



REPORT ON CORPORATE GOVERNANCE

ANNEXURE III TO BOARD’S REPORT

1. COMPANY’S PHILOSOPHY OF CORPORATE GOVERNANCE

The Company aims at conducting its business efficiently, by following professionally acknowledged good governance policies, thus meeting its obligations to all stakeholders in a balanced and accountable manner.

2. BOARD OF DIRECTORS

(a) Composition

The Board of Directors comprises of eight Directors as on signing of this report, of whom one is Managing Director. The office of Managing Director is held by a nominee of Canadian Kay Pump Ltd., the Company’s main shareholder.

(b) Attendance of each Director at the Board Meetings and the last Annual General Meeting (“AGM”)

Name of the Director	DIN	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM
Mr. Gaurav Swarup	00374298	Chairman - NED	4	Yes
Mr. D. N. Damania	00403834	NED - I	4	Yes
Mr. Pradip Shah	00066242	NED - I	4	Yes
Mr. V. K. Viswanathan*	01782934	NED - I	4	Yes
Ms. Sharmila Barua Roychowdhury	08242998	NED - I	4	Yes
Dr. Stephan Bross	00423114	NED	4	Yes
Dr. Matthias Schmitz	07884418	NED	3	No
Mr. Rajeev Jain	07475640	Managing Director - ED	4	Yes

ED : Executive Director

NED : Non-Executive Director

NED – I : Non-Executive Director – Independent

* Mr. V. K. Viswanathan is reappointed for second term effective from 16th January, 2020.

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(c) Number of other Companies or Committees the Director of the Company is a Director/ Member/Chairman

Name of Director	No. of Directorships in other Boards @	No. of Memberships in other Board Committees #	No. of Chairmanships in other Board Committees #
Mr. Gaurav Swarup	6	1	2
Mr. D. N. Damania	3	3	Nil
Mr. Pradip Shah	7	3	3
Mr. V. K. Viswanathan	7	2	5
Ms. Sharmila Barua Roychowdhury	Nil	Nil	Nil
Dr. Stephan Bross	Nil	Nil	Nil
Dr. Matthias Schmitz	Nil	Nil	Nil
Mr. Rajeev Jain	2	0	1

@ Directorships of other Indian Public Limited Companies are included.

Memberships / Chairmanships in Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies are included in above table.

(d) Membership on the Boards of other listed Companies

Name of Director	Name of other Listed Company	Category
Mr. Gaurav Swarup	Swadeshi Polytex Limited	Chairman & NED
	Industrial And Prudential Investment Company Limited	Chairman & MD
	Avadh Sugar & Energy Limited	NED-I
	TIL Limited	NED-I
	Graphite Limited	NED-I
Mr. D. N. Damania	Sanghvi Movers Limited	NED-I
	Sudarshan chemical Industries Limited	NED-I
Mr. Pradip Shah	BASF India Limited	Chairman & NED-I
	Kansai Nerolac Paints Limited	Chairman & NED-I
	Sonata Software Limited	Chairman & NED-I
	Pfizer Limited	NED-I
	Bajaj Auto Limited	NED-I
	Bajaj holding and investment	NED-I

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Mr. V. K. Viswanathan	Bharti Airtel Limited	NED-I
	HDFC Life Insurance Company Limited	NED-I
	Magma Fincrop Limited	NED-I
	United Spirits Limited	NED-I
	ABB India Limited	NED-I
Ms. Sharmila Barua Roychowdhury	Nil	Nil
Dr. Stephan Bross	Nil	Nil
Dr. Matthias Schmitz	Nil	Nil
Mr. Rajeev Jain	Nil	Nil

MD : Managing Director, NED : Non-Executive Director

NED – I : Non-Executive Director – Independent

- (e) Details of Board Meetings held during the year under review

Meetings were held on 27th February, 2020, 11th June, 2020, 14th August, 2020 and 5th November, 2020.

- (f) There are no inter-se relationships between the Board members.

- (g) Number of shares held by Non-Executive Directors

Name of Non- Executive Director	No. of shares held
Mr. Gaurav Swarup	34,000
Mr. D. N. Damania	4,200

No other Non-Executive Directors hold shares in the Company.

- (h) Web-link of familiarisation programme for Independent Directors : <https://www.ksbindia.co.in>
- (i) The Board evaluates its composition to ensure that the Board has the appropriate mix of skills, experience, independence and knowledge to ensure their continued effectiveness. In the table below, the specific areas of focus or expertise of individual Board members have been highlighted.

