

PROCEEDINGS OF 102nd ANNUAL GENERAL MEETING

Good morning, Ladies and Gentlemen!

On behalf of the Board of Directors, I welcome the members to our 102nd 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. Alok Kirloskar, Ms. Rama Kirloskar, Mr. Pratap Shirke Mr. Shobinder Duggal, Mr. Amitava Mukherjee and Mr. M. S. Unnikrishnan are also present and attending this meeting from the Registered Office of the Company.

Now let me introduce my colleagues on the Board.

Ms. Rama Kirloskar is a Joint Managing Director of the Company, and a member of the Corporate Social Responsibility Committee and Risk Management Committee.

Mr. Shobinder Duggal is an Independent Director and Chairman of Audit and Finance Committee.

Mr. Shrinivas Dempo is an Independent Director and Chairman of the Stakeholders Relationship Committee as well as the Nomination and Remuneration Committee. He is attending the meeting from his residence at Goa.

Mr. M. S. Unnikrishnan is an Independent Director of the Company who is a Chairman of the Risk Management Committee, and a member of the Audit and Finance Committee as well as Nomination and Remuneration Committee.

Mr. Vivek Pendharkar is an Independent Director and Chairman of the Corporate Social Responsibility Committee. He is attending the meeting from his residence at California, USA.

Ms. Rekha Sethi is an Independent Director and member of the Nomination and Remuneration Committee and sa member of the Corporate Social Responsibility Committee. She is attending the meeting from her office at Delhi.

Mr. Alok Kirloskar is a Non-Executive, and Non-Independent Director of the Company is a member of the Stakeholders' Relationship Committee.

Mr. Pratap Shirke is a Non-Executive, and Non-Independent Director of the Company is a member of the Audit and Finance Committee.

Mr. Amitava Mukherjee is an Independent Director and member of Audit and Finance Committee and Stakeholder Relationship Committee.

Ms. Ramni Nirula is an Independent Director and a member of the Audit and Finance Committee. Due to unavoidable circumstances, she has expressed her inability to attend today's meeting and conveyed her regrets for the same.

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

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. Devang Trivedi – 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.

In view of COVID-19 pandemic and in terms of the MCA & SEBI Circulars, we are obliged to conduct the annual gathering online this year as well. It is the third year in a row that we will miss the warmth of in-person interaction. Also, unfortunately, during the period, we have lost some of our colleagues and stakeholders or their family members. My heart reaches out to all who have lost their close ones to the pandemic.

The year just gone by has been a particularly challenging one. Living in an interconnected world, we all are affected by any change, good or bad, happening anywhere in the world. Unfortunately, it is more bad news than good news this time. Just as the world seemed to be moving towards normalcy from the Covid pandemic, it witnessed the start of the Russia-Ukraine war. This has significantly disrupted the global economic recovery. However, among all these events, there are signs of positivity and as a company, we have taken measures to overcome challenges that we may come across in future.

Economic Scenario:

Economies around the world are seeing major issues in terms of rising food, commodity and energy prices due to the disruption caused earlier by covid and later by the Russia-Ukraine war. We are seeing high inflation rates in many countries, resulting in tightening of monetary policy by major economies like the US, European Union and India, among others. The effect of this along with the threat of new variants of covid, will certainly affect economic recovery. In addition, a recession in the US and slowdown in China will further impact global growth.

While India has seen moderate recovery, the broadening of inflation beyond commodity and energy can lead to a setback in economic growth. The IMF has recently lowered India's FY23 GDP growth rate to 7.4% from 8.2% earlier.

However, there are many positive signs like exports crossing the \$400 billion mark, encouraging IIP (index of industrial data) data & higher GST collections and India's emergence as a global alternate sourcing destination. With no expected serious covid

outbreak, future growth sustainability will depend on the right policy interventions to tame inflation, maintain rupee value and reduce the global impact of war.

At KBL, we have our share of success and challenges. Rising commodity prices have increased the cost of manufacturing. This negatively impacted margins, especially for long delivery items where the price rise cannot be transferred to customers.

However, our focus on improving business efficiency and performance through process optimisation, technology adoption, value-added products, service delivery improvement, and customer engagement has helped us perform better.

