. The treated water is safely reused for toilet flushing, gardening thereby enhancing water conservation and promoting sustainable water resource management.

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

S. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
The Company does not have any offices or facilities located in or near ecologically sensitive areas.			

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

S. No	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable						

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non compliances, in the following format:

S. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Yes. The Company is compliant with the applicable laws pertaining to the Water (Prevention and Control of Pollution) Act, the Air (Prevention and Control of Pollution) Act, the Environment Protection Act and rules thereunder.				

Leadership Indicators

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

Consolidated data for water stress area

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the Area: Hiriyur

(ii) Nature of operations: Manufacturing of the Pig iron

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2026 (Current Financial Year)		FY 2025 (Previous Financial Year)	
	Value	Unit	Value	Unit
Water withdrawal by source (in kilolitres)				
(i) Surface Water	1,60,850	KL	1,47,764	KL
(ii) Groundwater	1,13,373	KL	1,49,907	KL
(iii) Third party water	Nil	KL	Nil	KL
(iv) Seawater / desalinated water	Nil	KL	Nil	KL
(v) Others	Nil	KL	Nil	KL
Total volume of water withdrawal (in kilolitres)	2,74,223	KL	2,97,671	KL
Total volume of water consumption (in kilolitres)	2,74,223	KL	2,97,671	KL
Water intensity per rupee of turnover (Water consumed /turnover)	655	KL/CR	-	
Water intensity (optional) – the relevant metric may be selected by the entity	-		-	

Parameter	FY 2026 (Current Financial Year)		FY 2025 (Previous Financial Year)	
	Value	Unit	Value	Unit
Water discharge by destination and level of treatment (in kilolitres) entity				
(i) To surface water	Nil		Nil	
- No treatment	Nil		Nil	
- With treatment	Nil		Nil	
- Primary treatment	Nil		Nil	
- Secondary treatment	Nil		Nil	
- Tertiary treatment	Nil		Nil	
(ii) To Groundwater	Nil		Nil	
- No treatment	Nil		Nil	
- With treatment	Nil		Nil	
- Primary treatment	Nil		Nil	
- Secondary treatment	Nil		Nil	
- Tertiary treatment	Nil		Nil	
(iii) To Seawater	Nil		Nil	
- No treatment	Nil		Nil	
- With treatment	Nil		Nil	
- Primary treatment	Nil		Nil	
- Secondary treatment	Nil		Nil	
- Tertiary treatment	Nil		Nil	
(iv) Sent to third-parties	Nil		Nil	
- No treatment	Nil		Nil	
- With treatment	Nil		Nil	
- Primary treatment	Nil		Nil	
- Secondary treatment	Nil		Nil	
- Tertiary treatment	Nil		Nil	
(v) Others	Nil		Nil	
- No treatment	Nil		Nil	
- With treatment	Nil		Nil	
- Primary treatment	Nil		Nil	
- Secondary treatment	Nil		Nil	
- Tertiary treatment	Nil		Nil	
Total water discharged (in kilolitres)	Nil		Nil	

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the Area: Rajpura

(ii) Nature of operations: Manufacturing of castings

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2026 (Current Financial Year)		FY 2025 (Previous Financial Year)	
	Value	Unit	Value	Unit
Water withdrawal by source (in kilolitres)				
(i) Surface Water	0	KL	-	-
(ii) Groundwater	38,214	KL	-	-
(iii) Third party water	482	KL	-	-

Parameter	FY 2026 (Current Financial Year)		FY 2025 (Previous Financial Year)	
	Value	Unit	Value	Unit
(iv) Seawater / desalinated water	Nil	KL	-	-
(v) Others	Nil	KL	-	-
Total volume of water withdrawal (in kilolitres)	38,696	KL	-	-
Total volume of water consumption (in kilolitres)	38,696	KL/CR	-	-
Water intensity per rupee of turnover (Water consumed /turnover)	327		-	-
Water intensity (optional) – the relevant metric may be selected by the entity			-	-
Water discharge by destination and level of treatment (in kilolitres) entity				
(i) To surface water	Nil	KL	-	-
- No treatment	Nil	KL	-	-
- With treatment	Nil	KL	-	-
- Primary treatment	Nil	KL	-	-
- Secondary treatment	Nil	KL	-	-
- Tertiary treatment	Nil	KL	-	-
(ii) To Groundwater	Nil	KL	-	-
- No treatment	Nil	KL	-	-
- With treatment	Nil	KL	-	-
- Primary treatment	Nil	KL	-	-
- Secondary treatment	Nil	KL	-	-
- Tertiary treatment	Nil	KL	-	-
(iii) To Seawater	Nil	KL	-	-
- No treatment	Nil	KL	-	-
- With treatment	Nil	KL	-	-
- Primary treatment	Nil	KL	-	-
- Secondary treatment	Nil	KL	-	-
- Tertiary treatment	Nil	KL	-	-
(iv) Sent to third-parties	Nil	KL	-	-
- No treatment	Nil	KL	-	-
- With treatment	Nil	KL	-	-
- Primary treatment	Nil	KL	-	-
- Secondary treatment	Nil	KL	-	-
- Tertiary treatment	Nil	KL	-	-
(v) Others	Nil	KL	-	-
- No treatment	Nil	KL	-	-
- With treatment	Nil	KL	-	-
- Primary treatment	Nil	KL	-	-
- Secondary treatment	Nil	KL	-	-
- Tertiary treatment	Nil	KL	-	-
Total water discharged (in kilolitres)	Nil	KL	-	-

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, Limited assurance carried out by BDO India Services Private Limited.

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

Parameter	Unit	FY 2026 (Current Financial Year)	FY 2025 (Previous Financial Year)
Total Scope 3 Emissions	Metric tonnes of CO_2 equivalent	Not Quantified	Not Quantified
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO_2 equivalent/rupee	Not Quantified	Not Quantified
Total Scope 3 emission intensity (optional)- tur in mass	Metric tonnes of CO_2 equivalent/MT	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by aexternal agency? (Y/N) If yes, name of the external agency

NA

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative	Outcome of the initiative
1	Energy management	Captive power plant based on the waste heat and excess blast furnace gas	Reduction in the Scope 2 GHG emission
2	Energy management	Renewable energy – Solar and Wind Existing Capacity - • Solar - 60 MW AC/ 82 MW DC • Wind - 2.5 MW AC	Reduction in the Scope 2 GHG emission
3	Energy management – Cleaner fuels	Conversion of LSHS to PNG Conversion of Furnace Oil, LPG to PNG	Reduction in the Scope 1 GHG emission
4	Water resources	• Wastewater Treatment and Reuse - KFIL treats and reuses wastewater within its facilities. Treated water is used for gardening, and flushing toilets • Water Pond to harvest rain water • Water recharge well	Reduction in the use of fresh water
5	Resource efficiency	• Use of Pulverised coal injection with Oxygen enrichment in the MBF to optimise coke consumption • By upgrading to bellless top (BLT) in MBF-1 and 2, reduction in coke consumption • Heat generated from sinter cooler is being utilised for coke bunker heating for both balst furnaces.	Reduction in the Scope 1 GHG emission
6	Energy Management	Use of EV forklifts for internal material transfer	Reduction in the Scope 1 GHG emission

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

Yes. Kirloskar Ferrous has established a plan to enhance organizational preparedness against potential disruptions. The framework is tailored to the specific requirements of its manufacturing operations, business functions, and critical corporate processes, including Human Resources, Finance, and Information Technology.

ERP - Disaster Recovery is in place to take care of data backup on real-time and also to support business continuity

Mail and File system - We are using SaaS solution which comes with Data Backup and Disaster recovery systems and is managed by service provider.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant adverse environmental impacts arising from the assessed value chain partners were identified during the reporting period. For more information, refer value chain disclosure

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

20%, KFIL engages with key value chain partners on environmental performance through ESG data collection and review of publicly available sustainability disclosures. Environmental parameters considered include greenhouse gas emissions, energy consumption, water management, waste management, and circularity practices. For more information, refer value chain disclosure

8. How many Green Credits have been generated or procured:

i. By the listed entity - Zero

ii. By the top ten (in terms of the value of purchases and sales respectively) value chain partners - Zero

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.

The Company affiliates with 11 National and 7 State Trade and Industry Chambers / Associations

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

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Pig Iron Manufactures Association	National
2	Association of Mini Blast Furnaces	National
3	Automotive Component Manufacturers Association of India (ACMA)	National
4	Engineering Export Promotion Council of India	National
5	National Safety Council	National
6	The Institute of Indian Foundrymen	National
7	Federation of Indian Minerals Industries	National
8	The Institute of Company Secretaries of India (ICSI)	National
9	Legal Entity Identifier of India Ltd	National
10	The Institute of Chartered Accountants of India (ICAI)	National
11	Membership of Labor Law reporter	National
12	Karnataka Employers' Associations	State
13	Ballari Koppal Regional Industries Safety Events (BKRISE)	State
14	Karnataka Iron & Steel Manufacturers Association	State
15	Mahratta Chambers of Commerce & Industries	State
16	District Chambers of Commerce and Industry (DCCI)	State
17	Jejuri Industrial Manufacturers Associates	State
18	The Alloy Steel Producers Association	State

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

No adverse orders received from regulatory authorities for anticompetitive conduct.

Name of authority	Brief of the case	Corrective action taken
Not applicable		

Leadership Indicators

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

"KFIL, either directly or through industry associations, may engage with government and regulatory authorities on matters concerning the iron and steel industry, manufacturing sector, environmental regulations, energy efficiency, sustainability, occupational health & safety, and ease of doing business. Such engagements are undertaken in a transparent and ethical manner with the objective of contributing to sectoral development and policy improvement. During the reporting period, the Company did not advocate any significant public policy position independently that was material to its business operations."

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:

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:

NA –

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

Regular interactions and consultations were conducted with local communities, Gram Panchayat members, and village sarpanches to understand, address, and resolve community-related grievances.

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

	FY 2026	FY 2025
Directly sourced from MSMEs/ small producers	19.11%	17.04%
Directly from within India	76.03%	76.65%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2026	FY 2025
Rural	27%	40%
Semi-urban	54%	20%
Urban	16%	7%
Metropolitan	3%	33%

(Place categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

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 - KFIL has not identified any negative social impact based on the social impact assessments done earlier

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

   Not applicable

3. A) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable group? (Yes/ No)

   The Company promotes inclusive growth by encouraging engagement with local suppliers and MSMEs, wherever feasible and aligned with quality, cost, and delivery requirements. While the KFIL does not currently maintain a comprehensive classification of suppliers belonging to marginalized or vulnerable groups, it continues to support local economic development through its procurement practices.

   B) From which marginalized /vulnerable groups do you procure?

   NA

   C) What percentage of total procurement (by value) does it constitute?

   NA

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:

   NA – KFIL has not owned or acquired any intellectual property during the current financial year that is based on traditional knowledge. Accordingly, no specific benefits were derived or shared from such intellectual properties.

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.

   NA

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Drinking Water Facilities	8,750	100%
2	Community Health Center at Village Doctor visit twice in a week and distribution of free medicine	6,450	100%
3	Provided Study Materials to Government Schools	4,600	100%
4	Provided writing desks to government schools	18,546	100%
5	Nutrition support for TB patients	NA	-
6	Organised health checkup camps	5,000	100%
7	School Bags Distribution	11,200	100%
8	Distribution of tree plants	-	-
9	Distribution of medicines	1,000	100%
10	Water tanks provided during community events as and when required	2,500	100%
11	School Infrastructure Development	8,654	100%
12	School Health and Nutrition	4,000	100%
13	Electronic equipments donation to Rural Hospital Jejuri	2,500	100%
14	Environment friendly material Bags & Bottles to Warikaries	2,000	100%
15	RainSuit for on duty Police force during Palkhi-Fesival	100	90%
16	School Education Kit (School Bag, Notebook)	2,500	100%
17	Donation to VNIT College for educational Infrastructure	100	90%
18	Wild Animal (leopard) Catcher cage donation to Forest Dept.	100	100%
19	Electronic assets donation to Police Station Jejuri	100	100%
20	Sessions on child safety/protection as part of holistic/life skills development at two grampanchayats	100	100%
21	Provided components for Industrial Lab at SPM Polytechnic	1,000	100%
22	Contributed to State level Mahamelava organised by Dr. Babasaheb Ambedkar Social Forum	50,000	90%
23	Contributed towards Badminton league competition held in the name of Kirloskar	500	100%
24	KVIFF Opening Ceremony & Awards Distribution	600	100%
25	KVIFF Jute & Cotton Bags Distribution to all students	600	100%
26	KVIFF Environment Awaremess Session Mr. Sachin Punekar	600	100%
27	Tree Plantation at Kumathe village in Collaboration Mr. P Lambture	200	100%
28	Tree Plantation at Kumathe village at SPM Collage	200	100%
29	KVIFF Closing Ceremony & Awards Distribution	300	100%
30	KVIFF Environment Awaremess Session Mr. Umakant Nikhare	300	100%
31	Doors & windows to ZP School at Kumathe village	1,500	100%
32	School bags with Kirloskar Logo for distribution	100	100%
33	Compass box with all instruments for distribution	100	100%
34	School note books of 200 pages for distribution	100	100%
35	Distributed Flood affected Rurals Blankets	200	100%
36	Industrila workshop at SPM polytechnic (2days)	500	100%
37	Bag Distribution on the occasion of Ambedkar Jayanti	100	100%
38	Health checkup camp & medicine distribution	700	100%
39	Wall compoud of Hanuman Temple	2,000	100%
40	Donation made on the occasion of Ambedkar Jayanti	50,000	100%
41	Mahalaxmi Yatra Panch Committee Donation	10,000	100%
42	Contributed towards building of Industrial Lab at SPM	1,000	100%
43	Tree plantation at Pandharpur	100	100%
44	Empowerring Education Through employees	200	100%
45	New Toilet Blocks and Renovation of 9 ZP Schools in Solapur	6,000	100%
46	Kirloskar Vasundhara Green College Clean College Competition	800	100%
47	Ditribution of School Bags & Note Books - Paramenahalli, Katrikenahalli, Uduvalli (2nos), Doddaghatta (2nos), Ammanatti	600	100%
48	Plates and utensils distribution to the schools	200	100%
49	Water filter installed at Doddaghatta Primary schools and Fire station, Hiriyur	100	85%
50	Construction of School Compound - Chelmadu	100	100%
51	Support towards car festivals, mass marriage, temle opening ceremony & sports events	500	100%

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.

   A robust customer complaint management system is in place to collect, track, and resolve consumer complaints effectively. The Heads of Marketing and Quality departments are responsible for taking appropriate actions on all received complaints.

   Each complaint is analysed using the internally defined 8D methodology, and responses are provided in the customer-specified formats and within the timelines outlined in the customer-specific requirements.

   KFIL has established a robust Customer Complaints Management System to ensure prompt response and effective resolution of customer concerns and complaints. The system helps strengthen customer confidence while maintaining and enhancing customer satisfaction.

2. Turnover of products and/ services as a percentage of turnover from all products/services that carry information about:

State	As a percentage to total turnover
Environmental and social parameters relevant to the product	Considering the nature of the Company's business, this is not directly applicable, as the Company supplies its products to OEMs, who further process them into final products delivered to end customers. Accordingly, communication and guidance related to the safe and responsible use of the final products are primarily managed by the OEMs.
Safe and responsible usage	
Recycling and/or safe disposal	

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

	FY 2026			FY 2025		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Others (Products defects reported)	Nil	Nil	-	Nil	Nil	-

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

	Number	Reasons for recall
Voluntary recalls	Nil	-
Forced recalls	Nil	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

   The website privacy policy is already in place, and we are in the process of creating a policy framework to comply with the DPDPA 2023.

   Based on the DPDP Act compliance, activity has already started and implementation has been considered for FY'27.

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.

   NA, Not applicable as No such issues happened.

7. Provide the following information relating to data breaches:

   a. Number of instances of data breaches - Nil

   b. Percentage of data breaches involving personally identifiable information of customers – Nil

   c. Impact, if any, of the data breaches – NA

Leadership Indicators

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

   Yes, product-specific information is available on our website: https://www.kirloskarferrous.com/products

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

   The Company works closely with OEM customers who process products into final applications delivered to end users. This collaborative business model enables OEMs to provide product-specific guidance and communication on the safe and responsible use of the final products directly to customers.

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

   Not applicable, as KFIL does not provide essential services

   However, KFIL maintains continuous communication with customers to identify concerns at an early stage and enable collaborative, mutually beneficial solutions.

4. A) Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) B) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Not Applicable – KFIL manufactures pig iron, castings, seamless tubes, and steel products, which are primarily industrial and intermediate products supplied to OEMs and business customers. Accordingly, product information disclosures are provided in line with applicable statutory and customer-specific requirements, and additional consumer-facing product labelling beyond legal requirements is generally not applicable.

   Customer satisfaction is evaluated through a Customer Satisfaction Survey (CSS) conducted periodically by an external professional agency. The survey assesses key parameters such as eQ Index, Commitment Share, and Vulnerability, along with customer perceptions across multiple attributes. It is carried out through direct interviews using a structured questionnaire covering aspects like brand image, business support, research and development, product quality, order execution, delivery, packaging, and interaction with the sales team.

Independent Assurance Statement

To,

Kirloskar Ferrous Industries Limited One Avante, Level 5, Karve Road, Kothrud, Pune, 411038

Independent Assurance Statement to Kirloskar Ferrous Industries Limited on select non-financial sustainability disclosures in the Business Responsibility and Sustainability Report for the financial year 2025-2026.

Introduction and objective of engagement

Kirloskar Ferrous Industries Limited (the 'Company') has developed its Business Responsibility and Sustainability Report (BRSR) 2025-2026 (the 'Report') based on the BRSR reporting guidelines, including the BRSR Core indicators prescribed by the Securities and Exchange Board of India ('SEBI') for listed entities. The reporting criteria have been derived from the Principles of National Guidelines on Responsible Business Conduct (NGRBC), and Greenhouse Gas (GHG) Protocol - A Corporate Accounting and Reporting Standard.

BDO India Services Private Limited ("BDO India") was engaged by the Company to provide independent assurance on BRSR Core

indicators of the Report that includes the Company's performance for the period from 1st April 2025 through 31st March 2026.

The Company's responsibilities

The Report content and its presentation are the sole responsibilities of the management of the Company. The Company management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement, whether due to fraud or error.

BDO India's responsibilities

BDO India's responsibility, as agreed with the management of the Company, is to provide assurance on the Report content as described in the 'Scope, boundary & assurance criteria' section below. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance a third party may place on the Report is entirely at its own risk.

Assurance standard

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and ISAE 3410, "Assurance Engagements on Greenhouse Gas Statement" issued by the International Auditing and Assurance Standards Board (IAASB).

Scope, boundary & assurance criteria

The reporting scope and boundary cover the Company's standalone operations.

We applied the 'Limited' Assurance criteria for non-financial BRSR Core Indicators1, pertaining to the Company's disclosure for the period from 1st April 2025 through 31st March 2026.

Verification of non-financial sustainability performance data on sample basis, based on our professional judgment was virtually conducted for the following plants :

1. Baramati
2. Jejuri
3. Koppal

Assurance methodology

Our assurance process entails conducting procedures to gather evidence regarding the reliability of the disclosures covered in the assurance scope. We conducted a review and verification of data collection, collation, and calculation methodologies, and a general review of the logic of inclusion/ omission of relevant information/ data in the Report. Our review process included:

- Evaluation and assessment of the appropriateness of the quantification methods used to arrive at the non-financial sustainability information of the BRSR Core indicators in the Report;
- Review of consistency of data/information within the Report as well as between the Report and the source;
- Engagement through discussions with personnel at the corporate level who are accountable for the data and information presented in the Report;
- Execution of an audit trail of claims and data streams, to determine the level of accuracy in collection, transcription, and aggregation;
- Review of data collection and management procedures, and related internal controls.

Limitations and exclusions:

There are inherent limitations in an assurance engagement, including, for example, the use of judgement and selective testing of data. Accordingly, there are possibilities that material misstatements in the Report may remain undetected.

The assurance scope excludes:

- Data and information outside the defined reporting period (from 1st April 2025 through 31st March 2026);
- Review of the 'economic and/or financial performance indicators' included in the Report or on which reporting is based; we have been informed by the Company that these are derived from the Company's audited financial statements;
- The Company's statements and claims related to any topic other than those listed in the 'Scope, boundary & assurance criteria';
- The Company's statements that describe qualitative/ quantitative assertions, expression of opinion, belief, inference, aspiration/targets, expectation, aim or future intention.

Our observations

We have reviewed the disclosures in the "Report" for the reporting period from 1st April 2025 through 31st March 2026. The disclosures

of the Company, covered under the 'Scope, boundary & assurance criteria', are fairly reliable.

Our conclusion

Based on the scope of our review, we conclude that nothing has come to our attention that causes us not to believe that the disclosures of the Company are presented fairly, in material respects, in accordance with the relevant reporting guidelines/ standards.

Our assurance team and independence

BDO India Services Private Limited is a professional services firm providing services in Advisory, Assurance, Tax, and Business Advisory Services, to both domestic and international organizations across industry sectors. Our non-financial assurance practitioners for this engagement are drawn from a dedicated Sustainability and ESG Team in the organization. This team is comprised of multidisciplinary professionals, with expertise across the domains of sustainability, global sustainability reporting standards and principles, and related assurance standards. This team has extensive experience in conducting independent assurance of sustainability data, systems, and processes across sectors and geographies. As an assurance provider, BDO India is required to comply with the independence requirements set out in the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. Our independence policies and procedures ensure compliance with the Code.

For BDO India Services Private Limited

Indra Guha
Partner | Sustainability & ESG Business Advisory Services
Gurugram, Haryana
9 July 2026

BRSR Value Chain Disclosure

Executive Summary

In today's dynamic industrial environment shaped by climate change, technological evolution, and geopolitical shifts, robust supply chain resilience and sustainability have become strategic priorities. For engineered solutions providers like Kirloskar Ferrous Industries Limited (**"KFIL"/ "Company"**), these drivers pose both challenges and opportunities: innovation cycles are accelerating, ESG regulations are tightening, and disruptions, from supply shocks to regulatory changes, are emerging more frequently. As a result, KFIL is moving beyond conventional cost-driven approaches to embrace value-led, ecosystem-based sourcing strategies that enhance transparency, trust, and long-term competitiveness.

Resilience and sustainability underpin KFIL's supply chain ethos. Operating across critical sectors such as manufacturing, oil & gas, power, and refrigeration, KFIL recognizes its responsibility to reduce emissions, manage resources responsibly, and ensure ethical supplier practices. Our ESG Policy that is aligned with global frameworks extends to value chain ensuring our partners adopt best-in-class environmental, social, and governance standards.

This Value Chain Report (**"Report"**) has been structured to disclose the performance of our value chain against the BRSR Core framework, a streamlined version of the broader sustainability reporting standard by Securities and Exchange Board of India (SEBI). Pursuant to SEBI Circular No. SEBI/HO/CFD/CFD PoD 1/P/CIR/2025/42 dated March 28, 2025, the requirement for disclosing and assuring value chain data that has been deferred by one year, with the reporting boundary now covering partners contributing 2% to the purchases or sales value, cumulatively covering up to 75% of total value.

KFIL is utilizing this extended timeline to further reinforce ESG due diligence across its value chain and enhance the availability, quality, and consistency of supplier level ESG data. Through structured collaboration with its suppliers, KFIL aims to identify and mitigate potential ESG risks, promote continuous improvement, and ensure preparedness for future regulatory requirements, while collectively driving long term value creation and sustainable development.

ESG Commitment and Governance

KFIL's Environmental, Social, and Governance (ESG) framework provides a structured approach for embedding sustainability across its operations and extended value chain. The framework guides the Company's efforts to minimize ESG impacts through initiatives focused on energy efficiency, increased use of renewable energy, resource optimization, employee well being, workplace health and safety, risk management, ethical practices and regulatory compliance.

As part of its commitment to responsible and resilient supply chain management, KFIL actively engages with its value chain partners to strengthen ESG integration. The Company encourages responsible sourcing practices, increased engagement with local and MSME suppliers, and adoption of resource efficient and low carbon practices. KFIL has also demonstrated operational agility and supply chain resilience by proactively managing disruptions, including fuel and energy supply risks, through alternative sourcing and energy transition initiatives.

Through these measures, KFIL continues to enhance supply chain sustainability, transparency, and accountability, while supporting the systematic assessment and disclosure of BRSR Core indicators in line with the National Guidelines on Responsible Business Conduct (NGRBC).

Approach to Supplier Engagement and Data Collection

KFIL's approach follows a structured methodology to gather data against the BRSR Core framework.

1. **Supplier Prioritization:** Identification of suppliers meeting SEBI-defined value thresholds (≥2% procurement value), covering up to 75% of total procurement spend.
2. **Structured data collection:** Deployment of standardized questionnaires based on BRSR Core environmental, social, and governance indicators.
3. **Capacity Building:** Conducted BRSR Core sensitization workshops covering a detailed walkthrough of the nine core indicators and their computation.

Reporting Scope

This Report has been prepared in accordance with the SEBI BRSR Core framework and covers upstream value chain partners that meet the revised materiality thresholds prescribed under the SEBI Circular dated March 28, 2025. The reporting boundary has been carefully defined to ensure accuracy, comparability, and consistency across all indicators evaluated.

For FY 2024-25, KFIL's total procurement spend stood at INR 5,486 crore. In accordance with the regulatory requirement to include value chain partners contributing ≥2% of annual procurement spend; the assessment boundary includes suppliers meeting this threshold. This assessment identified 20 suppliers who accounted for 2% or more of the total procurement spend. We have received partial information from few suppliers who independently meet the SEBI-defined threshold; however, this data has not been included in the current Report to maintain consistency across indicators and avoid reporting gaps that could arise due to incomplete submissions. The scope of the Report presents complete and verifiable BRSR core information of suppliers who account for 21% of KFIL's procurement spend; given that these partners are publicly listed entities, the required supplier information was sourced from publicly available disclosures.

KFIL is committed to building the readiness of its suppliers and is actively engaging with them to support their ability to collect, maintain, and report BRSR-aligned data in future reporting cycles.

ESG Performance of Value Chain Partners

The BRSR Core framework focuses on a set of nine essential ESG attributes that enable companies to disclose high quality, assured, and comparable sustainability information. These indicators represent priority areas where ESG performance can have material impacts on a company's operations, supply chain, and long term value creation. The nine attributes cover critical aspects of business responsibility, such as greenhouse gas emissions, water management, workforce well-being, waste handling, and ethical practices. They are designed to encourage responsible conduct, enhance transparency, and drive improved ESG maturity across industry value chains. For KFIL, these attributes provide a structured lens through which to assess and engage its suppliers, ensuring that environmental stewardship, social responsibility, and governance integrity are upheld across the ecosystem.

Greenhouse gas footprint

Sr. No.	Attribute	Parameter	UOM	FY 2025	FY 2024
1.	Greenhouse Gas (GHG) Footprint	Total Scope 1 emissions	MT	8,45,26,711	8,00,61,422
		Total Scope 2 emissions	MT	35,20,395	33,56,696
		GHG emission intensity (Scope 1 +2)	MT/Unit of output*	-	-
			MTCO2e/INR adjusted for Purchasing Power Parity (PPP)*	-	-

*Intensity values have not been disclosed due to differences or inconsistencies in reporting and units of measurement.

Water Footprint

Sr. No.	Attribute	Parameter	UOM	FY 2025	FY 2024
1.	Water footprint	Total water consumption	KL	11,13,35,627	10,71,54,921
		KL/ Unit of output*	-	-	
			KL/INR adjusted for PPP*	-	-
		Water discharge by destination and levels of treatment			
		To Surface water			
		- No Treatment	KL	-	-
		- With Treatment	KL	36,46,610	19,93,000
		(ii) To Groundwater			
		- No Treatment	KL	24,030	18,000
		- With Treatment	KL	-	-
		(iii) To Seawater			
		- No Treatment	KL	1,71,89,680	2,43,70,000
		- With Treatment	KL	-	-

Sr. No.	Attribute	Parameter	UOM	FY 2025	FY 2024
		(iv) Sent to third parties			
		- No Treatment	KL	-	-
		- With Treatment	KL	-	-
		(v) Others			
		- No Treatment	KL	20,510	16,000
		- With Treatment	KL	-	-
		Total water discharged	**KL**	**2,08,80,830**	**2,63,97,000**

*Intensity values have not been disclosed due to differences or inconsistencies in reporting and units of measurement.

Energy Footprint

Sr. No.	Attribute	Parameter	UOM	FY 2025	FY 2024
1.	Energy footprint	Total energy consumption	GJ	90,07,28,496	85,92,07,865
		Energy consumed from renewable sources	GJ	34,51,017	21,62,849
		% Energy consumed from renewable sources	%	0.26	0.18
		Energy intensity	GJ/ Unit of output*	-	-
			GJ/ INR adjusted for PPP*	-	-

*Intensity values have not been disclosed due to differences or inconsistencies in reporting and units of measurement.

Embracing Circularity

Sr. No.	Attribute	Parameter	UOM	FY 2025	FY 2024
1.	Embracing circularity	Plastic waste	MT	6,313	5,271
		E-waste	MT	283	320
		Bio-medical waste	MT	1	0.2
		Construction and demolition waste	MT	78	61
		Battery waste	MT	220	408
		Radioactive waste	MT	0	0
		Other hazardous waste	MT	3,86,273	3,59,859
		Other non-hazardous waste	MT	28,976,048	24,384,526
		Total waste generated	**MT**	**2,93,69,217**	**2,47,50,449**
		Waste intensity	MT/ Unit of output*	-	-
			MT/INR adjusted for PPP*	-	-
2.	Waste recovered through recycling, re-using or other recovery options	Waste recycled	MT	2,13,59,132	1,52,10,838
		Waste reused	MT	25,47,574	56,50,739
		Waste recovered through other recovery options	MT	176	17,21,574
		Total waste recovered	**MT**	**2,39,06,883**	**2,25,83,151**
3.	Waste disposed by nature of disposal method	Waste incinerated	MT	525	1,433
		Waste sent to landfill	MT	23,53,809	8,79,594
		Waste disposed through other disposal options, mention the details	MT	2,78,92	12,03,784
		Total waste recovered	**MT**	**23,82,227**	**20,84,812**

*Intensity values have not been disclosed due to differences or inconsistencies in reporting and units of measurement.

Enhancing Employee Well-being and Safety

Sr. No.	Attribute	Parameter	UOM	FY 2025	FY 2024
1.	Enhancing employee well-being and safety	Amount spent towards safety and well-being measures as a % of total revenue of the company	%	0.05	0.21
2.	Safety-related incident: Employees	Number of Permanent Disabilities due to safety incidents	Number	1	6
		Lost Time Injury Frequency Rate (LTIFR)	Number	0.13	0.07
		Number of fatalities	Number	1	2
3.	Safety-related incident: Workers	Number of Permanent Disabilities due to safety incidents	Number	7	13
		Lost Time Injury Frequency Rate (LTIFR)	Number	0.09	0.10
		Number of fatalities	Number	15	8

Enabling Gender Diversity

Sr. No.	Attribute	Parameter	UOM	FY 2025	FY 2024
1.	Embracing employee well-being and safety	Gross wages paid to women/female employees and workers as a % of total wages paid	%	5.77	5.55
2.	Complaints on POSH	Total Complaints on Sexual Harassment (POSH) reported	Number	18	5
		Complaints as a % of women/female employees and workers	%	0.07-2.23	0.11-0.25
		Complaints on POSH upheld	Number	13	3

Enabling Inclusive Development

Sr. No.	Attribute	Parameter	UOM	FY 2025	FY 2024
1.	Enabling inclusive development	Total amount of Input material directly sourced from MSMEs/ small producers as a % of total amount of purchases	%	5.58-31.8	4-33.76
		Total wages paid to persons in smaller towns as a % of total wages paid*			
		Rural	%	0-31.52	0-30.02
		Semi-urban	%	2.37-46.24	0-23.56
		Urban	%	0-24.65	0-23.56
		Metropolitan	%	22.24-90.51	29.8-91.34

Fairness in engaging with Customers and Suppliers

Sr. No.	Attribute	Parameter	UOM	FY 2025	FY 2024
1.	Fairness in engaging with customers and suppliers	Number of instances involving loss/breach of data of customer as a % of total data breaches	%	0	0
		Number of days of accounts payable	Number	207	218

Openness of Business

Sr. No.	Attribute	Parameter	UOM	FY 2025	FY 2024
1.	Openness of Business	Purchases from trading houses as a % of total purchases	%	6.37-20.65	6.91-32.2
		Purchases from top 10 trading houses as a % of total purchases from trading houses	%	62.9-99.69	65.5-99.1
		Number of trading houses purchases are made from	Number	2,560	1,687
		Sales to dealers/distributors as a % of total sales	%	7.04-82.1	8.58-71.27
		Sales to top 10 dealers/distributors as a % of total sales to dealers and distributors	%	0.59-68.18	0.55-57.91
		Number of dealers/distributors to whom sales are made	Number	30,887	28,175
2.	Related-party transactions	Purchases with related parties as a % of total purchases	%	0.28-30.3	0.2-34
		Sales to related parties as a % of total sales	%	0.25-34.76	0.16-30.7
		Loans and advances to related parties as a % of total loans and advances	%	0.73-100	0.7-99
		Investments in related parties as a % of total investments	%	0.86-100	0.9-99

Independent Auditors' Report

To The Members of
Kirloskar Ferrous Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of Kirloskar Ferrous Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of Material Accounting Policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the standalone state of affairs of the Company as at March 31, 2026, and its standalone profit (including Other Comprehensive Income), standalone changes in equity and its standalone cash flows for the year ended on that date.

Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Emphasis of Matter

We draw attention to Note 52 of the Standalone Financial Statements which fully explains that by virtue of approval of Scheme of arrangement and merger by absorption of Oliver Engineering Private Limited ('Transferor Company 1') and Adicca Energy Solutions Private Limited ('Transferor Company 2') (together the 'Transferor Companies') with the Company, their respective shareholders and creditors ('the Scheme') by Hon'ble National Company Law Tribunal (NCLT) Mumbai Bench vide order dated June 02, 2026 with effect from April 01, 2025 ('Appointed Date'), the Standalone Financial Statements approved by Board on May 07, 2026 have been updated to give the effect of merger in accordance with Appendix C to Ind AS 103 read with related accounting pronouncements, as set out in the aforesaid note.

Further, explanation with respect to the evaluation performed by management in respect of the unabsorbed depreciation and carried forward business losses of the transferor companies that were transferred and vested in the Company pursuant to the sanctioned scheme of merger and consequential effect on Current Tax and Deferred Tax is also provided in the said note.

Consequently, our report on the Standalone Financial Statements dated May 07, 2026 having UDIN 26117309CSXTNY6855 and 26117695JWEMXO7558 stands cancelled.

