

Date: 25th May, 2022

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The Manager
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Dear Sirs,

Sub: Intimation about participation in the Investor Conference

Ref: Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

In continuation to our intimations dated 17th May, 2022, 21st May, 2022 attaching herewith the Transcript of the Institutional Investors Meet held and participated on 20th May, 2022.

Kindly take the above information on record.

Yours faithfully,
FOR KSB LIMITED

Mahesh Bhave
GM- Finance and Company Secretary



KSB Limited Institutional Investors Meet

20th May, 2022

Milind Khadilkar:

Good morning all. I will start with today's presentation. Please confirm the visibility.

Cautionary statement regarding forward looking statements:

This presentation may contain certain forward-looking statements relating to the Company's future business, developments and economic performance. Such statements may be subject to a number of risks, uncertainties and other important factors, such as but not limited to (1) competitive pressures; (2) legislative and regulatory developments; Global, macroeconomic and political trends, fluctuations in currency exchange rates and general financial market conditions, delay or inability in obtaining approvals from authorities, technical developments, litigation, adverse publicity, and news coverage which could cause actual developments and results to defer materially from the statements made in this presentation. The Company assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events, or otherwise.

So today we will cover these contents Organogram, KSB in India - Presence, KSB in India - Applications, Success Stories/Major Developments, Market Penetration - Top 10 Customers, Major Orders Received - Top 10, Net financial position, Sales turnover overview, Order intake composition, Exports business development, Revenue trend, Profit trend, Return on Sales Trend, NPCIL bulk tender update status and initiatives by the company for digitalization, ESG-Sustainability, major investments, brand promotion activities and CSR activities.

Starting with the Organogram, Mr. Rajeev Jain the MD leads the entire operations. I take care of Finance and Digital Transformation Sales, Mr. Shirish Kulkarni is heading the HR Department, Mr. Farookh Bhatena leads the Sales & Marketing, Mr. Nitin Patil is the Director for Nuclear Operations, Valves Unit is headed by Mr. Manoharan Raja, Quality Management by Mr. Philip Puthenpurackal, and Product Management & Product Services by Mr. K. S. Seshadri, Mr. Sunil Bapat heads the Standard, Agriculture and Solar Pumps Business and Mr. Pradip Watve leads the Purchase & Foundry Operations.

Our presence we have seven manufacturing locations in India including three manufacturing locations in and around Pune, Pimpri, Chinchwad and Shirwal, one in Ahmed Nagar, one in Sinnar and we also have a valve factory in Coimbatore and again an associate company in Kochi. We have four zonal offices in Mumbai, Delhi, Kolkata and Chennai. We have 12 branch offices apart from the zonal offices in all the major states and state capitals. We have five service stations again in Odhav in Gujarat, Noida, Howrah and Chennai and recently we have opened a new one in Baddi in Himachal Pradesh. Then we have almost 200 plus authorized service centres. We have another 1000 plus authorized dealers for pumps and valves. We also have opened Liaisoning office in Bangladesh to do and cover the business in Bangladesh and the business in Nepal and Bhutan is done through

the dealers. So this is the photograph of our new factory in Shirwal and this is the inside workshop. This is our corporate office and Pimpri office. This is the factory, irrigation and process division in Pune Pimpri. Then we have another place central warehouse in Chinchwad just about 14 kilometers from this place, which is mainly space warehouse. Then we have this factory in Sinnar which produces the standard and submersible pumps. We recently opened a new factory shed in Sinnar. You can see the new factory shed on the right side the bigger one which is recently opened. This is the inside view of the Sinnar factory. This is our foundry division in Vambori. We produce steel castings as well as cast iron castings here. This is our factory in Coimbatore, the valves division. The inside view of the valves factory. This is our associate company KSB MIL Controls Limited, another one factory essentially they produce the control valves and high end valves. These kinds of valves they produce in Kochi and this is our R&D unit again in Pune, which is a group initiative and they cater to the entire group R&D requirement, product design, product development and modifications, etc.

Now coming to our applications, our product pumps and valves mainly go in these applications, energy, industry, water, wastewater, construction and the SupremeServ which is the after sales and spares and service business. So in energy “we deliver a lot more, we consume a lot less” that is a tagline where our pumps are mainly energy efficient pumps. These include high pressure multistage pumps, vertical in line pumps, gate, globe, check & ball valves and the applications are in boiler feed as well as condensate extraction application. For industry variety indeed is the spice of life as it is in the case of our pumps, so we have a large variety of pumps, a big range starting from end suction pumps, process pumps, non clog pumps, high pressure multistage pumps, pumps conforming the American Petroleum Institute standards 610 latest edition and also gate, globe, check & ball valves. Again applications are boiler feed pumps, oil & gas, sugar, paper, pulp, handling of Thermic fluids, petrochemicals, etc. In water, as we say in yester year’s civilization and developed around water, now we take water to civilization. The products include submersible pumpsets, openwell monobloc pumps, mini-monobloc pumps, dewatering pumps, Solar products, gate, globe, check and ball valves and the applications are generally in irrigation, farmhouses, fire fighting, drinking water supply, etc. Then the next is waste water, clean solutions to dirty problems, so the products include submersible Motor non clog pumps, horizontal Non clog end suction pumps, gate, globe, check and ball valves and applications are in various types of municipal & industrial waste water, sewage, effluent transport & treatment and storm water drainage and dewatering, etc.

In construction though water finds its own level we still can bring it up to the level. Products, submersible pumpsets, openwell monobloc pumps, mini-monobloc pumps, dewatering pumps, booster systems, gate, globe, check and ball valves and the applications are in drinking water supply, fire fighting as well as HVAC and the aftermarket SupremeServ a decentralized “customer centered” setup supported by lean and efficient processes, dedicated sales management and spare parts, which includes spare parts, repairs, field service, modernization, replacement pumps.

Now some of the success stories and major developments, business activities and travel are now normalizing. Highest ever quarterly order intake in Q1 of 2022. The export orders in Q1 2022 are up by 54% compared to corresponding period of the last year. Growth in agriculture business over Q1 of 2021, agri order intake is also above pro-rata of budget. Very good project orders received from petrochemical and chemical segment and water and waste water segment. Wage agreement completed at Sinnar plant in Nashik. Sinnar new shed inaugurated as we saw in the photographs and mechanical seal repair facility also inaugurated at Chinchwad, major infrastructural developments and projects, investments in mechanical seal business (localization of seals at our IPD), investment for solar business growth (development and manufacturing capacity), machine replacements at Shirwal plant, office infrastructure development in our IPD plant, investments for digitalization initiatives including robotic process automations now we are going into phase two, mobile warehouse management already implemented, expansion of service network is in progress. Various investments planned for ESG projects.

