



KIRLOSKAR BROTHERS LIMITED

A Kirloskar Group Company

Enriching Lives

July 23, 2019

SEC/F:19

(BSE Scrip Code – 500241)
BSE Limited
Corporate Relationship Department
2nd Floor, New Trading Ring,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

(NSE Symbol – KIRLOSBROS)
National Stock Exchange of India Limited
5th Floor, Exchange Plaza,
Bandra (East),
Mumbai – 400 051

Dear Sir,

Sub.: Disclosure under Regulation 30 of SEBI (LODR) Regulations, 2015

Please find attached herewith a Notice, issued in response to the news appearing in the daily Hindu BusinessLine dated July 23, 2019, under the title "Academic qualification: Rahul Kirloskar cautioned for making wrong disclosure"

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,

For Kirloskar Brothers Limited

Sandeep Phadnis

Company Secretary

Encl. As above



Registered Office: Udyog Bhavan, Tilak Road, Pune - 411 002, INDIA. Tel: +91 (20) 2444 0770
Corporate Office: "Yamuna", S. No. 98/3 to 7, Baner, Pune - 411 045, INDIA. Tel: +91 (20) 2721 4444
Email: marketing@kbl.co.in Website: www.kirloskarpumps.com
CIN No.: L29113PN1920PLC000670



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Notice

Attention of the public is hereby drawn to the news article appearing in the daily Hindu Business Line dated July 23, 2019 under the title "**Academic qualification: Rahul Kirloskar cautioned for making wrong disclosure**"

Accordingly, this Notice is being issued to clarify the position of Kirloskar Brothers Limited vis-a-vis the said news, wherein its name has appeared.

At the outset, we would like to clarify that the said news article erroneously states that "**SEBI directs the promoter of Kirloskar Brothers to inform the shareholders about his correct qualification in ensuing AGM.**"

It is hereby clarified that SEBI vide its letter dated 4 July 2019 ("SEBI Letter") has only advised Mr Rahul Kirloskar as under:

1. To be cautious in future to ensure that no erroneous disclosures are made by him to companies **wherein he is a director or to the stock exchanges.**
2. That a copy of the SEBI letter dated [--] is placed before the Board of Directors of all listed companies **where Mr Rahul Kirloskar is presently appointed as a director and before the shareholders at the next AGM of the respective companies.**

In this regard, it is hereby clarified Mr Rahul Kirloskar is presently not a director on the Board of Directors of Kirloskar Brothers Limited ("KBL") and hence KBL was not required to take any action upon receipt of the SEBI Letter.

KBL would like to assure its shareholders and other stake-holders that KBL shall always strive to maintain the highest level of corporate governance standards and that all the public disclosures in compliance with the applicable laws, are always true and based on facts.

It is further clarified herein that Mr Rahul Kirloskar is currently serving as a Board member of Kirloskar Pneumatic Company Limited, Kirloskar Ferrous Industries Limited and Kirloskar Oil Engines Limited and these companies have already clarified their stand on the said inadvertent and erroneous mention of Mr Rahul Kirloskar's educational qualification. A reference in this regard can be made to page No. 66 of the Annual Report of Kirloskar Pneumatic Company Limited, page No. 62 of the Annual Report of Kirloskar Oil Engines Limited and page Nos. 63 & 64 of the Annual Report of Kirloskar Ferrous Industries Limited for the year 2018-19, which have mention about the said inadvertent and erroneous mention of his educational qualification. The copies of the same are attached as annexure herewith for ready reference.



KIRLOSKAR BROTHERS LTD.