Our opinion on Standalone Financial Statements is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements for financial year ended March 31, 2026. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	**Contingent Liability** The Company is involved in various litigations including direct and indirect tax litigations that are pending with various tax authorities as mentioned in Note No. 50 of the Standalone Financial Statements. Whether a liability is recognized or disclosed as a contingent liability in the standalone financial statements is inherently judgmental and dependent on assumptions and assessments. We placed specific focus on the judgements in respect to these demands against the Company. Determining the amount, if any, to be recognized or disclosed in the standalone financial statements, is inherently subjective. Therefore, these litigations amount is considered to be a key audit matter.	• Obtained an understanding from the management with respect to process and controls followed by the Company for identification and monitoring of significant developments in relation to the litigations, including completeness thereof. • Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations. • Assessed management's discussions held with their legal consultants and understanding precedents in similar cases; • Obtained and evaluated the confirmations from the consultants representing the Company before the various authorities and our own dedicated teams of direct tax and indirect tax. • Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the standalone financial statements.
2.	**Capital Expenditure in respect of Property, Plant and Equipment (PPE)** The Company has incurred significant expenditure on capital projects, as reflected by additions in property plant and equipment including capital work in progress in note no. 5 of the standalone financial statements. We considered Capital expenditure to PPE as a Key audit matter due to: • Significance of amount incurred on such items during the year ended March 31, 2026. • Judgement and estimate required by management in assessing assets meeting the capitalisation criteria set out in Ind AS 16 Property, Plant and Equipment. • Judgement involved in determining the eligibility of costs including borrowing cost and other directly attributable costs for capitalisation as per the criteria set out in Ind AS 16 Property, Plant and Equipment.	• We obtained an understanding of the Company's capitalisation policy and assessed for compliance with the relevant accounting standards. • We obtained understanding, evaluated the design and tested the operating effectiveness of internal controls related to capital expenditure and capitalisation of assets. • Reviewed management's evaluation of project in progress and their intent to bring assets to its intended use. • We performed substantive testing on a sample basis for various elements of capitalised costs and directly attributable cost, including verification of underlying supporting evidence and understanding nature of the costs capitalised. • We have tested on sample basis the appropriate classification of asset category and its useful life in accordance with the Schedule II of the Companies Act 2013. • We have obtained componentisation and Completion reports for capitalisation carried out during the year, wherever applicable and have assessed appropriateness of basis of componentisation and stages of completion. • In relation to borrowing costs we obtained the supporting calculations, tested the inputs to the calculation and tested the arithmetical accuracy of the model.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Corporate Governance and Board of Director's report, but does not include the standalone Financial Statements and our auditor's report thereon. This information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the information as mentioned above, if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Financial Statements that give a true and fair view of the standalone financial position, standalone financial performance including other comprehensive income, standalone changes in equity and standalone cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

We also:

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

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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 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, 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, the Statement of Changes in Equity and the Statement of Cash Flow 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 Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid by the company to its directors is in accordance with the provisions of section 197 of the Act and remuneration paid to directors is not in excess of the limit laid down under this section.

   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 on its financial position in its Standalone Financial Statements – Refer Note No. 50 to the Standalone Financial Statements.

      (ii) The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.

      (iii) There is no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      (iv) (a) The management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The management has represented to us, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (c) Based on the information and explanation given to us and audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the management and as mentioned under sub-clause (iv)(a) and (iv)(b) above contain any material misstatement.

      (v) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

      (vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Other Matters

a. The accompanying Standalone Financial Statements includes the audited financial statements and other financial information, in respect of Transferor Company 1, whose financial statements include total assets of Rs. 261.61 Crores as at March 31, 2026, total income of Rs. 118.36 Crores, total net (loss) after tax of Rs. (17.78) Crores, total comprehensive income of Rs. (17.75) Crore and net cash inflow of Rs. 4.74 Crore for the year ended March 31, 2026. All the above figures are before effect of merger. These Audited financial Statements have been audited by one of the Joint Statutory Auditors. The opinion of the other Joint Statutory Auditors, in so far as it relates to the affairs of the transferor Company 1, is based solely on such Audited financial Statements.

b. The accompanying Standalone Financial Statements includes the audited financial statements and other financial information, in respect of Transferor Company 2, whose financial statements include total assets of Rs. 2.80 Crores as at March 31, 2026, Nil total income, total net (loss) after tax of Rs. (0.30) Crores, total comprehensive income of Rs. (0.30) Crore and net cash outflow of Rs. 0.04 Crore for the year ended March 31, 2026. All the above figures are before effect of merger. These Audited financial Statements have been audited by other Auditor. The opinion of the Joint Statutory Auditors, in so far as it relates to the affairs of the transferor Company 2, is based solely on such Audited financial Statements.

Our opinion on the Standalone Financial Statement 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.

For **KIRTANE & PANDIT LLP**
Chartered Accountants
Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No: 117309
Date: June 12, 2026
UDIN: 26117309JREOYM5221
Pune

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No. 101118W/W100682

Nachiket Deo
Partner
Membership No: 117695
Date: June 12, 2026
UDIN: 26117695OQGNTT3551
Pune

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 has maintained records showing particulars of property, plant & equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

(b) Property, Plant & Equipment are physically verified by the Management according to a phased program designed to cover all the items which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the Property, Plant & Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) According to information and explanation given to us and based on the examination of records provided to us, we report that, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in **Note No. 5** on Property, Plant & Equipment to the financial statements, are held in the name of the Company except for the following:

Description of property	Gross carrying value (crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held (i.e. dates of capitalisation provided in range)	Reason for not being held in the name of the Company
Freehold Land	241.46	(Erstwhile ISMT Limited)#	No	July, 2024	For immovable properties acquired through merger, the name change is under process
Buildings	187.29	(Erstwhile ISMT Limited)#	No	July, 2024	
Freehold Land	26.67	(Erstwhile OEPL)##	No	June, 2026	
Buildings	65.99	(Erstwhile OEPL)##	No	June, 2026	
Freehold Land	2.05	(Erstwhile AESPL)##	No	June, 2026	

#Immovable properties acquired from Erstwhile ISMT Limited which got merged with the Company pursuant to National Company Law Tribunal Order dated July 24, 2024.

##Immovable properties acquired from Erstwhile OEPL and AESPL which got merged with the Company pursuant to National Company Law Tribunal Order dated June 2, 2026 (Refer Note no. 52 of the financial statement)

(d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year. Accordingly reporting under Clause 3(i)(d) of the order is not applicable to the Company.

(e) According to the information and explanations provided to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Hence reporting under clause 3(i)(e) of the order is not applicable.

(ii) (a) The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. In our opinion and based on the policy adopted by the management, the coverage and procedure of such verification is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventory as compared to book records.

(b) According to the information and explanations provided to us, the company has been sanctioned working capital limits in excess of five crore rupees during the year, in aggregate, from banks or financial institutions on the basis of security of current assets. The management of the company has provided us with the quarterly returns or statements, which they have represented to us have been filed by the company with their banks or financial institutions. the quarterly returns/statements filed by the company with such banks are in agreement with the books of account of the Company.

(iii) (a) The company during the year has granted unsecured loans to employees and contractors.

The aggregate amount of loans granted during the year and balances thereof as at balance sheet date are as under:

Particulars	Loans (₹ in Crores)
Aggregate amount granted/provided during the year	
Loan to Employees	0.55
Loan to Contractors	0.32
Balances outstanding as at balance sheet date in respect of above cases	
Loan to Employees	1.63
Loan to Contractors	1.62

(b) In terms of the information and explanations given to us and the books of account and records examined by us, loans provided, securities given and the terms and conditions of the grant of all aforesaid loans and advances in the nature of loans during the year are not prejudicial to the Company's interest.

(c) In respect of the aforesaid loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated by the Company. The parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of the aforesaid loans and advances in the nature of loans, there is no amount which is overdue for more than ninety days.

(e) In respect of the loans and advances in the nature of loans granted which has fallen due during the year, no renewal or extension were granted or no fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made by it. The Company has not provided any guarantees or security to the parties covered under Section 185 and 186.

(v) In our opinion and according to information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, the provisions of Clause 3(v) of the said Order are not applicable to the Company.

(vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing Tax deducted at source, though there has been slight delay in few cases, and regular in depositing undisputed statutory dues, including goods and service tax Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Labour Welfare Fund, Cess and other material statutory dues, as applicable, with the appropriate authorities. There are no arrears of statutory dues outstanding for a period of more than six months from the date they became payable except liability of tax deductible at source of ₹ 0.005 crores which has been subsequently paid.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2026 which have not been deposited on account of a dispute, are as follows:

Name of the Statue	Nature of disputed due	Amount under dispute not deposited (₹in Crores)	Period to which amount is related	Forum where the dispute is pending
Central Excise Act, 1944	Interest on refund	0.03	FY 2003-04	Assistant Commissioner of Central Excise, Bellary
Central Excise Act, 1944	Cenvat Credit availed on Steel	0.01	FY 2010-11	Assistant Commissioner of Central Excise, Bellary
Central Excise Act, 1944	Disputes on account of determination of assessable value, availment and utilisation of CENVAT credit & other matters	1.15	FY 2008-09 to 2011-12	CESTAT

Name of the Statue	Nature of disputed due	Amount under dispute not deposited (₹in Crores)	Period to which amount is related	Forum where the dispute is pending
Central Excise Act, 1944	Refund Claim of Service Tax & KKC Cenvat Credit pertaining to Railway Siding Project	0.41	FY 2016-17 & 2017-18 (upto Jun.'17)	Commissioner Central Excise
Central Excise Act, 1944	Refund Claim of Service Tax paid on Royalty charges towards the purchase of Iron ore through e-auction	0.34	FY 2016 - 17	High Court, Bombay
CGST Act 2017 & IGST Act 2017	GST under reverse charge on Service received from Trainees (Stipend paid) & dispute of Input Tax Credit availed on inward supplies related to Construction of Railway Siding	0.61	2017 – 18	Commissioner of Central Tax (Appeals) Belgaum.
CGST Act 2017 & IGST Act 2017	Input Tax credit disallowed	0.05	FY 2020-21, 2021-22,2022-23,2023-24	Maharashtra Sales Tax Tribunal, Mumbai.
Income Tax Act 1961	Asst. Commissioner of Income Tax, Pune-Assessment Demand for-AY 2005-06-MAT Case	1.7	FY 2004-05	Hon'ble High Court Mumbai
Income Tax Act 1961	Asst. Commissioner of Income Tax, Pune-Assessment Demand for - AY 2007 - 08-MAT Case	6.51	FY 2006-07	Hon'ble High Court Mumbai
Income Tax Act, 1961	Depreciation allowance - TG-3 Assessment Demand	0.25	FY 2010-11 and FY 2011-12	Income Tax Appellate Tribunal, Pune
Income Tax Act, 1961	Tax demand raised for Guest House Expenses	0.01	FY 2013-14	Asst. Commissioner of Income Tax, Pune
Income Tax Act, 1961	Income Tax demand raised for Disallowance of prior period expenses	0.04	FY 2016-17	Commissioner of Income Tax, (Appeals) Pune
Income Tax Act, 1961	Disallowance of Depreciation on TG-III & Foreign Exchange Losses	2.44	FY 2018-19	Commissioner of Income Tax (Appeals), Pune
Income Tax Act, 1961	Disallowance of Education CESS Claimed, Creditors written off	7.92	FY 2020-21	Commissioner of Income Tax, (Appeals) Pune
Income Tax Act, 1961	Tax Demand Raised	17.53	FY 2020-21	Commissioner of Income Tax (Appeals), Pune
Income Tax Act, 1961	Tax Demand Raised	3.35	FY 2022-23	Commissioner of Income Tax, (Appeals) Pune
Income Tax Act, 1961	Income Tax Demand raise	2.07	FY 2023-24	National e-Assessment Centre, New Delhi.
Customs Act, 1962	Disputes related to exemptions, classification & other matters	5.58	FY 1990-91, FY 2008-09 to 2010-11, FY 2014-15, FY 2015-16, FY 2018-19, FY 2019-20	CESTAT
Central Excise Act, 1944	Disputes on account of determination of assessable value, availment and utilisation of CENVAT credit & other matters	10.01	FY 2007-08 to 2009-10, FY 2012-13 to FY 2017-18,FY 2015-2016 TO 2017-2018	CESTAT
		5.10	FY 14-15 to FY 2017-18	Commissioner Central Excise
		6.74	FY 2001-02 to FY 2002-03, FY 2004-05	High Court, Bombay
CGST Act, 2017	Dispute on account of transition of CENVAT credit of cess and ISD invoices	0.38	FY 2017-18	Appellate Commissioner
		0.50	FY 2017-18	Assistant Commissioner
Pune Municipal Corporation Tax	Disputed Property Tax	0.26	FY 1995-96 and FY 1996-97	High Court, Bombay
Income Tax Act, 1961	Disputed Business Expenses	0.20	FY 18-19	Assistant Commissioner
Income Tax Act, 1961	Addition in Income by Authority	23.99	FY 22-23	CIT (Commissioner of Income Tax)

Note: - Out of the total amount under dispute Rs 3.14 Crores is paid under protest.

(viii) In terms of the information and explanations given to us and the books of account and records examined by us, the Company has not surrendered or disclosed any transactions as income during the year in the tax assessments under the Income Tax Act, 1961. Hence reporting under clause 3(viii) of the order is not applicable.

(ix) (a) According to the records of the company examined by us and the information and explanation given to us, during the year, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender as at the balance sheet date. However, loans amounting to ₹ 5.75 crores are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. According to the information and explanations given to us, such loans have not been demanded for repayment during the relevant financial year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, the provisions of Clause 3(x)(a) of the Order are not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, the provisions of Clause 3(x)(b) of the Order are not applicable to the Company.

(xi) (a) According to the information and explanation given to us and based on our examination of records, no material fraud by the Company or on the Company has been noticed or reported.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, report in the form ADT-4 as specified under sub-section (12) of section 143 of the Companies Act has not been filed. Accordingly reporting under clause 3(xi)(b) of the order is not applicable.

(c) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and as represented to us by the management, there are no whistle blower complaints received by the company during the year.

(xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act, as applicable. The details of related party transactions have been disclosed in the financial statements (Note No. 49) as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

(xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the company issued till date, for the period under audit.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and procedures performed by us, we report that the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, reporting under clause 3(xvi)(b) of the order is not applicable.

(c) According to the information and explanations given to us and procedures performed by us, the Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence reporting under clause 3(xvi)(c) of the order is not applicable.

(d) In our opinion, and according to the information and explanation given to us, in the group (in accordance with Core Investment Companies (Reserve Bank) Directions, 2016), there are two companies forming part of the promoter/promoter group of the Company which are CICs. (These are unregistered CICs as per Para 9.1 of Notification No. RBI/2020-21/24 dated 13th August 2020 of the Reserve Bank of India).

(xvii) The Company has not incurred cash losses during current financial year and had not incurred cash losses during immediately preceding financial year.

(xviii) There has been no resignation by statutory auditors during the year hence reporting under clause 3(xviii) of the order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of 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) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, reporting under clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **KIRTANE & PANDIT LLP** Chartered Accountants Firm Registration No.105215W/W100057	For **P G BHAGWAT LLP** Chartered Accountants Firm Registration No. 101118W/W100682
Parag Pansare Partner Membership No: 117309 Date: June 12, 2026 UDIN: 26117309JREOYM5221 Pune	**Nachiket Deo** Partner Membership No: 117695 Date: June 12, 2026 UDIN: 26117695OQGNTT3551 Pune

Annexure B to the Independent Auditors' 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 with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the Standalone Financial Statements of Kirloskar Ferrous Industries Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Company has, in all material respects, adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as at March 31, 2026, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls with reference to standalone financial statements issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Standalone Financial Statements.

Meaning of Internal Financial controls with reference to the Standalone Financial Statements

A company's internal financial controls with reference to the Standalone Financial Statements 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 controls with reference to the Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Financial Controls with reference to Standalone financial statements insofar as it relates to the Transferor Companies (Refer Emphasis of Matter paragraph in our report on Audit of Standalone Financial Statements) which are companies incorporated in India, is based solely on the corresponding reports of one of the Joint Auditor in case of Transferor Company 1 and other auditor in case of Transferor Company 2. Our opinion is not modified in respect of the above matters.

For **KIRTANE & PANDIT LLP**
Chartered Accountants
Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No: 117309
Date: June 12, 2026
UDIN: 26117309JREOYM5221
Pune

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No. 101118W/W100682

Nachiket Deo
Partner
Membership No: 117695
Date: June 12, 2026
UDIN: 26117695OQGNTT3551
Pune

Standalone Balance Sheet

as at 31st March 2026

₹ in Crores

Particulars	Note No.	As at 31st March, 2026	As at 31st March, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,584.71	3,486.67
Capital work-in-progress	5	312.25	336.80
Other Intangible assets	6	25.70	26.33
Intangible assets under development	6	19.96	2.00
Financial assets			
(i) Investments	7	0.94	0.94
(ii) Loans	8	0.32	0.14
(iii) Other financial assets	9	42.38	45.28
Deferred tax assets		-	-
Other non-current asset	10	122.09	79.14
Total non-current assets		**4,108.35**	**3,977.30**
Current assets			
Inventories	11	1,073.28	1,126.71
Financial assets			
(i) Trade receivables	12	1,089.96	1,044.05
(ii) Cash and cash equivalents	13	86.95	42.18
(iii) Bank balances other than (ii) above	13	34.85	26.70
(iv) Loans	14	2.93	2.25
(v) Other financial assets	15	32.57	17.51
Current tax assets (net)	16	18.05	9.26
Other current assets	17	142.01	102.63
Total current assets		**2,480.60**	**2,371.29**
TOTAL ASSETS		**6,588.95**	**6,348.59**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	82.46	82.31
Other equity	19	3,781.53	3,354.52
Total Equity		**3,863.99**	**3,436.83**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	236.76	417.12
Lease Liabilities	21	1.35	1.58
Provisions	22	21.67	12.32
Deferred tax liabilities (Net)	23	234.70	244.73
Total non-current liabilities		**494.48**	**675.75**

Standalone Balance Sheet (Contd.)

as at 31st March 2026

₹ in Crores

Particulars	Note No.	As at 31st March, 2026	As at 31st March, 2025
Current liabilities			
Financial liabilities			
(i) Borrowings	24	797.54	858.74
(ii) Lease Liabilities	25	0.49	0.83
(iii) Trade payables	26		
- Total outstanding dues of micro enterprises and small enterprises		59.09	57.61
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,120.85	1,012.67
(iv) Other financial liabilities	27	124.52	187.68
Other current liabilities	28	86.83	82.59
Provisions	29	41.16	35.89
Current tax liability	30	-	-
Total current liabilities		**2,230.48**	**2,236.01**
Total liabilities		**2,724.96**	**2,911.76**
TOTAL EQUITY AND LIABILITIES		**6,588.95**	**6,348.59**

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For and on behalf of The Board of Directors

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

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No. 101118W/W100682

RAHUL KIRLOSKAR
Chairman
DIN 00007319

R.V. GUMASTE
Managing Director
DIN 00082829

PARAG PANSARE
Partner
Membership No. 117309
Pune 12th Jun 2026

NACHIKET DEO
Partner
Membership No. 117695
Pune 12th Jun 2026

R.S.SRIVATSAN
Executive Director (Finance) & Chief Financial Officer
DIN 09607651
Pune 12th Jun 2026

MAYURESH GHARPURE
Company Secretary
Pune 12th Jun 2026

Standalone Statement of Profit and Loss

for the year ended 31st March 2026

₹ in Crores

Particulars	Note No.	For the year ended 31st March 2026	For the year ended 31st March 2025
INCOME			
Revenue from operations	31	6,888.57	6,564.22
Other Income	32	62.36	49.69
Total Income		**6,950.93**	**6,613.91**
EXPENSES			
Cost of materials consumed	33	3,864.17	3,780.13
Purchases of stock-in-trade		18.80	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	13.14	(48.93)
Employee benefits expense	35	369.83	352.74
Finance costs	36	125.37	144.44
Depreciation and amortization expense	37	266.91	255.83
Other expenses	38	1,780.88	1,723.84
Total expenses		**6,439.10**	**6,208.05**
Profit/(loss) before exceptional items and tax		511.83	405.86
Exceptional items	39	(17.66)	-
Profit/(Loss) before tax		**494.17**	**405.86**
Tax expenses			
(1) Current tax		-	97.23
(2) Short/(excess) for the earlier years		1.38	(1.44)
(3) Deferred tax		(11.95)	19.07
Profit for the year		**504.74**	**291.00**
Other Comprehensive Income			
Items that will not be reclassified to profit or (loss)			
Remeasurements of post-employment benefit obligations		7.69	(14.14)
Income tax relating to above		(1.93)	3.56
Fair value changes on equity instruments through Other Comprehensive Income		-	(0.19)
Income tax relating to above		-	0.04
Other Comprehensive Income for the year, net of tax		**5.76**	**(10.73)**
Total Comprehensive Income for the year (comprising profit and Other Comprehensive Income for the year)		510.50	280.27
Earnings per equity share (for continuing operations)	41		
Basic (₹)		30.63	17.69
Diluted (₹)		30.53	17.59

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For and on behalf of The Board of Directors

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

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No.
101118W/W100682

RAHUL KIRLOSKAR
Chairman
DIN 00007319

R.V. GUMASTE
Managing Director
DIN 00082829

PARAG PANSARE
Partner
Membership No. 117309
Pune 12th Jun 2026

NACHIKET DEO
Partner
Membership No. 117695
Pune 12th Jun 2026

R.S.SRIVATSAN
Executive Director (Finance) & Chief Financial Officer
DIN 09607651
Pune 12th Jun 2026

MAYURESH GHARPURE
Company Secretary
Pune 12th Jun 2026

Standalone Cash Flow Statement

for the year ended 31st March 2026

₹ in Crores

Particulars	For the year ended 31st March 2026		For the year ended 31st March 2025	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit/(Loss) before tax		494.17		405.86
Add/(Less):				
Depreciation	266.91		255.83	
(Profit)/Loss on sale of assets	8.15		5.61	
Allowance for credit losses (including Expected credit loss)	0.41		5.04	
Bad debts written off	0.23		-	
Unrealised foreign exchange (gain)/loss	0.94		1.89	
Employee share-based payment expense	2.63		5.95	
Remeasurements of post-employment benefit obligations	7.69		(14.13)	
Fair value changes in derivative financial instrument	(15.36)		3.33	
Finance costs	125.37		144.17	
Profit on lease retirement	-		(0.49)	
Interest income	(5.66)		(3.82)	
Profit on redemption of mutual funds	(0.10)		(0.06)	
Provision no longer required written back	(9.21)		(25.66)	
Sundry credit balances appropriated	-		(1.77)	
		382.00		**375.89**
Operating profit before working capital changes		**876.17**		**781.75**
Movements in working capital:				
Decrease/(increase) in inventories	53.43		(99.89)	
Decrease/(increase) in trade receivables	(46.55)		(146.12)	
Decrease/(increase) in non-current loans	(0.18)		(0.04)	
Decrease/(increase) in other non-current assets	(22.79)		7.42	
Decrease/(Increase) in others non-current financial assets	3.53		-	
Decrease/(increase) in current loans	(0.68)		(0.03)	
Decrease/(increase) in other current assets	(39.38)		(2.62)	
Decrease/(increase) in bank balance other than cash and cash equivalents	(8.16)		(17.41)	
(Increase)/decrease in other current financial assets	(2.00)		(22.11)	
Increase/(decrease) in trade payables	118.11		224.39	
Increase/(decrease) in other current financial liabilities	1.79		3.68	
Increase/(decrease) in other current liabilities	4.24		12.60	
Increase/(decrease) in non-current provisions	9.35		(0.76)	
Increase/(decrease) in current provisions	5.27		13.38	
		75.98		**(27.51)**
Cash generated from Operations		**952.15**		**754.24**
Taxes paid		(10.17)		(92.55)
Net cash from Operating Activities (A)		**941.98**		**661.69**

Standalone Cash Flow Statement (Contd.)

for the year ended 31st March 2026

₹ in Crores

Particulars	For the year ended 31st March 2026		For the year ended 31st March 2025	
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of property, plant and equipment including CWIP and capital advances	(448.25)		(487.40)	
Proceeds from sale of property, plant and equipment	0.42		5.65	
Investment in other financial assets	-		(0.04)	
Interest received	3.99		4.36	
Profit on redemption of Mutual funds	0.10		0.06	
Net Cash from Investing Activities (B)		**(443.74)**		**(477.37)**
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Interest paid & Other borrowing costs Paid	(125.14)		(144.07)	
Proceeds from long term borrowings (net)	(168.61)		(119.91)	
Proceeds/(repayment) from short term borrowings	(72.95)		174.98	
Payment of lease liabilities	(0.81)		(1.77)	
Issue of equity shares	4.67		5.22	
Dividend paid	(90.63)		(90.51)	
Net Cash from Financing Activities (C)		**(453.47)**		**(176.06)**
Net Increase/(decrease) in cash and cash equivalents (A + B + C)		**44.77**		**8.26**
Cash and Cash Equivalents at the beginning of the Period	**42.18**		**32.90**	
Cash and Cash Equivalents acquired pursuant to business combination			**1.02**	
Cash and Cash Equivalents at the end of the year	**86.95**		**42.18**	

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For and on behalf of The Board of Directors

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

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No. 101118W/W100682

RAHUL KIRLOSKAR
Chairman
DIN 00007319

R.V. GUMASTE
Managing Director
DIN 00082829

PARAG PANSARE
Partner
Membership No. 117309
Pune 12th Jun 2026

NACHIKET DEO
Partner
Membership No. 117695
Pune 12th Jun 2026

R.S.SRIVATSAN
Executive Director (Finance) & Chief Financial Officer
DIN 09607651
Pune 12th Jun 2026

MAYURESH GHARPURE
Company Secretary
Pune 12th Jun 2026

Standalone Statement of Changes in Equity

for the year ended 31st March 2026

A. Equity Share Capital (Note 18)

₹ in Crores

Opening Balance as on 1st April 2024	Changes in equity share capital during the year: Shares pending issuance	Changes in equity share capital during the year: Shares issued during the year	Closing Balance as on 31st March 2025
69.66		12.65	82.31

₹ in Crores

Opening Balance as on 1st April 2025	Changes in equity share capital during the year: Shares pending issuance	Changes in equity share capital during the year: Shares issued during the year	Closing Balance as on 31st March 2026
82.31	-	0.15	82.46

B. Other Equity (Note 19)

₹ in Crores

Particulars	Reserves and surplus: Securities premium	Reserves and surplus: General reserve	Reserves and surplus: Surplus of profit or loss	Equity Instruments through Other Comprehensive Income	Share options outstanding account	Share Application Money pending allotment	Capital reserve arising out of business combination	Capital reserve arising out of Merger	Total
Balance as on 1st April 2024	**214.66**	**80.00**	**1,495.35**	**0.49**	**14.03**	**0.34**	**496.83**	**855.64**	**3,157.34**
Reserves taken over on account of Merger			-14.24				10.67		-3.57
Restated Balance as on 1st April 2024	**214.66**	**80.00**	**1,481.11**	**0.49**	**14.03**	**0.34**	**507.50**	**855.64**	**3,153.77**
Total Comprehensive Income									
Profit for the year	-	-	291.00	-	-	-	-	-	291.00
Other Comprehensive Income									
Remeasurement of defined benefit liability (net of tax)	-	-	(10.57)		-	-	-	-	(10.57)
Fair value changes on equity Instruments through other comprehensive income	-	-		(0.15)	-	-	-	-	(0.15)
Transfer to General Reserve	-	5.00	(5.00)	-	-	-	-	-	-
Employee stock option expense	-	-	-	-	5.95	-	-	-	5.95
Share application money received	-	-	-	-	-	5.22	-	-	5.22
Issue of equity shares on account of exercise of employee stock options	8.74	-	-	-	(3.51)	(5.42)	-	-	(0.19)
Lapse of employee stock options	-	-	1.10	-	(1.10)	-	-	-	-
Distribution to shareholders									
Final dividend	-	-	(41.13)	-	-	-	-	-	(41.13)
Interim dividend	-	-	(49.38)	-	-	-	-	-	(49.38)
Balance as on 31st March 2025	**223.40**	**85.00**	**1,667.13**	**0.34**	**15.37**	**0.14**	**507.50**	**855.64**	**3,354.52**

Standalone Statement of Changes in Equity (Contd.)

for the year ended 31st March 2026

₹ in Crores

Particulars	Reserves and surplus			Equity Instruments through Other Comprehensive Income	Share options outstanding account	Share Application Money pending allotment	Capital reserve arising out of business combination	Capital reserve arising out of Merger	Total
	Securities premium	General reserve	Surplus of profit or loss						
Total Comprehensive Income									
Profit for the year	-	-	504.74	-	-	-	-	-	504.74
Other Comprehensive Income									
Remeasurement of defined benefit liability (net of tax)	-	-	5.76	-	-	-	-	-	5.76
Fair value changes on equity instruments through other comprehensive income	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	5.00	(5.00)	-	-	-	-	-	-
Increase in Non-controlling interest on account of business acquisition	-	-	-	-	-	-	-	-	-
Employee stock option expense	-	-	-	-	2.62	-	-	-	2.62
Share application money received	-	-	-	-	-	4.67	-	-	4.67
Issue of equity shares on account of exercise of employee stock options	7.40	-	-	-	(3.04)	(4.51)	-	-	(0.15)
Lapse of employee stock options	-	-	0.22	-	(0.22)	-	-	-	-
Distribution to shareholders									
Final dividend	-	-	(41.16)	-	-	-	-	-	(41.16)
Interim dividend	-	-	(49.47)	-	-	-	-	-	(49.47)
Dividend distribution tax on Interim Dividend									-
Balance as on 31st March 2026	**230.80**	**90.00**	**2,082.22**	**0.34**	**14.73**	**0.30**	**507.50**	**855.64**	**3,781.53**

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For and on behalf of The Board of Directors

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

PARAG PANSARE
Partner

Membership No. 117309

Pune 12th Jun 2026

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration No. 101118W/W100682

NACHIKET DEO
Partner

Membership No. 117695

Pune 12th Jun 2026

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Chairman
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R.S.SRIVATSAN
Executive Director (Finance)
& Chief Financial Officer
DIN 09607651

Pune 12th Jun 2026

R.V. GUMASTE
Managing Director
DIN 00082829

MAYURESH GHARPURE
Company Secretary

Pune 12th Jun 2026

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

1) THE CORPORATE OVERVIEW

Kirloskar Ferrous Industries Limited ('the Company') was incorporated in 1991, a flagship Company of Kirloskar Group, promoted by Kirloskar Oil Engines Limited and Shivaji Works Limited. Shivaji Works Limited was subsequently merged with Kirloskar Oil Engines Limited. The erstwhile Kirloskar Oil Engines Limited now changed its name and is known as Kirloskar Industries Limited.

At present, the Company is the subsidiary of Kirloskar Industries Limited. The Company is having manufacturing facilities situated at Koppal district and Chitradurga district in Karnataka State, at Solapur, Ahmednagar, Baramati and Jejuri in Maharashtra State and Rajpura in Punjab State. The Company is engaged in manufacturing of iron castings, seamless tubes and engineering steels.

2) BASIS OF PREPARATION

a) Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS). Ind AS are notified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards), Rules, 2015 as amended from time to time and other relevant provisions of the Act. Accounting policies have been consistently applied except where newly issued accounting standards or revision to existing accounting standards require changes in the existing accounting policies.

These Standalone Financial Statements are approved by the Board of Directors of the Company and authorised for issue on 12 June 2026. Pursuant to an approved Scheme of Arrangement and Merger by Absorption, sanctioned by Hon'ble National Company Law Tribunal (NCLT) Mumbai Bench vide order dated 02 June, 2026 (the details of which are stated in note 52), the Appointed Date of the Scheme is 1 April, 2025. In terms of the said Scheme, all the assets, liabilities, reserves and surplus of the transferor Companies (ie., Oliver Engineering Private Limited and Adicca Energy Solutions Private Limited) have been transferred to and vested in the Company and the earlier standalone financial statements of the Company for the year ended 31 March 2026 which were approved by the Board of Directors on 07 May 2026 have been updated.

b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on each reporting date on the basis as explained below:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value.
- Defined benefit plans – plan assets are measured at fair value.
- Equity settled share-based payments – measured at grant date fair value.

c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is expected to be realised within twelve months from the reporting, or
- It is cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months from the reporting date, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after reporting date.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

d) Functional and presentation currency

Company has identified Indian Rupee (INR) as its functional currency. All amounts presented in the Financial Statements including notes have been rounded off to the nearest crores in Indian Rupee as per the requirements of Schedule III of the Companies Act, 2013; unless otherwise indicated.

3) MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Property, plant and equipment

• Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost comprises of purchase price and any directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Borrowing costs attributable to construction or acquisition of a qualifying asset for the period up to the date, the asset is ready for its intended use are included in the cost of the asset to which they relate.

Pre-operative expenditure including trial run expenses comprising of revenue expenses incurred as reduced by the revenue generated during the period up to the date, the asset is ready for its intended use are treated as part of costs of that asset.

Capital work-in-progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use as at the balance sheet date.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under “Other non-current assets”.

Property, Plant and Equipments amounting to INR 0.10 Crore are considered immaterial and expensed out to the Statement of Profit and Loss.

• Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss as incurred.

• Subsequent Measurement

Property, plant and equipment are subsequently measured costs less accumulated depreciation less accumulated impairment losses.

• Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net and disclosed within other income or expenses in the Statement of Profit and Loss.

• Depreciation methods, estimated useful lives and residual value

Casting segment:

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised in the Statement of Profit and Loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act 2013, as assessed by the management of the Company based on technical evaluation except in the case of following assets:

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Description	Useful life considered	Justification for deviation
Plant and equipments:		
a) Sinter plant	20 years	Based on past history of usage and supported by technical evaluation report
b) Blast furnace and allied machineries used in manufacture of pig Iron	20 years	
c) Foundry machineries	20 years	
d) Turbo generator	20 years	
e) Plant and equipments given under operating lease	5 years	
f) Machinery spares and Other Components of PPE.	2 to 10 years	
g) Captive power plant	20 years	
h) Patterns	8 years	
Office equipments		
Equipment installed at employee's residence	3 years	As per the terms of Company's policy
Vehicles		
Vehicles given to employees	5 years	As per the terms of Company's policy

Freehold land is not depreciated.

Tube and Steel segment:

Depreciation on Plant & Machinery other than Captive Power Plant is provided on its useful life estimated by the management on Written Down Value method. For these classes of assets, based on the technical evaluation carried out by the external experts, the management has estimated the useful lives in the range of 8 years to 65 years.

For Captive power plant, depreciation has been provided on straight line method with useful life of 20 years which is supported by technical evaluation.

Freehold land is not depreciated.

b) Intangible assets

• Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, and is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

• Derecognition

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of intangible asset are determined by comparing the proceeds from disposal with the carrying amount of intangible asset and are recognised net and disclosed within other income or expenses in the Statement of Profit and Loss.

• Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost. Amortisation is recognised in Statement of Profit and Loss on a straight-line basis over the estimated useful life of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Mine properties and development costs are amortized on a Unit of Production basis over the mineable reserves of the respective mines.

The estimated useful life for current and comparative periods are as follows:

Computer software	6 years

c) Goodwill

Goodwill on acquisitions is included in intangible assets. Goodwill is not amortised 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 accumulated impairment losses if any.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

d) Leases

The Company assesses at the inception of the contract whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

e) Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset or Cash Generating Unit (CGU) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

Impairment losses are recognised in the Statement of Profit and Loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

- ### Reversal of impairment loss

  For assets other than goodwill, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

f) Inventories

Raw materials, stores and spares are valued at lower of cost and net realizable value. Cost is determined using weighted average method.

Work in process and finished goods other than by-products are valued at lower of cost and net realizable value. Cost includes direct material and labour and a proportion of manufacturing overhead based on normal operating capacity.

By-products are valued at net realisable value.

