



Stakeholders Empowerment Services

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Proxy Advisory Report (Addendum)

KSB Ltd

ABOUT SES

Stakeholders Empowerment Services (SES) is a Corporate Governance Research and Advisory Firm. SES assists Investors to analyze Governance Practices including matters relating to sustainability, prevalent at Listed Entities and empower Investors to undertake meaningful engagement with Investee Entities.

SES SERVICES

E-BRSR Tool: Online web-based platform to create BRSR Report by the Company and generate XBRL in seamless, cost and time effective manner

Already subscribed by HUL, Maruti, TVS Motors, Kansai Nerolac, CDSL, Hero, L&T, Wipro, Bharat Forge, Reliance Group and many others. [Read More](#)

Contact for Demo – esgdata@sesgovernance.com

SES AIMS:

Designed primarily for Institutional Investors to carry out their stewardship activities in an efficient manner.

[Read More](#)

Proxy Advisory:

Advises Investors on the matters that require shareholder approval at Listed Entities and identify Governance Issues.

[Read More](#)

ESG Scores:

Analyze sustainability initiatives of Companies based on various environmental, social and governance factors.

[Read More](#)

Corporate Governance Score (CGS):

CGS model measures the Company's compliance and also evaluates the Governance Practices with respect To Global Benchmarks. [Read More](#)

E-Ballot:

A web-based, one-stop vote management system to cater to the requirements of Institutional Investors.

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COMPANY INFORMATION

BSE CODE: 500249

NSE SYMBOL: KSB

ISIN: INE999A01023

Industry: Compressors, Pumps & Diesel Engines

Email: compsec.india@ksb.com

Phone: +91 22 2168 1300

Registered Office: Office No. 601, Runwal R-Square, L.B.S. Marg, Mulund (West), Mumbai- 400 080.

MEETING DETAILS

Meeting Type: AGM

Meeting Date: 20th May, 2026 at 1:30 PM

Venue / Mode of Meeting: Video Conference (VC) or Other Audio-Visual Means (OAVM)

Notice Date: 25th February, 2026

Addendum Notice Date: 30th April, 2026

Notice: [Click here](#) **Addendum Notice:** [Click here](#)

Annual Report: [FY 2025](#)

SES PA Report: [Report](#)

E-VOTING DETAILS

e-Voting Platform: [LINKINTIME](#)

Cut-off Date: 14th May, 2026

Remote E-voting:

- **Start:** 17th May, 2026
- **Ends:** 19th May, 2026

ADDENDUM REPORT RELEASE DATE: 15th May, 2026

Research Analyst: Shreyas Poojary

Conflict Disclosure: SES - No Conflict | Analyst - No Conflict

Interaction with the Company - No Interaction

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ADDENDUM

BACKGROUND

SES as per its policy, had emailed its [PA Report](#) to the Company on 7th May, 2026 in respect of the ensuing AGM of the Company.

Post release of PA Report, Addendum to the Notice of AGM was issued by the Company on 12th May, 2026.

This Addendum is issued based on the [Addendum](#) to the Notice dated 30th April, 2026, issued by KSB Ltd (the Company) to the shareholders for ensuing AGM to be held on 20th May, 2026.

As per the Addendum issued, the proposal for appointment of M/s B S R and Co. LLP as the Statutory Auditors of the Company will be taken up for consideration by the shareholders of the Company in the ensuing AGM, at **item no. 6 and 7** as set forth below:

AGENDA ITEMS AND RECOMMENDATIONS

S. No	Resolution	Type	SES Observation [#]	Rec.	Rationale
6	Appoint M/s B S R and Co. LLP, Chartered Accountants as the Statutory Auditors and to fix their remuneration.	O	NC	AGAINST	Notice not provided prior to 21 clear days
7	Appoint M/s B S R and Co. LLP, Chartered Accountants, as the Statutory Auditors to fill the casual vacancy.	O	NC	AGAINST	Notice not provided prior to 21 clear days

O - Ordinary Resolution, Rec. - Recommendation

[#] LC - Legally Compliant, NC - Legally Non-Compliant, TC - Disclosures & Transparency Concern, GC - Governance Concern