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v. Meeting of Independent Directors:

Separate meetings of Independent Directors in compliance with Schedule IV of the Companies Act, 2013 were held during the year.

vi. Core skills / expertise / competencies

The table below summarizes core skills / expertise / competencies identified by the Board of Directors as required and available with the Board in the context of business of the Company for its effective functioning is as follows:

Strategy and Strategic planning	Governance
Policy development	Infrastructure Planning and Development
Technical Know-how and innovation	Quality Management
Industry Experience – Manufacturing, design and operations	Corporate Communications
Marketing	Community and stakeholder engagement
Financial performance	Legal
Risk and compliance oversight	Geographic, Gender and cultural diversity

vii. Confirmation on declarations given by Independent Directors / Directors:

The Board of Directors confirms that, in the opinion of the Board, Independent Directors fulfill the conditions specified in the LODR Regulations, 2015 and they are independent of the management.

The Board of Directors have noted and taken on record, the voluntary disclosures made by Mr Atul Kirloskar and Mr Rahul Kirloskar of the inadvertent and erroneous mention of their educational qualification on the Company's website and other documents and records. After having considered the nature of the business carried on by the Company and in view of the fact that the Company is professionally managed and operated, the Board of Directors is of the view that the educational qualification of Mr Atul Kirloskar and Mr Rahul Kirloskar would not have any material impact on the business or operations of the Company. The Board of Directors also felt that there is no pre-requisite qualification for being a promoter director.

viii. Code of Conduct:

The Board has prescribed the Code of Conduct for all its Board Members and Senior Management. During the year, the Board has amended the Code of Conduct for all its Board Members and Senior Management pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. The Code of Conduct has been posted on Company's Website at

<http://www.kirloskarkpcl.com/Pdf/company-policies/CODE%20FOR%20THE%20BOARD%20OF%20DIRECTORS%20AND%20SENIOR%20MANAGEMENT%20OF%20KIRLOSKAR%20PNEUMATIC%20COMPANY%20LIMITED.pdf>

The Managing Director has confirmed to the Board that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year ended on 31st March, 2019. A declaration to this effect signed by the Managing Director has been incorporated in the Annual Report.

5. Manufacturing / Operations
6. Research & Development
7. Human Resource
8. Information Technology

B. Industry

1. Knowledge about Economy
2. Industry experience
3. Knowledge of business sector

C. Governance

1. Compliance Management
2. Knowledge about statutory / regulatory laws
3. Experience in developing and implementing Risk Management
4. Strategic Planning

D. Others

1. Communication and Interpersonal Skills
2. Public Relations
3. Corporate Restructuring

• **Criteria of Performance Evaluation of Independent Directors**

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of Director. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as achievement against key performance objectives, attendance at meetings, time devoted for the Company, contribution in the Board process etc.

• **Confirmation on declarations given by Independent Directors**

The Board of Directors, after due assessment of veracity of the declarations received from the Independent Directors confirm that, the Independent Directors fulfill the conditions specified in the Regulation 25(8) of SEBI Listing Regulations, 2015 and they are independent of the management.

• **Noting by the Board on other disclosure given by certain directors**

The Board of Directors have noted and taken on record, the voluntary disclosures made by Mr. Atul Kirloskar and Mr. Rahul Kirloskar of the inadvertent and erroneous mention of their educational qualification in certain disclosures over a period of the time. After having considered the legal opinion placed before the Board, and considering nature of the business carried on by the Company and in view of the fact that the Company is professionally managed and operated, the Board of Directors are of the view that the educational qualification of Mr. Atul Kirloskar and Mr. Rahul Kirloskar would not have any material impact on the business or operations of the Company. The Board of Directors also noted that there is no pre-requisite qualification for being a director.

B. BOARD COMMITTEES

1. Audit Committee

The Audit Committee comprises of 6 Non-Executive Directors, out of which 4 are Independent Directors. The composition is in conformity with Regulation 18 of SEBI Listing Regulations, 2015.

During Financial Year 2018-19, 4 meetings of the Committee were held on 18 May 2018, 10 August 2018, 26 October 2018 and 25 January 2019.