Necessary provisions are made for obsolete and non-moving inventories as per the policy framed by the management and the value of inventory is net of such provision.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Notes to and forming part of Standalone Financial Statements

for the Year ended 31st March, 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

g) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

h) Revenue recognition

The Company is in the business of manufacture and sale of iron castings, seamless tubes and steel. Sales are recognised when substantial control of the products has been transferred to the customer, being when the products are delivered to the customer or its authorised representative without any unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from these sales is recognised based on the price specified in the sales order, net of the estimated discounts, rebates, returns and Goods and Service Tax. The Company's obligation to provide a refund for defects in the products is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Company does not have any payment terms exceeding one year for any contract. Accordingly, the Company does not adjust any of the transaction prices for the time value of money.

i) Other income

- ### Interest income

  Interest income from debt instruments is recognised using Effective Interest Rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

- ### Dividends

  Dividends are recognised in the Statement of Profit and Loss only when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount can be measured reliably.

- ### Any other incomes are accounted for on accrual basis.

j) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset, are expensed in the period in which they are incurred.

k) Foreign currency transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

l) Employee Benefits

- ### Short-term employee benefits

  All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short-term compensated absences, ex-gratia, performance pay etc. are recognised in the period in which the employee renders the related service.

- ### Post-employment benefits

  Defined contribution plans

  The Company's approved central provident fund scheme are a defined contribution plan. The Company

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has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

Defined benefit plans

The employees' gratuity fund scheme is managed by a trust, is the Company's defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Net interest is calculated by applying the discount rate to the net defined benefit liability or the fair value of the plan asset. The cost is included in employee benefit expense in the Statement of Profit and Loss.

- ### Other long-term employee benefits

The liabilities for earned leave which are not expected to be settled within twelve months from the date of reporting period in which the employee render the related service are measured as the present value of expected future payments to be made in respect of services provided by employee up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the Statement of Profit and Loss. The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer settlement beyond twelve months of the reporting period, regardless of when the actual settlement is expected to occur.

m) Share-based payments

Employees of the Company who are entitled to receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

- ### Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the grant date using fair valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss represents the movement in cumulative expense recognised as at the beginning and at the end of the period and to be recognised in the employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Employee share-based payment reserve with respect to vested options which gets forfeited as per ESOS policy will be transferred to retained earnings.

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[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

n) Research and development cost

Revenue expenditure on the research and development is charged off as expense in the year in which incurred. Capital expenditure for research and development activity is grouped with property, plant and equipment under appropriate categories and depreciation is provided as per the applicable rates.

o) Income tax

Income tax expense comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to the items recognised directly in OCI.

- ### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable profits computed for the current accounting period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

- ### Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

p) Provisions and contingencies

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the Statement of Profit and Loss.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize

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a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in financial statements, unless they are virtually certain. However, contingent assets are disclosed where inflow of economic benefits are probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

q) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

r) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

• Initial recognition and measurement

Financial instruments are initially recognised when the entity becomes party to the contract.

Financial instruments are measured initially at fair value adjusted for transaction costs that are directly attributable to the origination of the financial instrument where financial instruments not classified at fair value through profit or loss. Transaction costs of financial instruments which are classified as fair value through profit or loss are expensed in the Statement of Profit and Loss.

• Subsequent measurement of financial assets

For the purposes of subsequent measurement, the financial assets are classified in the following categories based on the Company's business model for managing the financial assets and the contractual terms of cash flows:

- those to be measured subsequently at fair value; either through OCI or through profit or loss
- those measured at amortised cost

For assets measured at fair value, changes in fair value will either be recorded in the Statement of Profit and Loss or OCI. For investments in debt instruments, this will depend on the business model in which investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through OCI.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are satisfied:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of hedging relationship is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using Effective Interest Rate (EIR) method.

Equity investments

All equity investments in the scope of Ind AS 109 Financial Instruments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to recognise subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of equity instrument.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

• Subsequent measurement of financial liabilities

For the purposes of subsequent measurement, the financial liabilities are classified in the following categories:

- those to be measured subsequently at fair value through profit or loss (FVTPL)
- those measured at amortised cost

Following financial liabilities will be classified under FVTPL:

- Financial liabilities held for trading
- Derivative financial liabilities
- Liability designated to be measured under FVTPL

All other financial liabilities are classified at amortised cost.

For financial liabilities measured at fair value, changes in fair value will recorded in the Statement of Profit and Loss except for the fair value changes on account of own credit risk are recognised in Other Comprehensive Income (OCI).

Interest expense on financial liabilities classified under amortised cost category are measured using Effective Interest Rate (EIR) method and are recognised in Statement of Profit and Loss.

• Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

• Impairment of financial assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets mentioned below:

- Financial assets that are debt instrument and are measured at amortised cost
- Financial assets that are debt instruments and are measured as at FVOCI
- Trade receivables

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The impairment methodology applied depends on whether there has been a significant increase in credit risk. Details how the Company determines whether there has been a significant increase in credit risk is explained in the respective notes.

For impairment of trade receivables, the Company chooses to apply practical expedient of providing expected credit loss based on provision matrix and does not require the Company to track changes in credit risk. Percentage of ECL under provision matrix is determined based on historical data as well as futuristic information.

- Derivative financial instruments

Initial measurement and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognised in the Statement of Profit and Loss.

s) Dividends

The final dividend on shares is recorded as liability on the date of approval of shareholders, and the interim dividends are recorded as liability on the date of declaration by the Company's Board of Directors.

t) 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.

u) Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director who makes strategic decisions.

Identification of Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director who makes strategic decisions.

v) Government Grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

4) SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in conformity with Ind AS, requires the management to make judgments, estimates and assumptions that affect the amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, disclosure of the contingent liabilities and notes to accounts at the end of each reporting period. Actual results may differ from these estimates.

Judgments

In the process of applying the Company's accounting policies, management have made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

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Operating segment

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by the Managing Director being the Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires Management to make judgments with respect to recognition of segments. Accordingly, the Company recognizes Iron Castings, Tube and Steel Segment as its three segments.

Contingent liability

The Company has received various orders and notices from different Government authorities and tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyses current information about these matters and discloses the information relating to contingent liability. In making the decision regarding the need for creating loss provision, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its estimates and assumptions on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market conditions or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit obligation

The cost of the defined benefit plans and other post-employment benefits and the present value of the obligations are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future post-retirement medical benefit increase. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligations and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on the expected future inflation rates for the country.

Further details about defined benefit obligations are provided in the respective note.

Deferred Tax

Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits are unused tax losses can be utilized.

Useful lives of Property, plant and equipment

Useful lives of property, plant and equipment are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. The depreciable lives are reviewed annually using the best information available to the Management.

Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognised prospectively.

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

5 PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

Particulars	Freehold land	Leasehold land	Buildings	Plant & Equipments	Plant & Equipments given under operating lease	Furniture & Fixtures	Vehicles	Office equipments	Computers	Total	ROU - Building	ROU - Plant & Machinery	Total ROU asset	Capital Work-in-progress
GROSS CARRYING AMOUNT														
As at 1st April 2024	**329.52**	**241.22**	**621.56**	**4,324.35**	**0.07**	**9.87**	**13.93**	**25.17**	**5.89**	**5,571.58**	**5.55**	**8.19**	**13.74**	**457.74**
Additions	6.07	1.14	100.27	421.80	-	1.37	3.27	2.85	1.82	538.59	-	-	-	417.64
Disposals	0.35	-	2.88	22.61	-	-	0.48	0.04	0.52	26.88	5.55	-	5.55	538.58
As at 31st March 2025	**335.24**	**242.36**	**718.95**	**4,723.54**	**0.07**	**11.24**	**16.72**	**27.98**	**7.19**	**6,083.29**	**-**	**8.19**	**8.19**	**336.80**
Additions	30.31	0.27	62.59	301.80	-	0.29	1.71	1.30	1.01	399.28	-	-	-	378.23
Disposals	-	-	1.48	62.62	-	2.33	0.93	1.73	0.52	69.61	-	-	-	402.78
Adjustments	-	-	-	(0.22)	-	-	-	0.22	-	-	-	-	-	-
As at 31st March 2026	**365.55**	**242.63**	**780.06**	**4,962.50**	**0.07**	**9.20**	**17.50**	**27.77**	**7.68**	**6,412.96**	**-**	**8.19**	**8.19**	**312.25**
ACCUMULATED DEPRECIATION														
As at 1st April 2024	**-**	**30.55**	**235.35**	**2,061.00**	**0.06**	**7.81**	**4.80**	**15.94**	**4.27**	**2,359.78**	**2.33**	**5.16**	**7.49**	**-**
Charge for the period	-	3.61	27.37	213.61	0.00	0.45	2.48	4.11	0.81	252.44	0.57	1.22	1.79	-
Disposals	-	-	2.38	12.32	-	-	0.43	0.52	0.05	15.70	2.90	-	2.90	-
As at 31st March 2025	**-**	**34.16**	**260.34**	**2,262.29**	**0.06**	**8.26**	**6.85**	**19.53**	**5.03**	**2,596.52**	**-**	**6.38**	**6.38**	**-**
Charge for the period	-	3.65	30.35	223.56	0.00	0.46	2.43	3.20	0.89	264.54	-	1.15	1.15	-
Disposals	-	-	1.26	27.84	-	2.20	0.68	1.61	0.48	34.07	-	-	-	-
Adjustments	-	-	-	(0.17)	-	-	-	0.17	-	-	-	-	-	-
As at 31st March 2026	**-**	**37.81**	**289.43**	**2,457.84**	**0.07**	**6.52**	**8.60**	**21.29**	**5.44**	**2,827.00**	**-**	**7.53**	**7.53**	**-**
IMPAIRMENT														
As at 31st March 2024	**-**	**-**	**(0.77)**	**(1.14)**	**-**	**-**	**-**	**-**	**-**	**(1.91)**	**-**	**-**	**-**	**-**
Impairment during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2025	**-**	**-**	**(0.77)**	**(1.14)**	**-**	**-**	**-**	**-**	**-**	**(1.91)**	**-**	**-**	**-**	**-**
Impairment during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2026	**-**	**-**	**(0.77)**	**(1.14)**	**-**	**-**	**-**	**-**	**-**	**(1.91)**	**-**	**-**	**-**	**-**
NET CARRYING AMOUNT														
As at 31st March 2026	**365.55**	**204.82**	**489.86**	**2,503.52**	**-**	**2.68**	**8.90**	**6.48**	**2.24**	**3,584.05**	**-**	**0.66**	**0.66**	**312.25**
As at 31st March 2025	**335.24**	**208.20**	**457.84**	**2,460.11**	**0.01**	**2.98**	**9.87**	**8.45**	**2.16**	**3,484.86**	**-**	**1.81**	**1.81**	**336.80**

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

5 PROPERTY, PLANT AND EQUIPMENT (Contd.)

Amount in Capital Work in Progress for a period of	Projects in Progress		Projects temporarily suspended		Total	
	As at 31st March 2026	As at 31st March 2025	**As at 31st March 2026**	As at 31st March 2025	**As at 31st March 2026**	As at 31st March 2025
Less than 1 year	232.85	267.64	-	-	232.85	267.64
1 - 2 years	51.64	59.95	-	-	51.64	59.95
2 - 3 years	19.62	8.44	-	-	19.62	8.44
More than 3 years	8.14	0.77	-	-	8.14	0.77
Total	**312.25**	**336.80**	**-**	**-**	**312.25**	**336.80**

Note: Title deeds of Immovable Property not held in name of the Company

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held since	Reason for not being held in the name of the Company
Freehold Land	241.46	Erstwhile ISMT Limited	No	July, 2024	For immovable properties acquired through merger, the name change is under process
Buildings	187.29		No	July, 2024	
Freehold Land	26.67	Erstwhile OEPL	No	June, 2026 - Refer Note 52	
Buildings	65.99		No		
Freehold Land	2.05	Erstwhile AESPL	No		

6 OTHER INTANGIBLE ASSETS

Particulars	Mining Rights	Computer software	Goodwill	Total	Intangible Assets Under Development
GROSS CARRYING AMOUNT					
Balance as at 1st April 2024	**0.12**	**12.36**	**0.04**	**12.52**	**37.40**
Additions	25.09	0.28	-	25.37	-
Disposals	-	-	-	-	25.36
Adjustments	-	-	-	-	(10.04)
As at 31st March 2025	**25.21**	**12.64**	**0.04**	**37.89**	**2.00**
Additions	-	0.63	-	0.63	18.59
Disposals	-	0.19	-	0.19	0.63
As at 31st March 2026	**25.21**	**13.08**	**0.04**	**38.33**	**19.96**
DEPRECIATION					
Balance as at 1st April 2024	**0.12**	**9.85**	**-**	**9.97**	**-**
Charge for the period	0.95	0.64	-	1.59	-
As at 31st March 2025	**1.07**	**10.49**	**-**	**11.56**	**-**
Charge for the period	0.54	0.67	-	1.21	-
Disposals	-	0.14	-	0.14	-
As at 31st March 2026	**1.61**	**11.02**	**-**	**12.63**	**-**
NET CARRYING AMOUNT					
As at 31st March 2026	**23.60**	**2.06**	**0.04**	**25.70**	**19.96**
As at 31st March 2025	**24.14**	**2.15**	**0.04**	**26.33**	**2.00**

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

6 OTHER INTANGIBLE ASSETS (Contd.)

Amount in Intangible Assets Under Development for a period of	Projects in Progress		Projects temporarily suspended		Total	
	As at 31st March 2026	As at 31st March 2025	As at 31st March 2026	As at 31st March 2025	As at 31st March 2026	As at 31st March 2025
Less than 1 year	19.96	-	-	-	19.96	-
1 - 2 years	-	-	-	-	-	-
2 - 3 years	-	-	-	-	-	-
More than 3 years	-	2.00	-	-	-	2.00
Total	**19.96**	**2.00**	**-**	**-**	**19.96**	**2.00**

7 INVESTMENTS (NON-CURRENT)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Investments in equity shares (fully paid up)		
In unquoted equity instruments		
In subsidiary companies (at cost)		
ISMT Enterprises S.A.,Luxembourg (Nil (Previous year: 8,06,757) Equity Shares of Euro 10 each fully paid)*	-	48.43
Tridem Port and Power Company Pvt. Ltd (25,80,300 (Previous year: 25,80,300) Equity Shares of ₹ 10 each fully paid)	2.58	2.58
Structo Hydraulics AB, Sweden (40,73,627 (Previous year: 40,73,627) Equity Shares of SEK 5 each fully paid) (under Liquidation)	16.75	16.75
Investment in subsidiary – Equity Component (At Cost)		
Structo Hydraulics AB, Sweden (under Liquidation)	16.58	16.58
Advance to Tridem Power and Port Company Pvt. Ltd.	115.67	115.23
At fair value through OCI		
Kirloskar Management Services Private Limited (4,87,500 (Previous year: 4,87,500) Equity shares with a face value of ₹ 10 per share)	0.93	0.93
Kirloskar Proprietary Limited (11 (Previous year: 11) Equity share with a face value of ₹ 100 per share)** ("0.00" denotes amount less than ₹ 50 Thousand)	0.00	0.00
S. L. Kirloskar CSR Foundation (9,800 (Previous year: 9,800) Equity shares with a face value of ₹ 10 per share) **	0.01	0.01
Less: Provision for Impairment *	(151.58)	(199.57)
Total	**0.94**	**0.94**

Note:

Particulars	As at 31st March, 2026	As at 31st March, 2025
Aggregate Value of Unquoted Investments	152.52	200.51
Aggregate Value of Impairment Investments	(151.58)	(199.57)

*During the year, the Company had initiated the voluntary liquidation of its wholly-owned subsidiary, ISMT Enterprises SA, Luxembourg. Consequent to the completion of the liquidation process, the subsidiary was formally deregistered from the Luxembourg Trade Registry on 1st September 2025.

In view of the above, the Company has written off its equity investment in the said subsidiary. Since the Company had previously carried a full provision for impairment against this investment, the write-off has been adjusted against the Provision for Impairment in Equity Investment in Subsidiaries. This transaction has no impact on the Profit and Loss statement for the current period.

**The company has not performed fair valuation of these investments in unquoted ordinary shares, which are classified as FVTOCI, as the company believes that impact of change on account of fair value is insignificant.

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

8 LOANS (NON-CURRENT)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, considered good		
Loans to contractors	0.29	0.11
Loans to employees	0.03	0.03
Total	**0.32**	**0.14**

9 OTHER FINANCIAL ASSETS (NON-CURRENT)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, considered good		
Non-current bank balances		
Margin money deposit	0.02	0.02
Deposits with more than 12 months maturity	0.06	0.06
Security deposits	42.30	45.20
Total	**42.38**	**45.28**

10 OTHER NON-CURRENT ASSETS

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, considered good		
Capital advances	96.53	76.37
Prepaid expenses	1.47	1.14
Advance to suppliers	22.91	0.45
Statutory refund from government authorities	1.18	1.18
Unsecured, considered doubtful		
Claims receivable	0.07	0.44
Less: Provision	(0.07)	(0.44)
Total	**122.09**	**79.14**

11 INVENTORIES

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Raw materials at site	384.55	372.15
Raw materials in transit	134.88	193.59
	519.43	**565.74**
Work-in-progress	195.12	190.58
Finished goods	104.31	139.39
Finished goods in transit	53.63	31.14

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

11 INVENTORIES (Contd.)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Stores and spares	191.99	188.25
Stores and spares in transit	2.93	0.63
By-products	5.87	10.98
Total	**1,073.28**	**1,126.71**

Details of Work-in-progress

₹ in Million

Particulars	As at 31st March, 2026	As at 31st March, 2025
a. Castings	109.19	85.06
b. Tube	54.90	73.52
c. Steel	31.03	32.00
Total	**195.12**	**190.58**

Details of Finished Goods and Finished Goods in Transit

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
a. Castings	12.64	11.79
b. Pig Iron	5.61	11.72
c. Tube	111.44	105.90
d. Steel	28.26	41.12
Total	**157.94**	**170.53**

12 TRADE RECEIVABLES

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Trade receivables (Unsecured):		
Receivables considered good	1,091.12	1,044.56
Receivables which are credit impaired	9.96	10.26
	1,101.08	**1,054.82**
Less: Allowance for credit losses (including Expected credit loss)	(11.12)	(10.77)
Total	**1,089.96**	**1,044.05**

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

12 TRADE RECEIVABLES (Contd.)

Movement in allowance for bad and doubtful trade receivables (incl. Expected Credit Loss)

₹ in Crores

Particulars	
At 31st March 2024	**12.27**
Provided during the year	0.07
Amount written off	-
Amount written back	(1.57)
At 31st March 2025	**10.77**
Provided during the year	0.64
Amount written off	(0.23)
Amount written back	(0.06)
At 31st March 2026	**11.12**

Ageing of Trade Receivables

₹ in Crores

Particulars (Outstanding from due date of payment)	As at 31st March, 2026	As at 31st March, 2025
(i) Undisputed Trade Receivables – considered good		
Not due	732.17	733.94
Less than 6 months	326.70	278.63
6 months - 1 year	5.01	18.12
1-2 years	14.55	2.87
2-3 years	1.57	0.42
More than 3 years	11.12	10.58
Sub-total (i)	**1,091.12**	**1,044.56**
Less: Allowance for bad and doubtful trade receivables (incl. Expected Credit Loss)	(1.16)	(0.51)
(ii) Disputed Trade Receivables – which are credit impaired		
Less than 6 months	-	0.07
6 months - 1 year	0.01	0.45
1-2 years	0.45	0.16
2-3 years	0.16	4.22
More than 3 years	9.34	5.36
Sub-total (ii)	**9.96**	**10.26**
Less: Allowance for bad and doubtful trade receivables (incl. Expected Credit Loss)	(9.96)	(10.26)
	1,089.96	**1,044.05**

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

13 CASH & CASH EQUIVALENTS AND OTHER BANK BALANCES

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
A. Cash and Cash Equivalents		
Balances with banks		
In current accounts	71.95	42.18
In fixed deposits	15.00	-
Cash on hand ("0.00" denotes amount less than ₹ 50 Thousand)	0.00	0.00
Total (A)	**86.95**	**42.18**
B. Bank Balances other than Cash & Cash Equivalents		
Earmarked balances	9.12	7.79
Deposit with banks - Maturity more than 3 months but less than 1 year (against Guarantees/Letter of Credit).	25.73	18.91
Total (B)	**34.85**	**26.70**

14 LOANS (CURRENT)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, considered good		
Loan to employees	1.60	1.48
Loan to contractors	1.33	0.77
Total	**2.93**	**2.25**

15 OTHER FINANCIAL ASSETS (CURRENT)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, considered good		
Interest accrued on deposits and loans	2.59	1.54
Security deposits	0.37	0.38
Refund receivable from Government authorities	17.59	15.59
Derivative Asset		
Forward Contracts Asset	12.02	-
Total	**32.57**	**17.51**

16 CURRENT TAX ASSETS

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Income Tax (Net)	18.05	9.26
Total	**18.05**	**9.26**

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

17 OTHER CURRENT ASSETS

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, considered good		
Advance to Suppliers	58.31	55.08
Balances with Government Authorities #	67.76	29.72
Export Incentives Receivables	1.70	1.17
Prepaid expenses	14.24	16.66
Total	**142.01**	**102.63**

#The Balances with Government authorities includes an amount of ₹ 45.22 Crores (Previous Year: ₹ 13.96 Crores) receivable on account of Government incentive under Industrial Policies.

18 SHARE CAPITAL

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Authorised Equity Share Capital		
52,70,00,000 (52,70,00,000) Equity Shares of ₹ 5 each	263.50	263.50
Total	**263.50**	**263.50**
Issued, Subscribed and Paid up Equity Share Capital:		
16,49,21,643 (16,46,17,338) Equity Shares of ₹ 5 each	82.46	82.31
Total	**82.46**	**82.31**

The Company has authorised preference share capital comprising of 11,70,00,000 (11,70,00,000) Preference Shares of ₹ 10 each aggregating to ₹117.00 (117.00) Crores. However the same has not been issued nor subscribed.

a. Reconciliation of the shares at the beginning and at the end of the reporting period

₹ in Crores

Particulars	Year ended 31st March 2026		Year ended 31st March 2025	
	Number	₹ In Crores	Number	₹ In Crores
Equity shares				
Balance at the beginning of the year	16,46,17,338	82.31	13,93,21,459	69.66
Share issued pursuant to merger	-	-	2,49,04,259	12.45
Shares issued during the year	3,04,305	0.15	3,91,620	0.20
Shares bought back during the year	-	-	-	-
Balance at the end of the year	16,49,21,643	82.46	16,46,17,338	82.31
Total	**16,49,21,643**	**82.46**	**16,46,17,338**	**82.31**

b. Rights and preferences attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

18 SHARE CAPITAL (Contd.)

In the event of Liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Equity shares held by holding company

Name of Shareholder	Year ended 31st March 2026	
	No. of shares held	Percentage of holding
Kirloskar Industries Limited*	7,57,43,754	45.93%

Name of Shareholder	Year ended 31st March 2025	
	No. of shares held	Percentage of holding
Kirloskar Industries Limited*	7,57,43,754	46.01%

*Kirloskar Industries Limited is the only shareholder holding more than 5 percent of the total equity shares.

Promotors Shareholding in the Company is set out below:

Disclosure of shareholding of promoters as at 31st March 2026 is as follows:

Equity shares of ₹ 5 each fully paid	As at 31st March 2026		% change during the year
	No. of shares	Percentage of holding	
Kirloskar Industries Limited	**7,57,43,754**	**45.93%**	**0.00%**
Indian Individuals/HUFs/Others			
Atul Kirloskar	9,89,726	0.60%	0.00%
Rahul Kirloskar	14,25,279	0.86%	0.00%
Sanjay Kirloskar	380	0.00%	0.00%
Arti Atul Kirloskar	10,55,651	0.64%	0.00%
Alpana Rahul Kirloskar	15,91,229	0.96%	0.00%
Suman Kirloskar	90,155	0.05%	0.00%
Alok Sanjay Kirloskar	1,520	0.00%	0.00%
Gauri Atul Kirloskar	1,140	0.00%	0.00%
Aditi Atul Kirloskar	8,77,187	0.53%	0.00%
Rama Sanjay Kirloskar	760	0.00%	0.00%
Alika Rahul Kirloskar	380	0.00%	0.00%
Geetanjali Vikram Kirloskar	-	0.00%	-100.00%
Aman Rahul Kirloskar	200	0.00%	0.00%
Roopa Jayant Gupta	6,939	0.00%	0.00%
Kirloskar Pneumatic Company Limited	20,00,000	1.21%	0.00%
Kirloskar Systems Private Limited	-	0.00%	-100.00%
Achyut and Neeta Holdings and Finance Private Limited	541	0.00%	0.00%
Alpak Investments Private Limited	100	0.00%	0.00%
Navsai Opportunities Private Limited (earlier known as Navsai Investments Private Limited)	100	0.00%	0.00%
Indian Individuals/HUFs/Others	**8,37,85,041**		

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

18 SHARE CAPITAL (Contd.)

Disclosure of shareholding of promoters as at 31st March 2025 is as follows:

Equity shares of ₹ 5 each fully paid	As at 31st March 2025		% change during the year
	No. of shares	Percentage of holding	
Kirloskar Industries Limited	**7,57,43,754**	**46.01%**	**0.00%**
Indian Individuals/HUFs/Others			
Atul Kirloskar	9,89,726	0.60%	0.00%
Rahul Kirloskar	14,25,279	0.87%	0.00%
Sanjay Kirloskar	380	0.00%	0.00%
Arti Atul Kirloskar	10,55,651	0.64%	0.00%
Alpana Rahul Kirloskar	15,91,229	0.97%	0.00%
Suman Kirloskar	90,155	0.05%	-0.42%
Alok Sanjay Kirloskar	1,520	0.00%	0.00%
Gauri Atul Kirloskar	1,140	0.00%	0.00%
Aditi Atul Kirloskar	8,77,187	0.53%	0.00%
Rama Sanjay Kirloskar	760	0.00%	0.00%
Alika Rahul Kirloskar	380	0.00%	0.00%
Geetanjali Vikram Kirloskar	200	0.00%	0.00%
Aman Rahul Kirloskar	200	0.00%	100.00%
Roopa Jayant Gupta	6,939	0.00%	100.00%
Kirloskar Pneumatic Company Limited	20,00,000	1.21%	0.00%
Kirloskar Systems Private Limited	2,150	0.00%	100.00%
Achyut and Neeta Holdings and Finance Private Limited	541	0.00%	0.00%
Alpak Investments Private Limited	100	0.00%	0.00%
Navsai Opportunities Private Limited (earlier known as Navsai Investments Private Limited)	100	0.00%	0.00%
Indian Individuals/HUFs/Others	**8,37,87,391**		

19 OTHER EQUITY

₹ in Crores

	Particulars		As at 31st March 2026	As at 31st March 2025
a.	**Securities premium**			
	Opening balance		223.40	214.66
	Add: Changes during the year		7.40	8.74
	Closing balance	Total (a)	**230.80**	**223.40**
b.	**General reserve**			
	Opening balance		85.00	80.00
	Add: Current year transfer from surplus		5.00	5.00
	Closing balance	Total (b)	**90.00**	**85.00**
c.	**Surplus - balance in the statement of profit and loss**			
	Opening balance		1,667.13	1,495.35
	Reserves taken over on account of Merger		-	-14.24
	Add:			

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

19 OTHER EQUITY (Contd.)

₹ in Crores

Particulars		As at 31st March 2026	As at 31st March 2025
Profit for the year		504.74	291.00
Other comprehensive income/(loss)		5.76	(10.57)
Transfer from Share Options on account of lapse of employee stock options		0.22	1.10
Less: Appropriations			
Final dividend on equity shares		(41.16)	(41.13)
Interim dividend on equity shares		(49.47)	(49.38)
Amount transferred to General Reserve		(5.00)	(5.00)
Closing balance	Total (c)	**2,082.22**	**1,667.13**
d. Share options outstanding account			
Opening balance		15.37	14.03
Add: Employee stock option expense		2.62	5.95
Less: Transfer to profit and loss on account of lapse of employee stock options		(0.22)	(1.10)
Less: Transfer to securities premium on account of exercise of employee stock options		(3.04)	(3.51)
Closing balance	Total (d)	**14.73**	**15.37**
e. Equity Instruments through Other Comprehensive Income			
Opening balance		0.34	0.49
Add: Fair value changes net of deferred tax		-	(0.15)
Closing balance	Total (e)	**0.34**	**0.34**
f. Share Application Money pending allotment			
Opening balance		0.14	0.34
Add: Amount received on exercise of stock options		4.67	5.22
Less: Issue of equity shares on account of exercise of employee stock options		(4.51)	(5.42)
Closing balance	Total (f)	**0.30**	**0.14**
g. Capital reserve arising out of business combination			
Opening balance		507.50	496.83
Reserves taken over on account of Merger		-	10.67
Add: Addition during the year		-	-
Closing balance	Total (g)	**507.50**	**507.50**
h. Capital reserve arising out of Merger			
Opening balance		855.64	855.64
Add: Addition during the year		-	-
Closing Balance	Total (h)	**855.64**	**855.64**
Total (a+b+c+d+e+f+g+h)		**3,781.53**	**3,354.52**

Description of the purposes of reserves within equity

General Reserve

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net income in accordance with applicable regulations.

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

19 OTHER EQUITY (Contd.)

Securities premium

The amount in the Securities premium account represents the additional amount paid by the shareholders for the issued shares in excess of the face value of those shares.

Share options outstanding account

The company offers ESOP, under which, options to subscribe for the Company's share have been granted to specified senior management employees. The Share options outstanding account balance represents fund created as per the companie's ESOP scheme.

Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Capital reserve arising out of business combination

Capital reserve represents the gains of capital nature which mainly include the excess of value of net assets acquired over consideration paid by the Company for business combination transactions and the same is not available for distribution as dividends.

Capital reserve arising out of Merger

This represents capital reserve on business combination which arises on transfer of business between entities under common control.

20 LONG TERM BORROWINGS

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured		
Term loans		
From bank	236.76	417.12
Total	**236.76**	**417.12**

Details of unsecured term loan from banks

Terms of Repayment	Loan availed (₹ in Crores)	Interest rate per annum payable monthly	Tenure
3 equal annual installments of ₹ 66.67 Crores.	200	7.45%	36 months
42 monthly equal installments of ₹ 2.98 Crores.	125	6.85%	48 months
42 monthly equal installments of ₹ 2.98 Crores.	125	6.65%	48 months
39 monthly equal installments of ₹ 3.21 Crores.	125	6.65%	48 months
42 monthly equal installments of ₹ 2.98 Crores.	125	5.46%	48 months
4 Quarterly equal Installments of ₹ 7.28 crores & balance in 48 monthly installments.	140	7.95%	60 months
20 Quarterly installments.	50	7.95%	60 months
2 Quarterly Installments of ₹ 4.03 Crores. & 48 Monthly installments.	110	6.75%	60 months

All the above borrowings have a Put and call option at the end of every 12 months from the date of first draw down of the facility.

The amount repayable within 12 months from the reporting date, i.e. ₹ 272.46 crores (PY ₹ 260.71 crores) has been reflected in note 24 Short Term Borrowings.

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

21 LEASE LIABILITY (NON-CURRENT)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Lease liability	1.35	1.58
Total	**1.35**	**1.58**

22 PROVISIONS (NON-CURRENT)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for employee benefits		
Leave encashment	21.67	12.32
Total	**21.67**	**12.32**

23 DEFERRED TAX LIABILITIES (NET)

The major components of income tax expense for the year ended 31st March 2026 is as given below:

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Statement of Profit and Loss section		
Current income tax:		
Current income tax charge	-	97.23
Short/(excess) for the earlier years	1.38	(1.44)
Deferred tax:		
Relating to origination and reversal of temporary differences	(11.95)	19.07
Income tax expense reported in the Statement of Profit and Loss	**(10.57)**	**114.86**
OCI Section		
Deferred tax:		
Deferred tax net loss/(gain) on actuarial gains and losses	1.93	(3.56)
Fair value changes on equity Instruments	-	(0.04)
Income tax charged to OCI	**1.93**	**(3.60)**

Reconciliation of actual income tax and effective income tax

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Accounting profit before tax	494.17	405.86
At India's statutory income tax rate of 25.168%	124.37	102.15
Tax effects on adjustments which are not deductible (taxable) in calculating taxable income		
Deferred tax assets on Carried forward losses & Unabsorbed Depreciation of Transferor Companies (Refer Note No. 52)	(141.28)	-
Tax of earlier years	1.38	(1.44)

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

23 DEFERRED TAX LIABILITIES (NET) (Contd.)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Deferred tax assets not recognised in earlier years	-	6.61
Other Items which are not deductible (taxable) in calculating taxable income	7.59	5.11
Others	(2.64)	2.43
Income tax expense reported in the statement of profit and loss	(10.57)	114.86

Deferred tax relates to the following

₹ in Crores

Particulars	Deferred tax asset/(liability)	Deferred tax asset/(liability)	Movement in deferred tax
	As at 31st March 2026	As at 31st March 2025	For the year ended 31st March 2026
Property, plant and equipment and intangible assets	(333.92)	(316.80)	(17.12)
Deferred tax asset on Carried forward losses & Unabsorbed Depreciation of Transferor Companies	38.40	-	38.40
Disallowances under section 43B of Income tax Act, 1961	20.78	20.42	0.36
Provision for Impairment	38.15	50.31	(12.16)
Provision for doubtful debts and advances	1.41	1.43	(0.02)
Others	0.48	(0.09)	0.57
Total	**(234.70)**	**(244.73)**	**10.03**

₹ in Crores

Breakup of movement in Deferred Tax Liabilities (Net)	As at 31st March, 2026	As at 31st March, 2025
Opening balance	244.73	229.26
Tax expense during the year recognised in statement of profit and loss	(11.96)	19.07
Tax expense during the year recognised in OCI	1.93	(3.60)
Sub-total	**(10.03)**	**15.47**
Closing balance	**234.70**	**244.73**

₹ in Crores

Reflected in the Balance Sheet as follows	As at 31st March, 2026	As at 31st March, 2025
Deferred Tax Liabilities	333.44	316.89
Deferred Tax Assets	98.74	72.16
Deferred Tax Liabilities, Net	**234.70**	**244.73**

The Company offsets the tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

24 BORROWINGS (CURRENT)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Secured		
Loans payable on demand		
Short term loans	15.00	65.00
Total (a)	**15.00**	**65.00**
Unsecured		
Loans payable on demand		
Commercial Papers	294.98	344.73
Current maturities of long term borrowings	272.46	260.71
Customer bills discounted	96.35	112.55
Short term loans	113.00	70.00
Others	5.75	5.75
Total (b)	**782.54**	**793.74**
Total (a + b)	**797.54**	**858.74**

Security for Secured Loans

Working capital facilities with Consortium Banks (fund based and non fund based) aggregating to ₹840 Crores (previous year ₹ 840 Crores) are secured by first charge by way of hypothecation on the current assets both present and future, in favour of IDBI Trusteeship Services Limited, as Security Trustees, for the benefit of consortium banks.