Market penetration for 2021 we had these as top 10 customers. Bharat Heavy Electricals, Thermax, Rushabh Enterprises our dealer, ISGEC Heavy Engineering, Patil Engineering another dealer, RK Engineers another dealer, L&T, Pooja Engineering dealer, NTPC and Thyssenkrupp. While in Q1 FY2022 we have got orders mainly from Indian Oil Cooperation, again Rushabh Enterprises our dealer, Thermax, and Wuhuan Engineering in petrochemicals segment, ISGEC, Technip India in again petrochemical, Bharat Heavy Engineering, Tecnimont is again in petrochemical, Andritz Hydro in water segment and NTPC in energy segment.

Major orders received in Q1. Talcher fertilizer project from Wuhuan Engineering 125 million, TSGENCO Bhadradari from BHEL, IOCL Paradip, IOCL Gujarat, Kiru, Kuthar and Pinnapuram drainage, dewatering, then OPGC, IOCL Paradip again, HPCL Rajasthan, IOCL Panipat, and again IFFCO Paradip. Net financial position it still is around at 3166 million at the end of the Q1 of 2022. As far as the cash flow on the funds of the nuclear order is concerned we have received the advance and have utilized the same for procuring materials and also machines required for the nuclear pumps. The pie chart for sales turnover for the full year 2021 the major share continued as the standard pumps almost 48% and then the engineered pumps about 19%. More or less the same pie continues in Q1 2022 as well, standard pumps are about 46% and engineered pumps are about 25%. Order intake composition compared to the average of 19 to 21 more or less the same composition again in standard pumps between 44% and 46%. Engineered products again 26% to 28% and SupremeServ 12% to 14% and valves 15% and 16%. Export business again is improving from 2018-2019 when it was 14% to 17% is now up to 20% in the last year and again it is still about 16% to 17% in the current period so it still continues to be between 15% to 20%. Revenue trend continuously increasing graph as you can see even from December 2020 to December 2021 we had a handsome jump and we are in line with the same Q1 of 2022 as well. In the Q1 we have already clocked about 4177.

Profit and loss trend again similar trend increasing trend over the years, again December 2020 to 2021 handsome increase and again in the Q1 of 2020 about 528 million so it keeps us in line with the previous years. Return on sales more or less the same in the last two years and even the Q1 of March 2022 between 12.7% and 13.2% that range.

An update on the nuclear bulk tender the project details as you are aware, the bulk tender was originally for 24 pumps and 30 motors and expected value about Rs.1500 Crores. As of now our proposal was discussed in Board subcommittee of NPCIL on February 21, 2022. Some more details were sought by the committee. This should go through in the next meeting. Once it goes through the next meeting then it would pave the way for order in June 2022. Order may be finalized only for one site at this moment and the balance two will be retendered, so two retendered projects are expected to be finalized by end of 2022 or beginning of 2023. Tenders for the last 16 pumps might extend up to even 2024 or beyond that is the status from our understanding.

Some of the initiatives, for digitization under the sales initiatives we have developed project cost information system, dealer management portal, SICCA valves sales selection tool. From operations initiatives MIS automation, machine monitoring and model work stations. This has gone live in IPD and Sinnar already. Advanced planning and scheduling tools. From IT side the cloud adoption, implementation of SAP - warehousing model and mobile warehousing model, data classification and data loss prevention and upgradation of LAN and Wi-Fi 6 ready setup. We have also started in a big way ESG initiatives and our target is reduction in greenhouse gases emission by 50% over the actual GHG emission of 2018 by 2023 already achieved 40% till 2021. In 2022 actual emissions will be studied and further updated for 2023 targets. Reviewable energy projects we have completed installation of roof top solar panels in our EPD Chinchwad. Group captive solar project is going on for our foundry division. Again in Coimbatore we have completed the roof top solar project and IPD, PPD and EPD Street lighting with solar and battery backup is also under processing. Some of the other ESG activities in Sinnar we have replacement of water pumps, etc., then fix compressed air leakages, we have pressure regulations and flow control of compressed air, replace washing machine pumps with heat pumps, replacement of old atlas compressor, and in foundry we are converting LOT system vaporizer operating system from electric heater to gas heater and in Coimbatore we are replacing existing air compressor by new compressor and also introducing VFD in air compressor so these all will help us in our ESG activities.

The major investment plan in 2022 admin building and a guest house building at the Shirwal plant, now that the operations having gained momentum and size of the operations and the people working and visiting also going up we feel the need for such facility. Replacement machines of old machines, then 3D printing and infrastructure that is a technical initiative and digitization projects as I mentioned details already. Network devices upgrade we also have mentioned, mechanical seal localization at IPD this is a new product line or a backward integration that we will be developing in IPD. We are also looking at a

piece of land further at our Shirwal plant for future purposes, replacement of VRV system for IPD that is AC replacement, Kardex systems in storage, and group captive solar, so these will be our major focus areas for investment in 2022.

Some of our brand promotion activities, participation in Kisan exhibitions in Pune, Krishi Darshan exhibition in Hissar and Haryana, then also Global Water Day Ahmed Nagar chapter, then Swajan Raksha participated as a platinum sponsor about 300 consultants and contractors attended this meeting. We also had Nepal dealer and retailers meet, then press releases and media interaction. This quarter we have released the results in the press, then live interaction of Mr. Rajeev Jain with Mr. Anil Singhvi of Zee Business and then apart from this we have also been advertising in magazines like Pumps India, Valves India, Indian Plumbing Today, Chemical Today and a few regional magazines also.

Some of the CSR activities as we continue with our sponsoring and supporting some of the NGOs like Maher, VSM that is Vidyadaan Sahayyak Mandal, then we have Vidya Mahamandal, Seva Sahayog and Don Bosco where we support in many ways, and then these are some of the photographs of the NGOs Maher, Bal Kalyan Sanstha, Niwara. Then also some hospitals in Chinchwad for grow tree, SOFOSH that is Shrivastva Sassoon and Tara Sofosh Dhadphale Centre where we take care of the aged and children. We also have some activities nearby our plants solar power generations for street light and Cow Goshala in Anamprem in Ahmednagar and solar water heater units given to Snehalya. I am done with the presentations and now we can make it open for questions please.

