



KIRLOSKAR BROTHERS LIMITED

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NOTICE

NOTICE is hereby given that an Extraordinary General Meeting ("EGM") of the Members of **KIRLOSKAR BROTHERS LIMITED** ("the Company" or "KBL") on (i) the Requisition dated October 21, 2022 and (ii) the Amended Requisition dated November 14, 2022 (copies of which are attached herewith) were received by the Board of Directors of the Company on October 25, 2022 and November 14, 2022 respectively ("**Requisitions**") made by the below mentioned requisitionists ("**the Requisitionists**");

Sr. No.	Name of the Requisitionists	Percentage of the Paid-Up Share Capital of the Company
1.	Kirloskar Industries Limited	23.91%
2.	Mr. Atul Kirloskar	0.50%
3.	Mr. Rahul Kirloskar	0.51%
Total		24.92%

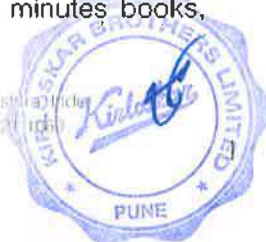
will be held on Thursday, the 8th day of December, 2022 at 2.00 p.m., Indian Standard Time (IST), through Video Conferencing/ Other Audio Visual Means ("VC"/ "OAVM") facility to transact the following Special Business:

SPECIAL BUSINESS (As extracted from the Amended Requisition):

1. To consider and if thought fit, pass the following resolution, with or without modification(s), as an **Ordinary Resolution**:

Appointment of an Independent and reputed external entity as an independent forensic auditor for conducting a forensic audit to investigate and (i) verify the expenses incurred by Kirloskar Brothers Limited on legal, professional and consultancy charges over the past 6 (six) years, and the affairs of Kirloskar Brothers Limited; (ii) verify all records, books of accounts, minutes books, other documents of Kirloskar Brothers Limited; and (iii) examine the conduct of the Board of Directors of Kirloskar Brothers Limited including Independent Directors.

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 read with rules made there under ("**the Act**") (including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force), the consent of the members of Kirloskar Brothers Limited ("**KBL**") be and is hereby granted to appoint M/s [•], as an independent forensic auditor for conducting a forensic audit in the affairs of KBL for investigation and verification of all records, books of accounts, minutes books,





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other documents of KBL and the conduct of the Board of Directors of KBL including independent directors. The scope of the forensic audit would include but shall not be limited to investigation and verification of the following matters:

- 1.1 Has the KBL Board especially the independent directors of KBL verified the claims made by Mr. Sanjay Kirloskar in relation to the Deed of Family Settlement dated September 11, 2009, ("DFS"), in order to ensure that they have not been misled by the claims made by Mr. Sanjay Kirloskar? Has the KBL Board including independent directors sought any independent legal advice pertaining to the same especially in view of the pending personal disputes amongst the promoter family?
- 1.2. While Mr. Sanjay Kirloskar has been repeatedly claiming that KBL has taken the DFS on record, what steps have been taken by KBL to actually bind KBL with the DFS, in accordance with the provisions of applicable law?
- 1.3. Have the independent directors acted and approved filing of cases by KBL solely on the basis of claims made by Mr. Sanjay Kirloskar without actually verifying the locus or the benefit to KBL for initiating these cases? Have the independent directors analyzed the locus, benefits or reasons for initiation of cases by KBL? If yes, whether the same has been recorded in the minutes of KBL Board meetings?
- 1.4. KBL and Mr. Sanjay Kirloskar have filed various pleadings / affidavits before different fora wherein they have claimed that KBL has suffered losses of dramatically different but large amounts, all arising out of the same cause of action, arising out of an alleged breach of the DFS. Have the independent directors verified the veracity of such claims?
- 1.5. KBL has sworn on Affidavit that KBL is suffering a loss of INR 1 crore per day due to the alleged breach of the DFS. It appears that KBL may have been making such large profits prior to the occurrence of such alleged breaches and only then it could have claimed to suffer the loss as a consequence of the alleged breach. However, the audited financial statements of KBL do not even appear to reflect such high profits of KBL. Has this claim of KBL been verified by the independent directors of KBL prior to the statement being made on oath?