Commercial Papers outstanding as on 31st March 2026

1. On 24th March 2026 ₹ 100 Crores issued at a discounted rate of 7.65% p.a. payable on 12th June 2026
2. On 25th March 2026 ₹ 100 Crores issued at a discounted rate of 7.65% p.a. payable on 23rd June 2026
3. On 27th March 2026 ₹ 100 Crores issued at a discounted rate of 7.70% p.a. payable on 25th June 2026

Commercial Papers outstanding as on 31st March 2025

1. On 30th Dec 2024 ₹ 125 Crores issued at a discounted rate of 7.72% p.a. paid on 05th Jun 2025
2. On 13th Mar 2025 ₹ 100 Crores issued at a discounted rate of 7.68% p.a. paid on 11th Jun 2025
3. On 21st Mar 2025 ₹125 Crores issued at a discounted rate of 7.70% p.a. paid on 19th Jun 2025

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

24 BORROWINGS (CURRENT) (Contd.)

Net Debt position

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Cash and Bank Balance		
Cash and cash equivalents	86.95	42.18
	86.95	42.18
Borrowings		
Current Borrowings	(797.54)	(858.74)
Long term borrowings	(236.76)	(417.12)
	(1,034.30)	**(1,275.86)**
Net debt	**(947.35)**	**(1,233.68)**

Net debt reconciliation as at 31st March 2026

₹ in Crores

Particulars	Cash and bank balance	Borrowings	Total
Net debt as at 31st March 2025	42.18	(1,275.86)	(1,233.68)
Cash flows	44.77	-	44.77
Interest expense	-	122.67	122.67
Interest paid	-	(122.67)	(122.67)
(Borrowing)/Repayment (Net) - Long term	-	168.61	168.61
(Borrowing)/Repayment (Net) - Short term	-	72.95	72.95
Net debt as at 31st March 2026	**86.95**	**(1,034.30)**	**(947.35)**

Net debt reconciliation as at 31st March 2025

₹ in Crores

Particulars	Cash and bank balance	Borrowings	Total
Net debt as at 31st March 2024	33.92	(1,217.84)	(1,183.92)
Cash flows	8.26	-	8.26
Interest accrued but not due as on 1st April 2024	-	0.01	0.01
Interest expense	-	140.84	140.84
Interest paid	-	(140.85)	(140.85)
(Borrowing)/Repayment (Net) - Long term	-	119.91	119.91
(Borrowing)/Repayment (Net) - Short term	-	(174.98)	(174.98)
Net debt as at 31st March 2025	**42.18**	**(1,272.91)**	**(1,229.71)**

25 LEASE LIABILITY (CURRENT)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Lease liability	0.49	0.83
Total	**0.49**	**0.83**

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

26 TRADE PAYABLES

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Total outstanding dues of micro enterprises and small enterprises	59.09	57.61
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	635.82	319.12
Others	485.03	693.55
Total	**1,179.94**	**1,070.28**

Ageing of Trade Payables

₹ in Crores

Particulars (outstanding from due date of payment / from date of transaction)	As at 31st March, 2026	As at 31st March, 2025
(i) MSME		
Not due	52.53	54.64
Less than 1 year	6.54	2.97
1-2 years	0.02	-
2-3 years	-	-
More than 3 years	-	-
Sub-total (i)	**59.09**	**57.61**
(ii) Others		
Unbilled	89.11	96.88
Not due	846.23	788.14
Less than 1 year	183.94	125.12
1-2 years	0.53	1.17
2-3 years	0.52	0.45
More than 3 years	0.52	0.91
Sub-total (ii)	**1,120.85**	**1,012.67**
	1,179.94	**1,070.28**

27 OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Derivative liabilities		
Foreign currency forward contract	-	2.39
Interest rate swap contract	-	0.94
Other financial liabilities		
Unclaimed dividend #	9.12	7.79
Payable for capital purchases	47.19	109.03
Payable to employees	48.92	47.56
Creditors for expenses	13.78	9.53

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

27 OTHER FINANCIAL LIABILITIES (CURRENT) (Contd.)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Security deposit	0.06	0.06
Other liabilities	5.45	10.38
Total	**124.52**	**187.68**

#There is no amount due and outstanding as at balance sheet date to be credited to Investor Education and Protection Fund.

Disclosure in respect of principal and interest pertaining to the "Micro, Small and Medium Enterprises Development Act 2006". The information has been given in respect of such vendors on the basis of information available with the Company

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Total outstanding to MSME suppliers (not due)		
i. Trade payables	52.53	54.64
ii. Other current liabilities - Creditors for capital goods	7.24	4.92
Principal amount due remaining unpaid		
i. Trade payables	6.56	2.97
ii. Creditors for capital goods	0.43	0.76
Principal amount outstanding and overdue out of above	4.53	3.65
Interest on above and unpaid interest	0.09	0.06
Interest paid	-	-
Payment made beyond the appointed day	40.77	89.85
Interest due and payable for the period of delay	0.15	0.40
Interest accrued and remaining unpaid at the end of the year	0.25	0.46
Amount of further interest remaining due and payable in succeeding year	1.84	1.60

28 OTHER CURRENT LIABILITIES

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Advance from customers	70.82	61.52
Taxes and duties (net)	14.26	19.47
Provident fund payable	1.75	1.60
Total	**86.83**	**82.59**

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

29 PROVISIONS (CURRENT)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for employee benefits		
Superannuation funds	-	0.27
Gratuity	19.15	13.96
Leave encashment	12.48	16.75
Provision for expected sales returns	9.53	4.91
Total	**41.16**	**35.89**

30 CURRENT TAX LIABILITY

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Income Tax (net)	-	-
Total	**-**	**-**

31 REVENUE FROM OPERATIONS

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Sale of products		
Pig iron	1,937.49	2,075.85
Castings	1,876.37	1,653.68
Tube	2,129.90	2,103.19
Steel	604.69	540.89
By-products	100.67	95.13
Other operating income		
Export Incentive	3.99	2.85
Scrap/Coke/Miscellaneous sales	235.46	92.64
Total	**6,888.57**	**6,564.22**

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

32 OTHER INCOME

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Interest income	5.03	3.23
Profit on redemption of mutual funds	0.10	0.06
Interest income on financial instruments measured at amortised cost	0.63	0.60
Other non-operating income:		
IPS Incentive	44.95	12.83
Rental Income	0.27	0.26
Insurance claim received	0.07	0.30
Provision no longer required written back	9.21	27.14
Sundry credit balances appropriated	-	0.29
Miscellaneous Income	2.10	4.98
Total	**62.36**	**49.69**

33 COST OF MATERIAL CONSUMED

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Stock at the beginning of the year	565.74	501.02
Add: Purchases	3,817.85	3,844.85
	4,383.59	**4,345.87**
Less: Stock at the end of the year	519.42	565.74
Cost of material consumed	**3,864.17**	**3,780.13**

34 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
At the end of the year		
a. Finished goods	157.95	170.52
b. Work-in-Progress	195.12	190.58
c. Stock-in-trade	-	-
d. By-products	5.87	10.98
Total (A)	**358.94**	**372.08**
At the beginning of the year		
a. Finished goods	170.52	147.03
b. Work-in-Progress	190.58	172.74
c. Stock-in-trade	-	-
d. By-products	10.98	3.38
Total (B)	**372.08**	**323.15**
(Increase)/Decrease (B-A)	**13.14**	**(48.93)**

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

35 EMPLOYEE BENEFITS EXPENSE

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Salaries, wages and incentives	315.38	297.06
Contributions to		
Provident fund (Refer note 45)	11.38	10.43
Superannuation scheme (Refer note 45)	-	2.56
Gratuity (Refer note 46)	6.93	5.27
Others	3.01	3.06
Employee share-based payment expense (Refer note 47)	2.63	5.95
Staff welfare expenses	30.50	28.41
Total	**369.83**	**352.74**

36 FINANCE COSTS

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Interest expense		
on fixed loans	46.41	56.39
on working capital loan	14.97	20.44
on others	61.52	64.38
Other borrowing costs	2.47	3.23
Total	**125.37**	**144.44**

37 DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Property, plant and equipment (Refer note 5)	265.71	254.23
Intangible assets (Refer note 6)	1.20	1.60
Total	**266.91**	**255.83**

38 OTHER EXPENSES

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
a. OPERATIONAL EXPENSES		
Consumption of stores and spare parts	317.63	276.98
Consumption of consumables	311.42	297.81
Power, fuel and water	533.83	545.85
Machinery hire charges	14.60	11.28
Repairs and maintenance		
Machinery	63.89	46.93
Buildings	3.31	2.91

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

38 OTHER EXPENSES (Contd.)

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Fettling and other manufacturing expenses	108.22	87.49
Other processing expenses	71.83	111.75
Total (a)	**1,424.73**	**1,381.00**
b. SELLING EXPENSES		
Freight and forwarding expenses	212.43	179.88
Advertisement	0.26	0.38
Sales commission and incentive	0.86	0.42
Royalty	12.32	9.37
Other selling expenses	2.93	33.01
Total (b)	**228.80**	**223.06**
c. ADMINISTRATIVE EXPENSES		
Rent	0.89	1.44
Rates and taxes	4.47	4.55
Insurance	5.66	5.41
Other repairs and maintenance	9.81	6.81
Travelling expenses	6.32	7.23
Legal and professional charges	34.63	32.14
Communication expenses	0.80	1.02
Printing and stationery	0.95	1.13
Auditors remuneration	1.11	1.00
Miscellaneous expenses	29.63	33.31
Directors' commission	0.87	1.04
Bad debts written off (Net)	0.23	-
Allowance for credit losses (including Expected credit loss)	0.41	5.04
Directors' sitting fees	0.66	0.95
CSR expenses	9.41	10.06
Net loss on foreign currency transactions	13.35	3.04
Loss on assets sold, demolished, discarded and scrapped	8.15	5.61
Total (c)	**127.35**	**119.78**
Total (a+b+c)	**1,780.88**	**1,723.84**

38.i Payments to auditors

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
a. As auditors	0.92	0.83
b. For taxation matters	0.06	0.06
c. For certification fees and other services	0.06	0.05
d. Reimbursement of expenses	0.07	0.06
Total	**1.11**	**1.00**

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

38.ii Details of CSR Expenditure

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Gross amount to be spent during the year	9.24	9.91
Amount spent in cash during the year on:		
Construction/acquisition of any asset	-	-
Others		
Education	6.74	6.76
Environment	0.07	0.23
Health	0.44	0.38
Rural development	2.16	2.69
Total (A)	**9.41**	**10.06**
Excess spent of earlier years (B)	**0.50**	**0.09**
Total spent (A+B)	**9.91**	**10.15**
Reason for shortfall	**NA**	**NA**

Note (i) Research and Development expenditure

₹ in Crores

Revenue expenses on research and development unit situated at Bevinahalli village, Koppal incurred during the year are given below	For the year ended 31st March 2026	For the year ended 31st March 2025
Cost of materials/consumables/spares	0.18	0.44
Employee related expense	5.89	5.14
Other expenses	0.98	0.70
Total	**7.05**	**6.28**

₹ in Crores

Capital expenditure on research and development unit situated at Bevinahalli village, Koppal incurred during the year are given below	For the year ended 31st March 2026	For the year ended 31st March 2025
Tangible Assets		
Plant and machinery	0.26	0.53
Computers	0.09	0.05
Office equipment	0.01	-
Total	**0.36**	**0.58**

39 EXCEPTIONAL ITEMS

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Statutory impact of new Labour Codes (Refer Note 39.1)	(17.66)	-
	(17.66)	**-**

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

39.1 On November 21, 2025, the Government of India notified the four Labour Codes consolidating 29 existing labour laws. The Company assessed and disclosed the impact of these changes on the basis of the best information available. Due to changes in the "wage definition", the impact of ₹17.66 crore related to gratuity and compensated absences has been recorded and disclosed under "Exceptional Items" for the current year. The Company continues to monitor the finalisation of Central Rules, State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

40 LEASES

The Company have taken various premises and plants and machinery under operating lease. These are generally cancellable and ranges from 13 months to 10 years and are renewable by mutual consent on mutually agreeable terms. There are no restrictions imposed by these lease arrangements and there are no sub leases. There are no contingent rents.

a) Following are the changes in the carrying amount of Right-of-Use assets for the year ended 31st March 2026 and 31st March 2025

₹ in Crores

Particulars	For the year ended 31st March 2026			For the year ended 31st March 2025		
	Office Building	Plant and Machinery	Land	Office Building	Plant and Machinery	Land
Opening balance	-	1.81	208.20	3.22	3.03	210.67
Addition during the year	-	-	0.27	-	-	1.14
Deletion on cancellation of lease	-	-	-	5.55	-	-
Depreciation on ROU of assets	-	1.15	3.65	0.57	1.22	3.61
Depreciation on deletion	-	-	-	2.90	-	-
Closing balance	**-**	**0.66**	**204.82**	**-**	**1.81**	**208.20**

b) The following is the movement in Lease Liabilities for the year ended 31st March 2026 and 31st March 2025

₹ in Crores

Particulars	For the year ended 31st March 2026			For the year ended 31st March 2025		
	Office Building	Plant and Machinery	Land	Office Building	Plant and Machinery	Land
Opening balance	-	1.32	1.09	3.63	2.04	-
Additions during the year	-	-	0.28	-	-	1.14
Finance cost incurred during the year	-	0.12	0.10	0.16	0.23	0.07
Deletion on cancellation of lease	-	-	-	(3.09)	-	-
Payment of lease liabilities	-	(0.95)	(0.12)	(0.70)	(0.95)	(0.12)
Closing balance	**-**	**0.49**	**1.35**	**-**	**1.32**	**1.09**

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

40 LEASES (Contd.)

c) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Due within one year	0.64	1.04
Due within one year to five years	0.62	0.96
Due for more than five years	2.85	2.15
Total Undiscounted Lease Liabilities	**4.11**	**4.15**
Lease Liabilities included in the Statement of Financial Position		
Non-current financial liabilities	1.35	1.58
Current financial liabilities	0.49	0.83
Total	**1.84**	**2.41**

d) The following amounts are recognized in the Statement of Profit and Loss:

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Interest expenses on financial liabilities	0.23	0.46
Depreciation on ROU assets	4.80	5.39
Expenses relating to short term lease	0.89	1.44
Total	**5.92**	**7.29**

e) The following amounts are recognized in the Statements of Cash Flows:

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Total cash outflows for leases	**0.81**	**1.77**

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

41 Earnings per equity share as calculated in accordance with Indian Accounting Standard

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on exercise of stock option.

The following reflects the income and share data used in the basic and diluted EPS computations:

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
a. Net Profit after tax considered for the calculation of EPS (₹ in Crores)	504.74	291.00
b. Number of equity shares outstanding at the end of year	16,49,21,643	16,46,17,338
c. Weighted average number of equity shares used in computing earnings per equity share	16,47,97,525	16,44,93,661
d. Effects of dilution on account of Stock options granted under ESOS	5,47,370	9,56,479
e. Weighted average number of equity shares adjusted for the effect of dilution*	16,53,44,895	16,54,50,140
f. Earnings per share		
Basic (₹)	**30.63**	**17.69**
Diluted (₹)	**30.53**	**17.59**
g. Face value per equity share (₹)	5.00	5.00

*There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

42 FAIR VALUE MEASUREMENTS

Financial instruments by category as at 31st March 2026

₹ in Crores

Particulars	Amortised cost	FVTPL	FVTOCI
Financial assets			
Investments in unquoted equity shares	-	-	0.94
Loans	3.25	-	-
Trade receivables	1,089.96	-	-
Cash and cash equivalents	86.95	-	-
Other bank balances	34.85	-	-
Other financial assets excluding derivative assets	62.93	-	-
Derivative assets on forward exchange foreign contracts and interest rate swaps	-	12.02	-
Total	**1,277.94**	**12.02**	**0.94**

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

42 FAIR VALUE MEASUREMENTS (Contd.)

₹ in Crores

Particulars	Amortised cost	FVTPL	FVTOCI
Financial liabilities			
Borrowings	1,034.30	-	-
Lease liabilities	1.84		
Trade payables	1,179.94	-	-
Other financial liabilities excluding derivative liabilities	124.52	-	-
Derivative liabilities on foreign currency forward contracts and interest rate swaps	-	-	-
Total	**2,340.60**	**-**	**-**

Financial instruments by category as at 31st March 2025

₹ in Crores

Particulars	Amortised cost	FVTPL	FVTOCI
Financial assets			
Investments in unquoted equity shares	-	-	0.94
Loans	2.39	-	-
Trade receivables	1,044.05	-	-
Cash and cash equivalents	42.18	-	-
Other bank balances	26.70	-	-
Other financial assets excluding derivative assets	62.79	-	-
Derivative assets on forward exchange foreign contracts	-	-	-
Total	**1,178.11**	**-**	**0.94**
Financial liabilities			
Borrowings	1,275.86	-	-
Lease liabilities	2.41		
Trade payables	1,070.28	-	-
Other financial liabilities excluding derivative liabilities	184.35	-	-
Derivative liabilities on foreign currency forward contracts and interest rate swaps	-	3.33	-
Total	**2,532.90**	**3.33**	**-**

The Company has not performed a fair valuation of some of its investments in unquoted ordinary shares, which are classified as FVTOCI (refer Note No. 7, as the Company believes that impact of change on account of fair value is insignificant.

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

42 FAIR VALUE MEASUREMENTS (Contd.)

Fair value hierarchy

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

Quantitative disclosures fair value measurement hierarchy for assets:

₹ in Crores

Particulars	Amount	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Asset/(Liability) measured at fair value through profit or loss				
Derivative Asset (Liability) on account of forward exchange contracts				
Date of Valuation				
As at 31st March 2026	12.02	-	12.02	-
As at 31st March 2025	(3.33)	-	(3.33)	-
Equity Instruments through Other Comprehensive Income				
Date of Valuation				
As at 31st March 2026	0.94	-	-	0.94
As at 31st March 2025	0.94	-	-	0.94

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Derivative financial assets/(liability) are valued based on inputs that are directly or indirectly observable in the market.

The Company has invested in unquoted equity shares of Kirloskar Management Services Private Limited which is measured subsequently at FVTOCI. Accordingly, the company has fair valued the investment using income approach under Ind AS 113 (Discounted Cash Flow method). Free cash flows, risk adjusted cost of equity and perpetual growth rate are the significant unobservable inputs considered in fair valuation of investment.

Sensitivity analysis of Level 3 Fair values

For the fair values of Investment in equity instruments, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects:

₹ in Crores

Significant observable inputs	Change in input	Effect on pre-tax equity as at 31st March 2026	Effect on pre-tax equity as at 31st March 2025
Perpetual growth rate	Increase by 50 basis points	0.01	0.05
Perpetual growth rate	Decrease by 50 basis points	(0.05)	(0.05)
Risk adjusted cost of equity	Increase by 50 basis points	(0.06)	(0.05)
Risk adjusted cost of equity	Decrease by 50 basis points	0.02	0.05

Fair value of financial assets and financial liabilities measured at amortised cost :

The management believes that the fair values of non-current financial assets (e.g. loans and others), current financial assets (e.g., cash and cash equivalents, trade receivables, loans and others excluding other derivative assets), non-current liabilities and current financial liabilities (e.g. trade payables and other payables excluding derivative liabilities) approximate their carrying amounts.

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

43 Financial instruments risk management objectives and policies

The Company's activities exposes it to market risks, credit risks and liquidity risks. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments such as forward foreign exchange contract are entered to hedge the foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as a trading or speculative purposes.

This note explains the source of risk which the entity is exposed to and how entity manages the risk in the financial statements.

Risk	Exposure arising from	Risk Management Plan
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Diversification of bank deposits, credit limits and letter of credits.
Liquidity risk	Borrowings and other liabilities.	Availability of fund based and non fund based borrowing facilities.
Market risk - Foreign exchange	Recognised payables denominated in foreign currency, receivables denominated in foreign currency, firm commitments in foreign currency.	Forward foreign exchange contract.
Market risk - Interest rate risk	Borrowings on account of working capital. Borrowings on account of Term Loans.	Entity continuously monitors interest rates on working capital borrowings at regular intervals and economises the transactions at the best possible rates drawn at the time of monitoring on the basis of comparative rates with various banks/institutions. Long term borrowings are at fixed as well as variable rate of interest.
Market risk - Commodity price risk	Coke/coal, Iron ore and Pig Iron	Every month entity monitors and reviews the price trend of the materials, demand and supply position and market intelligence report and strategy is adopted before finalising the next consignment/quantities for subsequent months. The Commodity Price Risk is managed without any hedging of commodities by the Company.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, trade and other payables, foreign exchange forward contracts, security deposit, trade and other receivables, deposits with banks.

The sensitivity analysis in the following sections relate to the position as at reporting dates. The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations and provisions.

The Company's activities expose it to variety of market risks, including effect of changes in foreign currency exchange rate, interest rate and commodity price.

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date the interest rate profile of the Companie's interest bearing financial instruments are follows:

₹ in Crores

Particulars	31st March 2026	31st March 2025
Fixed rate borrowings		
Commercial papers	294.98	344.73
Total fixed rate borrowings	**294.98**	**344.73**

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

43 Financial instruments risk management objectives and policies (Contd.)

₹ in Crores

Particulars	31st March 2026	31st March 2025
Variable rate borrowings		
Term loan from banks	509.22	677.83
Loans repayable on demand	224.35	247.55
Total variable rate borrowings	**733.57**	**925.38**
Less: Interest rate swaps (principal amount hedged)	-	190.00
Net exposure to variable rate borrowings	**733.57**	**735.38**

₹ in Crores

Particulars	31st March 2026	31st March 2025
Impact on profit before tax and pre-tax equity		
Increase by 25 basis points	(1.83)	(1.84)
Decrease by 25 basis points	1.83	1.84

b. Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Company transacts business in its functional currency and in different foreign currencies. The Companie's exposure to the risk of changes in foreign exchange rates relates primarily to the Companie's operating activities, where revenue or expense is denominated in a foreign currency. The Company manages its foreign currency risk by hedging foreign currency payables using foreign currency forward contracts. It negotiates the terms of those foreign currency forward contracts to match the terms of the hedged exposure.

Details of foreign currency exposures that are hedged by derivative instruments or otherwise

(Currency in Crores)

Particulars	Currency	Amount in foreign currency	Equivalent Indian currency	Maturity Profile
As at 31st March 2026				
Payables	USD	3.31	304.96	Within 6 Months
	AUD	0.56	13.83	
As at 31st March 2025				
Payables	USD	2.41	209.61	Within 6 Months

Details of foreign currency exposures that are not hedged by derivative instruments or otherwise

(Currency in Crores)

Particulars	Currency	Amount in foreign currency	Equivalent Indian currency
As at 31st March 2026			
Receivables	USD	0.21	20.23
	EURO	0.01	0.57
Payables	USD	0.22	20.27
	EURO	0.01	1.48
	SEK	0.00	0.02

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

(Currency in Crores)

Particulars	Currency	Amount in foreign currency	Equivalent Indian currency
As at 31st March 2025			
Receivables	USD	0.14	11.61
	EURO	0.00	0.00
Payables	USD	1.12	95.71
	SEK	0.00	0.02
	EURO	0.01	1.14

Foreign currency sensitivity on unhedged exposure

(Currency in Crores)

Financial Year	Foreign currency	Change in foreign currency rates	Effect on profit before tax ₹ In Crores	Effect on pre-tax equity ₹ In Crores
For 31st March 2026	USD	+5%	(0.00)	(0.00)
		-5%	0.00	0.00
	EURO	+5%	(0.05)	(0.05)
		-5%	0.05	0.05
	SEK	+5%	(0.00)	(0.00)
		-5%	0.00	0.00
For 31st March 2025	USD	+5%	(4.20)	(4.20)
		-5%	4.20	4.20
	EURO	+5%	(0.06)	(0.06)
		-5%	0.06	0.06
	SEK	+5%	(0.00)	(0.00)
		-5%	**0.00**	**0.00**

c. Commodity price risk

Commodity price risk is a financial risk on the company's financial performance which is affected by the fluctuating prices on account of global and regional supply/demand. Fluctuations in the prices of commodities mainly depend on market conditions. The company is subject to fluctuations in prices for the purchase of metallurgical coke, coking coal and iron ore which are the major input materials for production of pig iron.

The company has an elaborate control procedure for finalising the prices of commodities through approval process from designated Company officials. Every month the price trend of the materials, demand and supply position and market intelligence report are reviewed and strategy is adopted before finalising the next consignment/quantities for subsequent months. The Commodity Price Risk is managed without any hedging of the commodities.

ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities such as primarily trade receivables and from its investing activities, including deposits with banks and financial institutions, cash and cash equivalent and other financial instruments.

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

a. Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit exposure risk is mainly influenced by class or type of customers, depending upon their characteristics. Credit risk is managed through credit approval process by establishing credit limits along with continuous monitoring of credit worthiness of customers to whom credit terms are granted. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are combined into homogenous category and assessed for impairment collectively. The calculation is based on actual incurred historical data as well as futuristic information. The Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors.

The ageing of trade receivables at the reporting date that were not impaired are as follows

₹ in Crores

Particulars	31st March 2026		31st March 2025	
	Amount	Percentage	Amount	Percentage
- Less than one year	1,063.88	97.50%	1,030.69	98.67%
- One year to three years	16.12	1.48%	3.29	0.31%
- Three years and above	11.12	1.02%	10.58	1.01%
Total	**1,091.12**	**100.00%**	**1,044.56**	**100.00%**

b. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Companie's treasury department in accordance with the Companie's policy. Investments of surplus funds are made only with approved counter parties. The Company monitors rating, credit spreads and financial strength of its counter parties. Based on ongoing assessment the Company adjust it's exposure to various counter parties.

c. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash flow and collateral obligations without incurring unacceptable losses. Companie's objective is to, at all time maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including overdraft, debt from domestic and international banks at optimised cost. The Company has access to banks, capital and money market across debt, equity and hybrids.

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

The table given below summarises the maturity profile of the Company's financial liabilities based on contractual payments excluding interest payments:

(₹ in Crores)

Particulars	Less than 1 year	2 years to 4 years	More than 4 years	Total
As at 31st March 2026				
Borrowings - Current	797.54	-	-	797.54
Borrowings - Non-current	-	236.76	-	236.76
Lease liabilities	0.49	1.35	-	1.84
Trade payables	1,179.94	-	-	1,179.94
Any other financial liabilities	124.52	-	-	124.52
Total	**2,102.49**	**238.11**	**-**	**2,340.60**
As at 31st March 2025				
Borrowings - Current	858.74	-	-	858.74
Borrowings - Non-current	-	376.08	41.04	417.12
Lease liabilities	0.83	1.58	-	2.41
Trade payables	1,070.28	-	-	1,070.28
Any other financial liabilities	187.68	-	-	187.68
Total	2,117.53	377.66	41.04	2,536.23

Note: The Company is not expecting to prepay any of its liabilities.

44 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2026 and 31st March 2025.

45 Disclosure pursuant to Ind-AS 19 Employee Benefits:

Defined contribution plan

Contribution to the defined contribution plan recognised as expense are as under

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
a. Employer's contribution to provident fund	11.38	10.43
b. Employer's contribution to superannuation fund	-	2.56

The Provident Fund contributions are remitted to the Regional Provident Fund Commissioner.

The Contribution on account of Superannuation is remitted to Life Insurance Corporation of India, who manages the Superannuation Fund.

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

46 Disclosure pursuant to Ind-AS 19 Employee Benefits:

1) Defined Benefit Plan

The Employee Gratuity Fund Scheme is a Defined Benefit Plan. The present value of the obligation is based on the actuarial valuation using Projected Unit Credit Method

₹ in Crores

	Particulars	Gratuity (Funded)	
		As at 31st March, 2026	As at 31st March, 2025
a.	**Asset and Liability**		
	Present Value of Obligation	114.28	104.46
	Fair Value of Plan Assets	95.13	90.50
	Surplus/(Deficit)	**(19.15)**	**(13.96)**
b.	**Expenses Recognized during the year**		
	In income Statement	20.07	5.27
	In Other Comprehensive Income	(7.70)	14.14
	Total Expenses Recognized during the year	**12.37**	**19.41**
c.	**Changes in the Present Value of Obligations (PVO)**		
	PVO at beginning of year	104.46	88.48
	Current service cost	5.79	4.73
	Interest expenses or cost	7.16	6.10
	Re-measurement (or actuarial) (gain)/loss arising from:		
	change in demographic assumptions	(0.01)	-
	change in financial assumptions	(2.54)	7.89
	experience variance (i.e., actual experience vs assumptions)	(4.89)	6.19
	Past service cost	13.10	0.28
	Benefits paid	(8.79)	(9.28)
	Acquisition Adjustment	-	0.07
	PVO at end of Year	**114.28**	**104.46**
d.	**Bifurcation of Present Value of Obligation**		
	Current Liability (Short term)	18.18	15.14
	Non-Current Liability (Long term)	95.94	89.26
	Present Value of Obligation	**114.12**	**104.40**
e.	**Changes in Fair Value of Plan Assets**		
	Fair Value of Plan Assets as at the beginning	90.50	81.20
	Investment income	6.04	5.76
	Employer's Contribution	7.12	12.87
	Mortality Charges and Taxes	-	0.00
	Benefit Paid	(8.79)	(9.29)
	Return on plan Assets, Excluding amount recognised in net interest expense	0.26	(0.04)
	Fair Value of Plan Assets at the end of Year	**95.13**	**90.50**

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

46 Disclosure pursuant to Ind-AS 19 Employee Benefits: (Contd.)

₹ in Crores

Particulars		Gratuity (Funded) As at 31st March, 2026	As at 31st March, 2025
f.	**Change in the effect of asset ceiling**		
	Effect of asset ceiling at the beginning	-	-
	Interest Expense or cost (to the extent not recognized in net interest expense)	-	-
	Re-measurement (or Actuarial) (Gain)/loss arising because of Change in effect of asset ceiling	-	-
	Effect of Asset Ceiling at the End	-	-
g.	**Expenses Recognized in the Statement of Profit and Loss**		
	Current Service Cost	5.79	4.64
	Past Service Cost	13.10	0.28
	Net interest cost/(Income) on the net Defined Benefit Liability/(Asset)	1.14	0.35
	Expenses Recognized in the income Statement	**20.03**	**5.27**
h.	**Effect on Other Comprehensive income**		
	Actuarial (gains)/losses		
	Change in demographic assumptions	(0.01)	-
	Change in financial assumptions	(2.54)	7.26
	Experience variance (i.e. actual experience vs. assumptions)	(4.89)	0.04
	Return on plan assets, excluding amount recognized in net interest expense	(0.26)	6.84
	Components of defined benefit costs recognized in other comprehensive income	**(7.70)**	**14.14**
i.	**Actuarial Assumptions**		
	Mortality (%)	100%	100.00%
		(% of IALM 2012-14)	(% of IALM 2012-14)
	Discount Rate	7.10% - 7.20%	6.80% - 7.00%
	Rate of increase in compensation	5.00% - 10.00%	5.00% - 10.00%
	Attrition rates	1.00% - 7.00%	1.00% - 7.00%

Sensitivity Analysis

₹ in Crores

Particulars	31st March 2026		31st March 2025	
Defined Benefit Obligation (Base)		114.12		104.40
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	120.19	108.66	109.68	99.60
(% Change compared to base due to sensitivity)	5.32%	-4.78%	5.06%	-4.60%
Salary Growth Rate (-/+ 1 %)	108.77	119.86	100.10	109.02
(% Change compared to base due to sensitivity)	-4.69%	5.03%	-4.12%	4.43%
Attrition Rate (-/+ 50% of attrition rates	115.31	113.30	105.48	103.64
(% Change compared to base due to sensitivity)	1.04%	-0.72%	1.03%	-0.73%
Mortality Rate (-/+ 10% of mortality rates)	114.13	114.13	104.42	104.38
(% Change compared to base due to sensitivity)	0.01%	0.01%	0.02%	-0.02%

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

46 Disclosure pursuant to Ind-AS 19 Employee Benefits: (Contd.)

Effect of Plan on entity's future cash flows

a) Funding arrangements and funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Expected contribution during the next annual reporting period

₹ in Crores

The Company's best estimate of contribution during the next year	25.22

c) Maturity Profile of Defined Benefit Obligation

₹ in Crores

Particulars	As at 31st March, 2026
Expected cash flows over the next (Valued on Undiscounted basis):	
1 Year	18.18
2 to 5 years	68.89
6 years and onwards	91.19

Major category of Fair Value of Plan Assets at the end of the year is as under:

₹ in Crores

Particulars	As at 31st March 2026		As at 31st March 2025	
	₹ in Crores	Percent	₹ in Crores	Percent
Funds with Life Insurance Corporation of India	93.04	97.80%	88.58	97.88%
Others	2.09	2.20%	1.92	2.12%
Total	**95.13**	**100.00%**	**90.50**	**100.00%**

Asset liability matching strategy

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The Insurance company, as a part of policy rules makes payment of all gratuity payouts during the year as per policy conditions. The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

47 Stock options schemes - Kirloskar Ferrous Industries Limited

KFIL Employee Stock Option Scheme 2017:

The Company has introduced employee stock option scheme. This employee equity-settled compensation scheme is known as KFIL Employee Stock Option Scheme 2017 ("KFIL ESOS 2017/Scheme"). The employee stock option scheme is approved and authorized by the Board of Directors. This scheme is designed to provide incentives to specified senior management employees who are in the employment of the company and director(s), whether wholetime or otherwise, (other than promoters of the company, persons belonging to promoters group, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company). The specific employees to whom the options would be granted, and their eligibility criteria would be determined by the Nomination and Remuneration Committee.

Options granted under KFIL ESOS 2017 would vest after 1 (one) year but not later than 4 (four) years from the date of grant of such options. Options will be vested equally over four years. Vesting of options would be subject to continued employment with the Company and thus the options would vest essentially on passage of time. In addition to this, the Nomination and Remuneration Committee may also specify certain performance criteria subject to satisfaction of which the options would vest. Any option granted shall be exercisable according to the terms and conditions as determined by the Nomination and Remuneration Committee and as set forth in the Grant Letter. The exercise period shall be 3 (three) years from the date of vesting of options in case of employee is in continuation of employment. The vested options can be exercised by the employee at any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter. When exercisable, each option is convertible into one equity share. The options not exercised within the exercise period shall lapse and the employee shall have no right over such lapsed or cancelled options. The shares arising out of exercise of vested options shall not be subject to any lock-in period from the date of allotment of such shares under KFIL ESOS 2017.

Under the said scheme, Nomination and Remuneration Committee of the board of directors has granted following options to its eligible employees

Grant date	No. of options
3rd November, 2017	17,65,000
30th October, 2018	1,20,000
18th October, 2019	1,00,000
16th October, 2020	1,30,000
22nd October, 2021	3,70,000
05th November, 2022	1,60,000

Particulars	As at 31st March 2026		As at 31st March 2025	
	Weighted average exercise price per share per option (₹)	Number of options	Weighted average exercise price per share per option (₹)	Number of options
Opening Balance	150	3,22,760	139	4,76,395
Granted during the year	-	-	-	-
Exercised during the year	127	77,710	110	99,410
Lapsed during the year	163	14,220	52	16,025
Forfeited during the year	152	39,000	152	38,200
Closing Balance	**156**	**1,91,830**	**150**	**3,22,760**
Options exercisable at the end of the year	**153**	**1,54,830**	**141**	**1,94,760**

Weighted average share price as on the date of exercise is ₹ 507.33/- (Previous year: ₹ 648.35/-).

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

47 Stock options schemes - Kirloskar Ferrous Industries Limited (Contd.)

Grant date	Exercise price	Options Outstanding as at 31st March 2026	Options Outstanding as at 31st March 2025
03-November-2017	50.00	-	-
30-October-2018	51.00	-	7,800.00
18-October-2019	50.00	-	4,000.00
16-October-2020	55.00	15,100.00	29,450.00
22-October-2021	163.00	1,03,390.00	1,73,110.00
05-November-2022	166.00	73,340.00	1,08,400.00
Total		**1,91,830.00**	**3,22,760.00**
Weighted average remaining contractual life of the options outstanding at the end of the period		2.08 Years	2.68 Years

II. KFIL Employee Stock Option Scheme 2021:

The Company has introduced employee stock option scheme. This employee equity-settled compensation scheme is known as KFIL Employee Stock Option Scheme 2021 ("KFIL ESOS 2021/Scheme"). The employee stock option scheme is approved and authorized by the Board of Directors. This scheme is designed to provide incentives to specified senior management employees who are in the employment of the company and director(s), whether wholetime or otherwise, (other than promoters of the company, persons belonging to promoters group, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company). The specific employees to whom the options would be granted, and their eligibility criteria would be determined by the Nomination and Remuneration Committee.