Moderator:

Sure Sir. Thank you so much for the presentation. Participants may I request to ask for questions please use the hand raise feature, once your name is announced please unmute and go ahead and ask your questions. Also please restrict your questions to two per participant to allow time for everyone to ask questions. If time permits you may rejoin the queue to ask questions. The first question is from the Renu. Please unmute and go ahead and ask your question.

Renu:

Good morning Sir and thanks for the opportunity. Sir my first question is broadly on the margin outlook side, we have seen quite a bumpy ride on the cost headwinds and margins in the last few quarters have been ranging 12% to 13% range, but broadly how should we look at the profile moving ahead especially once the commodity headwinds stabilize given that some of the core markets in terms of oil and gas, pet chem and other segments are coming back with respect to quality order flows?

Rajeev Jain:

Yes I think you are right margins are definitely under pressure. We are facing continuously the commodity price increases in this Q1 also continuing in the month of April and this is an area of concern but we are taking measures to see how we can mitigate these cost increases. We have internal measures on cost optimization and also growing and improving our productivity to have a much better output so looking forward I think we are positive based on development of the Indian economy and we hope to see that what we can because

you have seen the Q1 order intake also so we expect this growth to continue and yes margins may not be in the same line like last year but definitely we can expect to do other cost savings in other areas of operation costs and other improvements to see that we can maintain the good results also for this year.

Renu:

Right Sir my question was more from medium term that once in the next six to nine months assuming the commodity cost start to abate assuming that they peaked out so as you move over the next two or three years should we expect the same mid teens like 15% to 17% kind of margins that we say in early 2021 that coming back to us given the mix improvement that we are seeing?

Rajeev Jain and Milind Khadilkar:

Definitely. I agree that is something which we can see sustainable for long term once the commodity price increases and we should be able to keep that margin level sustainable through the next two to three years definitely.

Renu:

My second question is on the export on the oil and gas sector side? Oil and gas investments are seemingly bad both in domestic market and more so in the international region and the group has a good presence there so can we expect export portfolio both related to oil and gas chemical improving for us and should that have a second shade impact on our overall growth in the export portfolio as well as the margins in the export business for us?

Rajeev Jain and Milind Khadilkar:

Yes as we see the Q1 order intake and definitely oil and gas orders have played a good role in that in the domestic market and also in the export market, we have many projects under discussion so this market has definitely shown a very big improvement in terms of the enquiry bank and the pace at which they are getting finalized so going forward this year at least at this year and coming early part of the next year we hope to finalize good amount of order bank for this sector.

Renu:

Right so probably the growth rates for export should accelerate compared to what we have seen in the last four years?

Rajeev Jain and Milind Khadilkar:

Yes exports as you see we have already come to a level of 20% of our total order intake and with the growth in the domestic market as well which we have grown aggressively the share of export percentage should remain in that range and because overall we are also growing in the domestic market as I mentioned and so export market also will keep the same pace similar like domestic market, which we are expecting growth almost of may be 15% CAGR.

Renu: Just related is the margin profile in export similar or actually better than the domestic that we see on hand?

Rajeev Jain and Milind Khadilkar:

I would say over the period of time it will come to a similar level. It may be couple of points here and there but export market margins are also on a similar level like we have for domestic may be one or two points more.

Renu: Thank you so much Sir. I have more questions and I will get back in the queue. Thank you and all the best.

Moderator: Thank you. The next question is from Sandeep. Sandeep please unmute and ask you question.

Sandeep: A very good morning everyone. The first question is pertaining to the nuclear power cost execution schedule of your current project which is there already in hand? You used to share what is the execution schedule on a year wise basis? We did not get an update in the current presentation, so if you can update on that project please?

Rajeev Jain and Milind Khadilkar:

Yes the nuclear order I would like to mention is progressing very well. We have received major components for manufacture of the pumps in our workshop. They are under machining and quality inspection so they are in a good state of manufacturing and we have also had a good order engineering progress as well and quite a number of almost a good number of documents have been approved so the progress is good except for the delay due to the pandemic otherwise this project is on track and due to the pandemic we expect delay of may be two years which is also expected by PCIL and we hope that we can deliver the first pump in the better part of this year or the Q1 of next year and this also depends on the BHEL motor which is also progressing again delay has been only primarily due to the COVID pandemic and once we receive the motor then I guess by the end of the year or the Q1 we should be able to deliver our first contract.

Sandeep: So we should assume one pump every quarter kind of delivery from Q1 CY2023?

Rajeev Jain and Milind Khadilkar:

That is right. That is what we can expect. The first pump will go through a rigorous testing at the site at Tarapur site and then subsequently the other pumps will follow but on an average yes one pump set per quarter is what we are planning.

Sandeep: Second question is on the new orders that you mentioned that one project that is Gorakhpur I think will get finalized in this year and the other two projects can get pushed off to next

year but also your footnote mentioned it can the ordering itself can get extended beyond 2024 which will be a very significant delay is it not versus what we were expecting may be say in something to get completed in CY2021 itself?

Rajeev Jain and Milind Khadilkar:

That is true. This enquiry has been pending for quite some time and we have been extending the value they give, but we hope that one project will get finalized. It is not Gorakhpur. Gorakhpur is already what we have got now. I think it is most probably take and that will hopefully get finalized in this quarter which will give us a continuity and what flows which will continue and the next two projects because whatever of their internal reasons there may be a tender and if there be tender also it is from an ordering point it might get delayed but for us from a manufacturing point of view, it does not matter much because if we get the second lot of pumps it will keep us busy for another three to four years and so anyway the delivery of those project will be subsequent to that so only manufacturing wise it does not affect us and other interest wise it may get delayed to maybe mid 2023 sometime.

Sandeep:

Mid 2023. Sir the third question is on the FGD business. FGD you have mentioned that you had delivered 170 to 180 pumps and you are having orders of another 70 to 80 pumps in hand? How should we look at the annual ordering? I think your presentation speaks about close to Rs.20 Crores worth of orders that you booked in the Q1 what should be the annualized order intake number one should assume for FGD going forward in your view and there is pertaining question I will come back on that after this?