Statement showing number of equity shares of the Company held by the Directors as on 31st March, 2019:

Name of Director	Equity Shares of ₹ 5 each
Mr. Atul C. Kirloskar	1,427,939
Mr. Rahul C. Kirloskar	1,425,279
Mr. R. V. Gumaste	262,521
Mr. A. N. Alawani	35,000
Mr. A. R. Jamenis	3,400
Mr. B. S. Govind	200
Mr. R. Sampathkumar	Nil
Mrs. Nalini Venkatesh	10,600
Mr. Y. S. Bhawe	Nil
Mr. M. R. Chhabria	Nil

Meeting of Independent Directors :

The meeting of Independent Directors was held on Wednesday, 30th January, 2019 and Thursday, 7th March, 2019 to discuss, inter-alia:

- (a) the performance and qualifications of Non Independent Director(s) and the Board as a whole;
- (b) the performance of the Chairman of the Company, taking into account the views of Executive Director and Non Executive Directors;
- (c) the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors were present at the meeting held on Wednesday, 30th January, 2019.

All Independent Directors except Mr. Y. S. Bhawe were present at the meeting held on Thursday, 7th March, 2019.

Criteria for performance evaluation of Directors is specified under the heading Nomination and Remuneration Committee mentioned in item 4 below.

Statement of Declaration by the Independent Directors / Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors, after due assessment of veracity of the declarations received from the Independent Directors to the extent possible, confirms that, Independent Directors fulfill the conditions specified in the Regulation 25(8) of the aforesaid Regulations and they are independent of the management.

The Board of Directors have noted and taken on record, the voluntary disclosures made by Mr. Atul Kirloskar and Mr. Rahul Kirloskar of the inadvertent and erroneous mention of their educational qualification on the Company's website and other documents and records. After having considered the nature of the business carried on by the Company and in view of the fact that the Company is professionally managed and operated, the Board of Directors is of the view that the educational qualification of Mr. Atul Kirloskar and

Mr. Rahul Kirloskar would not have any material impact on the business or operations of the Company. The Board of Directors also noted that there is no pre-requisite qualification for being a promoter director.

Familiarization programme for Independent Directors :

Independent Directors of the Company are made aware of their role, rights and responsibilities at the time of their appointment, through a formal letter of appointment, which also stipulates various terms and conditions of their engagement. All Board Members are made aware of all the latest applicable legal, regulatory and business developments / updates, by way of presentations where Directors have an opportunity to interact with Key Management Personnel. Presentations cover, inter alia, quarterly and annual results, budgets, review of internal audit report, information on business performance, operations, financial parameters, senior management change, major litigations, compliances, risk management and regulatory scenarios and such other areas as may arise from time to time.

The Company has conducted various familiarization programmes and presentations for Independent Directors. Details of familiarisation programmes and presentations made are disclosed on the website of the Company, viz. www.kfil.com

Skills matrix for the Directors

The Board of Directors of the Company comprises members who bring in the required skills and expertise for effective functioning of the Company, the Board and its Committees. The table below summarizes key skills and expertise the Board possesses:

Skill	Skill definitions
Strategy and Strategic planning	Ability to identify and critically assess strategic opportunities and threats to the Company vis-à-vis the Company's objectives and develop strategies for the Company's long term growth and sustainability
Corporate Governance	Ability to maintain management accountability and formulate policies to safeguard interests of the Company and shareholders; understanding of control environments and ability to ensure adherence to highest standards of corporate governance
Business Acumen	Ability to drive success in the market and formulate policies for enhancing market share; ability to understand business environment and economic and regulatory conditions impacting market
Leadership	Understanding of operations and organizational processes; ability to develop talent and ensure succession planning; ability to bring about organizational change and improvement; ability to manage crisis
Industry knowledge	Experience and knowledge with respect to pig iron and foundry industry
Financial Skills	Expertise in financial management, capital allocation, financial reporting requirements; ability to evaluate merger/ acquisition decisions and execute the same effectively, including integration of operations
Technology	Ability to anticipate changes in technology, drive product and process innovation
Legal and Regulatory knowledge	Understanding of regulatory and legal frameworks