Products:

We have been focussing on our core strength of designing, manufacturing and launching the best products in the market. Our strategy to introduce energy-efficient and technologically advanced products while streamlining our product basket has helped us register strong performance in various segments including residential, oil & gas, power, steel and continued growth in chemical, pharma, textile, food & beverages. With the revival of residential sector, we have registered significant increase in demand of our Hydro Pneumatic Pressure Boosting (HYPN) systems and Multi-Stage Multi-Outlet (MSMO) firefighting pumps.

We received good orders from large OEMs and contractors in Uttar Pradesh, Telangana, and Uttarakhand including a significant number for the supply of high head multistage, Split case, and Large Vertical Turbine Pumps. We are setting new trends through constant efforts resulting in good demand for our Lowest Life Cycle Cost (LLC) series pumps, Autoprime pumps, and cloud-based remote monitoring and predictive maintenance systems (KirloSmart®), leading to improved revenues. There is an overwhelming response from clients due to the benefits offered by these products.

During the period, we have developed pumps for applications in the primary circuit of nuclear power plants. For hydrocarbon applications, we developed an axial flow model and a solid handling pump to handle solid sizes up to 131 mm. Another major achievement was the development of a 30 MW Francis Turbine Pump. We have also developed many new valves of big sizes and significantly enhanced features of existing valve products.

For our Small Pump Business (SPB), we launched 53 variants of Monobloc pumps with IE4 Super Premium Efficiency motors, and 16 variants of Monobloc pumps (up to 5 HP) sets with Ultra-Premium Efficiency IE5 motors. These pumps for the agriculture and residential segment are the most efficient products available in the market today. To strengthen our position in the submersible pump segment, we introduced 24 variants in 4" submersible pumps with improved efficiency and performance. All these new products will further strengthen our leadership position in the retail pump segment.

Our innovative and sustainable product – PICO, a micro hydropower generator, which uses the flow of water to generate electricity is gaining significant acceptance due to the benefits it offered especially in making electricity available in the remote corner of the country at an exceptionally low cost. As we continue to invest on Research & Development to bring most advanced product into the market, I am happy to share that during FY21-22, we were awarded three more patents.

Last year, KBL supplied many large pumps, including to the Gujarat Water Supply and Sewage Board (GWSSB), and the Hafeshwar project, where VT pumps were installed with 35-meter suspension length. Moreover, we successfully delivered 18 large pumps for the Jaipur – Bisalpur Augmentation project, increasing the total capacity of the scheme without interrupting the existing infrastructure. The company delivered large and medium-size vertical turbine pumps for major irrigation projects in Madhya Pradesh, Gujarat and Odisha. We received an order of 40+ nos. of VT pumps for the Haryana Lift Irrigation Schemes and executed it successfully. We have also received a significant order from Uttar Pradesh Irrigation Dept (CESPO) to supply 14 nos. of 150 Cusecs pumps. Internationally, we supplied split-case, NS, and VT pumps to Malaysia and commissioned 104 diesel driven firefighting pumps for the Yellow and Pink lines of MRT Skytrain in Bangkok.

KBL also completed a project of Indigenisation of “Magazine Fire Fighting System” in coordination with Mazagaon Dock Shipbuilders Ltd and the Centre for Fire Explosive and Environmental Safety (a segment of DRDO).

We are also proud to supply fire-fighting pump sets for 8.45 km long Banihal-Qazigund road tunnel in the Union Territory of Jammu & Kashmir. It is yet another milestone for protecting infrastructure of national importance as our fire pumps are already protecting historic Atal Tunnel, which is the world’s longest underground highway build under Rohtang pass.

ESD & CSS:

Over the years, we have earned the trust of our customers not only with great products but reliable and remarkable services. I am happy to share that in FY21-22, we signed Annual Maintenance Contracts (AMC) and Annual Rate Contracts (ARC) with many esteemed customers, including the Oil majors, PSUs and many sugar companies. It not only shows the trust of our customer on our service capability but also help us scale further business opportunity with them. Also, replacement of other brands helped us increase the service market share and while assuring increased spare business in FY22-23. In earlier years, I had spoken about our IoT remote monitoring and preventive maintenance device KirloSmart®. During the COVID-19 period, KBL has installed KirloSmart devices in facilities of 20 customers, including in remote parts of India? This has helped us gain immense knowledge of specific conditions across the country.