Rajeev Jain and Milind Khadilkar:

The FGD business you have seen in the last two years has been quite good and quite robust and we booked almost more than 200 to 240 pumps. Most of the NTPC jobs have been finalized. Now the state governments jobs, which are under discussion and also with BHEL so coming around looking forward we expect in the next may be two years an average order intake of 100 pumps every year as our share of order intake in these years so this will depend on how fast because now as per the latest directive or ruling they have privatized the projects and they have distributed the projects into priority one, two and three so accordingly the pace will go and case B expect still maintain a good market share in this business.

Sandeep:

If I were to ask what is the current market share that we have in this pump and one point that you had mentioned in the earlier call is value of the pumps the aftermarket value that you can derive out of these pumps will be 50% of original pump value and in your recent presentation it shows somewhere about Rs.2 Crores per pump that you are supplying is that Rs.2 Crores the right number and if you go by this number of 250 pumps plus it will give a value of say Rs.250 Crores annually or aftermarket which seems absurdly high so if you can give some understanding of these numbers please?

Rajeev Jain and Milind Khadilkar:

It is not Rs.2 Crores. Rs.2 Crores is including all the accessories and everything. May be it could be somewhere in the pump value itself would be around 40% of that or 35% to 40% of that yes aftermarket business would be very attractive for these pumps but these would not come at a same time. The project are getting executed over a period of time of three to five years and the realization of these bare components normally is one and a half to two years so this aftermarket business will come in phases and over a period of time so annually if you see it would be reasonable than the figures which would calculate so I would say the aftermarket business would start rolling in from next year and then subsequently pickup once more and more pumps get commissioned. To give you also an idea the first pump which we supplied for Telangana Power Plant is still under commissioning so all depends on how the plants get commissioned and the operations of the pumps stands and normally the ware life of these pumps are in the range of 14000 to 24000 hours the rotating parts I mean.

Moderator:

Thank you. The next question is from Shri Agrawal. Shri Agrawal, please unmute and ask you question.

Shri Agrawal:

Thanks very much. My first question is just on the opportunity for the solar pumps business and just wanted to understand the manufacturing facility that you are setting up for that what are the investments that are being made and on a sustainable basis for over three to five years what is the size of the opportunity for this business?

Rajeev Jain and Milind Khadilkar:

Our business as you must be reading the Kusum Yojana, the market potential is quite attractive and quite good more than two Indian pumps need to be installed or replaced and only 10% to 15% of these pumps have been so far delivered and so we see a good opportunity in the solar market and we have recently invested in a new shed which was shared in the presentation and a portion of this shed is going to be used for solar business for manufacturing of our pumps plus motors, controllers and this is the business we intend to take forward with the focused approach and we definitely are targeting to take a share out of this Kusum Yojana what we will be implemented in the coming years and the investment yes the investment is in the products which we will be developing a part as I said is already invested in the new shed which we have built up so whatever required investment that will not be a constrained and will be done to develop the products specifically again I mentioned pump, DC motor and the controller. The PV panel of course will be sourced and we are targeting a good business not only as an integrator but also as a pump motor supplier and it will grow in line with the market growth. It is a huge exponential growth and may be this year we are targeting an internal target of Rs.50 Crores which will be over a period of time we expect a growth of 25% to 30% continuously over the next three to four years.

Shri Agrawal: Great. That is very helpful. I also wanted to understand the aftermarket business potential a little bit more so if I look at your parent SuPremE awareness, I think over 30% to 35% of their operating profit for KSB in India last few years that has been sort of been steady at around the current level as a percentage of the overall revenue so I just wanted to understand with all the sort of new initiatives that you are doing here can it be come a lot bigger in the next three to five years likely to sort of pan out?

Rajeev Jain and Milind Khadilkar:

Yes. I think SuPremE's business is one of our key segments which we are focusing. It is very strategic segment and investment and focus is there. You may be aware that in the past presentations we have shared that we are investing in warehouses centre so that we can grow in our standard spare part business which depends a lot on fast delivery and availability so that we are streamlining. We are continuously expanding that central warehouse and that has helped us to grow in the standard spare part business. On the engineer spare parts you are investing in machines like the drone which are using for reverse engineering, we are investing in bigger machines like 3D printing which will help us to shorten our development time and come out with the product faster so those investments are there. On the spare part side we have set up subway station in Baddi, Himachal Pradesh where we have good installed base. We are looking for additional two more subway stations so all these measures are there apart from the fact that we are continuously strengthening our team ensuring that we have a good coverage of the market. We are also expanding our network. We call it ASC network authorized service centre network. We are working to reach more and more end users and with this all these efforts and measures yes we want to bring it up to a higher level but we need to also understand that our new business is also growing aggressively at the CAGR of almost 15% to 17% so to maintain and grow to 30% is a challenge which we have also taken internally but it is something which is very, very ambitious. I would be happy if it can reach to 20% to 25% which is in the next three years of course and moving forward to 30% in the next seven to eight years so I feel we are growing well in this market and we should be able to see more and more initiatives in the coming months and years.

Shri Agrawal: Great. Thank you.

Moderator: Thank you. The next question is from Pavan Kumar. Pawan, please unmute and ask you question.

Pavan Kumar: Regarding the nuclear orders how many pump orders have we already got and since you are talking about delivery next particular year so from which quarter this year would these revenues will at least start reflecting?

Rajeev Jain and Milind Khadilkar:

The present order on hand is eight pump sets and we expect most likely the delivery should start from Q1 2023 at an average of one pump set per quarter.

Pavan Kumar: Revenues how will they start getting reflected in the sense only after the delivery the revenues get reflected or I am assuming it is in phase wise revenue booking?

Rajeev Jain and Milind Khadilkar:

Total order size without GST is about 400 Crores for 8 pumps so roughly about 50 Crores per pump so the revenues also will be recognized 50 Crores per quarter for 8 quarters that is four quarters of 2023 and four quarters of 2024 as per the delivery.

Pavan Kumar: So 2022 will have no impact?

Rajeev Jain and Milind Khadilkar:

No.

Pavan Kumar: The operating infrastructure that is required for making nuclear pumps because of increased utilization should we expect some kind of operating leverage showing up on the P&L?