RESOLUTION #6 & #7: APPOINTMENT OF STATUTORY AUDITORS

#6: Appoint M/s B S R & Co. LLP, Chartered Accountants as the Statutory Auditors and to fix their remuneration	O	AGAINST
#7: Appoint M/s B S R & Co. LLP, Chartered Accountants, as the Statutory Auditors to fill the casual vacancy	O	AGAINST

SES RATIONALE

#6 & #7: No concern on merit of Auditors. However, proposed resolutions are **Non-Compliant with Secretarial Standard-2 on General Meetings (SS-2)**: The Company has issued an addendum to the AGM Notice without providing the requisite 21 clear days' notice.

SES ANALYSIS
DISCLOSURES

Name of the proposed auditor	M/s B S R & Co. LLP
Whether Auditors' eligibility for appointment disclosed?	Yes (refer page #2 of the Addendum Notice)
Has Audit Committee reviewed the Independence of the Auditor?	Not disclosed in the Notice or Annual Report ^[1]
Basis of recommendation of appointment/ Credentials of the Auditor	Disclosed (for details, refer to ensuing AGM notice- Link)
Proposed Audit Fee Payable	₹ 44 lakhs for FY 2026 for audit services (plus taxes and out of-pocket expenses) ^[2]
Audit related Fee	^[3]
Non-Audit Fee	^[3]
Proposed Term (years)	For a period of 5 (Five) consecutive years, commencing from the conclusion of 66 th AGM till the conclusion of the 71 st AGM.
In case of Change in Auditors:	
Name of Outgoing Auditors	M/s. Price Waterhouse Chartered Accountants LLP
Status of Outgoing Auditors	Resigned w.e.f. 30 th April,2026 (link)
Fee paid to Outgoing Auditors	₹ 37 Lakhs as audit fees; ₹ 8 Lakhs as Non-audit related fees
Material Change in Fee Payable	"There are no material changes"

^[1] SES is of the view that the Company should clearly disclose whether independence of the proposed auditors have been reviewed or not, either in the Notice given to the shareholders or the Annual Report. Further, since audit committee is responsible for reviewing the eligibility and independence of Statutory Auditors, the Company clearly disclose the same under 'Terms of Reference' of the Audit Committee, which forms part of the Board's Report. However, no major concern identified as the Company has stated that the proposed auditors have confirmed their eligibility.

^[2] **Remuneration for remaining tenure:** The Company has stated that *"The Board of Directors on the recommendation of the Audit Committee is authorised to approve revisions to the remuneration of the Statutory Auditors for the remaining part of the term of appointment."* Hence, the Board and AC have been granted power to revise remuneration payable to auditors for remaining part of the tenure. SES is of the opinion that **any material change** in future remuneration should be placed before the shareholders for approval, along with appropriate justification from the Company.