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No.	Essential Core skills/expertise/competencies required for the Company	Core skills/expertise/competencies of all the Directors on the Board of the Company
1	Strategic and Business Leadership	The Directors and especially the Managing Director have many years of experience.
2	Financial expertise	The Board has eminent business leaders with deep knowledge of finance and business.
3	Governance, Compliance and Regulatory	The presence of Directors with qualifications and expertise in Law and Regulatory affairs lends strength to the Board.
4	Knowledge and expertise of Trade and Technology	The Directors have profound knowledge of economic Affairs, trade and technology related matters.

- (j) The Board has noted the declaration received from the Independent Directors pursuant to Listing Regulations, 2015 with regard to their Independence and is of the opinion that the Independent Directors fulfil the conditions of independence and are independent of the management of the Company.

3. COMMITTEES OF THE BOARD

A. Audit Committee

i. Terms of Reference

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Regulations, 2015 and the Act.

ii. Composition, Name of Members and Chairperson

Name of Member	No. of Meetings held	No. of Meetings attended
Mr. D. N. Damania (Chairman)	4	4
Mr. Gaurav Swarup	4	4
Dr. Stephan Bross	4	4
Mr. Pradip Shah	4	4
Mr. V. K. Viswanathan	4	4
Ms. Sharmila Barua Roychowdhury	4	4

iii. Details of Audit Committee Meetings held during the year under review

Meetings were held on 27th February, 2020, 11th June, 2020, 14th August, 2020 and 5th November, 2020.



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Managing Director, Chief Financial Officer, Internal Auditors and Statutory Auditors are invitees to the meeting. The Company Secretary of the Company acts as the Secretary to the Committee.

B. Nomination and Remuneration Committee

i. Terms of Reference

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Regulations, 2015 and the Act.

ii. Composition, Name of Members and Chairperson

Name of Member	No. of Meetings held	No. of Meetings attended
Mr. D. N. Damania (Chairman)	3	3
Mr. Pradip Shah	3	3
Mr. Gaurav Swarup	3	3

iii. Details of Nomination and Remuneration Committee Meetings held during the year under review

Meetings were held on 27th February, 2020, 11th June, 2020 and 5th November, 2020.

iv. Remuneration Policy

Remuneration Policy of the Company aims at recommending and reviewing the remuneration to Managing Director, Non-Executive Directors and Key Managerial Personnel of the Company and is based on evaluation criteria such as industry benchmarks, Company’s annual performance and its strategy, expertise, talent and meritocracy including criteria for determining qualification, positive attributes, independence of a Director etc.

v. Annual evaluation of Board, Committees and individual Directors

Pursuant to the provisions of the Act, Listing Regulations, 2015 and the Remuneration Policy of the Company, the Board of Directors/ Independent Directors/ Nomination and Remuneration Committee (as applicable) has undertaken an evaluation of its own performance, the performance of its Committees and of all the individual Directors including the Chairman of the Board of Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees. Summary of evaluation is presented to the Nomination and Remuneration Committee and the Board of Directors (as applicable).

Directors express their satisfaction with the evaluation process.

C. Corporate Social Responsibility Committee

i. Terms of Reference

The terms of reference of this Committee are wide enough covering the matters specified under Companies Act, 2013 and the Rules made thereunder.

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ii. Composition, Name of Members and Chairperson

Name of Member	No. of Meetings held	No. of Meetings attended
Mr. D. N. Damania (Chairman)	3	3
Mr. Gaurav Swarup	3	3
Mr. Rajeev Jain	3	3

iii. Details of Corporate Social Responsibility Committee meetings held during the year under review

Meetings were held on 27th February, 2020, 11th June, 2020 and 5th November, 2020.

D. Stakeholders' Relationship Committee

i. Terms of Reference:

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Regulations, 2015 and the Act.

ii. Composition, Name of Members and Chairperson

Name of Member	No. of Meetings held	No. of Meetings attended
Mr. D. N. Damania (Chairman)	1	1
Mr. Gaurav Swarup	1	1
Mr. Rajeev Jain	1	1

iii. Details of Stakeholders' Relationship Committee Meetings held during the year under review:

Meeting was held on 5th November, 2020.

iv. Compliance Officer is Mr. Mahesh Bhawe, Company Secretary.

During the year under review 1 grievance was received based on the reports from Link in time India Private Limited. The grievance has been resolved to the satisfaction of the shareholder. There are no pending Complaints as at the year end.

E. Risk Management Committee

i. Terms of Reference

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Regulations, 2015 and the Act.



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ii. Composition, Name of Members and Chairperson

Name of Member	No. of Meetings held	No. of Meetings attended
Mr. Pradip Shah (Chairman)	1	1
Dr. Matthias Schmitz	1	0
Mr. Rajeev Jain	1	1

iii. Details of Risk Management Committee meetings held during the year under review

The Meeting was held on 27th February, 2020.

