**100th AGM Meeting Speech Pointers**

Good Morning, Ladies and Gentlemen.

First and foremost, hope you all are safe and healthy. That is the priority in these testing times today.

On behalf of the Board of Directors, it gives me immense pleasure and pride to welcome you all to the 100th Annual General Meeting of the Company. Let me start the meeting by introducing the Directors on the dais.

This year’s Annual General Meeting is really very special, memorable and unique for us. As you all know, KBL, this year, completed 100 years of its incorporation as a public limited company and today’s convention marks the 100th Annual General Meeting of the company. It is indeed a proud moment as it truly reflects this company’s illustrious and rich legacy and, at the same time, also of our continued cherished association with all of you that has extended over a century now. Also, this is the first time in the last 100 years that we are conducting this gathering online, which makes it a unique experience. It is an unforgettable occasion because, though today’s meeting is such a proud and memorable juncture for all of us, it has come at a time when all of us are facing an unprecedented economic situation around us. An irony of sorts, I must say.

**2018-19 Economic Scenario**

The Covid-19 pandemic has brought the entire world to a standstill, severely affecting the global economy. In India, the manufacturing industry, especially, has been among the most adversely affected sectors right since the onset of the Covid-19 pandemic and the subsequent lockdown. However, over the last few months it has been witnessed that the recovery rate in India has been improving and hence the situation in the country is thus expected to normalise sooner than later.

According to IMF, for the first time, all the global regions are projected to experience negative growth in 2020. The Indian economy is projected to witness a sharp contraction of 4.5% in in its growth rate in 2020, but the country is expected to bounce back in 2021 with a robust 6% growth rate. On the other hand, the global growth for the current fiscal year has been estimated at -4.9%. As per a latest economic survey, India’s economy contracted by a 23.9% in the first quarter of the 2021 financial year. However, I personally feel that the economic collapse that the nation witnessed ever since the onset of the Corona outbreak is a temporary setback and, with the announcement of the Unlock phases by the Indian government, the country is already on its path to recovery in the current quarter.

## The Indian government is taking various corrective fiscal measures to overcome this unprecedented financial setback. The INR 20-lakh-crore stimulus package announced by the Government of India, aimed at making the country self-reliant and reviving the stalled economy in wake of the Covid-19 crisis, is surely expected to provide a significant impetus in normalising the economic condition in the country. The package has certainly instilled a much needed confidence and a ray of hope required in this challenging situation. I am also hearing that the government is expected to announce another economic stimulus package in the coming months likely focusing on the middle class and small businesses.

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.

During FY 2019-20, KBL registered a rise/decline of …. in its operational revenue over the last financial year. During this financial year, revenue generated from operations was valued at Rs ….Cr as against Rs 2223 Cr in the previous year. The profit before tax was valued at Rs …. Cr as against Rs 124 Cr in the previous year. The company's Profit After Tax (PAT) increased from Rs …… Cr to Rs 65 Cr, which is a significant growth of 33% over the PY. This resulted in substantial increase in return on net worth ratio.

**Domestic & Exports**

Our continued focus on value added products as part of the company’s strategy to move its business from Projects to Products continued to work well during the last fiscal year.

Exports contributes 35% of our overall business. We executed significant number of prestigious project orders during the period, including the Marubeni South Bangkok Power Plant project in Thailand, commissioning of our milestone project in Suriname, installation of our firefighting pumping solutions at the Singapore Parliament House, suppIy of cooling pumps for Iconsiam, Thailand's largest shopping centre, etc.

While India is pushing back imports from China, products exported by Indian companies are being blocked in various Asian countries which favour products from developed markets. Even as the Indian government is pushing for “vocal for local” in an effort to replace Chinese products with home-grown ones, Indian companies are seeking the government’s help to supplement its efforts at exports. Despite meeting quality standards and being affordable, Indian products are facing challenges in market access. There is a pushback when it comes to supplying products from India. Instead of India or China, clients prefer to buy from Europe or the US. Govt should intervene to push for exports. (addition from the CMD article)

In the Small Pumps Business, we registered an increased volume of new product sales and a noteworthy reduction in inventories at our warehouses. Even during the last fiscal year, we continued to strive towards increasing our market reach through various initiatives like carrying out geographic potential mapping with the dealer network and identifying and establishing direct business with specific countries.

**Products**

In FY 19-20, Products accounted for …% of the overall sales. This was a result of the increased focus on improving profitability and product competitiveness through product lifecycle monitoring, design benchmarking, feature augmentation, etc. During the period, we continued to strengthen our product offerings across all sectors. Products like Autoprime pumps, LLC pump series and process pumps witnessed rise in sales.