Options granted under KFIL ESOS 2021 would vest after 1 (one) year but not later than 4 (four) years from the date of grant of such options. Options will be vested equally over four years. Vesting of options would be subject to continued employment with the Company and thus the options would vest essentially on passage of time. In addition to this, the Nomination and Remuneration Committee may also specify certain performance criteria subject to satisfaction of which the options would vest. Any option granted shall be exercisable according to the terms and conditions as determined by the Nomination and Remuneration Committee and as set forth in the Grant Letter. The exercise period shall be 3 (three) years from the date of vesting of options in case of employee is in continuation of employment. The vested options can be exercised by the employee at any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter. When exercisable, each option is convertible into one equity share. The options not exercised within the exercise period shall lapse and the employee shall have no right over such lapsed or cancelled options. The shares arising out of exercise of vested options shall not be subject to any lock-in period from the date of allotment of such shares under KFIL ESOS 2021.

Under the said scheme, Nomination and Remuneration Committee of the board of directors has granted following options to its eligible employees.

Grant date	No. of options
19th May, 2022	16,70,000
03rd November, 2023	16,000
09th August, 2024	2,40,000

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

47 Stock options schemes - Kirloskar Ferrous Industries Limited (Contd.)

Particulars	As at 31st March 2026		As at 31st March 2025	
	Weighted average exercise price per share per option (₹)	Number of options	Weighted average exercise price per share per option (₹)	Number of options
Opening Balance	239	12,30,515	159.00	13,51,827
Granted during the year	-	-	563.00	2,40,000
Exercised during the year	157	2,40,705	157.00	2,56,487
Forfeited during the year	159	1,40,575	159.00	1,04,825
Closing Balance	**269**	**8,49,235**	**239.00**	**12,30,515**
Options exercisable at the end of the year	**230**	**2,78,735**	**160.00**	**1,88,515**

Weighted average share price as on the date of exercise is ₹ 508.81 (Previous year: ₹ 684.61).

The company has recorded employee share-based compensation expense in current year amounting to ₹ 2.63 Crores (Previous Year: ₹ 5.95 Crores) for the options issued to the employees.

48 The disclosure required by Indian Accounting Standard (Ind AS 37) "Provisions, Contingent Liabilities, Contingent Assets" are as follows

Class of Provision	Opening balance as on 1st April 2025	Provisions for the year	Amounts used during the year	Closing balance as on 31st March 2026
	₹	₹	₹	₹
Casting rejections	4.91	9.53	4.91	9.53

Class of Provision	Opening balance as on 1st April 2024	Provisions for the year	Amounts used during the year	Closing balance as on 31st March 2025
	₹	₹	₹	₹
Casting rejections	5.75	4.91	5.75	4.91

Nature of obligation: Provision for possible obligation towards outflow of resources on casting rejections.

Expected timing of resulting outflow: Substantial costs will be incurred in the next financial year.

49 Disclosures of transactions with Related Parties as required by Ind AS 24

Name of Related Party & Relationship

Holding Company

Kirloskar Industries Limited

Subsidiary Companies

Tridem Port and Power

Company Private Limited

Nagapattinam Energy Private Limited

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

49 Disclosures of transactions with Related Parties as required by Ind AS 24 (Contd.)

Best Exim Private Limited

Success Power and

Infra Projects Private Limited

Marshal Microware Infrastructure Development Company Private Limited

Structo Hydraulics AB, Sweden (Company under liquidation)

ISMT Enterprises SA, Luxembourg (Voluntary liquidation initiated on May 26, 2025 & Company liquidated on September 01, 2025)

ISMT Europe AB, Sweden (liquidation initiated on January 09, 2025 liquidated on December 08, 2025)

Fellow Subsidiary

Avante Spaces Limited

Key Managerial Personnel

Mr. R.V. Gumaste - Managing Director

Mr. R.S. Srivatsan - Executive Director (Finance) & CFO

Mr. N. B. Ektare - Executive Director (Operations) (w.e.f. 09th August, 2024)

Mr. Mayuresh Gharpure - Company Secretary

Post Employment Benefit Plans

KFIL Employees Group Gratuity

The Indian Seamless Metal Tubes Ltd Provident Fund (Unit -A)

ISMTL Provident Fund (Unit B)

ISSAL Provident Fund

Indian Seamless Superannuation Scheme

ISSAL Superannuation Fund

Indian Seamless Gratuity Fund

ISSAL Gratuity Fund

₹ in Crores

Name of related party and nature of relationship		Nature of transaction	2025-26		2024-25	
			Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
A.	**Holding Company**					
	Kirloskar Industries Limited	Purchase of Power	0.98	-	-	-
		Building rent paid	-	-	0.05	-
		Rent Deposit Receivable	-	-	0.03	-
		Advance Receivable	-	1.62	-	1.62

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

49 Disclosures of transactions with Related Parties as required by Ind AS 24 (Contd.)

₹ in Crores

	Name of related party and nature of relationship	Nature of transaction	2025-26		2024-25	
			Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
B	**Key management personnel**					
	Mr. R.V. Gumaste - Managing Director	Compensation	12.32	-	12.53	-
		Compensation payable	-	5.68	-	3.67
		Sitting Fees Paid	-	-	0.02	-
	Mr. Mayuresh Gharpure - Company Secretary	Compensation	0.55	-	0.51	-
		Compensation payable	-	0.04	-	0.04
	Mr. R. S. Srivatsan - Executive Director (Finance) & Chief Financial Officer	Compensation	5.22	-	5.35	-
		Compensation payable	-	2.13	-	1.62
	Mr. N. B. Ektare - Executive Director (Operations) (w.e.f. 09th August, 2024)	Compensation	4.48	-	4.53	-
		Compensation payable	-	2.55	-	2.57
C	**Subsidiary Company**					
	Structo Hydraulics AB, Sweden	Bad Debts written off/ (Recovered)	-	-	(3.81)	-
	ISMT Europe AB, Sweden	Payables	-	0.02	-	0.02
	ISMT Enterprises SA, Luxembourg	Write off of Investment in Subsidiary	48.43	-	-	-
	Tridem Port and Power Company Private Limited	Advnace for Admin expenses	0.12	-	0.17	-
		Provision for Impairment in the Value of Investment in subsidiary	(0.12)	-	(0.17)	-
D	**Fellow Subsidiary Company**					
	Avante Spaces Limited	Maintenace Charges	1.45	-	0.59	0.02
E	**Post Employment Benefit Trusts**					
	KFIL Employees Group Gratuity	Contribution	2.00	-	7.76	-
	Indian Seamless Superannuation Scheme	Contribution	0.20	-	0.17	0.20
	ISSAL Superannuation Fund	Contribution	0.07	-	-	0.06
	The Indian Seamless Metal Tubes Ltd Provident Fund (Unit -A)	Contribution	-	-	4.54	-
	ISMTL Provident Fund (Unit B)	Contribution	-	-	0.30	-
	Indian Seamless Gratuity Fund	Contribution	2.02	6.08	5.06	4.81
	ISSAL Gratuity Fund	Contribution	2.55	2.99	0.15	4.74

Note

(i) Outstanding amount carried in Balance Sheet does not include liability in respect of gratuity and leave encashment which is provided on actuarial basis for the Company as a whole.

(ii) Company has not made any Loans/Advances/Investments during the year to the Ultimate Holding Company.

(iii) Transactions with related parties are at arms length price and the balances receivable/payable are un-secured.

(iv) The terms of payment are generally similar to those of other non-related parties.

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

49 Disclosures of transactions with Related Parties as required by Ind AS 24 (Contd.)

Compensation of key management personnel of the Company

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Short term employee benefits	15.84	13.41
Post employment benefits	1.24	1.30
Other long term benefits	0.23	0.42
Share-based payments	5.26	7.79
Total	**22.57**	**22.92**

50 Contingent Liabilities and Commitments

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Claims against the Company not acknowledged as debt		
Central Excise and Customs	24.58	31.57
Service Tax	1.90	2.44
Goods and Service Tax	1.55	1.50
Income Tax	66.01	42.03
Labour Matters to the extent quantifiable	0.41	0.43
Forest Development Fee Matter	331.11	271.47
Multi year tarrif & Tax on Sale of Electricity	32.00	-
Electricity Demand charges	10.39	-
Others	10.19	10.19
Guarantees excluding financial guarantee		
Bank Guarantee	191.76	184.51
Capital and Other Commitments		
Stamp Duty & Reg. Fee	1.21	1.21
Estimated amount of contracts remaining to be executed on capital account and not provided for	440.14	408.91

Note

In the opinion of the management the above legal matters, under claims against Company not acknowledged as debt, when ultimately concluded will not have material effect on the results of the operations or the financial position of the Company.

51 Borrowing cost capitalized

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Amount of borrowing costs capitalized	0.09	0.03

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

52 Disclosure pursuant to Ind AS 103 "Business Combinations":

Arrangement and Merger by Absorption of Oliver Engineering Private Limited and Adicca Energy Solutions Private Limited -

The Board of Directors of the Company, at its meeting held on August 04, 2025, had approved the Scheme of Arrangement and Merger by Absorption of Oliver Engineering Private Limited ('OEPL'/'Transferor Company 1') and Adicca Energy Solutions Private Limited ('AESPL'/'Transferor Company 2') (together, the 'Transferor Companies') with the Company and their respective Shareholders and Creditors ('Scheme').

Pursuant to the sanction of the Scheme by the Hon'ble National Company Law Tribunal, Mumbai ("NCLT") vide order dated June 2, 2026, and filing of the requisite documentation with the Registrar of Companies, Pune, the Transferor Companies have been absorbed by the Company with effect from the appointed date as per the Scheme, i.e. April 1, 2025.

In terms of the Scheme, all the assets, liabilities, reserves and surplus of the Transferor Companies have been transferred to and vested in the Company. Accordingly, the financial results for the year ended March 31, 2026, originally approved by the Board of Directors and filed with the stock exchange on May 7, 2026, have been updated to give effect to the Scheme and also the previous year's figures have been restated as per Ind AS 103 – Business Combinations.

Further, as per the terms of the Scheme, the unabsorbed depreciation and carried forward losses of the Transferor Companies stand transferred to and vested in the Company as on the Appointed Date. The management of the Company has evaluated the tax effect on account of the said unabsorbed depreciation and carried forward losses relating to the Transferor Companies and recognised an amount of ₹ 141.28 Crores as deferred tax asset as on April 1, 2025, in compliance with Ind AS 12. During the financial year 2025-26 these carried forward losses & unabsorbed depreciation have been adjusted and utilised for the computation of income tax in compliance with the provisions of the Income Tax Act, 1961 and consequently ₹ 110.38 crores of current tax expense has been reversed in the updated financial results.

In accordance with the applicable stamp duty legislation, the Company will apply for adjudication of stamp duty payable on the NCLT order sanctioning the Scheme. The exact amount of stamp duty is not determinable as on the date of approval of these financial statements, as it is subject to assessment by the State authorities. Stamp duty liability, if any, will be accounted for in the period in which the amount is determined by the authority.

Accounting Treatment

This Merger has been accounted in accordance with "Pooling of interest method" as laid down in Appendix C - 'Business Combinations of entities under common control' of Ind AS 103 - 'Business Combinations' notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as specified in the scheme and Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 9 Issue 2, such that:

(a) All assets and liabilities of the Transferor Companies are stated at the carrying values as appearing in the consolidated financial statements of the Company.

(b) The identity of the reserves has been preserved and are recorded in the same form and at the carrying amount as appearing in the standalone financial statements of Transferor Companies.

(c) The inter-company balances between transferor companies and the company have been eliminated.

(d) Comparative financial information in the financial statements of the Company has been restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

52 Disclosure pursuant to Ind AS 103 "Business Combinations": (Contd.)

Carrying values of assets and liabilities of Carrying values of assets and liabilities of Transferor Companies in consolidated financial statements of the company as on 1 April, 2024 are as below

₹ in Crores

Particulars	01-Apr-24	
	OEPL	AESPL
Property, Plant & Equipment (Incl. Capital Work-in-Progress)	121.92	1.92
Goodwill	-	0.04
Financial assets		
Other Financial Assets	-	0.50
Other non-current assets	3.96	-
Total Non-current assets	**125.88**	**2.46**
Current assets		
Financial assets		
Cash and Cash Equivalents	0.92	0.10
Other Financial Assets	0.02	-
Other current assets	1.43	0.36
Total Current assets	**2.37**	**0.46**
Total assets [A]	**128.25**	**2.92**
Non-current liabilities		
Financial liabilities		
Borrowings	111.75	-
Total Non-current liabilities	**111.75**	**-**
Current liabilities		
Financial liabilities		
Trade Payables	5.44	0.00
Other Financial Liabilities	5.10	3.13
Other current liabilities	-	0.00
Provisions	0.30	-
Total Current liabilities	**10.84**	**3.14**
Total liabilities [B]	**122.59**	**3.14**
Carrying Values of net assets as per Consolidated Financial Statements [C=A-B]	5.66	(0.22)
Less: Investment elimination [D]	9.00	0.01
Less: Net Movement of Reserve post acquisition till the date of merger [E]	(14.01)	(0.23)
Less: Capital Reserve on Acquisition as subsidiary [F]	10.67	-
Less: Consideration [G]	-	-
Capital reserve arising out of Merger [C-D-E-F-G]	**-**	**-**

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

53 Ratios Analysis

Particulars	Ratio as of 31st March 2026	Ratio as of 31st March 2025	% change	Explanations, if any
Current Ratio (Current Assets/Current Liabilities)	1.11	1.06	5%	NA
Debt-Equity Ratio (Debt/Equity) [Debt: long term borrowings + short-term borrowings] [Equity: Total Equity]	0.27	0.37	-28%	Decrease is on account of repayment of borrowings and increase in Other equity due to current year Profits.
Debt Service Coverage Ratio [Earning available for debt services/Interest + Installment] [Earning available for debt services: net profit before tax+ non cash expenses (Depreciation and Amortisation) + interest expense on borrowings] [Interest + Installment:- interest expenses on borrowings and current maturities]	2.23	1.99	12%	NA
Return on Equity Ratio [Profit/(loss) for the year after Tax/Total Equity]	13.06%	8.47%	54%	Refer Note No. 52
Inventory turnover ratio [Cost of good sold/Average Inventory] [Cost of good sold: Cost of materials consumed + Purchases of stock-in-trade + changes in inventories]	3.54	3.47	2%	NA
Trade Receivables turnover ratio [Revenue from operations/Average Trade Receivables]	6.46	6.77	-5%	NA
Trade payables turnover ratio [Cost of materials consumed/Average Trade Payables]	3.45	3.92	-12%	NA
Net capital turnover ratio [Revenue from operations/Total Equity]	1.78	1.91	-7%	NA
Net profit ratio [Profit/(loss) after tax/Revenue from operations]	7.33%	4.43%	65%	Refer Note No. 52
Return on Capital employed [Earning before interest & taxes (EBIT)/Capital Employed] [EBIT: Profit/(loss) before tax + interest expenses] [Capital Employed: Total Assets (-) Current Liabilities (-) Cash and Cash Equivalents]	14.87%	10.77%	38%	Refer Note No. 52
Return on investment [Profit/(loss) after tax/Total Equity]	13.06%	8.47%	54%	Refer Note No. 52

54 Relationship with Struck off Companies

Name of the Struck Off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company	Number of Shares held as on 31st March 2026	Number of Shares held as on 31st March 2025
Nenawati Marketing Pvt Ltd	Shares held in the Company	Shareholder	1,900	1,900
Box And Carton (P) Ltd	Shares held in the Company	Shareholder	100	100
Sri Ramachandra Investments (P) Ltd	Shares held in the Company	Shareholder	100	100
Umasoumya Investments Pvt Ltd	Shares held in the Company	Shareholder	100	100
Uma Sridhar Hire Finance Pvt Ltd	Shares held in the Company	Shareholder	100	100
Abhireet Investments & Trading (Pvt) Ltd	Shares held in the Company	Shareholder	200	200
Pci Vanijya Pvt Ltd	Shares held in the Company	Shareholder	85	85
North Point Properties Pvt Ltd	Shares held in the Company	Shareholder	26	26
Unicon Fincap Private Limited	Shares held in the Company	Shareholder	1,105	1,105

Notes forming part of Standalone Financial Statements

for the year ended 31st March 2026

[All amounts are in Indian Rupees (INR) in Crores unless otehrwise stated]

55 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

Ind AS 1 – Presentation of Financial Statements

The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact on these amendments in its classification criteria of current and non-current liabilities.

Ind AS 7 – Statement of Cash Flows and Ind AS 107

Financial Instruments - Disclosures, applicable w.e.f April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact on its financial statements.

Amendment issued but not effective (effective from April 01, 2026):

The Ministry of Corporate Affairs (MCA) through notification dated August 13, 2025, notified amendment to Ind AS 1, Presentation of Financial statements. This amendment removes the carve-outs in Ind AS 1 from IAS 1 when there is a breach of a material covenant that transforms the liability from non-current to current. The Company will evaluate the requirements and apply these amendments from the effective date. However, presently the Company does not see any material impact on the financial statements.

56 Previous year's figures have been regrouped wherever considered necessary to make them comparable with those of the current year.

As per our report of even date attached

For and on behalf of The Board of Directors

For **Kirtane & Pandit LLP**	For **P G BHAGWAT LLP**	**RAHUL KIRLOSKAR**	**R.V. GUMASTE**
Chartered Accountants	Chartered Accountants	Chairman	Managing Director
Firm Registration No. 105215W/W100057	Firm Registration No. 101118W/W100682	DIN 00007319	DIN 00082829
PARAG PANSARE	**NACHIKET DEO**	**R.S.SRIVATSAN**	**MAYURESH GHARPURE**
Partner	Partner	Executive Director (Finance) & Chief Financial Officer	Company Secretary
Membership No. 117309	Membership No. 117695	DIN 09607651	
Pune 12th Jun 2026	Pune 12th Jun 2026	Pune 12th Jun 2026	Pune 12th Jun 2026

Independent Auditors' Report

on the Audit of the Consolidated Financial Statements

To The Members of
Kirloskar Ferrous Industries Limited

Opinion

We have audited the accompanying consolidated financial statements of **Kirloskar Ferrous Industries Limited ("Holding Company")** and its **subsidiaries**, (Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2026, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of Material accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 52 of the Consolidated Financial Statements which fully explains that by virtue of approval of Scheme of arrangement and merger by absorption of Oliver Engineering Private Limited ('Transferor Company 1') and Adicca Energy Solutions Private Limited ('Transferor Company 2') (together the 'Transferor Companies') with the Holding Company and their respective shareholders and creditors ('the Scheme') by Hon'ble National Company Law Tribunal (NCLT) Mumbai Bench vide order dated 2nd June 2026 with effect from April 01, 2025 ('Appointed Date'), the consolidated financial Statements approved by Board on May 07, 2026 have been updated to give the effect of merger in accordance with Appendix C to Ind AS 103 read with related accounting pronouncements, as set out in the aforesaid note.

Further, explanation with respect to the evaluation performed by management of the Group in respect of the unabsorbed depreciation and carried forward business losses of the transferor companies that were transferred and vested in the Holding Company pursuant to the sanctioned scheme of merger and consequential effect on Current Tax and Deferred Tax is also provided in the said note.

Consequently, our report on the Consolidated Financial Statements dated May 07, 2026 having UDIN 26117309HQNNEI4807 and 26117695FYRSNN1521 stands cancelled.

Our opinion on Consolidated Financial Statements is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current year. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	**Contingent Liability** The companies within group are involved in litigations including direct and indirect tax that are pending with various statutory authorities as mentioned in Note No. 50 of the Consolidated Financial Statements. Whether a liability is recognized or disclosed as a contingent liability in the consolidated financial statements is inherently judgmental and dependent on assumptions and assessments. We placed specific focus on the judgements in respect to these demands against the companies within group. Determining the amount, if any, to be recognized or disclosed in the consolidated financial statements, is inherently subjective. Therefore, these litigations amount is considered to be a key audit matter.	• Obtained an understanding from the management with respect to process and controls followed by the companies within group for identification and monitoring of significant developments in relation to the litigations, including completeness thereof. • Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations. • Assessed management's discussions held with their legal consultants and understanding precedents in similar cases; • Obtained and evaluated the confirmations from the consultants representing the companies within group before the various authorities and our own dedicated teams of direct tax and indirect tax. • Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the consolidated financial statements.
2.	**Capital Expenditure in respect of Property, Plant and Equipment (PPE)** The Group has incurred significant expenditure on capital projects, as reflected by additions in property plant and equipment including capital work in progress in note no. 5 of the Consolidated financial statements. We considered Capital expenditure to PPE as a Key audit matter due to: • Significance of amount incurred on such items during the year ended March 31, 2026. • Judgement and estimate required by management in assessing assets meeting the capitalisation criteria set out in Ind AS 16 Property, Plant and Equipment. • Judgement involved in determining the eligibility of costs including borrowing cost and other directly attributable costs for capitalisation as per the criteria set out in Ind AS 16 Property, Plant and Equipment.	• We obtained an understanding of the Group's capitalisation policy and assessed for compliance with the relevant accounting standards. • We obtained understanding, evaluated the design and tested the operating effectiveness of internal controls related to capital expenditure and capitalisation of assets. • Reviewed management's evaluation of project in progress and their intent to bring assets to its intended use. • We performed substantive testing on a sample basis for various elements of capitalised costs and directly attributable cost, including verification of underlying supporting evidence and understanding nature of the costs capitalised. • We have tested on sample basis the appropriate classification of asset category and its useful life in accordance with the Schedule II of the Companies Act 2013. • We have obtained componentization and Completion reports for capitalization carried out during the year, wherever applicable and have assessed appropriateness of basis of componentization and stages of completion. • In relation to borrowing costs we obtained the supporting calculations, tested the inputs to the calculation and tested the arithmetical accuracy of the model.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above and in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by other auditors.

When we read the information as mentioned above, if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in Section 134 (5) of the Act with respect to preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the respective company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any company within Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of those Companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiaries which are companies incorporated in India, have adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors.
- For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current 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

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for matters stated in the paragraph h(vi) below on reporting under Rule 11(g).

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors of the Company for the year ended March 31, 2026 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the Internal Financial Controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding Company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of Internal Financial Controls with reference to financial statements of those companies.

g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Holding Company to its directors' during year is in accordance with the provisions of Section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 50 of the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long term contracts including derivative contracts.

iii. There is no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Further, there were no amounts which were required to be transferred to the Investor Education and Protection Fund in case of its Subsidiaries.

iv. With respect to clause (e) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended

(a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any such subsidiaries to or in any other person or entity, including foreign entity ('Intermediaries') with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any such subsidiaries from any other person or entity, including foreign entity ('Intermediaries') with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our attention or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) as provided under (a) and (b) above, contain any material misstatement.

v. The dividend declared and paid by the holding Company during the year is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination which included test checks and that performed by the respective Auditors of the subsidiaries, which are incorporated in India:

The Holding company and its subsidiaries have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. The audit trail has been preserved by the Holding Company as per the statutory requirements for record retention. Whereas in case of the Subsidiaries, the Audit Trail has been enabled in the current year, accordingly Audit trail has not been preserved for previous periods as per the statutory requirements for record retention.

With the respect to matters specified in Paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order" / "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the companies included in the consolidated financial statements

Other Matters

The accompanying Consolidated Financial Statements includes the audited financial statements and other financial information, in respect of 6 Subsidiaries, whose financial statements include total assets of Rs. 0.09 Crores as at March 31, 2026, Nil total income, total net profit/ (loss) after tax of Rs. 1.10 Crores , total comprehensive income of Rs. 0.34 Crore and net cash outflow of Rs. 0.10 Crore for the year ended March 31, 2026, as considered in the Consolidated Financial Statements which have been audited by their respective independent auditors. All above figures are before consolidation adjustments.

The independent auditors' report on the Financial Statements and other financial information of these entities have been furnished to us by the Management and our opinion on the Consolidated Financial Statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the report of such auditors and the procedures performed by us as stated above. According to the information and explanations given to us by the Management, these Audited financial Statements are not material to the Group.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

For
KIRTANE & PANDIT LLP
Chartered Accountants
Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No: 117309
Date: June 12, 2026
UDIN: 26117309VJLENV8508
Pune

For
P G BHAGWAT LLP
Chartered Accountants
Firm Registration No. 101118W/ W100682

Nachiket Deo
Partner
Membership No: 117695
Date: June 12, 2026
UDIN: 26117695SRJRDG1921
Pune

Annexure "A" To The Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Kirloskar Ferrous Industries Limited (hereinafter referred to as "Holding Company") as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies as of that date.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such Internal Financial Controls were operating effectively as at March 31, 2026, based on internal financial control with reference to consolidated financial statements criteria for established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls with reference to financial statements

The respective Board of Directors of the companies included in the Group which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to consolidated financial statements issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Internal Financial Controls with reference to financial statements of the Company and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls with reference to consolidated financial statements (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to consolidated financial statements included obtaining an understanding of Internal Financial Controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of Internal Financial Controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Financial Controls with reference to consolidated financial statements insofar as it relates to the subsidiaries which are companies incorporated in India, is based solely on the corresponding reports of the auditors of the Subsidiaries incorporated in India. Our opinion is not modified in respect of the above matters.

For
KIRTANE & PANDIT LLP
Chartered Accountants
Firm Registration No.105215W/W100057

Parag Pansare
Partner
Membership No: 117309
Date: June 12, 2026
UDIN: 26117309VJLENV8508
Pune

For
P G BHAGWAT LLP
Chartered Accountants
Firm Registration No. 101118W/ W100682

Nachiket Deo
Partner
Membership No: 117695
Date: June 12, 2026
UDIN: 26117695SRJRDG1921
Pune

Consolidated Balance Sheet

as at 31st March 2026

₹ in Crores

Particulars	Note No.	As at 31st March 2026	As at 31st March 2025
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,584.70	3,486.68
Capital work-in-progress	5	312.25	336.80
Other intangible assets	6	25.70	26.33
Intangible assets under development	6	19.96	2.00
Financial assets			
(i) Investments	7	0.94	0.94
(ii) Loans	8	0.32	0.14
(iii) Other financial assets	9	42.43	45.33
Other non-current assets	10	122.09	79.14
Total non-current assets		**4,108.39**	**3,977.36**
Current assets			
Inventories	11	1,073.28	1,126.71
Financial assets			
(i) Trade receivables	12	1,089.96	1,044.05
(ii) Cash and cash equivalents	13	87.00	42.24
(iii) Bank balances other than (ii) above	13	34.85	26.70
(iv) Loans	14	2.93	2.25
(v) Other financial assets	15	32.57	17.50
Current tax assets (net)	16	18.05	9.26
Other current assets	17	142.01	102.65
Total current assets		**2,480.65**	**2,371.36**
TOTAL ASSETS		**6,589.04**	**6,348.72**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	82.46	82.31
Other equity	19	3,780.33	3,352.85
Equity attributable to shareholders of the company		**3,862.79**	**3,435.16**
Non-controlling Interest		-	-
Total Equity		**3,862.79**	**3,435.16**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	236.76	417.12
Lease liabilities	21	1.35	1.58
Provisions	22	21.67	12.32
Deferred tax liabilities (net)	23	234.70	244.72
Total non-current liabilities		**494.48**	**675.74**
Current liabilities			
Financial liabilities			
(i) Borrowings	24	797.54	858.74
(ii) Lease liabilities	25	0.49	0.83
(iii) Trade payables	26		
- Total outstanding dues of micro enterprises and small enterprises		59.09	57.61
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,120.85	1,012.68
(iv) Other current financial liabilities	27	125.80	189.34
Other current liabilities	28	86.83	82.64
Provisions	29	41.17	35.89
Current tax liability	30	-	0.09
Total current liabilities		**2,231.77**	**2,237.82**
Total liabilities		**2,726.25**	**2,913.56**
TOTAL EQUITY AND LIABILITIES		**6,589.04**	**6,348.72**

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

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

PARAG PANSARE
Partner
Membership No. 117309

Pune, 12th June 2026

For **P G Bhagwat LLP**
Chartered Accountants
Firm Registration No. 101118W/W100682

NACHIKET DEO
Partner
Membership No. 117695

Pune, 12th June 2026

For and on behalf of the Board of Directors

RAHUL KIRLOSKAR
Chairman
DIN 00007319

R.V. GUMASTE
Managing Director
DIN 00082829

R.S. SRIVATSAN
Executive Director (Finance) &
Chief Financial Officer
DIN 09607651

MAYURESH GHARPURE
Company Secretary

Pune, 12th June 2026

Pune, 12th June 2026

Consolidated Statement of Profit and Loss

for the year ended 31st March 2026

₹ in Crores

Particulars	Note No.	For the year ended 31st March 2026	For the year ended 31st March 2025
INCOME			
Revenue from operations	31	6,888.57	6,564.23
Other Income	32	62.36	52.58
Total Income		**6,950.93**	**6,616.81**
EXPENSES			
Cost of materials consumed	33	3,864.17	3,780.15
Purchases of stock-in-trade		18.80	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	13.14	(48.93)
Employee benefits expense	35	369.85	352.77
Finance costs	36	125.37	144.44
Depreciation and amortization expense	37	266.91	255.83
Other expenses	38	1,780.89	1,724.07
Total expenses		**6,439.13**	**6,208.33**
Profit/(loss)before exceptional items and tax		511.80	408.48
Exceptional items Gain / (Loss)	39	(15.15)	-
Profit/(Loss) before tax		**496.65**	**408.48**
Tax expenses			
(1) Current tax		-	97.24
(2) Short/ (excess) for the earlier years		1.38	(1.44)
(3) Deferred tax		(11.95)	18.65
Profit for the year		**507.22**	**294.03**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		7.70	(14.14)
Income Tax relating to above		(1.93)	3.56
Fair value changes on equity Instruments through other comprehensive income		-	(0.19)
Income Tax relating to above		-	0.04
Items that will be reclassified to profit or loss			
Foreign Currency Translation Differences		(2.01)	(0.04)
Other Comprehensive Income for the year, net of tax		**3.76**	**(10.77)**
Total Comprehensive Income for the year (Comprising profit and Other Comprehensive Income for the year)		**510.98**	**283.26**
Profit for the year attributable to:			
Shareholders of the company		507.22	294.02
Non controlling interests		-	0.01
		507.22	**294.03**
Other comprehensive income for the year attributable to:			
Shareholders of the company		3.76	(10.77)
Non controlling interests		-	-
		3.76	**(10.77)**
Total comprehensive income for the year attributable to:			
Shareholders of the company		510.98	283.25
Non controlling interests		-	0.01
		510.98	**283.26**
Earnings per equity share (for continuing operations)	41		
Basic (₹)		30.78	17.87
Diluted (₹)		30.68	17.77

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

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

PARAG PANSARE
Partner
Membership No. 117309

Pune, 12th June 2026

For **P G Bhagwat LLP**
Chartered Accountants
Firm Registration No. 101118W/W100682

NACHIKET DEO
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Pune, 12th June 2026

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Chief Financial Officer
DIN 09607651

MAYURESH GHARPURE
Company Secretary

Pune, 12th June 2026

Pune, 12th June 2026

Consolidated Cash Flow Statement

for the year ended 31st March 2026

₹ in Crores

Particulars	For the year ended 31st March 2026		For the year ended 31st March 2026	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit / (Loss) before tax		496.65		408.48
Add/(Less):				
Depreciation	266.91		255.83	
(Profit) / Loss on sale of assets	8.15		5.61	
Allowance for credit losses (including Expected credit loss)	0.41		5.04	
Bad debts written off	0.23		-	
Unrealised Foreign exchange (gain) / loss	0.94		1.89	
Employee share-based payment expense	2.63		5.95	
Remeasurements of post-employment benefit obligations	7.69		(14.14)	
Fair value changes in derivative financial instrument	(15.36)		3.33	
Finance costs	125.37		144.44	
Profit on lease retirement	-		(0.49)	
Foreign Currency Translation Reserves	(2.01)		(0.04)	
Interest income	(5.66)		(3.84)	
Profit on redemption of mutual funds	(0.10)		(0.06)	
Provision no longer required written back	(9.21)		(28.54)	
Sundry credit balances appropriated	-		(1.77)	
		379.99		**373.21**
Operating profit before working capital changes		876.64		781.69
Movements in working capital:				
Decrease / (increase) in inventories	53.43		(99.88)	
Decrease / (increase) in trade receivables	(46.55)		(145.76)	
Decrease / (increase) in non-current loans	(0.18)		(0.01)	
Decrease / (increase) in other non-current assets	(22.79)		5.47	
Decrease / (Increase) in others non-current financial assets	3.54		(1.14)	
Decrease / (increase) in current loans	(0.68)		(0.02)	
Decrease / (increase) in other current assets	(39.35)		(2.63)	
Decrease / (increase) in bank balance other than cash and cash equivalents	(8.16)		(17.41)	
Decrease / (increase) in current financial assets, others	(2.00)		(21.81)	
Increase / (decrease) in non-current provisions	9.36		(0.76)	
Increase / (decrease) in trade payables	118.12		226.93	
Increase / (decrease) in other current financial liabilities	1.39		(1.81)	
Increase / (decrease) in other current liabilities	4.19		12.29	
Increase / (decrease) in current provisions	5.27		13.38	
		75.59		**(33.16)**
Cash generated from Operations		952.23		748.53
Taxes paid		(10.25)		(92.59)
Net cash from Operating Activities (A)		**941.98**		**655.94**

Consolidated Cash Flow Statement

for the year ended 31st March 2026

₹ in Crores

Particulars	For the year ended 31st March 2026		For the year ended 31st March 2026	
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of property, plant and equipment including CWIP and capital advances	(448.26)		(484.55)	
Proceeds from sale of property, plant and equipment	0.42		5.65	
Investment in other financial assets	-		(0.04)	
Interest received	3.99		4.33	
Profit on redemption of mutual funds	0.10		0.06	
Net Cash from Investing Activities (B)		**(443.75)**		**(474.55)**
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Interest and Other borrowing costs paid	(125.14)		(144.07)	
Proceeds from long term borrowings (net)	(168.61)		(116.96)	
Proceeds / (repayment) from short term borrowings	(72.95)		174.98	
Payment of lease liabilities	(0.81)		(1.77)	
Issue of equity shares	4.67		5.22	
Dividend paid	(90.63)		(90.51)	
Net Cash from Financing Activities (C)		**(453.47)**		**(173.11)**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**44.76**	-	**8.28**
Cash and Cash Equivalents at the beginning of the year (Refer Note 13A)	**42.24**		**33.96**	
Cash and Cash Equivalents at the end of the year (Refer Note 13A)	**87.00**		**42.24**	

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

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

PARAG PANSARE
Partner
Membership No. 117309

Pune, 12th June 2026

For **P G Bhagwat LLP**
Chartered Accountants
Firm Registration No. 101118W/W100682

NACHIKET DEO
Partner
Membership No. 117695

Pune, 12th June 2026

For and on behalf of the Board of Directors

RAHUL KIRLOSKAR
Chairman
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Managing Director
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Executive Director (Finance) &
Chief Financial Officer
DIN 09607651

MAYURESH GHARPURE
Company Secretary

Pune, 12th June 2026

Pune, 12th June 2026

Consolidated statement of Changes in Equity

for the year ended 31st March 2026

A. Equity Share Capital (Note 18)

₹ in Crores

Opening Balance as on 1st April 2024	Changes in equity share capital during the year	Closing Balance as on 31st March 2025
82.11	0.20	82.31

₹ in Crores

Opening Balance as on 1st April 2025	Changes in equity share capital during the year	Closing Balance as on 31st March 2026
82.31	0.15	82.46

B. Other Equity (Note 19)

₹ in Crores

Particulars	Reserves and surplus			Equity Instruments through Other Comprehensive Income	Share options outstanding account	Share Application Money pending allotment	Foreign Currency Translation Reserve	Capital reserve arising out of business combination	Capital reserve arising out of merger	Total attributable to owners of the company	Attributable to Non-controlling Interests	Total
	Securities premium	General Reserve	Surplus of profit or loss									
Balance as on 31st March 2024	**214.66**	**80.00**	**1,480.28**	**0.49**	**14.03**	**0.34**	**2.05**	**498.97**	**858.31**	**3,149.13**	**(0.01)**	**3,149.12**
Total Comprehensive Income												
Profit for the year	**-**	**-**	**294.02**	**-**	**-**	**-**	**-**	**-**	**-**	**294.02**	**0.01**	**294.03**
Other Comprehensive Income												
Remeasurement of defined benefit liability (net of tax)	-	-	(10.58)	-	-	-	-	-	-	(10.58)	-	(10.58)
Fair value changes on equity Instruments through other comprehensive income	-	-	-	(0.15)	-	-	-	-	-	(0.15)		(0.15)
Foreign Currency Translation Reserve	-	-	-	-	-	-	(0.04)	-	-	(0.04)	-	(0.04)
Transfer to General Reserve	-	5.00	(5.00)	-	-	-	-	-	-	-	-	-
Employee stock option expense	-	-	-	-	5.95	-	-	-	-	5.95	-	5.95
Share application money received	-	-	-	-	-	5.22	-	-	-	5.22	-	5.22
Issue of equity shares on account of exercise of employee stock options	8.74	-	-	-	(3.51)	(5.42)	-	-	-	(0.19)	-	(0.19)
Lapse of employee stock options	-	-	1.10	-	(1.10)	-	-	-	-	-	-	-
Distribution to shareholders												
Final Dividend	-	-	(41.13)	-	-	-	-	-	-	(41.13)	-	(41.13)
Interim Dividend	-	-	(49.38)	-	-	-	-	-	-	(49.38)	-	(49.38)
Balance as on 31st March 2025	**223.40**	**85.00**	**1,669.31**	**0.34**	**15.37**	**0.14**	**2.01**	**498.97**	**858.31**	**3,352.85**	**-**	**3,352.85**

Consolidated statement of Changes in Equity

for the year ended 31st March 2026

₹ in Crores

Particulars	Reserves and surplus			Equity Instruments through Other Comprehensive Income	Share options outstanding account	Share Application Money pending allotment	Foreign Currency Translation Reserve	Capital reserve arising out of business combination	Capital reserve arising out of merger	Total attributable to owners of the company	Attributable to Non-controlling Interests	Total
	Securities premium	General Reserve	Surplus of profit or loss									
Total Comprehensive Income												
Profit for the year	**-**	**-**	**507.22**	**-**	**-**	**-**	**-**	**-**	**-**	**507.22**	**-**	**507.22**
Other Comprehensive Income												
Remeasurement of defined benefit liability (net of tax)	-	-	5.76	-	-	-	-	-	-	5.76	-	5.76
Fair value changes on equity Instruments through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Preacquisition profit / loss	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Translation Reserve	-	-	-	-	-	-	(2.01)	-	-	(2.01)	-	(2.01)
On account of business acquisition	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	5.00	(5.00)	-	-	-	-	-	-	-	-	-
Employee stock option expense	-	-	-	-	2.63	-	-	-	-	2.63	-	2.63
Share application money received	-	-	-	-	-	4.67	-	-	-	4.67	-	4.67
Issue of equity shares on account of exercise of employee stock options	7.40	-	-	-	(3.05)	(4.51)	-	-	-	(0.16)	-	(0.16)
Lapse of employee stock options	-	-	0.22	-	(0.22)	-	-	-	-	-	-	-
Distribution to shareholders												
Final Dividend	-	-	(41.16)	-	-	-	-	-	-	(41.16)	-	(41.16)
Interim Dividend	-	-	(49.47)	-	-	-	-	-	-	(49.47)	-	(49.47)
Balance as on 31st March 2026	**230.80**	**90.00**	**2,086.88**	**0.34**	**14.73**	**0.30**	**-**	**498.97**	**858.31**	**3,780.33**	**-**	**3,780.33**

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

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DIN 09607651

Pune, 12th June 2026

R.V. GUMASTE
Managing Director
DIN 00082829

MAYURESH GHARPURE
Company Secretary

Pune, 12th June 2026

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

1) THE CORPORATE OVERVIEW

Kirloskar Ferrous Industries Limited ("the Company" / "Holding Company") is a public company incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Limited and are permitted to trade on National Stock Exchange of India Limited.

The Consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiaries (together referred to as the "Group"). The Consolidated Financial Statements of the Group for the year ended 31 March 2026, were authorised for issue by the Board of Directors on 12 June 2026.

The Holding Company is having manufacturing facilities situated at Koppal district and Chitradurga district in Karnataka State, at Solapur, Ahmednagar, Baramati and Jejuri in Maharashtra State and Rajpura in Punjab State. The Holding Company is engaged in manufacturing of iron castings, seamless tubes and engineering steels.

2) BASIS OF PREPARATION

a) Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS). Ind AS are notified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards), Rules, 2015 as amended from time to time and other relevant provisions of the Act. Accounting policies have been consistently applied except where newly issued accounting standard or revision to existing accounting standards requires changes in the existing accounting policies.

These Consolidated Financial Statements are approved by the Board of Directors of the Company and authorised for issue on 12 June 2026. Pursuant to an approved Scheme of Arrangement and Merger by Absorption, sanctioned by Hon'ble National Company Law Tribunal (NCLT) Mumbai Bench vide order dated 02 June, 2026 (the details of which are stated in note 52), the Appointed Date of the Scheme is 1 April, 2025. In terms of the said Scheme, all the assets, liabilities, reserves and surplus of the transferor Companies (ie., Oliver Engineering Private Limited and Adicca Energy Solutions Private Limited) have been transferred to and vested in the Company and the earlier consolidated financial statements of the Company for the year ended 31 March 2026 which was approved by the Board of Directors on 07 May 2026 have been updated.

b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following items, which are measured on each reporting date on the basis as explained below:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value.
- Defined benefit plans – plan assets are measured at fair value.
- Equity settled share-based payments – measured at grant date fair value.

c) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is expected to be realised within twelve months from the reporting, or
- It is cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months from the reporting date, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after reporting date.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) Functional and presentation currency

The Group has identified Indian Rupee (INR) as its functional currency. All amounts presented in the Financial Statements including notes have been rounded off to the nearest crores in Indian Rupee as per the requirements of Schedule III of the Companies Act, 2013; unless otherwise indicated.

3) MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Principles of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31 March 2026. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the subsidiaries. Specifically, the Group controls a subsidiary if and only if the Group has:

- Power over the subsidiaries (i.e. existing rights that give it the current ability to direct the relevant activities of the investee,
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company. The subsidiaries considered in the consolidated financial statements are summarized below.

Sr. No.	Name of the Company	Country of Incorporation
	Direct Subsidiaries	
1.	Tridem Port and Power Company Private Limited	India
2.	ISMT Enterprises SA (Upto May 26, 2025)	Luxembourg
	Indirect Subsidiaries	
3.	Nagapattinam Energy Private Limited	India
4.	Best Exim Private Limited	India
5.	Marshal Microware Infrastructure Development Private Limited	India
6.	Success Power and Infraprojects Private Limited	India

In preparing the consolidated financial statements, the Group has used the following key consolidation procedures:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the holding company with those of its subsidiaries.

Offset (eliminate) the carrying amount of the holding company's investment in each subsidiary and the holding company's portion of equity of each subsidiary. Business combinations policy explains accounting for any related goodwill or capital reserve.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment, are eliminated in full. However, intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

Temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions will be accounted as per Ind AS 12 – Income Taxes

Profit and loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the holding company of the group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it deconsolidates the subsidiary from the date it ceases control.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.

Assets and liabilities of entities with functional currency other than the functional currency of the Company have been translated using exchange rates prevailing on the balance sheet date. Statement of profit and loss of such entities has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity. When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognized in OCI is reclassified to statement of profit and loss as part of the gain or loss on disposal.

b) Property, plant and equipment

• Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost comprises of purchase price and any directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Borrowing costs attributable to construction or acquisition of a qualifying asset for the period up to the date, the asset is ready for its intended use are included in the cost of the asset to which they relate.

Pre-operative expenditure including trial run expenses comprising of revenue expenses incurred as reduced by the revenue generated during the period up to the date, the asset is ready for its intended use are treated as part of costs of that asset.

Capital work-in-progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use as at the balance sheet date.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under "Other non-current assets".

• Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss as incurred.

• Subsequent Measurement

Property, plant and equipment are subsequently measured at cost less accumulated depreciation less accumulated impairment losses.

• Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net and disclosed within other income or expenses in the Statement of Profit and Loss.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

• Depreciation methods, estimated useful lives and residual value

Holding Company:

Casting segment:

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised in the Statement of Profit and Loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act 2013, as assessed by the management of the company based on technical evaluation except in the case of following assets:

Description	Useful life considered	Justification for deviation
Plant and equipments:		
a) Sinter plant	20 years	Based on past history of usage and supported by technical evaluation report
b) Blast furnace and allied machineries used in manufacture of pig Iron	20 years	
c) Foundry machineries	20 years	
d) Turbo generator	20 years	
e) Plant and equipments given under operating lease	5 years	
f) Machinery spares and Other Components of PPE	2 to 10 years	
g) Captive power plant	20 years	
h) Patterns	8 years	
Office equipments		
Equipment installed at employee's residence	3 years	As per the terms of Group's policy
Vehicles		
Vehicles given to employees	5 years	As per the terms of Group's policy

Freehold land is not depreciated.

Tube and Steel segment:

Depreciation on Plant & Machinery other than Captive Power Plant is provided on its useful life estimated by the management on Written Down Value method. For these classes of assets, based on the technical evaluation carried out by the external experts, the management has estimated the useful lives in the range of 8 years to 65 years.

For Captive power plant, depreciation has been provided on straight line method with useful life of 20 years which is supported by technical evaluation.

Subsidiary Companies

Depreciation on Plant & Machinery other than Captive Power Plant is provided on its useful life estimated by the management on Written Down Value method. For these classes of assets, based on the technical evaluation carried out by the external experts, the management has estimated the useful lives in the range of 8 years to 65 years.

Depreciation on Building and Plant & Machinery of Captive Power Plant of subsidiaries is provided as per the useful life specified in Part 'C' of Schedule II of the Companies Act, 2013 on Straight Line Method.

Depreciation on Furniture & Fixtures, Office Equipment and vehicle of subsidiaries is provided as per the useful life specified in Part 'C' of Schedule II of the Companies Act, 2013 on Written Down Value Method except in case of Tridem Port and Power Company Private Limited and Nagapattinam Energy Private Limited (Subsidiaries of KFIL) where straight line method is followed.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

Depreciation on property, plant and equipment of the Group's foreign subsidiaries has been provided on straight line method as per the estimated useful life of such assets. Details of estimated useful life of property, plant and equipment of these foreign subsidiaries are as follows:

Sr No	Class of Assets	Useful life in Years
1	Building	45 Years
2	Equipment's, Tools, Fixtures and Fittings	3 to 5 years
3	Plant & Machinery and Equipment	3 to 30 Years
4	Computer Hardware and Software	5 Years

Freehold land of the Group is not depreciated.

c) Intangible assets

• Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the Group, and is probable that the future economic benefits that are attributable to the asset will flow to the Group and cost of the asset can be reliably measured.

Intangible assets acquired by the Group that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

• Derecognition

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of intangible asset are determined by comparing the proceeds from disposal with the carrying amount of intangible asset and are recognised net and disclosed within other income or expenses in the Statement of Profit and Loss.

• Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost. Amortisation is recognised in Statement of Profit and Loss on a straight-line basis over the estimated useful life of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Mine properties and development costs are amortized on a Unit of Production basis over the mineable reserves of the respective mines.

The estimated useful life for current and comparative periods are as follows:

Computer software 6 years

d) Goodwill

Goodwill on acquisitions is included in intangible assets. Goodwill is not amortised 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 accumulated impairment losses if any.

e) Leases

The Group assesses at the inception of the contract whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

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Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

f) Impairment of non-financial assets

The Group assesses at each balance sheet date whether there is any indication that an asset or Cash Generating Unit (CGU) may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

Impairment losses are recognised in the Statement of Profit and Loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

• Reversal of impairment loss

For assets other than goodwill, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

g) Inventories

Raw materials, stores and spares are valued at lower of cost and net realizable value. Cost is determined using weighted average method.

Work in process and finished goods other than by-products are valued at lower of cost and net realizable value. Cost includes direct material and labour and a proportion of manufacturing overhead based on normal operating capacity.

By-products are valued at net realizable value.

Stores and Spares are valued at cost determined on weighted average basis except for those which have a longer usable life, which are valued on the basis of their remaining useful life.

Necessary provisions are made for obsolete and non-moving inventories as per the policy framed by the management and the value of inventory is net of such provision.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

h) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

i) Revenue recognition

The Group is in the business of manufacture and sale of iron castings, seamless tubes, cylinder tubes, components and engineering steels. Sales are recognised when substantial control of the products has been transferred to the customer, being when the products are delivered to the customer or its authorised representative without any unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from these sales is recognised based on the price specified in the sales order, net of the estimated discounts, rebates, returns and Goods and Service Tax. The Group's obligation to provide a refund for defects in the products is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group does not have any payment terms exceeding one year for any contract. Accordingly, the Group does not adjust any of the transaction prices for the time value of money.

j) Other income

• Interest income

Interest income from debt instruments is recognised using Effective Interest Rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the

Notes forming part of the Consolidated Financial Statements

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gross carrying amount of the financial asset or to the amortised cost of a financial liability.

- Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount can be measured reliably.

- Export incentives

Export Incentives are recognized when right to receive credit as per prevalent scheme is established in respect of the exports made and when there is no significant uncertainty regarding realization of such claim.

- Any other incomes are accounted for on accrual basis.

k) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset, are expensed in the period in which they are incurred.

l) Foreign currency transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss are also recognized in OCI or Statement of Profit and Loss, respectively). Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

m) Employee Benefits

- Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short-term compensated absences, ex-gratia, performance pay etc. are recognised in the period in which the employee renders the related service.

- Post-employment benefits

Defined contribution plans

The Group's approved central provident fund scheme is a defined contribution plan. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

Defined benefit plans

a. Gratuity

The employees' gratuity fund scheme is managed by a trust, is the Group's defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Net interest is calculated by applying the discount rate to the net defined benefit liability or the fair value of the plan asset. The cost is included in employee benefit expense in the Statement of Profit and Loss.

b. Leave Encashment

The Group provides for the liability at year end on account of unavailed earned leave as per the actuarial valuation.

- Other long-term employee benefits

The liabilities for earned leave which are not expected to be settled within twelve months from the date of reporting period in which the employee render the related service are measured as the present value of expected future payments to be made in respect of services provided by employee up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the Statement of Profit and Loss. The obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer settlement beyond twelve months of the reporting period, regardless of when the actual settlement is expected to occur.

n) Share-based payments

Employees of the Group who are entitled to receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

- Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the grant date using fair valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss represents the movement in cumulative expense recognised as at the beginning and at the end of the period and to be recognised in the employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Employee share-based payment reserve with respect to vested options which gets forfeited as per ESOS policy will be transferred to retained earnings.

o) Research and development cost

Revenue expenditure on the research and development is charged off as expense in the year in which incurred. Capital expenditure for research and development activity is grouped with property, plant and equipment under appropriate categories and depreciation is provided as per the applicable rates.

Notes forming part of the Consolidated Financial Statements

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

p) Income tax

Income tax expense comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to the items recognised directly in OCI.

• Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable profits computed for the current accounting period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

• Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) Credit:

MAT credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period.

q) Provisions and contingencies

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the Statement of Profit and Loss.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

Contingent assets are not recognised in financial statements, unless they are virtually certain. However, contingent assets are disclosed where inflow of economic benefits are probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

r) Business Combinations

The Group accounts for business combinations using the acquisition method when the control is transferred to the Group in accordance with Ind AS 103. The consideration transferred for the business combinations is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. The Holding Company determines the basis of control in line with the requirements of Ind AS 110, Consolidated Financial Statements. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI as appropriate.

Business combinations involving entities that are ultimately controlled by the same part(ies) before and after the business combination are considered as Common control entities and are accounted using the pooling of interest method as follows:

The assets and liabilities of the combining entities are reflected at their carrying amounts.

- No adjustments are made to reflect the fair values, or recognize new assets or liabilities. Adjustments are made to harmonies accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference if any, between the amounts recorded as share capital plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

s) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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.

t) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

• Initial recognition and measurement

Financial instruments are initially recognised when the entity becomes party to the contract.

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Financial instruments are measured initially at fair value adjusted for transaction costs that are directly attributable to the origination of the financial instrument where financial instruments not classified at fair value through profit or loss. Transaction costs of financial instruments which are classified as fair value through profit or loss are expensed in the Statement of Profit and Loss.

• Subsequent measurement of financial assets

For the purposes of subsequent measurement, the financial assets are classified in the following categories based on the Group's business model for managing the financial assets and the contractual terms of cash flows:

- those to be measured subsequently at fair value; either through OCI or through profit or loss
- those measured at amortised cost

For assets measured at fair value, changes in fair value will either be recorded in the Statement of Profit and Loss or OCI. For investments in debt instruments, this will depend on the business model in which investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through OCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are satisfied:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of hedging relationship is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using Effective Interest Rate (EIR) method.

Debt instruments at Fair Value Through Other Comprehensive Income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent Solely Payments of Principal and Interest (SPPI), are measured at FVTOCI. The movements in the carrying amount are recognised through OCI, except for the recognition of impairment gains and losses, interest revenue and foreign exchange gain or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other gains/ losses. Interest income from these financial assets is included in other income using EIR method.

Debt instruments at Fair Value Through Profit or Loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on debt instrument that is subsequently measured at FVTPL and is not a part of hedging relationship is recognised in the Statement of Profit and Loss within other gains/ losses in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments

All equity investments in the scope of Ind AS 109 Financial Instruments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to recognise subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of equity instrument.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

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• Subsequent measurement of financial liabilities

For the purposes of subsequent measurement, the financial liabilities are classified in the following categories:

- those to be measured subsequently at fair value through profit or loss (FVTPL)
- those measured at amortised cost

Following financial liabilities will be classified under FVTPL:

- Financial liabilities held for trading
- Derivative financial liabilities
- Liability designated to be measured under FVTPL

All other financial liabilities are classified at amortised cost.

For financial liabilities measured at fair value, changes in fair value will recorded in the Statement of Profit and Loss except for the fair value changes on account of own credit risk are recognised in Other Comprehensive Income (OCI).

Interest expense on financial liabilities classified under amortised cost category are measured using Effective Interest Rate (EIR) method and are recognised in Statement of Profit and Loss.

• Derecognition of financial instruments

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

• Impairment of financial assets

The Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets mentioned below:

- Financial assets that are debt instrument and are measured at amortised cost
- Financial assets that are debt instruments and are measured as at FVOCI
- Trade receivables

The impairment methodology applied depends on whether there has been a significant increase in credit risk. Details how the Group determines whether there has been a significant increase in credit risk is explained in the respective notes.

For impairment of trade receivables, the Group chooses to apply practical expedient of providing expected credit loss based on provision matrix and does not require the Group to track changes in credit risk. Percentage of ECL under provision matrix is determined based on historical data as well as futuristic information.

• Derivative financial instruments

Initial measurement and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognised in the Statement of Profit and Loss.

u) Dividends

The final dividend on shares is recorded as liability on the date of approval of shareholders, and the interim dividends are recorded as liability on the date of declaration by the Group's Board of Directors.

v) 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

Notes forming part of the Consolidated Financial Statements

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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.

w) Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director who makes strategic decisions.

x) Events occurring after the Consolidated Balance Sheet Date

Events occurring after the Consolidated Balance Sheet date and till the date on which the consolidated financial statements are approved, which are material in the nature and indicate the need for adjustments in the consolidated financial statements have been considered.

y) Government Grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per accounting policy applicable to financial liabilities.

4) SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in conformity with Ind AS, requires the management to make judgments, estimates and assumptions that affect the amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, disclosure of the contingent liabilities and notes to accounts at the end of each reporting period. Actual results may differ from these estimates.

Judgments

In the process of applying the Group's accounting policies, management have made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating segment

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by the Managing Director being the Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires Management to make judgments with respect to recognition of segments. Accordingly, the Group recognizes Iron Castings, Tube and Steel Segment as its three segments.

Contingent liability

The Group has received various orders and notices from different Government authorities and tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyses current information about these matters and discloses the information relating to contingent liability. In making the decision regarding the need for creating loss provision, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Group or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date,

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that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its estimates and assumptions on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market conditions or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Defined benefit obligation

The cost of the defined benefit plans and other post-employment benefits and the present value of the obligations are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future post-retirement medical benefit increase. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligations and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on the expected future inflation rates for the country.

Further details about defined benefit obligations are provided in the respective note.

Deferred Tax

Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits are unused tax losses can be utilized.

Useful lives of Property, plant and equipment

Useful lives of property, plant and equipment are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. The depreciable lives are reviewed annually using the best information available to the Management.

Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognized prospectively.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

Particulars	Freehold land	Leasehold land	Buildings	Plant & Equipments	Plant & Equipments given under operating lease	Furniture & Fixtures	Vehicles	Office equipments	Computers	Total	ROU-Building	ROU-Plant & Machinery	Total ROU Asset	Capital Work-in-progress
GROSS CARRYING AMOUNT														
As at 31st March 2024	**386.98**	**243.00**	**621.64**	**4,329.21**	**0.07**	**9.96**	**13.95**	**25.37**	**5.89**	**5,636.07**	**5.55**	**8.19**	**13.74**	**457.74**
Additions	6.07	1.14	100.28	421.80	-	1.37	3.27	2.85	1.82	538.60	-	-	-	417.64
Disposals	0.35	-	2.88	22.61	-	-	0.48	0.04	0.52	26.88	5.55	-	5.55	538.58
As at 31st March 2025	**392.70**	**244.14**	**719.04**	**4,728.40**	**0.07**	**11.33**	**16.74**	**28.18**	**7.19**	**6,147.79**	**-**	**8.19**	**8.19**	**336.80**
Additions	30.31	0.27	62.59	301.78	-	0.29	1.71	1.30	1.00	399.25	-	-	-	378.23
Disposals	-	-	1.48	62.62	-	2.33	0.93	1.73	0.52	69.61	-	-	-	402.78
Adjustments	-	-	-	(0.22)	-	-	-	0.22	-	-	-	-	-	-
As at 31st March 2026	**423.01**	**244.41**	**780.15**	**4,967.34**	**0.07**	**9.29**	**17.52**	**27.97**	**7.67**	**6,477.43**	**-**	**8.19**	**8.19**	**312.25**
ACCUMULATED DEPRECIATION														
As at 31st March 2024	**-**	**32.33**	**235.43**	**2,065.87**	**0.04**	**7.91**	**4.82**	**16.14**	**4.26**	**2,366.80**	**2.33**	**5.16**	**7.49**	**-**
Charge for the period	-	3.61	27.37	213.61	0.00	0.45	2.48	4.11	0.81	252.44	0.57	1.22	1.79	-
Disposals	-	-	(2.38)	(12.32)	-	-	(0.43)	(0.52)	(0.05)	(15.70)	(2.90)	-	(2.90)	-
As at 31st March 2025	**-**	**35.94**	**260.42**	**2,267.16**	**0.05**	**8.35**	**6.87**	**19.73**	**5.02**	**2,603.54**	**-**	**6.38**	**6.38**	**-**
Charge for the period	-	3.65	30.35	223.54	0.02	0.46	2.43	3.20	0.89	264.54	-	1.15	1.15	-
Disposals	-	-	1.26	27.84	-	2.20	0.68	1.61	0.48	34.07	-	-	-	-
Adjustments	-	-	-	(0.17)	-	-	-	0.17	-	-	-	-	-	-
As at 31st March 2026	**-**	**39.59**	**289.51**	**2,462.69**	**0.07**	**6.61**	**8.62**	**21.49**	**5.43**	**2,834.01**	**-**	**7.53**	**7.53**	**-**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT (Contd..)

₹ in Crores

Particulars	Freehold land	Leasehold land	Buildings	Plant & Equipments	Plant & Equipments given under operating lease	Furniture & Fixtures	Vehicles	Office equipments	Computers	Total	ROU-Building	ROU-Plant & Machinery	Total ROU Asset	Capital Work-in-progress
IMPAIRMENT														
As at 31st March 2024	**(57.46)**	**-**	**(0.78)**	**(1.14)**	**-**	**-**	**-**	**-**	**-**	**(59.38)**	**-**	**-**	**-**	**-**
Impairment during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exceptional Item - Provision for Impairment in value of Plant, Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2025	**(57.46)**	**-**	**(0.78)**	**(1.14)**	**-**	**-**	**-**	**-**	**-**	**(59.38)**	**-**	**-**	**-**	**-**
Impairment during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exceptional Item - Provision for Impairment in value of Plant, Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2026	**(57.46)**	**-**	**(0.78)**	**(1.14)**	**-**	**-**	**-**	**-**	**-**	**(59.38)**	**-**	**-**	**-**	**-**
NET CARRYING AMOUNT														
As at 31st March 2026	**365.55**	**204.82**	**489.86**	**2,503.51**	**(0.00)**	**2.68**	**8.90**	**6.48**	**2.24**	**3,584.04**	**-**	**0.66**	**0.66**	**312.25**
As at 31st March 2025	**335.24**	**208.20**	**457.84**	**2,460.10**	**0.02**	**2.98**	**9.87**	**8.45**	**2.17**	**3,484.87**	**-**	**1.81**	**1.81**	**336.80**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT (Contd..)

Note: Title deeds of Immovable Property not held in name of the Company

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held since	Reason for not being held in the name of the Company
Freehold Land	241.46	Erstwhile ISMT Limited	No	July, 2024	For immovable properties acquired through merger, the name change is under process
Buildings	187.29	Erstwhile ISMT Limited	No	July, 2024	
Freehold Land	26.67	Erstwhile OEPL	No	June, 2026	
Buildings	65.99	Erstwhile OEPL	No	June, 2026	
Freehold Land	2.05	Erstwhile AESPL	No	June, 2026	

Amount in Capital Work in Progress for a period of	Projects in Progress		Projects temporarily suspended		Total	
	As at 31st March 2026	As at 31st March 2025	As at 31st March 2026	As at 31st March 2025	As at 31st March 2026	As at 31st March 2025
Less than 1 year	232.85	267.64	-	-	232.85	267.64
1 - 2 years	51.64	59.95	-	-	51.64	59.95
2 - 3 years	19.62	8.44	-	-	19.62	8.44
More than 3 years	8.14	0.77	-	-	8.14	0.77
Total	**312.25**	**336.80**	**-**	**-**	**312.25**	**336.80**

6 OTHER INTANGIBLE ASSETS

Particulars	Mining Rights	Computer software	Goodwill	Total	Intangible Assets Under Development
GROSS CARRYING AMOUNT					
As at 31st March 2024	**0.11**	**12.37**	**0.04**	**12.52**	**37.41**
Additions	25.09	0.28	-	25.37	-
Disposals	-	-	-	-	25.37
Adjustments	-	-	-	-	(10.04)
As at 31st March 2025	**25.20**	**12.65**	**0.04**	**37.89**	**2.00**
Additions	-	0.62	-	0.62	18.59
Disposals	-	0.19	-	0.19	0.63
As at 31st March 2026	**25.20**	**13.08**	**0.04**	**38.32**	**19.96**
ACCUMULATED DEPRECIATION					
As at 31st March 2024	**0.11**	**9.86**	**-**	**9.97**	**-**
Charge for the period	0.95	0.64	-	1.59	-
As at 31st March 2025	**1.06**	**10.50**	**-**	**11.56**	**-**
Charge for the period	0.53	0.67	-	1.20	-
Disposals	-	0.15	-	0.15	-
As at 31st March 2026	**1.60**	**11.02**	**-**	**12.62**	**-**
NET CARRYING AMOUNT					
As at 31st March 2026	**23.60**	**2.06**	**0.04**	**25.70**	**19.96**
As at 31st March 2025	**24.14**	**2.15**	**0.04**	**26.33**	**2.00**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

6 OTHER INTANGIBLE ASSETS (Contd..)

Amount in Intangible Assets Under Development for a period of	Projects in Progress		Projects temporarily suspended		Total	
	As at 31st March 2026	As at 31st March 2025	As at 31st March 2026	As at 31st March 2025	As at 31st March 2026	As at 31st March 2025
Less than 1 year	19.96	-	-	-	19.96	-
1 - 2 years	-	-	-	-	-	-
2 - 3 years	-	-	-	-	-	-
More than 3 years	-	2.00	-	-	-	2.00
Total	**19.96**	**2.00**	**-**	**-**	**19.96**	**2.00**

7 INVESTMENTS (NON-CURRENT)

₹ in Crores

Particulars	As at 31st March 2026	As at 31st March 2025
Investments in Equity Shares (Fully Paid up)		
In unquoted equity instruments (at fair value through OCI)		
Kirloskar Management Services Pvt Ltd (4,87,500 (Previous year: 4,87,500) equity shares with a face value of ₹ 10 per share)	0.93	0.93
S. L. Kirloskar CSR Foundation (9,800 (Previous year: 9,800) equity shares with a face value of ₹ 10 per share)*	0.01	0.01
Kirloskar Proprietary Limited (11 (Previous year: 11) equity share with a face value of ₹ 100 per share) ("0.00" denotes amount less than ₹ 50 thousand)*	0.00	0.00
Total	**0.94**	**0.94**

Note:

*The Group has not performed fair valuation of these investments in unquoted ordinary shares, which are classified as FVTOCI, as the Group believes that impact of change on account of fair value is insignificant.

8 LOANS (NON-CURRENT)

₹ in Crores

Particulars	As at 31st March 2026	As at 31st March 2025
Unsecured, considered good		
Loans to contractors	0.29	0.11
Loans to employees	0.03	0.03
Total	**0.32**	**0.14**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

9 OTHER FINANCIAL ASSETS (NON-CURRENT)

₹ in Crores

Particulars	As at 31st March 2026	As at 31st March 2025
Unsecured, considered good		
Non-current bank balances		
Margin money deposit	0.02	0.02
Deposits with more than 12 months maturity	0.06	0.06
Security deposits	42.35	45.25
Total	**42.43**	**45.33**

10 OTHER NON-CURRENT ASSETS

₹ in Crores

Particulars	As at 31st March 2026	As at 31st March 2025
Unsecured, considered good		
Capital advances	96.53	76.37
Prepaid expenses	1.47	1.14
Advance to suppliers	22.91	0.45
Statutory refund from government authorities	1.18	1.18
Unsecured, considered doubtful		
Claims receivable	0.07	0.44
Less: Provision	(0.07)	(0.44)
Total	**122.09**	**79.14**

11 INVENTORIES

₹ in Crores

Particulars	As at 31st March 2026	As at 31st March 2025
Raw materials at site	384.55	372.15
Raw materials in transit	134.88	193.59
	519.43	**565.74**
Work-in-progress	195.12	190.58
Finished goods	104.31	139.39
Finished goods in transit	53.63	31.14
Stores and spares	191.99	188.25
Stores and spares in transit	2.93	0.63
By-products	5.87	10.98
Total	**1,073.28**	**1,126.71**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

11 INVENTORIES (Contd..)

Details of Work-in-progress

₹ in Crores

Particulars	As at 31st March 2026	As at 31st March 2025
a. Castings	109.19	85.06
b. Tube	54.90	73.52
c. Steel	31.03	32.00
Total	**195.12**	**190.58**

Details of Finished Goods and Finished Goods in Transit

₹ in Crores

Particulars	As at 31st March 2026	As at 31st March 2025
a. Castings	12.64	11.79
b. Pig Iron	5.61	11.72
c. Tube	111.44	105.90
d. Steel	28.26	41.12
Total	**157.94**	**170.53**

12 TRADE RECEIVABLES

₹ in Crores

Particulars	As at 31st March 2026	As at 31st March 2025
Trade receivables (Unsecured):		
Receivables considered good	1,091.12	1,044.56
Receivables which are credit impaired	9.96	10.26
	1,101.08	**1,054.82**
Less: Allowance for credit losses (including Expected credit loss)	(11.12)	(10.77)
Total	**1,089.96**	**1,044.05**

Movement in allowance of bad and doubtful trade receivables

Particulars	₹ in Crores
At 31st March 2024	**12.27**
Provided during the year	0.07
Amount written off	-
Amount written back	(1.57)
At 31st March 2025	**10.77**
Provided during the year	0.64
Amount written off	(0.23)
Amount written back	(0.06)
At 31st March 2026	**11.12**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

12 TRADE RECEIVABLES (Contd..)

Details of Finished Goods and Finished Goods in Transit

₹ in Crores

Particulars (Outstanding from due date of payment)	As at 31st March 2026	As at 31st March 2025
(i) Undisputed Trade Receivables – considered good		
Not due	732.17	733.94
Less than 6 months	326.70	278.63
6 months - 1 year	5.01	18.12
1 - 2 years	14.55	2.87
2 - 3 years	1.57	0.42
More than 3 years	11.12	10.58
Sub-total (i)	**1,091.12**	**1,044.56**
Less: Allowance for bad and doubtful trade receivables (incl. Expected Credit Loss)	(1.16)	(0.51)
(ii) Disputed Trade Receivables – which are credit impaired		
Less than 6 months	-	0.07
6 months - 1 year	0.01	0.24
1 - 2 years	0.45	-
2 - 3 years	0.16	4.59
More than 3 years	9.34	5.36
Sub-total (ii)	**9.96**	**10.26**
Less: Allowance for bad and doubtful trade receivables (incl. Expected Credit Loss)	(9.96)	(10.26)
	1,089.96	**1,044.05**

13 CASH & CASH EQUIVALENTS AND OTHER BANK BALANCES

₹ in Crores

Particulars	As at 31st March 2026	As at 31st March 2025
A. Cash and Cash Equivalents		
Balances with banks		
In current accounts	72.00	42.24
In fixed deposits	15.00	-
Cash on hand ("0.00" denotes amount less than ₹ 50 Thousand)	0.00	0.00
Total (A)	**87.00**	**42.24**
B. Other Bank balances		
Earmarked balances	9.12	7.79
Deposit with banks – Maturity more than 3 months but less than 1 year (against Guarantees / Letter of Credit).	25.73	18.91
Total (B)	**34.85**	**26.70**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

14 LOANS (CURRENT)

₹ in Crores

Particulars	As at 31st March 2026	As at 31st March 2025
Unsecured, considered good		
Loan to employees	1.60	1.48
Loan to contractors	1.33	0.77
Total	**2.93**	**2.25**

15 OTHER FINANCIAL ASSETS (CURRENT)

₹ in Crores

Particulars	As at 31st March 2026	As at 31st March 2025
Unsecured, considered good		
Interest accrued on deposits and loans	2.59	1.54
Security deposits	0.37	0.38
Refund receivable from Government authorities	17.59	15.58
Derivative Asset		
Forward Contracts Asset	12.02	-
Total	**32.57**	**17.50**