4. REMUNERATION OF DIRECTORS

The remuneration payable to the Executive Director is approved by the members at the general meeting of the Company. Remuneration of Executive Director consists of a fixed salary, perquisites, performance linked bonus, based on the individual and the Company’s performance and commission based on net profits of the Company subject to a ceiling of 50% of the annual salary. The Board of Directors on the recommendation of Nomination and Remuneration Committee determine the performance linked bonus from year to year.

(a) Details of remuneration paid/payable to the Executive Director for the year under review ₹ '000s

Name of the Director	Salary	Commission	Performance linked bonus	Perquisites Contribution to Provident Fund	Total	Terms of appointment
Mr. Rajeev Jain	11,956	5,978	12,011	14,342	44,287	5 years, effective from 1 st July, 2016 to 30 th June, 2021

Notes:

- i. The above remuneration to Mr. Rajeev Jain excludes contribution for gratuity, superannuation and personal accident insurance premium and the liability for encashable leave as the figures for the Director are not separately available.
 - ii. The Company does not have a stock option scheme.
 - iii. The notice period for Mr. Rajeev Jain will be as per the service contract mutually agreed between him and the Board. No severance fees are payable to the Director.
- (b) The Board of Directors decide the remuneration of Non-Executive Directors which consists of a sitting fee as well as commission based on the net profits of the Company. As approved by the members commission amount is limited to 1% of the net profits of the Company.

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Details of remuneration to Non-Executive Directors for the period 1st January, 2020 to 31st December, 2020 are as under:

₹ '000s

Name of the Directors	Directors' Fees	Commission (to be proposed)
Mr. Gaurav Swarup	245	1,650
Mr. D. N. Damania	245	1,320
Mr. Pradip Shah	220	1,320
Mr. V. K. Viswanathan	180	1,320
Ms. Sharmila Barua Roychowdhury	180	1,320
Dr. Stephan Bross	180	1,320
Dr. Matthias Schmitz	75	1,320
Total	1,325	9,570

5. GENERAL BODY MEETINGS

(i) Location and time where last three Annual General Meetings were held

Financial Year	Date	Time	Venue
2017	25th April, 2018	3.00 p.m.	Bajaj Bhavan, Mumbai
2018	8th May, 2019	3.00 p.m.	Bajaj Bhavan, Mumbai
2019	28th September, 2020	3.00 p.m.	Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")

(ii) Special Resolution passed in the previous three Annual General Meetings

Financial Year	Special Resolution Passed
2017	Yes
2018	Yes
2019	No

(iii) Postal Ballot

No resolution was required to be passed by means of a postal ballot during the last year. Resolution, if required, shall be passed by Postal Ballot during the Financial Year 2021, as per the prescribed procedure.



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6. MEANS OF COMMUNICATION

i. Quarterly Results	Published in the newspaper every quarter
ii. Newspapers wherein results are normally published	i. Business Standard ii. Navshakti
iii. Any website, where results are displayed	On the website of the Company at www.ksbindia.co.in and on websites of BSE Limited and National Stock Exchange of India Ltd.
iv. Whether it also displays official news releases	Yes
v. The presentations made to institutional investors or to the analysts	Yes and the same is available on the website of the Company at www.ksbindia.co.in

7. GENERAL SHAREHOLDER INFORMATION

AGM: Date, Time and Venue	29th April, 2021 at 3.00 p.m. through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM").
Financial Year	The financial year under review covers the period 1st January, 2020 to 31st December, 2020.
Date of Book Closure	17th April, 2021 to 29th April, 2021 (both days inclusive).
Dividend Payment date	15th May, 2021 onwards
Listing on Stock Exchanges	1. BSE Limited, Mumbai 2. National Stock Exchange of India Limited (NSE), Mumbai The Company has paid the listing fees for the period 1st April, 2020 to 31st March, 2021.
Stock Code	1. BSE : 500249 2. NSE : KSB 3. ISIN : INE999A01015
Market Price Data: High, Low during each month in last Financial year	Please see Annexure 'A'.
Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.	The performance of the Company's share relative to the BSE sensitive index is given in Annexure 'B'.
Registrar and Transfer Agent	Link Intime India Pvt. Ltd.
Share Transfer System	Transfer of shares held in physical form is not permitted after 31st March, 2019 as per the SEBI notifications.

