

1 August 2023

BSE Limited
Corporate Relationship Department
1st Floor, P. J. Towers,
Dalal Street, Fort,
Mumbai 400 001.

BSE Scrip Code: 500243

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C -1, Block G,
Bandra-Kurla Complex, Bandra (E),
Mumbai 400 051.

NSE Scrip Code: KIRLOSIND

Sir / Madam,

Subject: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Kirloskar Industries Limited (“**Company**”) is a shareholder of Kirloskar Brothers Limited (“**KBL**”) and holds 23.91% of the paid-up equity share capital of KBL. The Company, as the largest minority shareholder of KBL, has been raising serious concerns pertaining to the affairs of KBL for the past 9 (nine) months. The said concerns were also raised by the Company’s Managing Director, Mr. Mahesh Chhabria, on behalf of the Company, at the Annual General Meeting of the shareholders of KBL (“**KBL AGM**”) held on 1 August 2023.

Please see enclosed, the note setting out the concerns raised by the Company at the KBL AGM held on 1 August 2023.

We regret to note that no satisfactory answers were provided to the questions and concerns being raised by Mr. Chhabria.

Thanking you,

For **Kirloskar Industries Limited**

Ashwini Mali
Company Secretary &
Compliance Officer

Enclosed: As above.

August 1, 2023

Kirloskar Industries Limited address at the AGM of Kirloskar Brothers Limited

I am Mahesh Chhabria, the MD of Kirloskar Industries Limited, the largest minority shareholder of KBL. I assure you that I will be brief and hence I should not be interrupted. I am glad that because of the various governance issues raised by us in the affairs of KBL, the Company appears to have finally pulled up its socks. This has resulted in declaration of good results after a lost decade.

8 months ago we requisitioned a KBL EGM to highlight the serious concerns in the affairs of KBL. At this EGM, the Chairman assured the shareholders, of upholding standards of corporate governance. Neither did the Chairman address our concerns, nor have we have received any response or explanations whatsoever, till date. Interestingly, in response, we were asked to stop harassing the Board. Is this how a Board should treat a minority shareholder? We are extremely disappointed by the conduct of the Board and Auditors when all we were asking for was a forensic audit.

Despite us holding 24%, KBL Board mindlessly focused on defeating our resolution. What will it take in terms of shareholding, for you to be more transparent? Upholding standards of corporate governance, shouldn't the Board tell all the shareholders what actions it took on our concerns?

It is public knowledge that various cases filed by KBL have been **decided and dismissed against KBL**. **In fact, some regulators have made strong remarks that KBL “is not an aggrieved person” and “is agitating and ventilating private disputes”**. Shouldn't the Board have examined the litigations filed by KBL and the need to incur enormous legal expenses. The annual report of the current year reveals **INR 48 crores** spent, but does not even mention cases decided against KBL. KBL continues to use shareholders money on such litigations which demonstrates mismanagement in the affairs of KBL. **Now that so many cases have gone against KBL, would the Board take steps to claw-back these amounts from Mr. Sanjay Kirloskar?**

The KBL Board has actually destroyed shareholder value for many years being distracted in baseless disputes. It is a matter of record that since FY 2010 i.e., when the well-publicised DFS was executed by the Kirloskar family members, till March 31, 2023, KBL's standalone profit grew by a mere 2% p.a., consolidated net profit grew by again a mere 5.45% p.a., and KBL's market cap, if it wasn't for the price jump in the last 4 months', grew by a CAGR of mere 3.60% p.a. over the last 13 years.

I now call upon the Chairman of the Audit Committee, and the statutory auditors, to address the shareholders, in this meeting itself, on the concerns raised by us and also confirm that not a single rupee of KBL was **EVER** spent on litigations driven by **personal agenda**.

Thank you.

Mahesh Chhabria
Managing Director, Kirloskar Industries Limited