

PROCEEDINGS OF 100th ANNUAL GENERAL MEETING

Good Morning Ladies and Gentlemen!

On behalf of the Board of Directors, I welcome the members to the 100th Annual General Meeting. This meeting is being held through video conference in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI. Before we start the proceedings of the meeting, I would like to inform that I am attending this meeting from the Registered Office of the Company at 'Yamuna', S. No. 98(3 to 7), Plot No. 3, Baner, Pune 411 045 and along with me, Mr. Kishor Chaukar, Ms. Shailaja Kher and Ms. Rama Kirloskar are also present and attending this meeting from the Registered Office of the Company. Now let me call upon other colleagues on the Board to introduce themselves and confirm their places of attendance.

Mr. Rajeev Kher is an Independent Director and Chairman of the Audit and Finance Committee and member of Nomination and Remuneration Committee and Corporate Social Responsibility Committee. I request him to confirm his place of participation.

Mr. Kishor Chaukar, whose term as an Additional Director of the Company expires today. He is proposed to be re-appointed as an Independent Director of the Company for the 2nd consecutive term subject to approval of the members by way of Special Resolution.

Mr. Pradyumna Vyas is an Independent Director and Chairman of Corporate Social Responsibility Committee. I request him to confirm his place of participation.

Ms. Shailaja Kher is an Independent Director and Chairperson of Stakeholders' Relationship Committee.

Dr. Rakesh Mohan is an Independent Director and Chairman of Nomination and Remuneration Committee and member of Audit and Finance Committee. Due to unavoidable circumstances he has informed his unavailability to attend this meeting and conveyed his regrets that he cannot be with us for today's meeting.

Mr. Pratap Shirke is a Non-Executive and Non-Independent Director of the Company is member of Audit and Finance Committee. I request him to confirm his place of participation.

Mr. Alok Kirloskar is a Non-Executive and Non-Independent Director of the Company is a member of Stakeholders' Relationship Committee. I request him to confirm his place of participation.

Ms. Rama Kirloskar is a Non-Executive and Non-Independent Director of the Company is member of Corporate Social Responsibility Committee.

Mr. Unnikrishnan, who is proposed to be appointed as an Independent Director of the Company at this AGM. I request him to confirm his place of participation.

Apart from the Directors, a few of the Company Officials are also attending this meeting.

Mr. Anurag Vohra – India Business Head is attending this meeting from the Registered Office of the Company.

Mr. Chittaranjan Mate – Senior Vice President, Finance and Chief Financial Officer of the Company. He is attending this meeting from the Registered Office of the Company.

Mr. Sandeep Phadnis – Company Secretary is attending this meeting from the Registered Office of the Company.

We also have Company's Statutory Auditors - M/s Sharp and Tannan Associates, Secretarial Auditors - Mr. Shyamprasad Limaye and Cost Auditors - M/s Parkhi Limaye & Co. attending this meeting.

Participation of members through video conference is being considered for the purpose of quorum as per the circulars issued by MCA and Section 103 of the Companies Act, 2013. The quorum being present, I call this meeting to order.

This year's Annual General Meeting is memorable and unique for us. As you all know, KBL completed 100 years of its incorporation as a public limited company and today marks the 100th Annual General Meeting of the company. It is indeed a proud moment as it truly reflects our company's illustrious and rich legacy and, at the same time, our cherished association with all of you. This occasion is unique as it is the first time in 100 years that we are conducting this meeting online, It is an unforgettable occasion because, it has come at a time when all of us are facing an unprecedented economic situation around us.

2019-20 Economic Scenario

The Covid-19 pandemic has brought our world to a standstill, severely affecting the global economy. It has caused one of the most significant disruptions we have seen in our living memories. We have already seen our economy contract by 23.9% in the first quarter of the current fiscal year. However, with the announcement of the INR 20 lakh crore stimulus package and phase-wise unlocking by our government, the Indian economy has been showing signs of recovery. However, it is a long road ahead before we expect it to come back to the pre-Covid level.

India, with its emergence as a credible economy and the support it has provided to the global community during the pandemic, is well-equipped to step in as an alternative global manufacturing hub for the world. As a result, experts look at this situation as a potential opportunity for India, especially for our Export industry.