International Business Strategy:

Being an Indian MNC, KBL has its presence in all the trading blocks of the world. In fact, 29% of our manufacturing turnover comes from our overseas subsidiaries. While the last two years have been affected by COVID-19, our international subsidiaries have picked up pace and are returning to profitability. KBL standalone saw an increase in order booking in FY21-22. We were happy to bag prestigious orders, including orders from Israeli National Water Company for large split-case pumps worth INR 280 Mn. We also successfully supplied split case, NS and vertical turbine pumps to Malaysia.

We enter FY22-23 with healthy order book and look forward to improvement in sales in the current year. Working under the One-KBL approach along with our international subsidiaries, we are well positioned to serve our global customers.

Factories:

We continue to invest in increasing our plant manufacturing capacity and operational excellence. The opening of the Advanced Technology Product Division (ATPD) and successful amalgamation of Valve manufacturing at Kirloskarvadi was a significant milestone achieved in FY21-22.

In FY21-22, our Kirloskarvadi plant with a committed and dedicated team effort, successfully accomplished a 97% achievement of the annual operating plan. The plant set a record for highest sales in a financial year, including highest ever dispatch in the month of March'21, and highest number (52782) of Small and Medium Pump Division (SMPD) pumps dispatched in the year.

Our small pump manufacturing plants at Sanand and the all-women-operated plant in Kaniyur are proud winners of the National Awards for Manufacturing Competitiveness (NAMC). We have also entered in strategic partnerships with our channel partners to expand manufacturing and delivery capabilities by opening four Authorised Pump Original Equipment Manufacturer (APOEM) facilities across India. These facilities will help us serve our customer quickly and effectively.

Directors:

Mr. Rajeev Kher, Mr. Pradyumna Vyas, Ms. Shailaja Kher and Dr. Rakesh Mohan completed their respective terms as Independent Directors of the Company and accordingly, they ceased to be on our Board. On behalf of the entire Board, I want to thank them for their guidance and support in these especially trying times. In fact, the last two years have been vastly different compared to what our generation had experienced earlier, and their wise counsel ensured that the company could stay true to its vision and continue its path towards growth and higher profitability.

Way Forward:

We believe there will be some uncertainties in the current financial year due to further tightening of monetary policy and increase in interest rate, which may slowdown the recovery we saw in the last FY. Through steps like cost optimisation and focusing on increasing the revenue share from value added products, we are confident of improving sales and maintaining margin going forward.

We are well positioned to capitalise on the opportunity in sectors like building and construction where we see high demand coming from residential segment for fire-fighting and water supply pumping solution. KBL enjoys leadership position in this segment. With more spending on infrastructure development, irrigation & water supply projects, sewage plants, and rural water supply schemes, by both central and state governments, we expect demand for pumps to remain strong in current year. With good monsoon and more allocation of funds for various schemes in agriculture sector, we expect good demand for our agricultural pumps and are confident to gain market share on the back of advanced and high energy efficiency pumps which were launched in the last year and with more launches that are lined up in current year.

With innovation at the core, we are committed to continue introducing Industry-First and Industry-Leading products in the market. Our approach of aligning our capabilities at the group level and continuous focus on innovations, while launch new products with high efficiency and performance will help us to gain new customers and more business from existing customers.

We remain committed towards enhancing customer convenience through smart use of technology. I am happy to inform that we have successfully launched a new enhanced version of our signature IoT-based technology – KirloSmart®. Introduced first time by KBL in India in 2016, it is a unique technology that enables the user to remotely monitor and troubleshoot the pump without any manual intervention, predict and take corrective measures to prevent any breakdown, resulting into significant cost saving.

We are all aware about the adverse effect of climate change and the importance of sustainability. At KBL, we are committed to achieve excellence in overall sustainable performance through the integration of economic, environmental, and social dimensions. We will continue with our efforts to improve and contribute to helping India achieve its commitment to be Carbon Neutral by 2070. Presently, KBL produces about 27% of its total energy requirements from its own renewable energy sources like Windmills and Solar. On the product side, our high energy efficient pumps including the Lowest Life-cycle Cost pump series ensures low energy consumption while Solar pumping solution and PICO, ensures the generation of electricity in a renewable and eco-friendly way.