Rajeev Jain and Milind Khadilkar:

The investments for this business we have already done. We have brought some machines, the hub gear, the EDN and the mechanical tilt testing so these machines are already operated and are already functioning and we see the utilization of these machines starting to build up, for mechanical seal we have got some spare part business also so the utilization is going well and hopefully once we are getting the second lot of the orders we will also further invest in new machines to build up the capacity because we would need additional capacity for those pumpsets and also the existing machines have lived their life already so those investments should start early next year or later part of this year.

Pavan Kumar: One last question what is the aftermarket potential expected to be for the FGD pumps, what is the kind of revenues you might actually be looking at?

Rajeev Jain and Milind Khadilkar:

I think we already answered this question. If we look at this aftermarket potential, the potential is there. It all depends on how these pumps get commissioned and when they start getting running. These pumps most probably they will get commissioned in next year even though we have supplied close to 170, 180 pumps and they would start getting commissioned so the real revenue of aftermarket would start from the year 2024 I would say and yes it could be on a good year it could be 50 Crores and it is just a very, very approximate figure which I am mentioning, but it all depends on how the projects get

commissioned, how the pumps are operated and it could vary a lot based on these commissioning of the pumps.

Pavan Kumar: One just clarification so I assuming there would be some proportion of revenues even booked now from FGD pumps or no revenues are there?

Rajeev Jain and Milind Khadilkar:

Definitely we are booking FGD pumps revenue. We are getting order intakes, we are delivering the pumps but also along with the pumps we should note that we are also new on this business they also asked some spare parts to be delivered along with the pumps so this is the normal procurement method so along with the pumpsets they buy some spares and liners so that is why I said the real aftermarket business would start mainly from 2024 onwards and we are definitely booking and this business is continuing and expected for the new business would continue in December next year and maybe even 2024 also.

Pavan Kumar: Thank you Sir.

Moderator: Thank you Pawan. The next question is from Harshil.

Harshil: Thanks for the opportunity. Sir so my question was on our new product line ups, recently we have launched pumps like Gamma pumps, AQUA Series pumps, and also long pumps in chemicals and ethanol segment so just wanted to know the revenues if you can quantify from them and what is the future product lineup, what is the opportunity size we are targeting?

Rajeev Jain and Milind Khadilkar:

We are continuously introducing new products our company is mainly a product driven company and KSB is unique in the sense that we are kind of one stop shop for all the market segments whether it is a small domestic pump to a primary coolant pumps for a nuclear power plant so this is the complete range which we manufacture whether it is a new technology like FGD, whether it is a super critical power plant, whether it is solar business, whether it is petrochemical chemical business, so all product range the KSB group has and this is one of our biggest strength and whenever the group has these products and whenever the Indian market demands it, these are made available for us in India so the product development is a continuous process. We introduced low pressure Gamma product split case pumps which were not there in our portfolio for long and even in the first year we already sold around 250, 300 pumps with a limited size development so this will grow continuously. We expect to double this quantity this year. The market is huge and step-by-step we hope to gather a good market share in this product through our dealer network through our sales organization. Secondly you know that the distillery market is booming because of this focus on ethanol and we are fortunate to have a big share as we said a major share in this market with our products and because of our comprehensive range of products

whether it is open impeller pump and whether it is water application pump so that helps us as one supplier with complete basket of products and we have been very successful in this distillery market in this year and last year and this will of course continue to be there. This distillery market and EPT because this is one of the very good attractive markets and with our success in this market with the end users, with the contractors we hope to continue this in our open impeller pump and also our semi-open impeller pumps, so that is there and we intend to continue to increase our domestic pump market, you must have recently seen the AQUA Series and the self priming pumps for the domestic application. These are products which we outsource and brand it. The domestic pump series is also domestic market is a huge market in India where we have at present a small share and we are looking at this growth in this market segment also so recently we introduced the Aqua Series. In future we want to get more share also in the fire fighting application market where we are going to introduce also our different pumps as well as continue to see if we can develop our listed pump so there are many projects in the pipeline and we will continuously bring in new products, new technologies which is as per the requirement of the Indian market.

Harshil: Thank you Sir. Sir my second question is on our 2024 strategy right where we guided for revenue of 2200 Crores so just wanted to understand whether that includes the nuclear power revenue?

Rajeev Jain and Milind Khadilkar:

Yes definitely by that time the nuclear business revenue would become a consistent part of our business. Today we are in the development and manufacturing which as I mentioned should get over by this year and once that starts rolling in so it will become a continuous revenue stream for the next many years.

Harshil: Sir just clarification on that, so December 2021 revenues were approximately 1500 Crores and assuming one pump a quarter so nuclear revenues in 2024 would be around 100 Crores so on an existing business we are expecting around 2100 Crores revenues is that right?

Rajeev Jain and Milind Khadilkar:

Yes you can say like that. That is a mathematical calculation which is right if we supply four pumpsets in 2024 than the average revenue out of that would be 100 Crores and the remaining would be coming out of our existing.

Harshil: Sorry Sir I think nuclear revenue would be 200 Crores in 2024 one pump per quarter, 50 Crores of pumps so rest of the business is I think 2000 Crores is my assumption correct?

Rajeev Jain and Milind Khadilkar:

Yes your assumption is right that calculation and that is where we said 2000 Crores based on the current business portfolio and some new products.

Moderator: The next question is from Mr. Jeetu Punjabi please unmute and go ahead and ask your question.

Jeetu Punjabi: Thank you so much. Sir couple of questions. The export order intake numbers look pretty robust, if you were to look at where those orders are coming from and the reasons those orders are coming on you kind of feel that this is going to be much, much larger over the next two, three years your export number as a percentage of sales and this could be significantly higher?

Rajeev Jain and Milind Khadilkar:

This export business as I said like the domestic market is distributed over our project business which is oil and gas business as well as the energy business wherever the projects are so we are getting those project business from those export markets where we supply our API pumps and also our boiler feed and condensate pumps and also we are present in our standard pump business. Standard pumps we are making in our factory in Sinnar so we supply lot of times bare shaft pumps and the countries they do value addition locally and they make a complete assembly and supply in that market, so that market whether it is industry building services or water, waste water so we are continuously supplying our products from the plants to our group companies in different regions whether it is Asia South Pacific or it is Middle East Africa, so these are the markets where we supply our pumps and with the addition of new products like Gamma and Omega, these also products add to the portfolio where we can supply these products so I would say it is an all round market segments where we are continuously striving to achieve our growth and as we increase our product basket it gives us more and more opportunities for export. Even maybe in future we target solar market for exports as well.