As a result, KBL registered a marginal decline in its operational revenue over the last financial year. Revenue generated from operations was valued at Rs 2097 Cr as against Rs 2223 Cr in the previous year. The Profit Before Tax (PBT) was valued at Rs 120 Cr as against Rs 124 Cr in the previous fiscal year. The company's Profit After Tax (PAT) stood at Rs 79 Cr compared to Rs 87 Cr in the previous fiscal year.

Domestic & Exports

Our focus on value added products as part of the company's strategy to move its business from Projects to Products worked well during the last fiscal year. The company's exports account for 12 % of our standalone business and our international business now accounts for 35% of our overall business. During the period, we executed significant number of prestigious project orders.

Products

In FY 20-21, we reinforced our product offerings across all sectors, emphasising our value-added products.

In the Building & Construction sector, our focus helped us improve market position in the Smart Water Management segment through our products like HYPN system (in fact, we delivered our biggest HYPN system during the period). We lead the firefighting pump market and took steps to strengthen our position in this segment.

We extended the market reach of our Autoprime dewatering pumps by supplying various new municipal corporations and state governments. We received major orders for our Lowest Lifecycle Cost (LLC) pump series, our specialty product dedicated towards ensuring optimum energy efficiency, from reputed customers.

In the M&D sector, KBL has been associated with the Indian Navy for indigenisation of its Magazine firefighting system. This programme undertaken by the Ministry of Defence (MoD) falls under the "Make in India" initiative.

During the period, we supplied pumps for some of India's landmark projects like Kartarpur Corridor Terminal (Indian side), Statue of Unity, ISRO's Thumba Equatorial Rocket Launching Station (TERLS), Thiruvananthapuram, and National Fire Service College - Nagpur (country's first fixed firefighting installation lab). We expanded our footprints in nuclear applications by developing the first prototype of Shutdown Cooling pumps.

In order to meet the changing market demand from the retail segment for agricultural and domestic applications, we introduced a new booster pump series (K-booster). We also extended our existing submersible pump range by developing 29 models of 4", 6" and 7" submersible pumps with sand-fighter feature.

Projects

As mentioned earlier, KBL is selective in taking project orders after due risk assessment on various parameters, including payment terms which are fair and reasonable. Execution of the Versova E&M project order from the Mumbai Metropolitan Region Development Authority (MMRDA) is under progress and running as per schedule.

During the period, BS VI projects and the Pipelines segment's downstream projects yielded good orders for our Oil & Gas sector. We witnessed a remarkable rise in demand for many of our industrial pumping solutions from the Pharma sector during the period.

International Projects

Internationally, we executed significant orders, including commissioning of large 2350 KW vertical turbine pumps at the South Bangkok Power plant. To tap demand from the international market, we undertook a series of initiatives including the range extension of our FM/UL pumps.

We are proud that the Government of Suriname chose KBL for a critical irrigation project. As part of the project, we supplied one of the largest trolley mounted Autoprime pump sets in the world.

Engineering Service Division & Customer Service & Spares

We strengthened revenue contribution from after sales service where we witnessed considerable improvement. The Spares business division registered a double-digit growth in terms of order bookings, sales and recovery. We are pleased to inform that, for the first time, our large pump spares sales crossed the 1,000 Mn figure.

Factories

During the period, our Kirloskarvadi plant started regular production in the new steel foundry with enhanced capacity. A new machining line was installed and commissioned, which helped to improve deliveries. An Export Pumps warehouse was established at the plant to support our international regional offices.

Our Dewas Plant has registered growth in pump production over the last three years. The Sanand plant, our dedicated submersible pump manufacturing facility, synchronised its production with market demand in FY19-20. New products developed by the Kaniyur plant, i.e. Mini 50C and K-Booster, were launched in the market.

The Kondhapuri plant also demonstrated a double-digit growth in both OTIF as well as its in-house valves capacity.

Across our plants, we have been reducing our carbon footprint by making more and more use of renewable energy.

Going Forward

It has been over six months since the Covid outbreak, but I am happy to share that KBL has taken various preventive measures to minimise the impact of the Covid-19 pandemic on business operations. This was evident from the results for the first quarter which I am sure you all must have seen. Our manufacturing plants resumed operations last quarter, strictly adhering to the guidelines laid down by the government. Operations of all our channel partners have also resumed.