We are a future-ready company with a mission to lead the industry through reliable, intelligent hydraulic machines & systems that provide superior value and ensure customer delight, thus Enriching Lives. Since our inception, we have always been

driven by our values, we nurture and are accountable to all our shareholders in maintaining and increasing their wealth.

As we celebrate India@75 – Azadi Ka Amrit Mahotsav, we take pride in being one of the first "Make in India" companies and contributing to India's growth. I quote my father who said - "Sustained growth can only be possible through self-reliance."

We have been contributing towards nation building for more than 134 years. We will continue to be at the forefront of making India Atmnirbhar in fluid management and emerge as a global superpower. At the end, I would like to thank our customers, channel partners, suppliers, bankers and financial institutions for their continued support and trust. And most importantly, I thank all our employees for their resilience, commitment and dedication that has made us and will continue to make us the most preferred solution provider in fluid management. I would like to thank all of you for your support and keen interest in the working of the company.

I am happy to share the results of the 1st quarter of the Financial Year 2022-23, which have been approved by the Board today. Sales for the quarter ended on June 30, 2022 are at Rs. 5424 Mn against PY sales of Rs. 3975 Mn - growth of 36%.

I continue to believe that for India and KBL, best is yet to come, and that our journey has just begun.

Thank You!

Members are requested to note that this 102nd 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. The 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, have 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 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 themselves 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. It may be noted that the Company reserves the right to limit the number of members asking questions depending on the availability of time at the AGM. 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 electronically yet 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 for seamless participation through video conference. In case

members face any difficulty, they may reach out on the helpline numbers mentioned in the notice.

As you are aware, remote E-Voting option was given to the shareholders holding shares of the Company as on August 03, 2022 for voting on the resolutions placed before the 102nd Annual General Meeting. The remote e-voting was kept open for 3 days – from Sunday, August 07, 2022 (9:00 a.m.) to Tuesday, August 09, 2022 (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 Audited Standalone financial statements together with Report of Auditors and Board thereon and consolidated financial statements together with Report of Auditors thereon for the Financial Year ended March 31, 2022:

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

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

2. To declare payment of Dividend for the Financial Year 2021-22:

The Board of Directors of your Company has recommended a dividend @ 150% i.e. Re. 3.00 per Equity Share of face value of Rs. 2/- each for the Financial Year 2021-22. If approved, the said dividend shall be paid to all those shareholders who were holding shares on the Record Date i.e., August 3, 2022.

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

3. Re-appointment of Mr. Pratap Shirke as Director retiring by rotation:

The details as required to be mentioned regarding his re-appointment, have been given in the Notice convening this meeting and the Corporate Governance Report.

I want to clarify that there is a typographical error with respect to age in his Profile which has been mentioned incorrectly as 71 years instead of 74 years.

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

4. Re-appointment of M/s. Sharp & Tannan Associates-Chartered Accountants as a Statutory Auditors:

M/s. Sharp and Tannan Associates -Chartered Accountants had been appointed as Statutory Auditors in the AGM held 27th July 2017 for a period of 5 (five) years from the conclusion of 97th AGM to 102nd AGM. It is proposed to re-appoint M/s. Sharp and Tannan Associates as Statutory Auditors for a second term of 5 (five) years from the conclusion of 102nd AGM till the conclusion of 107th AGM.

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

5. Ratification of remuneration payable 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 Financial Year 2022-23.

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

I will be happy to now answer any queries regarding financials and operations of the Company from members who have registered their names. Members are requested to keep their questions in brief and be specific. The moderator will facilitate the questions on the video feature. 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 / Client ID & 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.

Now, I 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 have been passed today subject to receipt of requisite number of votes. We have about members participating today in this 102nd Annual General Meeting. We are grateful to all our shareholders for their participation in this meeting.

I once again request all shareholders, who have not cast their vote earlier, to do so on NSDL platform. The voting facility will be open for next 30 minutes and subject to voting I declare this 102nd Annual General Meeting as concluded.

Thank you,

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