Jeetu Punjabi: My last question is as we are seeing the whole battle out in Europe between Russia Ukraine and the other geopolitical things that are happening do you see any change in the fundamental dynamics, the business change or any implications on the business besides raw material prices, would anything else change for you over the next three, four years?

Rajeev Jain and Milind Khadilkar:

Not really, our exports or imports from these regions is very, very negligible and present business portfolio we had couple of on and off projects to Russia. We are executing one or two projects in the Baltic but those are all financially secured but moving forward not major of our business used to come from these regions, so we do not see any major impact on our business, neither are we importing directly anything from those countries, so as of now we do not see a big impact on our business related to these two countries except of course as you mentioned commodity price effect.

Jeetu Punjabi: Okay thank you so much, appreciate it.

Moderator: Thank you Jeetu. The next question is from Manish Goy. Manish please unmute and go ahead and ask your questions.

Manish Goy: Thank you so much Kunal. Sir I have couple of questions one you mentioned about very robust order in Q1 so would it be possible to share the number and the growth rate just to get a perspective and last year we had 1500 Crores of order inflow so what kind of growth can we expect for the current year this is first set of questions and also if you can give us a perspective as to the mix of it between standard pumps and engineered pumps?

Rajeev Jain and Milind Khadilkar:

I think we shared that slide already. The order intake in the first quarter is almost 500 that was up to March it is 500 Crores plus, 520 or something like that figure was there so that is a very good healthy robust growth which is almost I would say 30-40% over the first quarter last year 2021. Of course an amount what has also helped us in the price increase which has helped us to have a good value revenue growth so order intake level at that growth even in April, May we see that continuous trend of a good healthy growth and yes last year we did 1500 Crores plus and this year we are expecting at least 15% growth if not more compared to the last year.

Manish Goy: Any sense on the revenue or maybe the order inflow mix like how is standard pumps doing and engineered pumps also from industry seeing strong growth if you can give us a perspective?

Rajeev Jain and Milind Khadilkar:

The standard pump business is similar around 45% of the business which is consisting of these four segments industry, building services, domestic, waste water, agri and these are the segments and the project business is the energy and oil and gas which is almost 28% and valve business is almost 15% so this is the general distribution of the business. General distribution of the business is also showing a very heavy growth so normal distribution is like what I mentioned just now.

Manish Goy: On solar pumps like you mentioned we will also participate in tenders floated by the government and become a developer or we will be only a supplier of pumps and motors and controllers as you mentioned?

Rajeev Jain and Milind Khadilkar:

We will be participating in both these markets that we supplied pumpset to the integrator as well as working as an integrator and the entry for us as an integrator will take some time till we develop some references so in the initial phase we are focusing on supplying to an integrator and once we get the right opportunity we will also be focusing on supplying as an integrator and this is our roadmap or future that we want to go in both these channels.

Manish Goy: Like in last one year what is the price increase like we would have seen for the pumps on a standard pump as well as on engineered?

Rajeev Jain and Milind Khadilkar:

Yes price increase generally we can implement on price list item for standard pumps and if you see we have continuously done a price increase in 2021 as well as 2022. 2022 we were forced to do it twice because of the continuous increase in the commodity price we did it one time in January and we did another one in April-May, so this in 2022 itself it had been in the range of 10 to 12% and this will again depend on how the commodity prices increase but we are closely monitoring that and accordingly we take the actions for safeguarding our standard business. The project business is not easy because projects are long delivery items and normally they do not have a price variation clause so we are working on that to see how we can introduce or discuss and get an agreement with customers to have the price variation clause so that we can avoid impact on our business for the future, but in the present we are working with our supply chain taking their support and ensuring that we all can share this burden for short term together.

Manish Goy: You do not see any demand destruction due to price increase? Sorry Kunal that was the last question.

Rajeev Jain and Milind Khadilkar:

No, at present we do not see any demand reduction due to price increase, the markets have been robust and today I think India is enjoying a good part of the economic growth the best in the world, so at present we do not see any slowdown due to that at present.

Manish Goy: Thank you so much.

Moderator: Thank you Manish. The next question is from Ashwini. Ashwini please unmute and go ahead and ask your question.

Ashwini: Yes thanks for the opportunity. Sir I have two questions. First is what is the kind of opportunity do you foresee from ethanol blending programme, ballpark number on the overall opportunity and our market share would be helpful?

Rajeev Jain and Milind Khadilkar:

Difficult to give you exact numbers but I can only mention that all the distillery business due to ethanol blending and increase we are getting a good share. We have booking orders. Recently we booked an order for 600, 700 pumps so I would say that this business what could be there would have maybe again a delta for maybe 40, 50 Crores per annum, maybe it will increase also in the future, but this is something which we are doing very successfully in Pune and with the contractors in Pune we are getting a good share of this

business and that one reason I attribute is because of our comprehensive and complete product range which is available with us and that is one of our big strengths.

Ashwini: Secondly what is the current order book?

Rajeev Jain and Milind Khadilkar:

Current order book I would say is almost excluding the nuclear order would be around 900 Crores excluding the nuclear order approximately.

Ashwini: Just one clarification Sir. Sir typically what is the difference between a service centre and a service station that you highlight separately?

Rajeev Jain and Milind Khadilkar:

Not really much. It is similar and service station sometimes we use it maybe for own service stations that means KSB service stations which we have ourselves and service centers are the ones which we do to third party external partners and we have got our authorized service centers who would have different kind of setup not maybe as established as what we would have ourselves.

Ashwini: Okay thank you very much.

Moderator: Thank you Ashwini. The next question is from Adnan. Please unmute and go ahead and ask your question.

Adnan: Yes Sir thanks for the opportunity and thanks for all the detailed presentation. Sir just wanted to understand in terms of scale up of Supremeserv business when we opened our Baddi service center what is the kind of scale do we expect because the more service centers we open the more replacement business will scale up so if you can just share some perspective there?