Our preparedness and dialogue with our customers and channel partners have been integral to make a prompt comeback. Our focus has been on business sustainability, cost optimisation, product innovation and customer engagement.

While it is difficult to predict when our economy would turn around, we hope that movement in the market will start picking up towards the start of Q3 of the current financial year, which again, would obviously be

entirely dependent on the time taken to recover from the prevailing situation.

Rural segment, by far, has been one of the key segments from which we registered continuous demand due to the favourable government initiatives. We also expect the demand from sectors like Healthcare and Pharma to further rise up during this fiscal year.

Product innovation remains a key area and I am happy to share that we have launched new products in the energy efficient pumps segment.

We have implemented technologies like AR, VR, IoT and AI in manufacturing and customer service areas. Emphasis on our remote monitoring technology, KirloSmart, has been an essential step in this direction.

Our Government has reiterated its aim towards making India 'Atmnirbhar' through the Make in India programme and strengthening local businesses through its Vocal for Local programme. Being one of India's first engineering companies, we will continue to contribute towards realising the dream of a Self-reliant India.

For the past few years, we have worked extensively on bringing synergies among our subsidiaries, which has aided us to facilitate product innovation, nurture a transnational workforce and develop a wide-ranging product portfolio to provide our global customers with world-class products and services.

I am proud to share that, through our CSR arm, we have been working hard to support the affected communities around us by distributing meals and other essential materials. I am also happy to inform that many of our products are also being used for critical fluid management applications in various Covid-19 relief and treatment facilities.

As we celebrate 100 years of our incorporation, I would like to thank all our customers, channel partners, suppliers and shareholders for their consistent support and trust in our company. I also thank all our employees for their vital contribution over the years without which we would not have been celebrating this milestone.

I would like to end this AGM by remembering my great grandfather and founder of KBL, Mr. Laxmanrao Kirloskar. His vision and values continue to guide and motivate us in achieving bigger in everything we do. In his own words – “Results are possible, provided you try.”

As you are aware, every year I ask Alok and Rama who are shouldering increasing responsibilities to speak to shareholders. I now request Alok and then Rama to address you.

Stay Safe, Stay Healthy!!

I now request Mr. Sandeep Phadnis, Company Secretary, to provide general instructions to the members regarding participation in this meeting.

(Mr. Sandeep Phadnis)

Good afternoon everyone. 100th Annual General Meeting of the Company is being held through video conference in accordance with the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs and SEBI. Facility for joining this meeting through video conference or other audio-visual means is made available for the members on a first-come-first-serve basis. The Register of Directors and Key Managerial Personnel, the Register of Contracts or Arrangements, was been made available electronically for inspection by the members during the AGM.

As the AGM is being held through video conference, the facility for appointment of proxies by the members was not applicable and consequently, the requirements for the inspection of proxy register is not applicable. The Company has received requests from a few members to register them as speakers at the meeting. Accordingly, the session will be open for these members to ask questions or express their views. The moderator will facilitate this session once the Chairman opens the session for questions and answers. The Company had provided the facility to cast the votes electronically on all resolutions set forth in the Notice. Members who have not cast their votes yet electronically and who

are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system provided by NSDL.

Members are requested to refer to the Instructions provided in the notice or appearing on the video conference page. In case members face any difficulty, they may reach out on the helpline numbers mentioned in the notice.

Thank you very much.

Thank you, Sandeep.

As you are aware, remote E-Voting option was given to the shareholders holding shares of the Company as on September 18, 2020 for voting on the resolutions placed before the 100th Annual General Meeting. The remote e-voting was kept open for 3 days – from Tuesday, September 22, 2020 (9:00 a.m.) to Thursday, September 24, 2020 (5:00 p.m.). Shareholders who could not vote through remote E-voting may cast their votes now on NSDL Voting platform.

Mr. Shyamprasad Limaye - Practicing Company Secretary, has been appointed as Scrutinizer for e-voting process.

The Notice of the Annual General Meeting is already with you. With your permission may I take it as read. For the benefit of all participants, I would like to highlight the items in the notice:

1. Adoption of financial statements for the Financial Year ended March 31, 2020:

The financials are with you and few details about the performance of the Company have already been covered in my speech.