KBL is proud to be associated with the Indian Navy for indigenisation of its Magazine firefighting system. This is one of the programmes undertaken by the Ministry of Defence (MoD) under the “Make in India” initiative. Currently, we are working on the development of a water-mist firefighting system. During the period, we also expanded our footprints in specialised nuclear applications by developing the first prototype of Shutdown Cooling pumps for NPCIL.

We received a major order for the supply of firefighting pumps from various Indian state refineries during the period. During the period, we commissioned pumps for various applications across 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 continued to strive towards increasing our market share in the B&C sector by further strengthening our dedicated product portfolio for the segment with special focus on our value-added products like HYPN systems, HVAC pumps, etc. To cater to the special pump requirements from various SMPD sectors, we developed our biggest ever pressure-boosting (HYPN) system and also introduced new models of our KW series

Recently, with an aim to further strengthen our presence in the cost and power efficient pumps segment, we released our all-new SP coupled pumpset integrated with the latest IE4 Motor, which assures premium efficiency and high specific discharge. The next-gen pumping technology promises up to 14% less electricity consumption and comes with a lower operating cost.

In order to meet the changing market demand from the retail segment for agricultural and domestic pumps, we introduced the K-booster pump series, which is the latest addition to our already popular CPBS pump series, but aimed at addressing low water pressure problems for relatively smaller-duty application areas. To complement the existing pump range, we also developed 29 models of 4”, 6” and 7” submersible pumps with sand-fighter feature.

In FY19-20 we focused on enhancing the range of our solar pumping solutions for the anticipated rise in demand from the Renewable Energy segment. Rapid urbanisation, mainly in tier-2 and tier-3 cities and continued focus on national projects like Smart City, river linking schemes and both Har Ghar Jal” and “Nal se Jal” being implemented by central and state governments to supply water to every house further helped improve demand for engineered products during the period.

We continued to further extend the market reach of our Autoprime dewatering pumps by supplying to various new municipal corporations and state governments. We also received major orders for our Lowest Lifecycle Cost (LLC) pump series from the Delhi Jal Board and GIDC (Gujrat Industrial Development Corporation) - Vapi & MIDC (Maharashtra Industrial Development Corporation). The LLC pump series, designed to significantly reduce energy consumption and energy costs, have already garnered remarkable market acceptance and demand from all sectors over the years.

**Projects**

KBL continues to be selective in taking project orders, preferably opting to be an equipment seller (should we delete this? on payment terms which are fair and reasonable.

During the period, the BS VI projects related to the refinery segment and the pipelines segment’s downstream projects yielded good orders for the company. In the Oil & Gas sector, we received a major order for the supply of 58 firefighting pumps to various Indian Oil Corporation Ltd. (IOCL) locations.

We are proud to be associated with a prestigious national project like the Statue of Unity at Gujarat, the world’s tallest statue built in the memory of Sardar Vallabhbhai Patel, where we supplied our firefighting pumps.

Execution of the Versova E&M project order from the Mumbai Metropolitan Region Development Authority (MMRDA) is under progress and running as per schedule.

We continue to work with major EPC companies and also state governments to further tap project opportunities that are suitable for us.

**International Projects**

In FY 2019-20, we recorded a substantial revenue growth of …% in our export sales over the last fiscal year. We finalised the annual rate contract with two refineries and signed an annual maintenance contract with four plants during the period. (Spoke with Shravan. Even he is not aware ab out this.) One of the major orders among these included the commissioning of five vertical turbine pumps with 2350 kW motor rating at the South Bangkok Power plant. To tap the demand from the international market, we undertook a series of initiatives including the range extension of our FM/UL pumps.

The Government of Suriname chose KBL for a critical irrigation project involving the design, manufacturing and commissioning of pumps and pumping systems for its existing Wageningen pumping station that forms the lifeline of the Wageningen area rice estate in the country. As per the project requirement, the KBL team successfully developed and supplied three bi-directional pumps with variable frequency drive for a very high discharge and low head and the company’s largest ever Auto Prime pump set with an exceptional discharge capacity of 1167 lps. The specially customised dewatering pump supplied for the project is also one of the largest trolley-mounted Autoprime pump sets in the world.

