KIRLOSKAR INDUSTRIES LIMITED
A Kirloskar Group Company

Enriching Lives

13 August 2020

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

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

BSE Scrip Code: 500243

NSE Scrip Code: KIRLOSIND

Sub.: Intimation under Regulation 30 (11) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR), for the general information of the investors and other stakeholders of the Company.

Pursuant to Regulation 30 (11) of the SEBI LODR, this is to inform you that the Company has received a letter dated August 13, 2020, from one of its promoters Mr. Rahul Kirloskar in relation to "***recent malicious articles published in newspapers against certain promoters of the Company***", which is self-explanatory.

A copy of the letter dated August 13, 2020, is enclosed for your reference.

You are requested to take the same on your record.

Thanking you.

For Kirloskar Industries Limited

A.V.Mali

KIRLOSKAR INDUSTRIES LTD. PUNE-05

Ashwini Mali
Company Secretary &
Compliance Officer

Encl.: As above

Rahul Kirloskar

August 13, 2020

Mr. Ajay Tyagi
Chairman
Securities and Exchange Board of India
SEBI Bhavan Plot No. C4-A, "G" Block
Bandra Kurla Complex, Bandra (E) Mumbai - 400 051

Subject: **Malicious news article published in the "The Hindustan Times" on August 12, 2020**
Ref: Our previous letters dated November 22, 2018 and December 21, 2018: SEBI's inaction thereon

Dear Sir,

I am constrained to bring to your notice a third incident of a targeted media campaign through malicious articles written on the basis of leaked information, creating a slur on our reputation.

1. On August 12, both Mint and Hindustan Times published online and in their print editions stories containing tendentious and unproven allegations about the promotors of KIL (the "**Article**"). The early editions inexplicably omitted our statements denying the allegations and confidence in the strength of our case. The Article refers to the show-cause notice issued against us by SEBI way back in December 10, 2019 (the "**SCN**")[1]. Despite having pointed out errors to the reporter who had sought our views before publication, the Article falsely mentions an amount of INR 350 crore as the quantum of ill-gotten gains to the noticees under the SCN thereby suggesting a fraud of a largescale magnitude. The Article also wrongly alleges a write off of Rs. 300 crores by Kirloskar Brothers Limited in respect of its wholly owned subsidiary KCEL albeit to sensationalize the matter, when the actual write off was only Rs. 64 crores (which was merely about 2% of the asset size of KBL). On August 13, local regional newspapers such as Sakal and Loksatta have carried the story reported in Mint and Hindustan Times once again. I attach the articles for ready reference.

2. Our assertion of complicity between SEBI and its friends in the media rests on none other than the reporter herself, who states in her story that the "**SCN has been reviewed by Mint**". As you know, the SCN is not a public document. The Article is more than just a journalistic good fortune; it bears the hallmark of calculated and practiced complicity between an official of SEBI (perhaps aided by a third party) and a reporter whose mandate covers SEBI - and whose attention to detail suggests a desire to protect her source.

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[1] Show-Cause Notice dated December 10, 2019 (SEBI/HO/IVD/ID1/ OW/P/2019/32971/1) read with Supplemental Notice dated July 24, 2020

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3. The timing of this Article is also malicious and deliberate inasmuch as while the SCN was issued way back in December 2019, someone chose to leak it to the media at a time when the arguments and submissions by the noticees have been completed and the SEBI Whole Time Member (the "**WTM**") is in the process of formulating her order.

4. This Article clearly is aimed at influencing the minds of the regulators including the WTM in the conclusions it may arrive at, on the basis of the submissions made by us in respect of the SCN. While we are confident that we have been able to demonstrate to the WTM that the allegations made in the SCN and the conclusions reached therein, are erroneous and are liable to be quashed, we fear that such articles may prevent the WTM to pass an unbiased order on merits, fully exonerating the noticees from the charges and allegations made in the SCN.

5. We have filed complaints with your offices, following previous hostile articles, which we believe bear the same fingerprints as those on the latest stories. Those articles too were mischievously written using names of prominent jurist and a leading law firm to suggest investigation and conclusion of insider trading by us. The timing of those articles too was malicious coinciding with the period when SEBI was being continuously bombarded by complaints from Mr. Sanjay Kirloskar and KBL as well as repeated meetings were held by Mr. Sanjay Kirloskar with past and present SEBI Chairmen and other high-ranking officers of SEBI alleging inaction by SEBI and seeking direct intervention in respect of this matter. I attach the complaints for your ready reference. I also attach extracts of emails/ letters showing evidence of such meetings. Unfortunately, despite requests SEBI chose not to issue any clarifications or to investigate our allegations regarding such mis-information at that time and thereby allowed this manipulation to occur once again.