2. To confirm payment of Interim Dividend:

The Board of Directors of your Company had declared and paid an Interim Dividend @100% that is Rs.2/- per Equity Share of Rs.2/- each during the financial year 2019-20.

3. To declare payment of Final Dividend:

The Board of Directors of your Company has recommended a final dividend @ 25% i.e. Re.0.50 per Equity Share of Rs.2/- each for the financial year 2019-20. If approved, the said dividend shall be paid to all those shareholders who were holding shares on the Record Date i.e. September 18, 2020.

This item is proposed for shareholders' approval.

4. Re-appointment of Mr. Alok Kirloskar as Director retiring by rotation:

The details as required to be mentioned regarding his re-appointment are given in the Notice convening this meeting and the Corporate Governance report.

This item is proposed for shareholders' approval.

5. To consider the re-appointment of Mr. Kishor Chaukar as an Independent Director:

On completion on his initial term of 5 years as an Independent Director of the Company on April 26, 2020. Mr. Chaukar was appointed as an Additional Director in the category of Independent Director of the Company with effect from April 27, 2020. It is now proposed to appoint him as an Independent Director of the Company for a term up to April 26, 2025. The details as required to be mentioned regarding his appointment are given in the Notice convening this meeting and the Corporate Governance report.

This item is proposed for shareholders' approval by way of Special Resolution.

6. To consider the appointment of Mr. M. S. Unnikrishnan as an Independent Director:

Mr. Unnikrishnan was appointed as an Additional Director of the Company is proposed to be appointed as an Independent Director of the Company for a term up to June 4, 2025. The details as required to be mentioned regarding his appointment are given in the Notice convening this meeting and the Corporate Governance report.

This item is proposed for shareholders' approval.

7. Ratify payment of remuneration to the Cost Auditors, M/s Parkhi Limaye and Co.:

It is proposed to pay remuneration up to Rs 825,000/- (Rupees Eight Lakhs Twenty Five Thousand only) p.a. excluding applicable taxes and out of pocket and travelling expenses, if any to M/s Parkhi Limaye and Co., Cost Accountants, who have been appointed as the Cost Auditors by the Board of Directors of the Company for the year 2020 -21.

As per the Companies Act, 2013, the Auditors' Report is to be read only when there are qualifications or adverse observations or comments in the report. The Financial Statements are unqualified.

I will be happy to answer queries if any, regarding financials and operations of the Company from the members who have registered their names. Members are requested to keep their questions brief and specific. The moderator will facilitate the questions on the video feature. To avoid repetition, the answers to all the questions will be provided towards the end. Members may also note that the Company reserves the right to limit the number of members asking questions depending on the availability of time.

Before we start with the Q&A, here are some points to note for your convenience.

- Kindly turn on your video when you are projected on the broadcast screen,
- kindly unmute yourself, and proceed to ask the question,
- Please mention your name, Folio / CLID & DPID Number,
- Shareholders registered to ask question or speak are requested to keep it short and not to exceed maximum two minutes per speaker in view of operational constraints,
- To avoid repetition, all the questions will be responded at the end,
- Once you have asked your question, you can mute your microphone and continue with the proceedings of the meeting.

I, now, request the moderator to initiate with the question and answer session.

(Shareholders to ask questions if any and Chairman / Board to respond)

Chairman to address further:

Members may note that the voting on the NSDL platform will continue for the next 30 minutes. Therefore, members who have not cast their vote yet are requested to do so. The Board of Directors has appointed Mr. Shyamprasad Limaye, Practicing Company Secretary, as the scrutinizer to the e-voting process. The result of the voting will be declared and placed on the website of the Company at the earliest. The resolutions, as set forth in the Notice, shall be deemed to be passed today subject to receipt of requisite number of votes. We have about 37 members participating today in this 100th Annual General Meeting. We are grateful to all our shareholders for their participation in this meeting.

On behalf of the Board, I wish to place on record our gratitude to our bankers and financial institutions for their encouragement and support and to all employees for their contribution to the growth of the Company. I would also like to express my deep appreciation for the guidance and support from all the members of the Board. In addition, I would like to thank you for your support and the keen interest shown in the working of the Company.

Thank you,

(This does not purport to be the minutes of the annual general meeting)