In the UK, our efforts bore fruits, as we were able to bring our SPP UK operations to a break-even position during the period. While SPP’s US operations continue to do well, we are now back on track even with our South African and Thailand operations as we have already begun achieving operating profit there. As far as our South African operations are concerned, we restructured our business, costs, and the way we do our business, which helped us considerably in transforming our business profitability in spite of the difficult market conditions in the country.

In the Netherlands, Rodelta Inc, continues to upgrade its product range by introducing products like ETL (API 610 OH5) and HZC (API 610 OH2) both designed as per latest API and VV pump standards. With these products, Rodelta continues to extend its presence in Refineries, Petrochemical and Process industries.

**Engineering Service Division & Customer Service & Spares**

Customer satisfaction is at the core of everything we do. As a pump engineering company, KBL has one of the largest service networks in India. This helps us in providing prompt service support to our customers. During FY2019-20, in order to make up for the average sales due to the slowdown, we focused significantly on our Engineered Service Division (ESD) & Customer Service & Spares (CSS) sector and witnessed a considerable improvement in receipt of new orders. 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, large pump spares sales crossed the 1,000 Mn figure. Retrofit and replacement business also rose, which not only helped increase our market share but speaks volumes about the confidence that all our esteemed customers have in us.

Our assured service standards and customer commitment make us one of India’s most trusted consumer brands in the small pumps business division. During the lockdown, as our customers were unable to visit our service centre to avail free service or warranty, we extended warranty of our small pumps product range by three months.

During FY2019-20, we also continued to adopt newer, better ways to serve our customers, and the effective use of the digital platform was certainly one of them. During the period, we continued to explore new ways and initiatives to work closely with our customers. These included introducing the dedicated WhatsApp customer care number for service query and KBLOne4All mobile app for product warranty registration for ensuring better after sales service.

**IT**

We are always at the forefront of implementing and investing in latest and most suitable technologies to improve our operational efficiency and manpower productivity. IT remains our focus and we continue to improve our internal technological capabilities for ensuring better communication, knowledge sharing, business continuity and cost optimisation. Our IT team is an enabler, which has helped us in synergising our Indian and international operations.

In FY2019-20, we published the KBL Group Global IT policy and KBL Knowledge Management policy. The high performance-computing cluster that we implemented during the period for CFD analysis jobs helped reduced the job execution time.

The implementation of Microsoft Teams and Citrix with enhanced bandwidth facilitated our work from home during the COVID-19 lockdown situation.

**Factories**

During fiscal 2019-20, our Kirloskarvadi plant achieved its highest production and dispatch, setting new benchmarks for itself. The Dewas and Sanand Plants respectively registered 22% and 32% growth in pump production over the previous fiscal year.

During the period, the Kirloskarvadi plant successfully executed various prestigious orders related to the Large Pumps business, including the project in Suriname and orders from Doosan, RVR Projects Pvt. Ltd. and Grasim Industries Ltd., among others. The plant started regular production of a new Replicast® facility with enhanced capacity. A new machining line was installed and commissioned in the SMPD division, which helped in improving deliveries. An Export Pumps warehouse facility was established at the plant to support our international regional offices. The Kirloskarvadi plant also initiated implementation of Total Productive Maintenance (TPM), capacity sharing and inventory control during the period, which resulted in the improvement in OTIF, backlog reduction and improvement in cash flow. Our end-suction pump and multi-stage pump division achieved 10% and 19% volumetric growth respectively.

The Dewas Plant has been registering a continued growth in pump production over the last three years. In addition, the plant’s Per Day Production, Per Man Output and the Overall Equipment Efficiency (OEE) improved during the period. The Sanand plant, our dedicated submersible pump manufacturing facility, synchronised its production with market demand in FY19-20.

New products developed by the Kaiyur plant, i.e. Mini 50C and K-Booster, were launched in the market. As far as deliveries are concerned, the Kondhapuri plant, our dedicated valve manufacturing facility, also demonstrated a double-digit growth in both OTIF as well as its in-house capacity.

Like every year, we continued to emphasise and took all the possible efforts to reduce our carbon footprints by making more and more use of renewable energy sources in all the manufacturing processes across our plants, resulting in further reduction in our specific energy consumption over the last year. Currently, over 27% of the electricity needs of our factories are met by solar and wind power.

*I am happy to share the results of the 1st/2nd quarter of the year 2020-21, which have been approved by Board today. Sales for the quarter ended on June 30/September 30, 2020 are at Rs XX against PY sales of Rs XX.*

**Going Forward**

It has been over six months since the lockdown came into force and I am proud of the way our organisation has worked towards minimising the impact of the Covid-19 on our business operations until now. As you all may be aware, after a brief pause of around two months since the first announcement of the Covid-19 national lockdown in March 2020, our manufacturing plants have already resumed operations following the guidelines laid down by government authorities, while continuing to take all the suggested safety and precautionary measures. Operations of all our channel partners have also resumed with opening of our dealer and key supplier facilities.