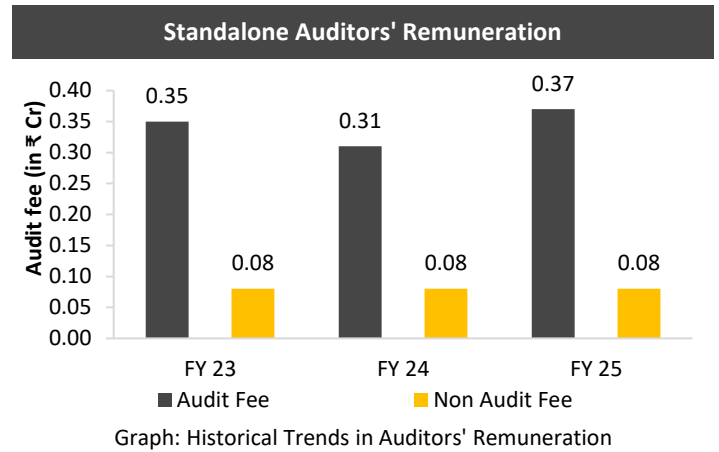
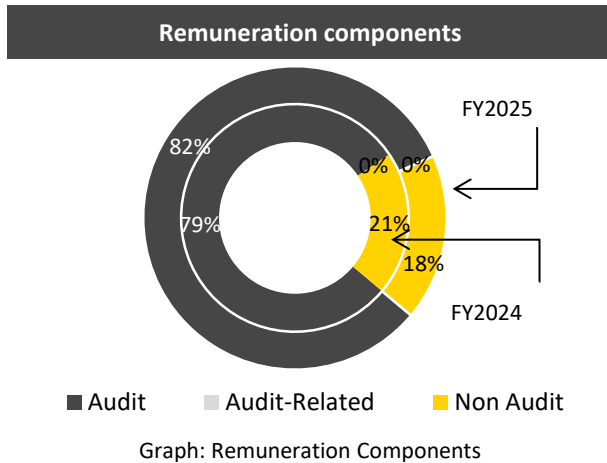
^[3] **Fees for Other Services:** The Company has stated that *"The Company may also obtain other allowed statutory certifications and other permissible non-audit services as required from time to time, on the mutually agreed terms, as approved by the Board of Directors on the recommendation of the Audit Committee."* However, it has not disclosed the details regarding such fees to be given for any services other than audit. SES is of the view that the Company should ideally disclose the estimated amount of fees to be given to the Statutory Auditors for services other than audit and such fees should not be material when compared to total audit fee.



AUDITORS' INDEPENDENCE

Outgoing Auditors	Tenure	Audit Partners	Tenure
M/s. Price Waterhouse Chartered Accountants LLP	9 years	Vivian Pillai	3 years
Auditor's Network	Price Waterhouse Group		
Proposed Auditors	Tenure	Audit Partners	Tenure
M/s. B S R & Co. LLP	Fresh appointment	-	-
Auditor's Network	KPMG Group		

AUDITORS' REMUNERATION



REASON FOR RESIGNATION (AS PER AUDITORS)

...in order to align the Statutory Auditors across various entities within KSB Group, it is proposed to change the Statutory Auditors of the Company. To facilitate this alignment, M/s Price Waterhouse Chartered Accountants LLP have resigned vide their letter dated 30th April 2026 and effective from the same date viz. 30th April 2026 (post signing of Limited Review Report for the quarter ended 31st March, 2026) as the Statutory Auditors of the Company and have not raised any concerns or issues and there is no other reason for their resignation. .

Further, refer the Company's communication dated 30th April, 2026 ([weblink](#)), to read more about resignation and other details.

SES VIEW

#6: The Company seeks shareholders' approval for appointment of M/s. B S R & Co. LLP as Statutory Auditors of the Company, for a term of five consecutive years, from the conclusion of the ensuing 66th AGM until the conclusion of the 75th AGM to be held in 2030.

#7: The Company is also seeking shareholders approval for the appointment of M/s. B S R & Co. LLP as Statutory Auditors, to fill the casual vacancy caused by the resignation of previous statutory auditors.

Shareholders may note the following observations:

- **Outgoing Auditors:** M/s. Price Waterhouse Chartered Accountants LLP was re-appointed at the AGM held in 2022 for a term of five years up to 67th AGM of the Company to be held in 2027.
- M/s. Price Waterhouse Chartered Accountants LLP submitted their resignation as Statutory Auditors vide their letter dated 30th April, 2026, resulting in a casual vacancy in the office of statutory auditors of the Company.
- The Company in its notice has stated that "Further, in order to align the Statutory Auditors across various entities within KSB Group, it is proposed to change the Statutory Auditors of the Company. To facilitate this alignment, M/s Price Waterhouse Chartered Accountants LLP have resigned vide their letter dated 30th April 2026 and effective from the same date viz. 30th April 2026."