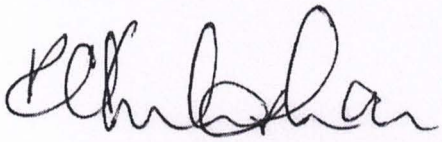
6. The pattern of these articles emerging once again and its timing now makes us wonder if there is a nexus between Mr. Sanjay Kirloskar and some officers in SEBI, who seems to be aware of the exact progress of our SCN. As already pointed out, the fact that despite Mrs. Pratima Kirloskar (wife of Sanjay Kirloskar) having undertaken an identical trade as ours and merely a few days after our transaction and she not being issued a similar show cause notice itself reeks of bias and a one-sided approach.

7. As we near a conclusion, we earnestly request that you, as the custodian of the public interest, act at the earliest to rid India's capital markets regulator of practices that have no place in a fair, transparent and robustly governed business environment and uphold the integrity and impartiality of this institution. We urge you to examine the events and developments that have taken place right from 2010 in this matter which will help you understand as to why we have chosen to write to you as a last resort.

Rahul Kirloskar

I would also request you to urgently investigate the source of this leak of the SCN in public domain.

Yours sincerely,



Rahul Kirloskar

Enclosed: As above

1. Smt. Nirmala Sitharaman
Hon'ble Finance Minister,
Room No. 134, North Block,
New Delhi 110001, India
appointment.fm@gov.in

2. Shri. Tarun Bajaj (Secretary)
Ministry of Finance,
Department of Economic Affairs
North Block, New Delhi-110001
secy-dea@nic.in

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Rahul Kirloskar

Extract of correspondence

The emails / letters that we received as a part of the documents provided along with the SCN clearly demonstrate that Mr. Sanjay Kirloskar had entered into extensive correspondence with high ranking SEBI officials including yourselves as follows:

a. Mr. Sanjay Kirloskar had pursuant to a meeting held on January 30, 2017 with the then Chairman of SEBI Mr. UK Sinha, vide his email dated February 22, 2017 addressed to the then Chairman of SEBI Mr. U.K. Sinha stated as follows:

Quote

Thank you for meeting my son Alok Kirloskar and me on the 30Th January. I thought I would send you the letter attached for greater clarity on the various issues regarding Kirloskar Brothers Ltd. This is because there is an insider trading issue from the year 2010 and a different and unrelated issue regarding trading in shares of Kirloskar Brothers Ltd. in 2016.

Unquote

b. Mr. Sanjay Kirloskar had vide his email dated May 12, 2017 addressed to the current Chairman of SEBI Mr. Ajay Tyagi stated as follows:

Quote

It was a pleasure for my son and me to meet you last month at the dinner organised at the Trident Hotel in Mumbai in honour of Mr. Philip Hammond, the British Chancellor. At that time I had mentioned that I would like to call on you.

This was in regard to a SEBI enquiry dated April 27th 2012, about a share transaction made by certain insiders of Kirloskar Brothers Ltd. Last year, after a third party forensic audit, we had sent another letter to SEBI stating that our earlier response from the year 2012 needed to be revised and restated. This report is already with SEBI.

I had the pleasure of meeting Mr. UK Sinha ***twice (emphasis supplied)*** *to explain the situation. My last letter to Mr. Sinha, with an attachment is below. ...*

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As I am planning to be in Mumbai on the 18th and 19th of May (next week), I was wondering whether I could come to your office and brief you on this matter. Any time on either day would be convenient for me.

Unquote

c. Vide letter dated June 18, 2018, Mr. Sanjay Kirloskar acting through KBL had requested current Chairman, SEBI, Whole Time Member, SEBI and Executive Director, SEBI to direct the hastening of process of a detailed investigation against the Noticees.

d. Vide letter dated December 5, 2018, Mr. Sanjay Kirloskar acting through KBL had sought an appointment with the current Chairman of SEBI Mr. Ajay Tyagi:

Quote

...to explain the facts of the case, which was initiated by SEBI way back in 2012. There are two important matters on which SEBI needed to act, but for some reasons the relevant departments have not been proceeding to initiate stringent actions as done in other cases, and I am constrained to seek your direct intervention.

Unquote

e. It appears from the letter dated January 16, 2019 written by Mr. Sanjay Kirloskar (through KBL) to Mr. Anand R. Baiwar, Executive Director, SEBI that Mr. Sanjay Kirloskar has also met Mr. Baiwar on December 28, 2018 in order to explain the matter to him.