16 CURRENT TAX ASSETS

₹ in Crores

Particulars	As at 31st March 2026	As at 31st March 2025
Income Tax (net)	18.05	9.26
Total	**18.05**	**9.26**

17 OTHER CURRENT ASSETS

₹ in Crores

Particulars	As at 31st March 2026	As at 31st March 2025
Unsecured, considered good		
Advance to suppliers	58.31	55.10
Balances with Government authorities#	67.76	29.72
Export Incentives Receivables	1.70	1.17
Prepaid expenses	14.24	16.66
Total	**142.01**	**102.65**

The Balances with Government authorities includes an amount of ₹ 45.22 Crores (Previous Year: ₹ 13.96 Crores) receivable on account of Government incentive under Industrial Policies.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

18 SHARE CAPITAL

₹ in Crores

Particulars	As at 31st March 2026	As at 31st March 2025
Authorised Equity Share Capital		
527,000,000 (527,000,000) Equity Shares of ₹ 5 each	263.50	263.50
Total	**263.50**	**263.50**
Issued, Subscribed and Paid up Equity Share Capital		
164,921,643 (164,617,338) Equity Shares of ₹ 5 each	82.46	82.31
Total	**82.46**	**82.31**

Note: The Company has authorised preference share capital comprising of 11,70,00,000 (11,70,00,000) Preference Shares of ₹ 10 each aggregating to ₹117.00 (117.00) Crores. However the same has not been issued nor subscribed.

a. Reconciliation of the shares at the beginning and at the end of the reporting period

₹ in Crores

Particulars	Year ended 31st March 2026		Year ended 31st March 2025	
	Number	₹ In Crores	Number	₹ In Crores
Equity shares				
Balance at the beginning of the year	164,617,338	82.31	139,321,459	69.66
Share issued pursuant to merger	-	-	24,904,259	12.45
Shares issued during the year	304,305	0.15	391,620	0.20
Balance at the end of the year	**164,921,643**	**82.46**	**164,617,338**	**82.31**

b. Rights and preferences attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of Liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Equity shares held by holding company

Name of Shareholder	Year ended 31st March 2026	
	No. of shares held	Percentage of holding
Kirloskar Industries Limited*	75,743,754	45.93%

Name of Shareholder	Year ended 31st March 2025	
	No. of shares held	Percentage of holding
Kirloskar Industries Limited*	75,743,754	46.01%

* Kirloskar Industries Limited is the only shareholder holding more than 5 percent of the total equity shares.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

18 SHARE CAPITAL (Contd..)

Promotors Shareholding in the Company is set out below:

Disclosure of shareholding of promoters as at 31st March 2026 is as follows:

Equity shares of ₹ 5 each fully paid	As at 31st March 2026		% change during the year
	No. of shares	Percentage of holding	
Kirloskar Industries Limited	**75,743,754**	**45.93%**	**0.00%**
Indian Individuals/ HUFs / Others			
Atul Kirloskar	989,726	0.60%	0.00%
Rahul Kirloskar	1,425,279	0.86%	0.00%
Sanjay Kirloskar	380	0.00%	0.00%
Arti Atul Kirloskar	1,055,651	0.64%	0.00%
Alpana Rahul Kirloskar	1,591,229	0.96%	0.00%
Suman Kirloskar	90,155	0.05%	0.00%
Alok Sanjay Kirloskar	1,520	0.00%	0.00%
Gauri Atul Kirloskar	1,140	0.00%	0.00%
Aditi Atul Kirloskar	877,187	0.53%	0.00%
Rama Sanjay Kirloskar	760	0.00%	0.00%
Alika Rahul Kirloskar	380	0.00%	0.00%
Geetanjali Vikram Kirloskar	-	0.00%	-100.00%
Aman Rahul Kirloskar	200	0.00%	0.00%
Roopa Jayant Gupta	6,939	0.00%	0.00%
Kirloskar Pneumatic Company Limited	2,000,000	1.21%	0.00%
Kirloskar Systems Private Limited	-	0.00%	-100.00%
Achyut and Neeta Holdings and Finance Private Limited	541	0.00%	0.00%
Alpak Investments Private Limited	100	0.00%	0.00%
Navsai Opportunities Private Limited (earlier known as Navsai Investments Private Limited)	100	0.00%	0.00%
Indian Individuals/ HUFs / Others	**83,785,041**		

Disclosure of shareholding of promoters as at 31st March 2025 is as follows:

Equity shares of ₹ 5 each fully paid	As at 31st March 2025		% change during the year
	No. of shares	Percentage of holding	
Kirloskar Industries Limited	**75,743,754**	**46.01%**	**0.00%**
Indian Individuals/ HUFs / Others			
Atul Kirloskar	989,726	0.60%	0.00%
Rahul Kirloskar	1,425,279	0.87%	0.00%
Sanjay Kirloskar	380	0.00%	0.00%
Arti Atul Kirloskar	1,055,651	0.64%	0.00%
Alpana Rahul Kirloskar	1,591,229	0.97%	0.00%
Suman Kirloskar	90,155	0.05%	-0.42%
Alok Sanjay Kirloskar	1,520	0.00%	0.00%
Gauri Atul Kirloskar	1,140	0.00%	0.00%

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

18 SHARE CAPITAL (Contd..)

Equity shares of ₹ 5 each fully paid	As at 31st March 2025		% change during the year
	No. of shares	Percentage of holding	
Aditi Atul Kirloskar	877,187	0.53%	0.00%
Rama Sanjay Kirloskar	760	0.00%	0.00%
Alika Rahul Kirloskar	380	0.00%	0.00%
Geetanjali Vikram Kirloskar	200	0.00%	0.00%
Aman Rahul Kirloskar	200	0.00%	100.00%
Roopa Jayant Gupta	6,939	0.00%	0.00%
Kirloskar Pneumatic Company Limited	2,000,000	1.21%	0.00%
Kirloskar Systems Private Limited	2,150	0.00%	100.00%
Achyut and Neeta Holdings and Finance Private Limited	541	0.00%	0.00%
Alpak Investments Private Limited	100	0.00%	0.00%
Navsai Opportunities Private Limited (earlier known as Navsai Investments Private Limited)	100	0.00%	0.00%
Indian Individuals/ HUFs / Others	**83,787,391**		

19 OTHER EQUITY

₹ in Crores

Particulars		As at 31st March 2026	As at 31st March 2025
a. Securities Premium			
Opening balance		223.40	214.66
Add: Changes during the year		7.40	8.74
Closing balance	Total (a)	**230.80**	**223.40**
b. General Reserve			
Opening balance		85.00	80.00
Add: Current year transfer from surplus		5.00	5.00
Closing balance	Total (b)	**90.00**	**85.00**
c. Surplus - balance in the statement of profit and loss			
Opening balance		1,669.31	1,480.28
Add:			
Profit for the year		507.22	294.02
Other comprehensive income / (loss)		5.76	(10.58)
Transfer from Share Options on account of lapse of employee stock options		0.22	1.10
Less: Appropriations			
Final dividend on equity shares		(41.16)	(41.13)
Interim dividend on equity shares		(49.47)	(49.38)
Amount transferred to General reserve		(5.00)	(5.00)
Closing balance	Total (c)	**2,086.88**	**1,669.31**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

19 OTHER EQUITY (Contd..)

₹ in Crores

Particulars		As at 31st March 2026	As at 31st March 2025
d. Share options outstanding account			
Opening balance		15.37	14.03
Add: Employee stock option expense		2.63	5.95
Less: Transfer to profit and loss on account of lapse of employee stock options		(0.22)	(1.10)
Less: Transfer to securities premium on account of exercise of employee stock options		(3.05)	(3.51)
Closing balance	Total (d)	**14.73**	**15.37**
e. Equity Instruments through Other Comprehensive Income			
Opening balance		0.34	0.49
Add: Fair value changes net of deferred tax		-	(0.15)
Closing balance	Total (e)	**0.34**	**0.34**
f. Share Application Money pending allotment			
Opening balance		0.14	0.34
Add: Amount received on exercise of stock options		4.67	5.22
Less: Issue of equity shares on account of exercise of employee stock options		(4.51)	(5.42)
Closing balance	Total (f)	**0.30**	**0.14**
g. Foreign currency translation reserve			
Opening balance		2.01	2.05
Addition during the year		(2.01)	(0.04)
Closing balance	Total (g)	**-**	**2.01**
h. Capital reserve arising out of business combination			
Opening balance		498.97	498.97
Addition during the year		-	-
Closing balance	Total (h)	**498.97**	**498.97**
i. Capital reserve arising out of Merger			
Opening balance		858.31	858.31
Addition during the year		-	-
Closing balance	Total (i)	**858.31**	**858.31**
Total (a+b+c+d+e+f+g+h+i)		**3,780.33**	**3,352.85**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

19 OTHER EQUITY (Contd..)

Description of the purposes of reserves within equity

General Reserve

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net income in accordance with applicable regulations.

Securities premium

The amount in the Securities premium account represents the additional amount paid by the shareholders for the issued shares in excess of the face value of those shares.

Share options outstanding account

The Group offers ESOP, under which, options to subscribe for the Parent Company's share have been granted to specified senior management employees. The Share options outstanding account balance represents fund created as per the Group's ESOP scheme.

Equity instruments through other comprehensive income

This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Capital reserve arising out of business combination in nature of acquisition

Capital reserve represents the gains of capital nature which mainly include the excess of value of net assets acquired over consideration paid by the Company for business combination transactions and the same is not available for distribution as dividends.

Capital reserve arising out of common control business combination

This represents capital reserve on business combination which arises on transfer of business between entities under common control.

Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

20 LONG TERM BORROWINGS

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured		
Term loans		
From bank	236.76	417.12
Total	**236.76**	**417.12**

Details of unsecured term loan from banks

Terms of Repayment	Loan availed (₹ in Crores)	Interest rate per annum payable monthly	Tenure
3 equal annual installments of ₹ 66.67 Crores.	200	7.45%	36 months
42 monthly equal installments of ₹ 2.98 Crores.	125	6.85%	48 months
42 monthly equal installments of ₹ 2.98 Crores.	125	6.65%	48 months
39 monthly equal installments of ₹ 3.21 Crores.	125	6.65%	48 months
42 monthly equal installments of ₹ 2.98 Crores.	125	5.46%	48 months
4 Quarterly equal Installments of ₹ 7.28 crores & balance in 48 monthly installments.	140	7.95%	60 months
20 Quarterly installments.	50	7.95%	60 months
2 Quarterly Installments of ₹ 4.03 Crores. & 48 Monthly installments.	110	6.75%	60 months

All the above borrowings have a Put and call option at the end of every 12 months from the date of first draw down of the facility.

The amount repayable within 12 months from the reporting date, i.e.₹ 272.46 Crores (PY ₹ 260.71 Crores) has been reflected in Note 24 Short Term Borrowings.

21 LEASE LIABILITY (NON-CURRENT)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Lease liability	1.35	1.58
Total	**1.35**	**1.58**

22 PROVISIONS (NON-CURRENT)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for employee benefits		
Leave encashment	21.67	12.32
Total	**21.67**	**12.32**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

23 DEFERRED TAX LIABILITIES (NET)

The major components of income tax expense for the year ended 31st March 2026 as given below:

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Statement of Profit and Loss section		
Current income tax:		
Current income tax charge	-	97.24
Short / (excess) for the earlier years	1.38	(1.44)
Deferred tax:		
Relating to origination and reversal of temporary differences	(11.95)	18.65
Income tax expense reported in the Statement of Profit and Loss	(10.57)	114.45
OCI Section		
Deferred tax:		
Deferred tax net loss / (gain) on actuarial gains and losses	1.93	(3.56)
Fair value changes on equity Instruments	-	(0.04)
Income tax charged to OCI	**1.93**	**(3.60)**

Reconciliation of actual income tax and effective income tax

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Accounting profit before tax	496.65	408.48
At India's statutory income tax rate of 25.168%	125.00	102.81
Tax effects on adjustments which are not deductible (taxable) in calculating taxable income		
Deferred tax assets on Carried forward losses & Unabsorbed Depreciation of Transferor Companies (Refer Note No. 52)	(141.28)	-
Tax of earlier years	1.38	(1.44)
Deferred tax assets not recognised	-	6.54
Other Items which are not deductible (taxable) in calculating taxable income	7.59	5.18
Others	(3.26)	1.36
Income tax expense reported in the statement of profit and loss	(10.57)	114.45

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

23 DEFERRED TAX LIABILITIES (NET) (Contd..)

Deferred tax relates to the following

₹ in Crores

Particulars	Deferred tax asset / (liability)	Deferred tax asset / (liability)	Movement in deferred tax
	As at 31st March 2026	As at 31st March 2025	For the year ended 31st March 2026
Property, plant and equipment and intangible assets	(333.91)	(316.79)	(17.12)
Deferred tax asset on Carried forward losses & Unabsorbed Depreciation of Transferor Companies	38.40	-	38.40
Disallowances under section 43B of Income tax Act, 1961	20.77	20.42	0.35
Provision for Impairment	38.15	50.31	(12.16)
Provision for doubtful debts and advances	1.41	1.43	(0.02)
Others	0.48	(0.09)	0.57
Total	**(234.70)**	**(244.72)**	**10.02**

₹ in Crores

Breakup of movement in Deferred Tax Liabilities (Net)	As at 31st March, 2026	As at 31st March, 2025
Opening balance	244.72	229.68
Tax expense during the year recognised in statement of profit and loss	(11.95)	18.65
Tax expense during the year recognised in OCI	1.93	(3.60)
Sub-total	**(10.02)**	**15.05**
Closing balance	**234.70**	**244.72**

₹ in Crores

Reflected in the Balance Sheet as follows	As at 31st March, 2026	As at 31st March, 2025
Deferred Tax Liabilities	333.43	316.88
Deferred Tax Assets	98.73	72.16
Deferred Tax Liabilities, Net	**234.70**	**244.72**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

24 BORROWINGS (CURRENT)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Secured		
Loans payable on demand		
Short term loans	15.00	65.00
Total (a)	**15.00**	**65.00**
Unsecured		
Loans payable on demand		
Commercial Papers	294.98	344.73
Current maturities of long term borrowings	272.46	260.71
Vendor bills discounted	96.35	112.55
Short term loans	113.00	70.00
Others	5.75	5.75
Total (b)	**782.54**	**793.74**
Total (a + b)	**797.54**	**858.74**

Security for Secured Loans

Working capital facilities with Consortium Banks (fund based and non fund based) aggregating to ₹840 Crores (previous year ₹ 840 Crores) are secured by first charge by way of hypothecation on the current assets both present and future, in favour of IDBI Trusteeship Services Limited, as Security Trustees, for the benefit of consortium banks.

Commercial Papers outstanding as on 31st March 2026

1. On 24th March 2026 ₹100 Crores issued at a discounted rate of 7.65% p.a. payable on 12th June 2026
2. On 25th March 2026 ₹100 Crores issued at a discounted rate of 7.65% p.a. payable on 23rd June 2026
3. On 27th March 2026 ₹100 Crores issued at a discounted rate of 7.70% p.a. payable on 25th June 2026"

Commercial Papers outstanding as on 31st March 2025

1. On 30th Dec 2024 ₹125 Crores issued at a discounted rate of 7.72% p.a. paid on 05th Jun 2025
2. On 13th Mar 2025 ₹100 Crores issued at a discounted rate of 7.68% p.a. paid on 11th Jun 2025
3. On 21st Mar 2025 ₹125 Crores issued at a discounted rate of 7.70% p.a. paid on 19th Jun 2025

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

24 BORROWINGS (CURRENT) (Contd..)

Net Debt position

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Cash and Bank Balance		
Cash and cash equivalents	87.00	42.24
	87.00	**42.24**
Borrowings		
Current borrowings	(797.54)	(858.74)
Long term borrowings	(236.76)	(417.12)
	(1,034.30)	**(1,275.86)**
Net debt	**(947.30)**	**(1,233.62)**

Net debt reconciliation as at 31st March 2026

₹ in Crores

Particulars	Cash and bank balance	Borrowings	Total
Net debt as at 31st March 2025	**42.24**	**(1,275.86)**	**(1,233.62)**
Cash flows	44.76	-	44.76
Interest expense	-	122.67	122.67
Interest paid	-	(122.67)	(122.67)
(Borrowing) / Repayment (Net) - Long term	-	168.61	168.61
(Borrowing) / Repayment (Net) - Short term	-	72.95	72.95
Net debt as at 31st March 2026	**87.00**	**(1,034.30)**	**(947.30)**

Net debt reconciliation as at 31st March 2025

₹ in Crores

Particulars	Cash and bank balance	Borrowings	Total
Net debt as at 31st March 2024	**33.96**	**(1,217.84)**	**(1,183.88)**
Cash flows	8.28	-	8.28
Interest accrued but not due as on 1st April 2024	-	0.01	0.01
Interest expense	-	140.84	140.84
Interest paid	-	(140.85)	(140.85)
(Borrowing) / Repayment (Net) - Long term	-	116.96	116.96
(Borrowing) / Repayment (Net) - Short term	-	(174.98)	(174.98)
Net debt as at 31st March 2025	**42.24**	**(1,275.86)**	**(1,233.62)**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

25 LEASE LIABILITY (CURRENT)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Lease liability	0.49	0.83
Total	**0.49**	**0.83**

26 TRADE PAYABLES

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Total outstanding dues of micro enterprises and small enterprises	59.09	57.61
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	635.81	319.12
Others	485.04	693.56
Total	**1,179.94**	**1,070.29**

Ageing of Trade Payables

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(i) MSME		
Not due	52.53	54.64
Less than 1 year	6.54	2.97
1 - 2 years	0.02	-
2 - 3 years	-	-
More than 3 years	-	-
Sub-total (i)	**59.09**	**57.61**
(ii) Others		
Unbilled	89.11	96.87
Not due	846.23	788.16
Less than 1 year	183.94	125.12
1 - 2 years	0.53	1.17
2 - 3 years	0.52	0.45
More than 3 years	0.52	0.91
Sub-total (ii)	**1,120.85**	**1,012.68**
	1,179.94	**1,070.29**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

27 OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Derivative liabilities		
Foreign currency forward contract	-	2.39
Interest rate swap contract	-	0.94
Other financial liabilities		
Interest accrued and due on borrowings	1.25	1.25
Unclaimed dividend#	9.12	7.79
Payable for capital purchases	47.19	109.02
Payable to employees	48.93	47.56
Creditors for expenses	13.78	9.53
Security deposit	0.06	0.06
Provision for expenses	0.02	0.39
Other liabilities	5.45	10.41
Total	**125.80**	**189.34**

#There is no amount due and outstanding as at balance sheet date to be credited to Investor Education and Protection Fund.

Disclosure in respect of principal and interest pertaining to the "Micro, Small and Medium Enterprises Development Act 2006". The information has been given in respect of such vendors on the basis of information available with the Company.

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Total outstanding to MSME suppliers (not due)		
i. Trade payables	52.53	54.64
ii. Other current liabilities - Creditors for capital goods	7.24	4.92
Principal amount due remaining unpaid		
i. Trade payables	6.56	2.97
ii. Creditors for capital goods	0.43	0.76
Principal amount outstanding and overdue out of above	4.53	3.65
Interest on above and unpaid interest	0.09	0.06
Interest paid	-	-
Payment made beyond the appointed day	40.77	89.85
Interest due and payable for the period of delay	0.15	0.40
Interest accrued and remaining unpaid at the end of the year	0.25	0.46
Amount of further interest remaining due and payable in succeeding year	1.84	1.60

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

28 OTHER CURRENT LIABILITIES

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Advance from customers	70.82	61.57
Taxes and duties (net)	14.26	19.47
Provident fund payable	1.75	1.60
Total	**86.83**	**82.64**

29 PROVISIONS (CURRENT)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for employee benefits		
Contribution to Superannuation funds	-	0.27
Gratuity	19.15	13.96
Leave encashment	12.49	16.75
Provision for expected sales returns	9.53	4.91
Total	**41.17**	**35.89**

30 CURRENT TAX LIABILITY

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Income Tax (net)	-	0.09
Total	**-**	**0.09**

31 REVENUE FROM OPERATIONS

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Sale of products		
Pig iron	1,937.49	2,075.85
Castings	1,876.37	1,653.69
Tube	2,129.90	2,103.19
Steel	604.69	540.89
By-products	100.67	95.13
Other operating income		
Export Incentive	3.99	2.85
Scrap / Coke / Miscellaneous sales	235.46	92.64
Total	**6,888.57**	**6,564.23**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

32 OTHER INCOME

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Interest income	5.03	3.23
Profit on redemption of Mutual Funds	0.10	0.06
Interest income on financial instruments measured at amortised cost	0.63	0.60
Other non-operating income:		
IPS incentive	44.95	12.83
Rental income	0.27	0.26
Insurance claim received	0.07	0.30
Provision no longer required written back	9.21	27.14
Sundry credit balances appropriated	-	0.29
Miscellaneous income	2.10	7.87
Total	**62.36**	**52.58**

33 COST OF MATERIAL CONSUMED

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Stock at the beginning of the year	565.74	501.02
Add: Purchases	3,817.85	3,844.87
	4,383.59	**4,345.89**
Less: Stock at the end of the year	519.42	565.74
Cost of material consumed	**3,864.17**	**3,780.15**

34 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND BY-PRODUCT

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
At the end of the year		
a. Finished goods	157.95	170.52
b. Work-in-Progress	195.12	190.58
c. Stock-in-trade	-	-
d. By-products	5.87	10.98
Total (A)	**358.94**	**372.08**
At the beginning of the year		
a. Finished goods	170.52	147.03
b. Work-in-Progress	190.58	172.74
c. Stock-in-trade	-	-
d. By-products	10.98	3.38
Total (B)	**372.08**	**323.15**
(Increase) / Decrease (B-A)	**13.14**	**(48.93)**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

35 EMPLOYEE BENEFITS EXPENSE

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Salaries, wages and incentives	315.40	297.08
Contributions to		
Provident fund (Refer note 45)	11.38	10.46
Superannuation scheme (Refer note 45)	-	2.56
Gratuity (Refer note 46)	6.93	5.27
Others	3.01	3.04
Employee share-based payment expense (Refer note 47)	2.63	5.95
Staff welfare expenses	30.50	28.41
Total	**369.85**	**352.77**

36 FINANCE COSTS

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Interest expense		
on Term loans	46.41	56.39
on working capital loan	14.97	20.44
on others	61.52	64.38
Other borrowing costs	2.47	3.23
Total	**125.37**	**144.44**

37 DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Property, plant and equipment (Refer note 5)	265.71	254.23
Intangible assets (Refer note 6)	1.20	1.60
Total	**266.91**	**255.83**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

38 OTHER EXPENSES

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
a. OPERATIONAL EXPENSES		
Consumption of stores and spare parts	317.63	276.98
Consumption of consumables	311.42	297.81
Power, fuel and water	533.83	545.85
Machinery hire charges	14.60	11.28
Repairs and maintenance		
Machinery	63.89	46.93
Buildings	3.31	2.91
Fettling and other manufacturing expenses	108.22	87.49
Other processing expenses	71.83	111.75
Total (a)	**1,424.73**	**1,381.00**
b. SELLING EXPENSES		
Freight and forwarding expenses (net)	212.43	179.88
Advertisement	0.26	0.48
Sales commission and incentive	0.86	0.42
Royalty	12.32	9.37
Other selling expenses	2.93	32.91
Total (b)	**228.80**	**223.06**
c. ADMINISTRATIVE EXPENSES		
Rent	0.96	1.44
Rates and taxes	4.47	4.55
Insurance	5.66	5.41
Other repairs and maintenance	9.81	6.81
Travelling expenses	6.32	7.23
Legal and professional charges	34.65	32.14
Communication expenses	0.80	1.00
Printing and stationery	0.95	1.13
Auditors remuneration	1.12	1.09
Miscellaneous expenses	29.54	33.48
Directors' commission	0.87	1.04
Bad debts written off (Net)	0.23	-
Allowance for credit losses (including Expected credit loss)	0.41	5.03
Directors' sitting fees	0.66	0.95
CSR expenses	9.41	10.06
Net loss on foreign currency transactions	13.35	3.04
Loss on assets sold, demolished, discarded and scrapped	8.15	5.61
Total (c)	**127.36**	**120.01**
Total (a+b+c)	**1,780.89**	**1,724.07**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

38 OTHER EXPENSES (Contd..)

38.iPayments to auditors

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
a. As auditors	0.93	0.92
b. For taxation matters	0.06	0.06
c. For certification fees and other services	0.06	0.05
d. Reimbursement of expenses	0.07	0.06
Total	**1.12**	**1.09**

38.ii Details of CSR Expenditure

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Gross amount to be spent during the year	9.24	9.91
Amount spent in cash during the year on:		
Construction/acquisition of any asset	-	-
Others		
Education	6.49	6.76
Environment	0.07	0.23
Health	0.44	0.38
Rural development	2.41	2.69
Total (A)	**9.41**	**10.06**
Excess spent of earlier years (B)	**0.50**	**0.09**
Total spent (A+B)	**9.91**	**10.15**
Reason for shortfall	**Nil**	**Nil**

38.iii Research and Development expenditure

₹ in Crores

Revenue expenses on research and development unit situated at Bevinahalli village, Koppal incurred during the year are given below	For the year ended 31st March 2026	For the year ended 31st March 2025
Cost of materials / consumables / spares	0.18	0.44
Employee related expense	5.89	5.14
Other expenses	0.98	0.70
Total	**7.05**	**6.28**

₹ in Crores

Capital expenditure on research and development unit situated at Bevinahalli village, Koppal incurred during the year are given below	For the year ended 31st March 2026	For the year ended 31st March 2025
Tangible Assets		
Plant and machinery	0.26	0.53
Computers	0.09	0.05
Office equipment	0.01	-
Total	**0.36**	**0.58**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

39 EXCEPTIONAL ITEMS

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Statutory impact of new Labour Codes (Refer note 39.1)	(17.66)	-
Loss on liquidation of subsidiary (Refer note 39.2)	0.50	-
Reclassification of FCTR on subsidiaries (Refer note 39.2)	2.01	-
	(15.15)	**-**

39.1 On November 21, 2025, the Government of India notified the four Labour Codes consolidating 29 existing labour laws. The Company assessed and disclosed the impact of these changes on the basis of the best information available. Due to changes in the "wage definition", the impact of "'17.66 crore related to gratuity and compensated absences has been recorded and disclosed under "Exceptional Items" for the current year. The Company continues to monitor the finalisation of Central Rules, State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

39.2 During the financial year, the prospects of the Company's subsidiary, ISMT Enterprises SA, Luxembourg, were evaluated, and a decision was made to liquidate the entity. Consequently, voluntary liquidation was initiated during the financial year.

Following the loss of control and subsequent liquidation, the credit balance of ₹ 2.01 crores remaining in the Foreign Currency Translation Reserve was reclassified to the Statement of Profit and Loss. Additionally, a gain of ₹ 0.50 crores arising from the loss of control was recognized in the financial statements.

On September 1, 2025, pursuant to the receipt of the certificate of deregistration, the name of 'ISMT Enterprises SA' was officially deleted from the Luxembourg Trade Registry. As of March 31, 2026, ISMT Enterprises SA stands fully dissolved, and there are no further obligations or adjustments remaining in this regard.

40 LEASES

The Group have taken various premises and plants and machinery under operating lease. These are generally cancellable and ranges from 13 months to 10 years and are renewable by mutual consent on mutually agreeable terms. There are no restrictions imposed by these lease arrangements and there are no sub leases. There are no contingent rents.

a) Following are the changes in the carrying amount of Right-of-Use Assets for the year ended 31st March 2026 and 31st March 2025.

₹ in Crores

Particulars	For the year ended 31st March 2026			For the year ended 31st March 2025		
	Office Building	Plant and Machinery	Land	Office Building	Plant and Machinery	Land
Opening balance	-	1.81	208.20	3.22	3.03	210.67
Addition during the year	-	-	0.27	-	-	1.14
Deletion on cancellation of lease	-	-	-	5.55	-	-
Depreciation on ROU of Assets	-	1.15	3.65	0.57	1.22	3.61
Depreciation on Deletion	-	-	-	2.90	-	-
Closing balance	**-**	**0.66**	**204.82**	**-**	**1.81**	**208.20**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

40 LEASES (Contd..)

b) The following is the movement in Lease Liabilities for the year ended 31st March 2026 and 31st March 2025.

₹ in Crores

Particulars	For the year ended 31st March 2026			For the year ended 31st March 2025		
	Office Building	Plant and Machinery	Land	Office Building	Plant and Machinery	Land
Opening balance	-	1.32	1.09	3.63	2.04	-
Additions during the year	-	-	0.28	-	-	1.14
Finance cost incurred during the year	-	0.12	0.10	0.16	0.23	0.07
Deletion on cancellation of lease	-	-	-	(3.09)	-	-
Payment of lease liabilities	-	(0.95)	(0.12)	(0.70)	(0.95)	(0.12)
Closing balance	**-**	**0.48**	**1.35**	**-**	**1.32**	**1.09**

c) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Due within one year	0.64	1.04
Due within one year to five years	0.62	0.96
Due for more than five years	2.85	2.15
Total undiscounted lease liabilities	**4.11**	**4.15**
Lease Liabilities included in the Statement of consolidated financial position		
Non-current financial liabilities	1.35	1.58
Current financial liabilities	0.49	0.83
Total	**1.84**	**2.41**

d) The following amounts are recognized in the Statement of Profit and Loss:

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Interest expenses on financial liabilities	0.23	0.46
Depreciation on ROU assets	1.15	1.79
Expenses relating to short term lease	0.96	1.44
Total	**2.34**	**3.69**

e) The following amounts are recognized in the Statements of Cash Flows:

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Total cash outflows for leases	0.81	1.77

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41 Earnings per equity share as calculated in accordance with Indian Accounting Standard

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on exercise of stock option.

The following reflects the income and share data used in the basic and diluted EPS computations:

₹ in Crores

	Particulars	As at 31st March, 2026	As at 31st March, 2025
a.	Net profit after tax considered for the calculation of EPS (₹in Crores)	507.22	294.02
b.	Number of equity shares outstanding at the end of year	164,921,643	164,617,338
c.	Weighted average number of equity shares used in computing earnings per equity share	164,797,525	164,493,661
d.	Effects of dilution on account of stock options granted under ESOS	547,370	745,085
e.	Weighted average number of equity shares adjusted for the effect of dilution*	165,344,895	165,450,140
f.	Earnings per share		
	Basic (₹)	**30.78**	**17.87**
	Diluted (₹)	**30.68**	**17.77**
g.	Face value per equity share (₹)	5.00	5.00

*There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

42 FAIR VALUE MEASUREMENTS

Financial instruments by category as at 31st March 2026

₹ in Crores

Particulars	Amortised cost	FVTPL	FVTOCI
Financial assets			
Investments in unquoted equity shares	-	-	0.94
Loans	3.25	-	-
Trade receivables	1,089.96	-	-
Cash and cash equivalents	87.00	-	-
Other bank balances	34.85	-	-
Other financial assets excluding derivative assets	62.98	-	-
Derivative assets on forward exchange foreign contracts	-	12.02	-
Total	**1,278.04**	**12.02**	**0.94**
Financial liabilities			
Borrowings	1,034.30	-	-
Lease liabilities	1.84		
Trade payables	1,179.94	-	-
Other financial liabilities excluding derivative liabilities	125.80	-	-
Derivative liabilities on foreign currency forward contracts	-	-	-
Total	**2,341.88**	**-**	**-**

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

42 FAIR VALUE MEASUREMENTS (Contd..)

Financial instruments by category as at 31st March 2025

₹ in Crores

Particulars	Amortised cost	FVTPL	FVTOCI
Financial assets			
Investments in unquoted equity shares	-	-	0.94
Loans	2.39	-	-
Trade receivables	1,044.05	-	-
Cash and cash equivalents	42.24	-	-
Other bank balances	26.70	-	-
Other financial assets excluding derivative assets	62.83	-	-
Total	**1,178.21**	**-**	**0.94**
Financial liabilities			
Borrowings	1,275.86	-	-
Lease liabilities	2.41		
Trade payables	1,070.29	-	-
Other financial liabilities excluding derivative liabilities	186.01	-	-
Derivative liabilities on foreign currency forward contracts	-	3.33	-
Total	**2,534.57**	**3.33**	**-**

The Group has not performed a fair valuation of some of its investments in unquoted ordinary shares, which are classified as FVTOCI (refer Note No. 7, as the Group believes that impact of change on account of fair value is insignificant.

Fair value hierarchy

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

Quantitative disclosures fair value measurement hierarchy for assets:

₹ in Crores

Particulars	Amount	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial asset / (liability) measured at fair value through profit or loss				
Derivative asset / (liability) on account of forward exchange contracts				
Date of valuation				
As at 31st March 2026	12.02	-	12.02	-
As at 31st March 2025	(3.33)	-	(3.33)	-
Equity instruments through Other Comprehensive Income				
Date of valuation				
As at 31st March 2026	0.94	-	-	0.94
As at 31st March 2025	0.94	-	-	0.94

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42 FAIR VALUE MEASUREMENTS (Contd..)

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Derivative financial assets / (liability) are valued based on inputs that are directly or indirectly observable in the market.

The Company has invested in unquoted equity shares of Kirloskar Management Services Private Limited which is measured subsequently at FVTOCI. Accordingly, the company has fair valued the investment using income approach under Ind AS 113 (Discounted Cash Flow method). Free cash flows, risk adjusted cost of equity and perpetual growth rate are the significant unobservable inputs considered in fair valuation of investment.

Sensitivity analysis of Level 3 Fair values

For the fair values of Investment in equity instruments, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects:

₹ in Crores

Significant observable inputs	Change in input	Effect on pre-tax equity as at 31st March 2026	Effect on pre-tax equity as at 31st March 2025
Perpetual growth rate	Increase by 50 basis points	0.01	0.05
Perpetual growth rate	Decrease by 50 basis points	(0.05)	(0.05)
Risk adjusted cost of equity	Increase by 50 basis points	(0.06)	(0.05)
Risk adjusted cost of equity	Decrease by 50 basis points	0.02	0.05

Fair value of financial assets and financial liabilities measured at amortised cost:

The management believes that the fair values of non-current financial assets (e.g. loans and others), current financial assets (e.g., cash and cash equivalents, trade receivables, loans and others excluding other derivative assets), non-current liabilities and current financial liabilities (e.g. trade payables and other payables excluding derivative liabilities) approximate their carrying amounts.

43 Financial instruments risk management objectives and policies

The Group's activities exposes it to market risks, credit risks and liquidity risks. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments such as forward foreign exchange contract are entered to hedge the foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as a trading or speculative purposes.

This note explains the source of risk which the entity is exposed to and how entity manages the risk in the financial statements

Risk	Exposure arising from	Risk Management Plan
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Diversification of bank deposits, credit limits and letter of credits.
Liquidity risk	Borrowings and other liabilities.	Availability of fund based and non fund based borrowing facilities.
Market risk - Foreign exchange	Recognised payables denominated in foreign currency, receivables denominated in foreign currency, firm commitments in foreign currency.	Forward foreign exchange contract.

Notes forming part of the Consolidated Financial Statements

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

43 Financial instruments risk management objectives and policies (Contd..)

Risk	Exposure arising from	Risk Management Plan
Market risk - Interest rate risk	Borrowings on account of working capital. Borrowings on account of Term Loans.	Entity continuously monitors interest rates on working capital borrowings at regular intervals and economises the transactions at the best possible rates drawn at the time of monitoring on the basis of comparative rates with various banks / institutions. Long term borrowings are at fixed as well as variable rate of interest."
Market risk - Commodity price risk (Parent company)	Coke/ coal, Iron ore and Pig Iron	Every month entity monitors and reviews the price trend of the materials, demand and supply position and market intelligence report and strategy is adopted before finalising the next consignment / quantities for subsequent months. The Commodity Price Risk is managed without any hedging of commodities by the Company."