Our preparedness and continued dialogue with our customers and channel partners during the last six months have been integral in us being able to make a prompt comeback as soon as the situation started normalising after the announcement of certain government relaxations. Our focus, over the last few months, has been on business sustainability, cost optimisation, product innovation and customer engagement. During this period, our emphasis has been on strengthening our market knowledge & demand analysis and prioritising our manufacturing & supply chain operations and services.

It is difficult to predict when the economy would turn around but expectations are that growth will return by next year. We are expecting that the movement in the market will start picking up towards the end of Q2 or Q3 of FY20-21 which, again, would obviously be entirely dependent on the time taken to recover from the prevailing situation. Our strong presence in the rural segment which, by far, has been one of the segments that registered continuous demand due to government initiatives, has helped us minimise the overall impact due to slowdown in other sectors. We also supplied many products including fire-fighting and HYPN systems across various Covid centres. (repetition) Our focus on the Oil & Gas segment has been resulting in good order flow from the sector.

As the situation stands today, it is getting increasingly difficult for the small, unorganised pump players in the industry which are not having a planned business model to sustain their position and presence in the market. This could open up new market avenues and growth possibilities for the more established and organised market players like us with a more planned business model. Compelling, fresh, and strategic perspectives on collaboration and consolidation will be necessary to drive long-term growth of larger market participants in the high-growth markets.

Although the lockdown virtually brought the Indian industry to a halt, working on reducing our cost of operation through various initiatives has been helping us in improving our margin.

The Covid-19 situation as well as the ongoing faceoff with China have accelerated the Government’s focus and momentum towards making India ‘Atmnirbhar’ through the Make in India programme and strengthening local businesses through its Vocal for Local programme. This augurs well for a truly Indian company like us. Being India’s first and largest pump engineering company, we will continue to contribute towards realising the dream of a Self-reliant India.

Having said that, I personally feel that blocking any form of investment into India is detrimental at this point in time. We should not block anybody if they want to come to India. They should be allowed to participate and told to set up a manufacturing unit with a defined threshold of value addition. (have added this from the article)

We continue to channelise our efforts towards innovation with respect to advanced products with better efficiency and lower cost of ownership for our customers. I am very happy to share that our recently launched SP coupled pumpset integrated with the latest IE4 Motor that offers premium efficiency and significantly reduces energy consumption is a step in the same direction. (this has been repeated).

We have been increasingly focusing on offering remote monitoring service due to the rising customer acceptability for such technologies since the lockdown. Our existing KirloSmart technology is fit for this purpose.

Demand for domestic and industrial pumps in the healthcare and pharma sector is expected to rise up during this fiscal year. KBL already has a strong presence in the Pharma sector. We are among the leading providers of a wide range of dedicated pumping solutions for the Pharma industry.

Enriching Lives forms the basis of our essence and we have always considered it our duty to serve the community in whichever way we can. 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. During the lockdown, we ensured that our funds were used to help migrant workers. We are also helping our frontline Covid-19 warriors by supplying protective equipment. 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.

For the past few years, we have worked extensively on bringing synergies among our group companies, which has helped us in bringing product innovation, nurturing a transnational talent workforce and developing a comprehensive product portfolio to provide our global customers with world-class products and services. We continue to work closely with the market to understand the changing customer requirements and provide solutions accordingly.

Technologies like Artificial Intelligence (AI), Virtual Reality (VR), Internet of Things (IoT), robotics and other latest gadgets and services are transforming everything around us, providing us various cost-effective, advanced options and ways of business operation. (please confirm if this is right)

As compared to most of the other progressed and progressing economies, which are domestic-driven, India is inherently driven by its internal growth story. So, I am positive that the Indian economy will bounce back to normalcy sooner than later.

These are testing times but we remain composed and focused on ensuring business continuity. Over the course of the last 130 years, KBL has gone through and weathered many similar challenges and always emerged triumphant to retain its position as one of the global market leaders. We are confident that with the situation getting better, we will be able to pick up pace, reaching our full potential in the next few months.

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 indispensable contribution over the years without which we would not have been celebrating this milestone.

My best wishes to all for their continued safety and well-being.

Stay Safe, Stay Healthy!!