- SES in general does not support such resolutions for change in auditors for the purpose of group alignment, until the proposed alignment plan is sustainable for the long term.
- In the extant case, the Company has not disclosed the names of group entities with whom alignment is envisaged, hence for the purpose of analysis, SES has considered Statutory Auditor network of its ultimate holding Company, KSB SE & Co. KGaA, situated in the Germany.
- In the present case, the Company has not provided any information about the regulations or statute that governs its ultimate holding Company.
- SES, for the purpose of determining the long-term sustainability of the proposed resolution, has reviewed the Annual report of KSB SE & Co. KGaA, Germany, for the past 3 years.
- Shareholders may refer to the table below for the auditors of both companies as per their last 3 years AR, respectively:

Name of the Company	2023	2024	2025
KSB SE & Co. KGaA, Germany	PricewaterhouseCoopers GmbH (2023)	PricewaterhouseCoopers GmbH (2024)	KPMG AG (2025) (Appointed as auditors and group auditors for the 2025 financial year at its AGM held on 8 May 2025.)
KSB Ltd	Price Waterhouse Chartered Accountants LLP (2023)	Price Waterhouse Chartered Accountants LLP (2024)	B S R & Co. LLP (KPMG Network) (AGM NOTICE)

- The table suggests that the practice of the group is to keep their auditor network aligned with each other. In this regard, SES opines that if the same practice has existed for a long time in the group. The Company should clearly state the same in its notice.
- Further, one of the relevant laws that applies to KSB SE & Co. KGaA, as the Germany is a member of the European Union.
- Article 17 of Regulation (EU) No 537/2014 of the European Parliament and of the Council states the following ([Weblink](#)):

Duration of the audit engagement

1. A **public-interest entity shall appoint a statutory auditor or an audit firm for an initial engagement of at least one year. The engagement may be renewed.**

Neither the initial engagement of a particular statutory auditor or audit firm, nor this in combination with any renewed engagements therewith shall exceed a maximum duration of 10 years.
2. By way of derogation from paragraph 1, Member States may
 - (a) require that the initial engagement referred to in paragraph 1 be for a period of more than one year;
 - (b) **set a maximum duration of less than 10 years** for the engagements referred to in the second subparagraph of paragraph 1.

....
4. By way of derogation from paragraph 1 and point (b) of paragraph (2), Member States may provide that the maximum durations referred to in the second subparagraph of paragraph 1 and in point (b) of paragraph 2 may be extended to the maximum duration of:
 - (a) **20 years, where a public tendering process for the statutory audit is conducted** in accordance with paragraphs 2 to 5 of Article 16 and takes effect upon the expiry of the maximum durations referred to in the second subparagraph of paragraph 1 and in point (b) of paragraph 2; or
 - (b) **twenty four years, where, after the expiry of the maximum durations referred to in the second subparagraph of paragraph 1 and in point (b) of paragraph 2, more than one statutory auditor or audit firm is simultaneously engaged,**

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provided that the statutory audit results in the presentation of the joint audit report as referred to in Article 28 of Directive 2006/43/EC.

- As per the aforesaid regulation of the EU, all public interest entities can appoint an audit firm for a maximum term of 10 years in individual years or in aggregate [apart from extension provision in Article 17(4)].
- SES is of the opinion that the Company should provide clarity and assurance on whether the proposed alignment is intended to be a long-term arrangement or not. Furthermore, the Company should also clarify if there exists any law in the Germany that imposes restrictions contrary to the aforementioned EU regulation.
- However, in present case, this is one of the only events in the Company's recent history, where the auditors were made to resign to align with the Parent Company, and there have not been any resignation by the auditors in past few years.
- Further, the above table also suggest a history of alignment as well as the above legal framework also supports possibility of future alignment owing to maximum tenure being 10 years in both the legislations.
- Therefore, in view of the above, SES is **not raising any major governance concern** in the proposed appointment. However, if similar situation arises in future, SES may adopt a stricter policy stance in this regard.

Further, shareholders may note that:

Addendum Notice: Non-Compliant with Secretarial Standard-2 (SS-2) on General Meetings

Secretarial Standard-2 (SS-2) on General Meetings states that:

*Any amendment to the Notice, including the addition of any item of business, can be made provided the Notice of amendment is given to all persons entitled to receive the Notice of the Meeting at **least twenty-one clear days before the Meeting**.*

As stated by the above provisions, any amendment to the notice of a general meeting, including issuance of an addendum or inclusion of additional business items, is required to be circulated **at least 21 clear days prior** to the date of the meeting.