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Updation of KYC details	Members are requested to update their KYC details with Company's RTA viz. Link in time India Pvt. Ltd. at the earliest.
Distribution of Shareholding and Shareholding pattern as on 31st December, 2020	Please see Annexure 'C'.
Dematerialisation of shares and liquidity	99.19% of the Paid-up Capital has been dematerialised as on 31st December, 2020.
Outstanding GDRs/ADRs/Warrants or any Convertible instruments conversion date and likely impact on equity	Not issued.
Plant Locations	The Company's plants are located at Maharashtra- Pimpri, Pune Chinchwad, Pune Vambori, Ahmednagar Sinnar, Nashik Kesurdi, Shirwal / Khandala Tamil Nadu- NSN Palayam, Coimbatore
Address for correspondence	Shareholders should address correspondence to Link Intime India Pvt. Ltd., C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No.: 022 49186270 E-mail: rnt.helpdesk@linkintime.co.in
Credit Rating	The Company does not have any debt instruments, fixed deposit program or any scheme for mobilization of funds and accordingly it has not obtained any credit ratings during the financial year for these purposes. The details of Credit Rating obtained for borrowings are covered in the Board's Report annexed herewith.

8. DISCLOSURES

- A. Pursuant to requirements of Listing Regulations, 2015 the Company has adopted the policy determining material subsidiaries and the policy on related party transactions and the said policies are available on the Company's website at: www.ksbindia.co.in

B. Disclosure on Material Related Party Transactions

The Company has not entered into any transactions of a material nature with the promoters, Directors or management their subsidiaries or relatives etc. that may have a potential conflict with the interests of the Company at large.

Normal trade transactions, sales commission agreement for exports and license and technical collaboration agreements are being entered into with KSB SE (Previously KSB AG), Germany and other group Companies from time to time. Further,



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remuneration is paid to Directors, dividend is paid on shares held by Directors, etc. Full disclosures on related party transactions, as per the Ind AS 24 are given under Notes to the financial statements.

The link of the Related Party Policy of the Company has been included in the annexure IX to the Board’s Report.

Details of shareholdings of Non-Executive Directors and dividend paid thereon:

Name of the Directors	No. of shares held	Dividend paid (₹)
Mr. Gaurav Swarup	34,000	2,72,000
Mr. D. N. Damania	4,200	33,600

- C. Details of non-compliance, penalties and strictures imposed on the Company by the Stock Exchanges/ SEBI/ Statutory Authorities on matters relating to capital markets during the last three years.

The Company has complied with the requirements of regulatory authorities on capital markets and no penalties / strictures have been imposed against it in the last three years except one instance of delayed prior intimation of Board Meeting for adoption of results for the quarter ended 30th September, 2018. The Company had paid requisite fine to BSE Limited and National Stock Exchange of India Limited.

- D. Board Disclosures - Risk Management

The Company has laid down procedures and informed the Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

- E. Whistle Blower Policy

The Whistle Blower Policy has been adopted to provide appropriate avenues to the stakeholders to bring to the attention of the management, the concerns about any unethical behaviour, by using the mechanism provided in the Policy. We affirm that no personnel has been denied access to the Chairman of the Audit Committee.

- F. Details required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been disclosed in Board's Report.

- G. Certificate from practicing Company Secretary on eligibility of the Board of Directors to serve as Directors is annexed to this Report.

- H. The Board has accepted the recommendations of its Committees, as applicable.

- I. The total fees for all services paid by the Company to the statutory auditor are mentioned in financial statements.

9. NON-MANDATORY REQUIREMENTS

The Company has complied with all requirements of corporate governance specified in Listing Regulations, 2015.

The status with regard to compliance by the Company with discretionary requirements as listed out in Part E of Schedule II of the SEBI Listing Regulations is as under:

- a. The position and office of the Chairman of the Board of Directors and that of MD / CEO are separate.
- b. The audit report of the Company’s Financial Statements for the year ended 31st December, 2020 is unmodified.

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- c. The Internal Auditors engaged by the Company report directly to the Audit Committee.
- d. The Company follows a robust process of communicating with the shareholders which has been elaborated in the Report under the Heading 'Means of Communication'.

On behalf of the Board of Directors
GAURAV SWARUP
Chairman

Mumbai, 25th February, 2021

Declaration by the Managing Director under Schedule V to SEBI Listing Regulations, 2015 regarding compliance with Business conduct Guidelines (Code of Conduct)

All Board members and senior management personnel have affirmed compliance with the Code of Conduct for the year 2020.

Rajeev Jain
Managing director

Mumbai, 25th February, 2021

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
KSB Limited

We have examined the compliance with conditions of Corporate Governance by KSB Limited ('The Company') for the year ended on 31st December, 2020, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 to the extent applicable.

The compliance with conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has substantially complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations.

Based on the representation received from the Company and certified by the Registrars and Transfer Agent, no investor grievance is pending for a period exceeding one month as on 31st December, 2020 against the Company and the Registrars and Transfer Agents have reported to the Stakeholders Relationship Committee on the status of the grievances, if any.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Nilesh Shah & Associates
Company Secretaries
(Nilesh Shah)
Partner (FCS - 4554) C.P.No: 2631
UDIN: F004554B003559061
Peer Review No.: 698/2020

Mumbai, 25th February, 2021