Rajeev Jain and Milind Khadilkar:

To give you an example of Baddi this is in Himachal Pradesh where we supply a lot of our multistage pumps and we may be supplying annually maybe 100, 150 pumps annually due to hilly area, so those pumps we have been supplying for many years and there it was definitely a need to provide that aftermarket support to ensure that big installed base what we have because multistage pumps would need much more aftermarket support than would be a single stage pump and that is where we build up that Baddi station where we have our own service including a balancing machine so now when we visited there, when we inaugurated it there was a very good positive response from the customers and all those service which they were getting done in a garage or it is more like workshops, now they are very confident and happy that they can get it serviced here so the scale up of the revenues

are definitely to quantify it I would not be able to give assignment we would definitely bring all our installed base in that, not only our installed base but also other pumps which would need those serviced we would be able to bring that. I would say capacity wise we can service nearly 10 to 15 pumps per month, so we could scale it up depending on space is not a restriction, the facility is not a restriction but we could scale it up with maybe more manpower once the thing settles down, the customer see our performance then definitely it could scale up much further.

Adnan: For the 400 Crores order which is existing there, we mentioned from Q1 of next year CY2023 is when 50 Crores per quarter run rate will start correct?

Rajeev Jain and Milind Khadilkar:

Yes.

Adnan: So there has been some preponement from what we guided in the last quarter, if you can help us explain what exactly?

Rajeev Jain and Milind Khadilkar:

No I think there is no preponement. We mentioned in the last meeting that it could happen in the last quarter of this year or the early part of next year and see from today's situation because of the delay or what I would say BHL motors availability we see that going into the first quarter of next year that means January to March 2023 that is also depending if we would get the BHL motor in time.

Adnan: The quarter value has not been revised because we have been guiding 400 Crores for a long time so considering the commodity inflation there will be some renegotiation to revise it upward and other EPC opportunity?

Rajeev Jain and Milind Khadilkar:

The contract has a price variation clause. The price variation clause which has been kept at 20% so depending on the material commodity prices and the time of delivery only then we can make a right estimate of what would be the revenue value, it would be minimum 50 and maximum 60 in that range depending on whatever is the commodity price at that time.

Adnan: The 500 Crores that we are guiding for 1500 megawatt correct?

Rajeev Jain and Milind Khadilkar:

All these plants are 700 megawatt and one site will have two units so 2 x 700 megawatt.

Adnan: Okay that is it from my side. Thanks a lot.

Moderator: Thank you. The next question is from Ravi. Ravi please go ahead and ask your question.

Ravi: First of all thanks a lot for doing this every quarter. I think we have kind of made it a normal thing and I really appreciate this initiative by the management. A couple of questions, most of the questions have actually been already answered in great detail. Just wanted to understand on this nuclear power side does it offer any opportunity on A components and spares for the domestic market once the installation happens and second with lot of nuclear power kind of trying to make a comeback in European countries who had kind of shutdown nuclear power plants or were in the process whereas China is going ahead with the nuclear power. I think KSB has a very large significant operation in China for nuclear power pumps so any colour that you can give on whether this throws up some opportunity for us to export some of the components from India for the European market for nuclear power pumps that is my first question?

Rajeev Jain and Milind Khadilkar:

To answer your first question which was on the aftermarket of nuclear business, these pumps are so well designed so safe proof designed that the aftermarket unfortunately is very low on the pump component, but on the mechanical seals which is of course wear and tear part the aftermarket exist. We are successful, we have got some recent orders also from our existing supply base, installed base and we have quoted for some other as well and as I mentioned we have our own indigenous manufacturing facility for mechanical seals including the dynamic balancing which is a state-of-art so that business of mechanical seals will continue and for spare part business and for the other turbine island side we would get spare parts so it continues there but it is not I would say very frequently required but it is a constant requirement of spare parts mainly for turbine island and also sometimes it is overall for the primary side and also mechanical seals. Coming to your second question on export, you see KSB is one of the leading and very few suppliers across the globe who has this knowledge, technical competence and the knowhow for these kind of pumps and KSB enjoys a very good major share in the global market for these pumps. Our factory in Germany in Frankenthal is very well geared up for these requirements, so also we have set up a manufacturing facility in China where again we have become the leading supplier of such pumps for the nuclear power plants even for 1000 megawatt and now 1300 so overall KSB has a very good global presence and the export market globally is being served out of Germany because that is where the overall complete demand of requirement of the global market is there and we in India today restricted to supply up to 700 megawatt but the global market maybe having a much higher ratings and also the experience and as well as more and more acceptance of the plant in Germany. The chances of exports are presently limited, we are very happy and satisfied with the workload which we have for the domestic market and if we can meet that itself it could be a very good satisfying thing for us.

Ravi: Sir just extending on the nuclear power plant opportunity, nuclear power in India itself would you say that in some total what kind of addressable market could we have like is it

like 2000, 3000 Crores because I think the current order pipeline itself was about 1500 Crores for these three bulk orders, so given what the government has already announced and the projects which are already announced and are at different stages of implementation could we estimate or get an estimate of the overall addressable market for us in nuclear power plant, is it like 3000 Crores, 3500, 4000 Crores over the next 7, 8 years?

Rajeev Jain and Milind Khadilkar:

Yes you see in a nuclear power plant we are the primary side and the secondary side that is turbine island side and that is where all these pumps go. On the primary side we talked truly about the primary coolant pump that 1500 Crores what you mentioned as the project size for the three locations. Even if we talk only of the primary side it could be almost 3000 Crores potential and there are lot of other auxiliary pumps which come in the primary side which could also be in the range of maybe an additional 1000 Crores so I am just giving very approximate figures and then turbine island is another area. Now turbine island you must have read BHEL has got a job for 10000 Crores for all those turbine island pumps and now we have to see because they intent to make those pumps themselves but that is a topic under discussion and we have already supplied the development pump for those turbine island, the boiler feed pumps, so yes the market could even be up to 5000 Crores or more, so it is all a mix of the total pump size of the primary and secondary and it is a very good market and a very sustainable consistent for the next 8 to 10 years.

Ravi: So in primary if my understanding is we are the only suppliers in India, secondary is where you will probably have competition from Kirloskar or some of the other guys?

Rajeev Jain and Milind Khadilkar:

In primary as I mentioned the primary coolant pump today we are the only approved supplier and in the auxiliary pumps there are many other suppliers who are also there and they are also participating there so it is not only one there are two or three suppliers who are also qualified for the auxiliary pumps in the primary sector.