In the extant case, the Company has released an addendum to the Notice of the AGM on 12th May 2026, whereas the AGM is scheduled to be held on 20th May 2026. Accordingly, the addendum to the AGM Notice has been issued less than 21 clear days before the scheduled AGM date.

Therefore, the proposed inclusion of additional items under **resolutions #6 & #7** via Addendum Notice is **non-compliant** w.r.t. the aforesaid provisions.

Further, resolutions considered at an AGM with an Irregular Notice may also be treated as invalid as per Companies Act, 2013 read with SS-2.

In view of the above, SES is raising a **compliance concern** on **resolutions #6 & #7**.

SES Observation: The National Financial Reporting Authority (NFRA) has published an inspection report with regard to **M/s. B S R & Co. LLP** on its [website](#) dated 16th March 2026. The inspection is based on audit work for the FY 2023-24 and the Report highlights lapses in audit quality and quality control systems.

- NFRA identified weaknesses in the audit of revenue, particularly regarding system-level controls for refunds and cancelled orders. The regulator noted a potential bias in the firm's assessment of the risk of fraud in revenue recognition.
- Additionally, NFRA observed gaps in the effectiveness of the firm's monitoring framework, specifically the Root Cause Analysis (RCA) process. It was noted that the firm failed to adequately address or remediate certain deficiencies that had been identified in previous inspection cycles. Refer [Report](#) for detailed comments.
- SES is of the opinion that for the better clarity of shareholders, the Company should have disclosed this material information in its notice while seeking shareholders' approval for their informed decision making.



- Considering that the Regulator (NFRA) has not passed any order of restriction or has not levied any penalty on the proposed audit firm, **SES is just highlighting the matter and is not raising concern** in this regard.



Disclaimer Sources

Only publicly available data has been used while making the report. Our data sources include Notice of Shareholders' Meeting, BSE, NSE, SEBI, Capitaline, MCA, Moneycontrol, Businessweek, Reuters, Annual Reports, Sustainability Reports, IPO Documents and Company Website.

Analyst Certification

The Analyst(s) involved in development of this Report certify that no part of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this Report. The concerned Research Analyst(s) and Director(s) do not have any pecuniary relationship with the Reported Company, except that they may be holding miniscule shares in the Company which does not impact their independence in respect of this Report.

SES may be a shareholder in the Company holding equity shares as disclosed on its [website](#). The objective of SES' investment is solely to obtain Shareholders' communications from the Company as a shareholder.

CAUTIONARY STATEMENT

The recommendations made by SES are based on publicly available information and conform to SES's stated Proxy-Advisory Guidelines. SES opinion is based on SES's interpretation of law and governance benchmarks, which may differ from opinion/ benchmarks of other analysts or practitioners. Further, SES analysis is recommendatory in nature and reflects how SES would have voted if it was a shareholder. Therefore, SES expects that the clients will evaluate the effect of their vote on their investments independently and diligently and will vote accordingly. Subscribers may also carry out an impact analysis of their votes and keep the same as an addendum for their records. In our opinion, Institutional investors are positioned significantly differently from other shareholders due to their ability to engage with the board and the management to bring out desired result. As a firm, it is our endeavour to improve the level of corporate governance while not causing any disruption in company's proceedings and therefore we respect the independence of investors to choose alternate methods to achieve similar results.

Disclaimer

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All disputes shall be subject to jurisdiction of High Court of Bombay, Mumbai.

Concern terminology

- NC – Compliance Concern:** The Company has not met statutory compliance requirements
- FC – Fairness Concern:** The Company has proposed steps which may lead to undue advantage to a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders
- GC – Governance Concern:** SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.
- TC - Disclosures & Transparency Concern:** The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.

Company Information



Stakeholders Empowerment Services

SEBI Reg. No. INH000000016
CIN No. -

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Contact Information

Stakeholders Empowerment Services

109, Shyam Baba House,
Upper Govind Nagar,
Malad East,
Mumbai – 400097
Tel +91 22 4022 0322

research@sesgovernance.com
info@sesgovernance.com
www.sesgovernance.com.



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