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, trade and other payables, foreign exchange forward contracts, security deposit, trade and other receivables, deposits with banks.

The sensitivity analysis in the following sections relate to the position as at reporting dates. The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations and provisions.

The Group's activities expose it to variety of market risks, including effect of changes in foreign currency exchange rate, interest rate and commodity price.

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date the interest rate profile of the Group's interest bearing financial instruments are follows:

₹ in Crores

Particulars	31st March 2026	31st March 2025
Fixed rate borrowings		
Commercial papers	294.98	344.73
Total fixed rate borrowings	**294.98**	**344.73**
Variable rate borrowings		
Term loan from banks	509.22	677.83
Loans repayable on demand	224.35	247.55
Total variable rate borrowings	**733.57**	**925.38**
Less: Interest rate swaps (principal amount hedged)	-	190.00
Net exposure to variable rate borrowings	**733.57**	**735.38**

₹ in Crores

Particulars	31st March 2026	31st March 2025
Impact on profit before tax and pre-tax equity		
Increase by 25 basis points	(1.83)	(1.84)
Decrease by 25 basis points	1.83	1.84

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

43 Financial instruments risk management objectives and policies (Contd..)

b. Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Group transacts business in its functional currency and in different foreign currencies. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities, where revenue or expense is denominated in a foreign currency. The Group manages its foreign currency risk by hedging foreign currency payables using foreign currency forward contracts. It negotiates the terms of those foreign currency forward contracts to match the terms of the hedged exposure.

Details of foreign currency exposures that are hedged by derivative instruments or otherwise

(Currency in Crores)

Particulars	Currency	Amount in foreign currency	Equivalent Indian currency	Maturity Profile
As at 31st March 2026				
Payables	USD	3.31	304.96	Within 6 Months
	AUD	0.56	13.83	
As at 31st March 2025				
Payables	USD	2.41	209.61	Within 6 Months

Details of foreign currency exposures that are not hedged by derivative instruments or otherwise

(Currency in Crores)

Particulars	Currency	Amount in foreign currency	Equivalent Indian currency
As at 31st March 2026			
Secured Loans	USD	-	-
Receivables	USD	0.21	20.23
	EURO	0.01	0.57
Payables	USD	0.22	20.27
	SEK	0.00	0.02
	EURO	0.01	1.48
As at 31st March 2025			
Secured Loans	USD	-	-
Receivables	USD	0.14	11.61
	EURO	0.00	0.00
Payables	USD	1.12	95.71
	SEK	0.00	0.02
	EURO	0.01	1.14

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

43 Financial instruments risk management objectives and policies (Contd..)

Foreign currency sensitivity on unhedged exposure

(Currency in Crores)

Financial Year	Foreign currency	Change in foreign currency rates	Effect on profit before tax ₹ In Crores	Effect on pre-tax equity ₹ In Crores
For 31st March 2026	USD	+5%	(0.00)	(0.00)
		-5%	0.00	0.00
	EURO	+5%	(0.05)	(0.05)
		-5%	0.05	0.05
	SEK	+5%	(0.00)	(0.00)
		-5%	0.00	0.00
For 31st March 2025	USD	+5%	(4.20)	(4.20)
		-5%	4.20	4.20
	EURO	+5%	(0.06)	(0.06)
		-5%	0.06	0.06
	SEK	+5%	(0.00)	(0.00)
		-5%	**0.00**	**0.00**

c. Commodity price risk

Commodity price risk is a financial risk on the Group's financial performance which is affected by the fluctuating prices on account of global and regional supply / demand. Fluctuations in the prices of commodities mainly depend on market conditions. The Parent company is subject to fluctuations in prices for the purchase of metallurgical coke, coking coal and iron ore which are the major input materials for production of pig iron.

The Parent company has an elaborate control procedure for finalising the prices of commodities through approval process from designated group officials. Every month the price trend of the materials, demand and supply position and market intelligence report are reviewed and strategy is adopted before finalising the next consignment/quantities for subsequent months. The Commodity Price Risk is managed without any hedging of the commodities.

For subsidiaries

The subsidiaries are exposed to the movement in price of key raw materials in domestic and international markets. The subsidiaries review the prices of key raw materials periodically and enters into most of the contracts for procurement of material on short term fixed price basis.

ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities such as primarily trade receivables and from its investing activities, including deposits with banks and financial institutions, cash and cash equivalent and other financial instruments.

Notes forming part of the Consolidated Financial Statements

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

43 Financial instruments risk management objectives and policies (Contd..)

a. Trade receivables

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit exposure risk is mainly influenced by class or type of customers, depending upon their characteristics. Credit risk is managed through credit approval process by establishing credit limits along with continuous monitoring of credit worthiness of customers to whom credit terms are granted. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are combined into homogenous category and assessed for impairment collectively. The calculation is based on actual incurred historical data as well as futuristic information. The Group uses expected credit loss model to assess the impairment loss. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors.

The ageing of trade receivables at the reporting date that were not impaired are as follows

₹ in Crores

Particulars	31st March 2026		31st March 2025	
	Amount	Percentage	Amount	Percentage
- Less than one year	1,063.88	97.50%	1,030.69	98.67%
- One year to three years	16.12	1.48%	3.29	0.31%
- Three years and above	11.12	1.02%	10.58	1.01%
Total	**1,091.12**	**100.00%**	**1,044.56**	**100.00%**

b. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counter parties. The Group monitors rating, credit spreads and financial strength of its counter parties. Based on ongoing assessment the Group adjusts its exposure to various counter parties

c. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash flow and collateral obligations without incurring unacceptable losses. Group's objective is to, at all time maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including overdraft, debt from domestic and international banks at optimised cost. The Group has access to banks, capital and money market across debt, equity and hybrids.

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

43 Financial instruments risk management objectives and policies (Contd..)

The table given below summarises the maturity profile of the Group's financial liabilities based on contractual payments excluding interest payments:

₹ in Crores

Particulars	Less than 1 year	2 years to 4 years	More than 4 years	Total
As at 31st March 2026				
Borrowings - Current	797.54	-	-	797.54
Borrowings - Non-current	-	236.76	-	236.76
Lease liabilities	0.49	1.35	-	1.84
Trade payables	1,179.94	-	-	1,179.94
Any other financial liabilities	125.80	-	-	125.80
Total	**2,103.77**	**238.11**	**-**	**2,341.88**
As at 31st March 2025				
Borrowings - Current	858.74	-	-	858.74
Borrowings - Non-current	-	376.08	41.04	417.12
Lease liabilities	0.83	1.58	-	2.41
Trade payables	1,070.29	-	-	1,070.29
Any other financial liabilities	189.34	-	-	189.34
Total	2,119.20	377.66	41.04	2,537.90

Note: The Group is not expecting to prepay any of its liabilities.

44 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2026 and 31st March 2025.

45 Disclosure pursuant to Ind-AS 19 Employee Benefits:

Defined contribution plan

Contribution to the defined contribution plan recognised as expense are as under

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
a. Employer's contribution to provident fund	11.38	10.46
b. Employer's contribution to superannuation fund	-	2.56

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

46 Disclosure pursuant to Ind-AS 19 Employee Benefits:

1) Defined Benefit Plan

The Employee Gratuity Fund Scheme is a Defined Benefit Plan. The present value of the obligation is based on the actuarial valuation using Projected Unit Credit Method

₹ in Crores

	Particulars	Gratuity (Funded)	
		As at 31st March, 2026	As at 31st March, 2025
a.	**Asset and Liability**		
	Present Value of Obligation	114.28	104.46
	Fair Value of Plan Assets	95.13	90.50
	Surplus / (Deficit)	**(19.15)**	**(13.96)**
b.	**Expenses Recognized during the year**		
	In Income Statement	20.07	5.27
	In Other Comprehensive Income	(7.70)	14.14
	Total expenses recognized during the year	**12.37**	**19.41**
c.	**Changes in the Present Value of Obligations (PVO)**		
	PVO at beginning of period	104.42	88.48
	Current service cost	5.79	4.73
	Interest expenses or cost	7.16	6.10
	Re-measurement (or actuarial) (gain) / loss arising from:		
	change in demographic assumptions	(0.01)	-
	change in financial assumptions	(2.54)	7.89
	experience variance (i.e., actual experience vs assumptions)	(4.89)	6.19
	Past service cost	13.14	0.28
	Benefits paid	(8.79)	(9.28)
	Transfer In / (Out)	-	0.07
	PVO at end of period	**114.28**	**104.46**
d.	**Bifurcation of Present Value of Obligation**		
	Current liability (short term)	18.18	15.14
	Non-current liability (long term)	95.94	89.26
	Present Value of Obligation	**114.12**	**104.40**
e	**Changes in Fair Value of Plan Assets**		
	Fair Value of Plan Assets as at the beginning	90.52	81.20
	Investment income	6.02	5.76
	Employer's contribution	7.12	12.87
	Mortality charges and taxes	-	(0.00)
	Benefit paid	(8.79)	(9.28)
	Return on plan assets, excluding amount recognised in net interest expense	0.26	(0.05)
	Acquisition adjustment	-	-
	Fair Value of Plan Assets at the end of period	**95.13**	**90.50**

Notes forming part of the Consolidated Financial Statements

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(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

46 Disclosure pursuant to Ind-AS 19 Employee Benefits: (Contd..)

₹ in Crores

Particulars		Gratuity (Funded)	
		As at 31st March, 2026	As at 31st March, 2025
f.	**Change in the effect of asset ceiling**		
	Effect of asset ceiling at the beginning	-	-
	Interest expense or cost (to the extent not recognized in net interest expense)	-	-
	Re-measurement (or actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
	Effect of asset ceiling at the end	**-**	**-**
g.	**Expenses recognized in the Statement of Profit and Loss**		
	Current service cost	5.79	4.64
	Past service cost	13.14	0.28
	Net interest cost / (income) on the net defined benefit liability / (asset)	1.14	0.35
	Expenses recognized in the Income Statement	**20.07**	**5.27**
h.	**Effect on Other Comprehensive income**		
	Actuarial (gains) / losses		
	change in demographic assumptions	(0.01)	-
	change in financial assumptions	(2.54)	7.26
	experience variance (i.e. actual experience vs. assumptions)	(4.89)	6.84
	Return on plan assets, excluding amount recognized in net interest expense	(0.26)	0.04
	Components of defined benefit costs recognized in Other Comprehensive Income	**(7.70)**	**14.14**
i.	**Actuarial assumptions**		
	Mortality	100%	100%
		(% of IALM 2012-14)	(% of IALM 2012-14)
	Discount rate	7.10% - 7.20%	6.60% - 6.80%
	Rate of increase in compensation	5.00% - 10.00%	5.00% - 10.00%
	Attrition rates	1.00% - 7.00%	1.00% - 7.00%

Sensitivity Analysis

₹ in Crores

Particulars	31st March 2026		31st March 2025	
Defined Benefit Obligation (Base)		114.12		104.40
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	120.19	108.66	109.68	99.60
(% change compared to base due to sensitivity)	5.32%	-4.78%	5.06%	-4.60%
Salary Growth Rate (- / + 1 %)	108.77	119.86	100.10	109.02
(% change compared to base due to sensitivity)	-4.69%	5.03%	-4.12%	4.43%
Attrition Rate (-/ + 50% of attrition rates	115.31	113.30	105.48	103.64
(% change compared to base due to sensitivity)	1.04%	-0.72%	1.03%	-0.73%
Mortality Rate (- / + 10% of mortality rates)	114.13	114.13	104.42	104.38
(% change compared to base due to sensitivity)	0.01%	0.01%	0.02%	-0.02%

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

46 Disclosure pursuant to Ind-AS 19 Employee Benefits: (Contd..)

Effect of Plan on entity's future cash flows

a) Funding arrangements and funding policy

The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

b) Expected contribution during the next annual reporting period

₹ in Crores

The Group's best estimate of contribution during the next year	25.22

c) Maturity profile of Defined Benefit Obligation

₹ in Crores

Particulars	As at 31st March, 2026
Expected cash flows over the next (valued on undiscounted basis):	
1 year	18.18
2 to 5 years	68.89
6 years and onwards	91.19

Major category of Fair Value of Plan Assets at the end of the year is as under:

₹ in Crores

Particulars	As at 31st March 2026		As at 31st March 2025	
	₹ in Crores	Percent	₹ in Crores	Percent
Funds with Life Insurance Corporation of India	93.04	97.80%	88.58	97.88%
Others	2.09	2.20%	1.92	2.12%
Total	**95.13**	**100.00%**	**90.50**	**100.00%**

For Tridem Port and Power Company Private Limited, there is an outstanding defined benefit obligation towards gratuity amounting to ₹ 0.03 Cr (PY: ₹ 0.03 Cr)

Asset liability matching strategy

The Group has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The Insurance company, as a part of policy rules makes payment of all gratuity payouts during the year as per policy conditions. The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

47 Stock options schemes - Kirloskar Ferrous Industries Limited

KFIL Employee Stock Option Scheme 2017:

The Company has introduced employee stock option scheme. This employee equity-settled compensation scheme is known as KFIL Employee Stock Option Scheme 2017 ("KFIL ESOS 2017/ Scheme"). The employee stock option scheme is approved and authorized by the Board of Directors. This scheme is designed to provide incentives to specified senior management employees who are in the employment of the company and director(s), whether wholetime or otherwise, (other than promoters of the company, persons belonging to promoters group, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company). The specific employees to whom the options would be granted, and their eligibility criteria would be determined by the Nomination and Remuneration Committee.

Options granted under KFIL ESOS 2017 would vest after 1 (one) year but not later than 4 (four) years from the date of grant of such options. Options will be vested equally over four years. Vesting of options would be subject to continued employment with the Company and thus the options would vest essentially on passage of time. In addition to this, the Nomination and Remuneration Committee may also specify certain performance criteria subject to satisfaction of which the options would vest. Any option granted shall be exercisable according to the terms and conditions as determined by the Nomination and Remuneration Committee and as set forth in the Grant Letter. The exercise period shall be 3 (three) years from the date of vesting of options in case of employee is in continuation of employment. The vested options can be exercised by the employee at any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter. When exercisable, each option is convertible into one equity share. The options not exercised within the exercise period shall lapse and the employee shall have no right over such lapsed or cancelled options. The shares arising out of exercise of vested options shall not be subject to any lock-in period from the date of allotment of such shares under KFIL ESOS 2017.

Under the said scheme, Nomination and Remuneration Committee of the board of directors has granted following options to its eligible employees

Grant date	No. of options
3rd November, 2017	17,65,000
30th October, 2018	1,20,000
18th October, 2019	1,00,000
16th October, 2020	1,30,000
22nd October, 2021	3,70,000
05th November, 2022	1,60,000

Particulars	As at 31st March 2026		As at 31st March 2025	
	Weighted average exercise price per share per option (₹)	Number of options	Weighted average exercise price per share per option (₹)	Number of options
Opening balance	150	3,22,760	139	4,76,395
Granted during the year	-	-	-	-
Exercised during the year	127	77,710	110	99,410
Lapsed during the year	163	14,220	52	16,025
Forfeited during the year	152	39,000	152	38,200
Closing balance	**156**	**1,91,830**	**150**	**3,22,760**
Options exercisable at the end of the period	**153**	**1,54,830**	**141**	**1,94,760**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

47 Stock options schemes - Kirloskar Ferrous Industries Limited (Contd..)

Weighted average share price as on the date of exercise is ₹ 507.33/- (Previous year: ₹ 648.35/-).

Grant date	Exercise price	Options Outstanding as at 31st March 2026	Options Outstanding as at 31st March 2025
30-October-2018	51.00	-	7,800.00
18-October-2019	50.00	-	4,000.00
16-October-2020	55.00	15,100.00	29,450.00
22-October-2021	163.00	1,03,390.00	1,73,110.00
05-November-2022	166.00	73,340.00	1,08,400.00
Total		**1,91,830.00**	**3,22,760.00**
Weighted average remaining contractual life of the options outstanding at the end of the period		2.08 Years	2.68 Years

II. KFIL Employee Stock Option Scheme 2021:

The Company has introduced employee stock option scheme. This employee equity-settled compensation scheme is known as KFIL Employee Stock Option Scheme 2021 ("KFIL ESOS 2021/ Scheme"). The employee stock option scheme is approved and authorized by the Board of Directors. This scheme is designed to provide incentives to specified senior management employees who are in the employment of the company and director(s), whether wholetime or otherwise, (other than promoters of the company, persons belonging to promoters group, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company). The specific employees to whom the options would be granted, and their eligibility criteria would be determined by the Nomination and Remuneration Committee.

Options granted under KFIL ESOS 2021 would vest after 1 (one) year but not later than 4 (four) years from the date of grant of such options. Options will be vested equally over four years. Vesting of options would be subject to continued employment with the Company and thus the options would vest essentially on passage of time. In addition to this, the Nomination and Remuneration Committee may also specify certain performance criteria subject to satisfaction of which the options would vest. Any option granted shall be exercisable according to the terms and conditions as determined by the Nomination and Remuneration Committee and as set forth in the Grant Letter. The exercise period shall be 3 (three) years from the date of vesting of options in case of employee is in continuation of employment. The vested options can be exercised by the employee at any time within the exercise period, or such other shorter period as may be prescribed by the Nomination and Remuneration Committee from time to time and as set out in the Grant Letter. When exercisable, each option is convertible into one equity share. The options not exercised within the exercise period shall lapse and the employee shall have no right over such lapsed or cancelled options. The shares arising out of exercise of vested options shall not be subject to any lock-in period from the date of allotment of such shares under KFIL ESOS 2021.

Under the said scheme, Nomination and Remuneration Committee of the board of directors has granted following options to its eligible employees.

Grant date	No. of options
19th May, 2022	16,70,000
03rd November 2023	16,000
09th August, 2024	2,40,000

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

47 Stock options schemes - Kirloskar Ferrous Industries Limited (Contd..)

Particulars	As at 31st March 2026		As at 31st March 2025	
	Weighted average exercise price per share per option (₹)	Number of options	Weighted average exercise price per share per option (₹)	Number of options
Opening Balance	239	12,30,515	159	13,51,827
Granted during the year	-	-	563	2,40,000
Exercised during the year	157	2,40,705	157	2,56,487
Lapsed during the year	-	-	-	-
Forfeited during the year	159	1,40,575	159	1,04,825
Closing Balance	**269**	**8,49,235**	**239**	**12,30,515**
Options exercisable at the end of the period	**230**	**2,78,735**	**160**	**1,88,515**

Weighted average share price as on the date of exercise is ₹ 508.81 (Previous year: ₹ 684.61).

Grant date	Exercise price	Options Outstanding as at 31st March 2026	Options Outstanding as at 31st March 2025
19-May-2022	157.00	6,08,135.00	9,75,715.00
03-November-2023	357.00	13,600.00	14,800.00
09-August-2024	563.00	2,27,500.00	2,40,000.00
Total		**8,49,235.00**	**12,30,515.00**
Weighted average remaining contractual life of the options outstanding at the end of the period		2.93 Years	3.61 Years

The Group has recorded employee share-based compensation expense in current year amounting to ₹2.63 Crores (Previous Year: ₹ 5.95 Crores) for the options issued to the employees.

48 The disclosure required by Indian Accounting Standard (Ind AS 37) "Provisions, Contingent Liabilities, Contingent Assets" are as follows

Class of Provision	Opening balance as on 1st April 2025	Provisions for the year	Amounts used during the year	Closing balance as on 31st March 2026
Casting rejections	4.91	9.53	4.91	9.53

Class of Provision	Opening balance as on 1st April 2024	Provisions for the year	Amounts used during the year	Closing balance as on 31st March 2025
Casting rejections	5.75	4.91	5.75	4.91

Nature of obligation: Provision for possible obligation towards outflow of resources on casting rejections.

Expected timing of resulting outflow: Substantial costs will be incurred in the next financial year.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

49 Disclosures of transactions with Related Parties as required by Ind AS 24

Name of Related Party & Relationship

Holding Company

Kirloskar Industries Limited

Fellow Subsidiary

Avante Spaces Limited

Key Managerial Personnel

Mr. R.V. Gumaste - Managing Director

Mr. R.S. Srivatsan - Executive Director (Finance) & CFO

Mr. N. B. Ektare - Executive Director (Operations) (w.e.f. 09th August, 2024)

Mr. Mayuresh Gharpure - Company Secretary

Post Employment Benefit Plans

KFIL Employees Group Gratuity

KFIL Officers Superannuation Fund Trust

The Indian Seamless Metal Tubes Ltd Provident Fund (Unit -A)

ISMTL Provident Fund (Unit B)

ISSAL Provident Fund

Indian Seamless Superannuation Scheme

ISSAL Superannuation Fund

Indian Seamless Gratuity Fund

ISSAL Gratuity Fund

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

49 Disclosures of transactions with Related Parties as required by Ind AS 24 (Contd..)

₹ in Crores

	Name of related party and nature of relationship	Nature of transaction	2025-26 Transaction value	2025-26 Outstanding amounts carried in Balance Sheet	2024-25 Transaction value	2024-25 Outstanding amounts carried in Balance Sheet
A.	**Holding Company**					
	Kirloskar Industries Limited	Purchase of Power	0.98	-	-	-
		Building rent paid	-	-	0.05	-
		Rent Deposit Receivable	-	-	0.03	-
		Advance Receivable	-	1.62	-	1.62
B	**Key management personnel**					
	Mr. R.V. Gumaste - Managing Director	Compensation	12.32	-	12.53	-
		Compensation payable	-	5.68	-	3.67
		Sitting Fees Paid	-	-	0.02	-
	Mr. Mayuresh Gharpure - Company Secretary	Compensation	0.55	-	0.51	-
		Compensation payable	-	0.04	-	0.04
	Mr. R. S. Srivatsan - Executive Director (Finance) & Chief Financial Officer	Compensation	5.22	-	5.35	-
		Compensation payable	-	2.13	-	1.62
	Mr. N. B. Ektare - Executive Director (Operations) (w.e.f. 09th August, 2024)	Compensation	4.48	-	4.53	-
		Compensation payable	-	2.55	-	2.57
C	**Fellow Subsidiary Company**					
	Avante Spaces Limited	Maintenace Charges	1.45	-	0.59	0.02
D	**Post Employment Benefit Trusts**					
	KFIL Employees Group Gratuity	Contribution	2.00	-	7.76	-
	Indian Seamless Superannuation Scheme	Contribution	0.20	-	0.17	0.20
	ISSAL Superannuation Fund	Contribution	0.07	-	-	0.06
	The Indian Seamless Metal Tubes Ltd Provident Fund (Unit -A)	Contribution	-	-	4.54	-
	ISMTL Provident Fund (Unit B)	Contribution	-	-	0.30	-
	Indian Seamless Gratuity Fund	Contribution	2.02	6.08	5.06	4.81
	ISSAL Gratuity Fund	Contribution	2.55	2.99	0.15	4.74

Note

(i) Outstanding amount carried in Balance Sheet does not include liability in respect of gratuity and leave encashment which is provided on actuarial basis for the Company as a whole.

(ii) Company has not made any Loans/Advances/Investments during the year to the Ultimate Holding Company.

(iii) Transactions with related parties are at arms length price and the balances receivable / payable are un-secured.

(Iv) The terms of payment are generally similar to those of other non-related parties.

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

49 Disclosures of transactions with Related Parties as required by Ind AS 24 (Contd..)

Compensation of key management personnel of the Group

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Short term employee benefits	15.84	13.41
Post employment benefits	1.24	1.30
Other long term benefits	0.23	0.42
Share-based payments	5.26	7.79
Total	**22.57**	**22.92**

50 Contingent Liabilities and Commitments

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Claims against the Company not acknowledged as debt		
Central Excise and Customs	24.58	31.57
Service Tax	1.90	2.44
Goods and Service Tax	1.55	1.50
Income Tax	66.01	42.03
Labour Matters to the extent quantifiable	0.41	0.43
Forest Development Fee Matter	331.11	271.47
Multi year tarrif & Tax on Sale of Electricity	32.00	-
Electricity Demand charges	10.39	-
Others	10.19	10.19
Guarantees excluding financial guarantee		
Bank Guarantee	191.76	184.51
Capital and Other Commitments		
Stamp Duty & Reg. Fee	1.21	1.21
Estimated amount of contracts remaining to be executed on capital account and not provided for	440.14	408.91

Note

In the opinion of the management the above legal matters, under claims against Company not acknowledged as debt, when ultimately concluded will not have material effect on the results of the operations or the financial position of the Group.

51 Borrowing cost capitalized

₹ in Crores

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Amount of borrowing costs capitalized	0.09	0.03

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

52 Disclosure pursuant to Ind AS 103 “Business Combinations”:

Arrangement and Merger by Absorption of Oliver Engineering Private Limited and Adicca Energy Solutions Private Limited -

The Board of Directors of the Company, at its meeting held on August 04, 2025, had approved the Scheme of Arrangement and Merger by Absorption of Oliver Engineering Private Limited (‘OEPL’ / ‘Transferor Company 1’) and Adicca Energy Solutions Private Limited (‘AESPL’ / ‘Transferor Company 2’) (together, the ‘Transferor Companies’) with the Company and their respective shareholders (‘Scheme’).

Pursuant to the sanction of the Scheme by the Hon’ble National Company Law Tribunal, Mumbai (“NCLT”) vide order dated June 2, 2026, and filing of the requisite documentation with the Registrar of Companies, Pune, the Transferor Companies have been absorbed by the Company with effect from the appointed date as per the Scheme, i.e. April 1, 2025.

In terms of the Scheme, all the assets, liabilities, reserves and surplus of the Transferor Companies have been transferred to and vested in the Company. Accordingly, the financial results for the year ended March 31, 2026, originally approved by the Board of Directors and filed with the stock exchange on May 7, 2026, have been updated to give effect to the Scheme and also the previous year’s figures have been restated as per Ind AS 103 – Business Combinations.

Further, as per the terms of the Scheme, the unabsorbed depreciation and carried forward losses of the Transferor Companies stand transferred to and vested in the Company as on the Appointed Date. The management of the Company has evaluated the tax effect on account of the said unabsorbed depreciation and carried forward losses relating to the Transferor Companies and recognised an amount of ₹141.28 Crores as deferred tax asset as on April 1, 2025, in compliance with Ind AS 12. During the financial year 2025-26 these carried forward losses & unabsorbed depreciation have been adjusted and utilised for the computation of income tax in compliance with the provisions of the Income Tax Act, 1961 and consequently ₹110.38 crores of current tax expense has been reversed in the updated financial results.

In accordance with the applicable stamp duty legislation, the Company will apply for adjudication of stamp duty payable on the NCLT order sanctioning the Scheme. The exact amount of stamp duty is not determinable as on the date of approval of these financial statements, as it is subject to assessment by the State authorities. Stamp duty liability, if any, will be accounted for in the period in which the amount is determined by the authority.

53 Statement of net assets, profit & loss, other comprehensive income & total comprehensive income attributable to Owners & Non controlling interest 31st March 2026

Name of Entity	Net Assets i.e. Total assets minus total liability		Share of profit & loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amounts	As % of consolidated profit & loss	Amounts	As % of consolidated other comprehensive income	Amounts	As % of consolidated total comprehensive income	Amounts
Parent								
Kirloskar Ferrous industries Limited	100.03%	3,863.99	99.51%	504.75	153.19%	5.76	99.91%	510.51
Subsidiaries								
a) Direct Indian subsidiary								
Tridem Port and Power Company Private Limited	-3.00%	(116.07)	-0.03%	(0.14)	0.00%	-	-0.03%	(0.14)
b) Indirect Indian subsidiaries								
Nagapattinam Energy Private Limited	-1.50%	(58.09)	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Best Exim Private Limited	-0.05%	(1.99)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Success Power & Infraprojects Private Limited	-0.15%	(5.98)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

53 Statement of net assets, profit & loss, other comprehensive income & total comprehensive income attributable to Owners & Non controlling interest 31st March 2026 (Contd..)

Name of Entity	Net Assets i.e. Total assets minus total liability		Share of profit & loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amounts	As % of consolidated profit & loss	Amounts	As % of consolidated other comprehensive income	Amounts	As % of consolidated total comprehensive income	Amounts
Marshal Microware Infrastructure Development Company Private Limited	-0.14%	(5.26)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
c) Total	**95.18%**	**3,676.60**	**99.48%**	**504.58**	**153.19%**	**5.76**	**99.87%**	**510.34**
d) Non-controlling interest	0.00%	-	0.00%	-	0.00%	-	0.00%	-
e) Elimination & consolidation adjustment	4.82%	186.19	0.52%	2.64	-53.19%	(2.00)	0.13%	0.64
f) Total	**100.00%**	**3,862.79**	**100.00%**	**507.22**	**100.00%**	**3.76**	**100.00%**	**510.98**

54 Operating Segments

(i) The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Executive Committee, the ‘Chief Operating Decision Maker’ as defined in Ind AS 108 - ‘Operating Segments’, in deciding how to allocate resources and in assessing performance. These segments have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

(ii) The Group is engaged primarily into manufacturing of Castings, Steel and Tubes. Thus, the primary segments are Casting segment, Tube Segment and Steel Segment.

(iii) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as unallocable.

(iv) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities which cannot be allocated to a segment on a reasonable basis have been included under “Unallocable Assets / Liabilities “.

(v) Inter Division Transfer represents transfer of finished / semi-finished products within the Segment for further processing and sale. Profit or loss on inter Division transfers are eliminated at the Group level.

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
1. Segment Revenue		
(net sale/income from each segment should be disclosed under this head)		
(a) Casting Segment	4,314.19	4,047.38
(b) Tube segment	2,342.74	2,294.31
(c) Steel Segment	1,697.54	1,680.17
(d) Unallocated Total	-	-
Less: Inter Segment Revenue (including inter division)	(1,465.90)	(1,457.63)
Net sales/Income From Operations	**6,888.57**	**6,564.23**

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

54 Operating Segments (Contd..)

	Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
2.	**Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)#**		
	(a) Casting Segment	397.10	348.85
	(b) Tube segment	181.16	119.21
	(c) Steel Segment	57.20	59.63
	(d) Unallocated Total	1.71	25.23
	Total	**637.17**	**552.92**
	Less: Interest	(125.37)	(144.44)
	Total Profit Before Tax Before Exceptional Items	**511.80**	**408.48**
3.	**Capital Employed (Segment assets – Segment Liabilities)**		
	(a) Casting Segment	1,716.13	1,781.80
	(b) Tube segment	1,200.87	1,479.42
	(c) Steel Segment	1,132.27	782.45
	(d) Unallocated Total	(186.48)	(608.51)
	Total	**3,862.79**	**3,435.16**
4.	**Segment Assets**		
	(a) Casting Segment	3,751.32	3,582.75
	(b) Tube segment	1,445.59	1,724.29
	(c) Steel Segment	1,323.85	980.54
	(d) Unallocated Total	68.28	61.14
	Total	**6,589.04**	**6,348.72**
5.	**Segment Liabilities**		
	(a) Casting Segment	2,035.19	1,800.95
	(b) Tube segment	244.72	244.87
	(c) Steel Segment	191.58	198.09
	(d) Unallocated Total	254.76	669.65
	Total	**2,726.25**	**2,913.56**

55 Relationship with Struck off Companies

Name of the Struck Off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company	Number of Shares held as on 31st March 2026	Number of Shares held as on 31st March 2025
Nenawati Marketing Pvt Ltd	Shares held in the Company	Shareholder	1,900	1,900
Box And Carton (P) Ltd	Shares held in the Company	Shareholder	100	100
Sri Ramachandra Investments (P) Ltd	Shares held in the Company	Shareholder	100	100
Umasoumya Investments Pvt Ltd	Shares held in the Company	Shareholder	100	100
Uma Sridhar Hire Finance Pvt Ltd	Shares held in the Company	Shareholder	100	100
Abhireet Investments & Trading (Pvt) Ltd	Shares held in the Company	Shareholder	200	200
Pci Vanijya Pvt Ltd	Shares held in the Company	Shareholder	85	85
North Point Properties Pvt Ltd	Shares held in the Company	Shareholder	26	26
Unicon Fincap Private Limited	Shares held in the Company	Shareholder	1,105	1,105

Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts are in Indian Rupees (INR) in crores unless otherwise stated)

56 Recent accounting pronouncements

Ministry of Corporate Affairs (""MCA"") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

Ind AS 1 – Presentation of Financial Statements

The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact on these amendments in its classification criteria of current and non-current liabilities.

Ind AS 7 – Statement of Cash Flows and Ind AS 107

Financial Instruments - Disclosures, applicable w.e.f April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact on its financial statements

Amendment issued but not effective (effective from 01st April 2026):

The Ministry of Corporate Affairs (MCA) through notification dated August 13, 2025, notified amendment to Ind AS 1, Presentation of Financial statements. This amendment removes the carve-outs in Ind AS 1 from IAS 1 when there is a breach of a material covenant that transforms the liability from non-current to current. The Company will evaluate the requirements and apply these amendments from the effective date. However, presently the Company does not see any material impact on the financial statements.

57 Previous year's figures have been regrouped wherever considered necessary to make them comparable with those of the current year.

As per our report of even date attached

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

PARAG PANSARE
Partner
Membership No. 117309

Pune, 12th June 2026

For **P G Bhagwat LLP**
Chartered Accountants
Firm Registration No. 101118W/W100682

NACHIKET DEO
Partner
Membership No. 117695

Pune, 12th June 2026

For and on behalf of the Board of Directors

RAHUL KIRLOSKAR
Chairman
DIN 00007319

R.S. SRIVATSAN
Executive Director (Finance) & Chief Financial Officer
DIN 09607651

Pune, 12th June 2026

R.V. GUMASTE
Managing Director
DIN 00082829

MAYURESH GHARPURE
Company Secretary

Pune, 12th June 2026

Form AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures for the year ended 31 March 2026

Part A : Subsidiaries

(Figures are ₹ in Crores unless stated otherwise)

Sl.No.	Name of Subsidiary Company	Reporting currency	Share capital	Other Equity	Total Assets	Total Liabilities#	Investments (excluding Investment in Subsidiary)	Total Income	Profit/ (loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed Dividend	% of share holding
1	Tridem Port and Power Company Private Limited	INR	2.58	-116.07	0.10	116.15	-	-	-0.14	-	-0.14	-	100.00%
2	Nagapattinam Energy Private Limited	INR	0.25	-58.09	-	58.10	-	-	-0.02	-	-0.02	-	100.00%
3	Best Exim Private Limited	INR	0.01	-1.99	-	2.00	-	-	-0.00	-	-0.00	-	100.00%
4	Success Power and Infraprojects Private Limited	INR	0.19	-5.98	-	5.98	-	-	-0.00	-	-0.00	-	100.00%
5	Marshal Microware Infrastructure Development Company Private Limited	INR	0.01	-5.26	-	5.26	-	-	-0.00	-	-0.00	-	100.00%

#Excluding Share capital and Other Equity

Note: Salient features of the Consolidated Financial Statements of subsidiary companies has been provided in the above table.

Part B: Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

The Company does not have any associate company or joint venture.

For and on behalf of The Board of Directors

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

For **P G BHAGWAT LLP**
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DIN 09607651

Pune 12th Jun 2026

MAYURESH GHARPURE
Company Secretary

Pune 12th Jun 2026

Notes

Notes

Registered Office:

Kirloskar Ferrous Industries Limited
'One Avante', Level 5, Karve Road,
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Email: kfilinvestor@kirloskar.com
Website: www.kirloskarferrous.com
CIN: L27101PN1991PLC063223