Moderator: The next question is from Mr. Rajesh. Rajesh please go ahead and ask your question.

Rajesh: Thanks for the opportunity. Sir if I am referring to KSG global parent company presentation in the annual reports there are two important things what they are talking about one is improvement in the profitability and therefore the project climbed 21 and related to that they have talked about services spare part business which is right now crossing almost 35% and the target is 40%, if I look at the service and spare part business probably for Indian company is roughly about 11%, so my two questions are what is our total installed base of pumps number one, number two how do you see the service business ramp up over the next 2, 3, 4 years and number three from our profitability target how do you see the profitability target, they talk EBIT divided by return on sales that is what they talk about how do you see that for our company?

Rajeev Jain and Milind Khadilkar:

Coming to the annual report of our group. **1:18:08** Yes our group has introduced a structure called Client 21 which is basically market based. We have defined our appraisal to the market in terms of the segments which we are in, so in this Client 21 we have a market segment approach when we talk of industry, we talk of energy, we talk of oil and gas and we talk of other segments which we are also following here, so we have in this Client 21 a very market segment approach which helps us to give a focus in each market segment. As I mentioned KSB having such a diversified portfolio and diversified market segment presence it becomes important to have a focus in each segment so that proper strategy can be made for each of these segments, so this Client 21 is market segment approach and what the initiatives have been taken place has helped KSB also group to come out with a good profitability almost 6% from some couple of years back when we were only 3 to 4% which is a good performance in these pandemic times also that the group could achieve overall profitability for almost 6% EBIT to sales yes and we at KSB Limited as a subsidiary also are part of that and here in India we also measured ourselves on EBIT as well as EBT and you have seen that performance that our EBT is almost 13.2% last year so this is our comparison and the second question on the group level or the aftermarket yes they have done almost 30-35 but we have to also recognize the fact that we have a big share of standard business in our portfolio. We have the borewell pumps which are kind of use and throw away or replacement. The customers would not bother much to kind of replace an impeller because for such small pumps and the logistic pumps which are also kind of more replacing the pump rather than spare parts, so with our portfolio having a lot chunk on the standard products, the spare part business and the service business a majority of the major share comes out of the engineered pumps so our share has been not 11% if I may say it is almost in the range of 14-15% and we intend to grow this. Again another point which I want to highlight is that since we are growing also aggressively in our domestic business and our standard business so to make that percentage 25 becomes very challenging but this is something which we are made of our strategy and we are working on that and good part of profitability for any company would also come out of spare parts and service, so definitely it is top in our agenda and we have many measures which I listed out some. There is lot of investment also in the hand and in the coming years one would see an absolute growth in this business, an absolute growth is what I am very confident of. Percentage wise it would also grow, it should grow much higher than our new business and as I mentioned we can achieve in the next three years a range of 25% it will be a very satisfying result for us.

Rajesh:

Sir just one followup question. On this nuclear order what we have right now hypothetically let us assume if we supply at current levels let us say hypothetically our projects start from this month and based on the price currently where are we and based on the contract what we have which allows you what kind of margin this business can be?

Rajeev Jain and Milind Khadilkar:

I think this business is at a reasonable margin and as I mentioned these contracts are very fair and transparent with a price variation clause so whatever cost increase happens during the execution of these contracts are compensated based on the market, so I would say that commodity prices would not have much impact on the execution of these contracts and the margins are reasonable balanced with all the risks which are involved with the elaborate process and the investment which are involved I would say the margins are pretty reasonable for us.

Rajesh: Higher than company average or lower than company average?

Rajeev Jain and Milind Khadilkar:

It would be not lower than the company average it would be somewhere maybe some point above the company average, but it is something which goes hand in hand with the risks and investment and the efforts involved.

Rajesh: Thank you Sir and wish you all the best.

Moderator: Thank you Rajesh. Since we are running out of time quick last question from my side and then probably we can close the call. I just wanted to know what is the typical replacement cycle in our products in the pumps and does the product really get replaced regularly or there is opportunity to repair and extend the lifecycle?

Rajeev Jain and Milind Khadilkar:

I always say that this is like the life of any individual or human being you cannot predict what is the life, but to answer your question technically I would say it would depend on application. It is application wise dependent if there is an aggressive medium, if there is process liquid, if there is different pH of the liquid, so it all depends on those. More aggressive the medium the wear life of pump is less so I would say the life of a pump in a slurry plant, mining area FGD application is much less compared to a normal chemical plant or an API plant. Also if you go into energy power plant it depends also on the speed at which the pump operates, higher the speed the wear and tear is higher and so the spare parts are required, so different market segment, different application has different wear life. You could have a wear life of pump 1 to 2 years depending on the application or it could work for almost 10 to 15 years without even opening a KSB pump and so that is how it varies. It totally depends on the application and we have some pumps in the field running for 30, 35 years also and that is why sometimes we say that we make the pumps so good that sometimes somewhere around the aftermarket business.

Moderator: Is there an opportunity to repair this pump or usually once they are down they need to be replaced?

Rajeev Jain and Milind Khadilkar:

Yes most of the pumps are repairable I would say. Most of the pumps are repairable. It is not necessary for example to change the casing. Most of the times you need to replace the rotating parts, the shaft, the impeller, the sleeves and the mechanical seals. The casing can be used for ever because these are well designed with enough margins and good sturdy designs, so pumps are always repairable in that case, but for the smaller pumps which are like borewell pumps, domestic pumps there the effort, the labor cost and the logistics requires sometimes are not economical enough to do the repair it may be better to replace it with a new pump so that is how I would generally answer this question.

Moderator: That was the last question. Sir thank you so much for taking time out for this and giving us an opportunity. Any closing remarks you would like to give Sir?

Rajeev Jain and Milind Khadilkar:

Thank you for your extensive questions. I think well appreciated for this very knowledgeable gathering and audience. I think the questions are very good and it also keeps us on our toes on answering your question and a closing remark would be that yes we are looking at a very good future with our company, with the potential available in the domestic market as well as export, our global presence, all these factors and with our comprehensive product range it all gives us these opportunities to sustain this growth in the long term.

Moderator: Thank you so much for the detailed presentation. Really appreciate your time.

Rajeev Jain, Milind Khadilkar and Mahesh Bhawe:

Thank you for the coordination and facilitation.