The pleadings / affidavits filed by KBL and Mr. Sanjay Kirloskar as attached to the notice and agenda of this extra-ordinary general meeting are noted by the members and shall be shared with the independent forensic auditor along with other annexures to the said notice and agenda.





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- 1.6. Is there a status report in relation to the cases setting out the expenses, merits, justifying the benefits to KBL and subsequent legal strategy, prepared by the management and circulated to the independent directors for their approval and appraisal?
- 1.7. Are the independent directors aware of KBL funding cases/litigations by third parties? If so, KBL should provide the details?
- 1.8. As per the recent news publications quoted above, KBL has admittedly spent an amount of INR 70 Crores towards tax matters, labour matters, arbitration pertaining to project business, cases related to domestic and international projects, patents, property documents and for overseas business. However, none of the abovementioned matters appear or have been referred to in the said expenses. Therefore, how much money out of the said INR 70 crores has been expended towards such cases?

RESOLVED FURTHER THAT the consent of the members be is hereby accorded to authorise M/s. [•], an independent forensic auditor to seek appropriate explanations from the Board of Directors of Kirloskar Brothers Limited on the abovementioned questions and forensically verify the explanations so provided and upon the completion of the audit, the independent forensic auditor shall submit its report in writing directly to the shareholders of Kirloskar Brothers Limited while ensuring that the same is not tampered with, within a period of 60 (sixty) days from the date of the EGM.

RESOLVED FURTHER THAT the consent of the members be and is hereby accorded to pay INR [•] to M/s. [•], the independent forensic auditor, as fee for the conduct of the forensic audit.

RESOLVED FURTHER THAT any of the Directors of Kirloskar Brothers Limited be and are hereby severally authorized to make available the necessary information, resources and documentation to the independent forensic auditor so appointed to ensure timely completion of the audit and the issuance of the forensic audit report, and to take all such actions and steps as required under the provisions of the Companies Act, 2013 and the rules framed thereunder and any other applicable provisions of law, to give effect to the aforesaid resolution including but not limited to making appropriate filings with the Registrar of Companies and disclosures with the stock exchanges under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to do all such other acts, deeds and things as may be necessary or incidental to give effect to the aforesaid resolution.





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RESOLVED FURTHER THAT any one of the Directors or Company Secretary of Kirloskar Brothers Limited, be and are hereby severally authorized to issue a certified true copy of the aforesaid resolution to such authorities and / or persons as may be necessary to give effect to this resolution."

By order of the Board of Directors
For **KIRLOSKAR BROTHERS LIMITED**

Devang Trivedi

Company Secretary

ICSI Membership No. – A13339

Pune: November 16, 2022

NOTES:

1. Although there is no legal requirement to furnish a Statement of Material Facts, however for the benefit of the shareholders of the Company, a Statement of Material Facts, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), setting out material facts concerning the business under Item No. 1 of the accompanying Notice, is annexed hereto. On receipt of the Requisitions by the Requisitionists, the Board of Directors of the Company at its meeting held on November 10, 2022 and by the Circular Resolution dated November 16, 2022 considered convening an EGM of the shareholders of the Company on the Requisitions made by the Requisitionists in relation to the Special Business under Item No. 1, to be transacted at the EGM of the Company.
2. **General instructions for accessing and participating in the EGM through VC/OAVM facility and voting through electronic means including remote e-Voting.**
 - a. Pursuant to General Circular Nos.14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/ 2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 8, 2021, and General Circular No. 3/2022 dated May 5, 2022, respectively, issued by the Ministry of Corporate Affairs (collectively referred to as "**MCA Circulars**") and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities and Exchange Board of India (collectively referred to as "**SEBI Circulars**") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure





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Requirements) Regulations, 2015 ("**Listing Regulations**"), the EGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of members at a common venue in accordance with the MCA Circulars, the SEBI Circulars, the Act and the Listing Regulations. The deemed venue for the EGM shall be the Registered Office of the Company.

- b. In terms of the MCA Circulars, the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the EGM and hence, the Proxy Form and attendance slip are not annexed hereto. However, in pursuance of Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the EGM through VC/OAVM facility and e-Voting during the EGM.
- c. In line with the aforementioned MCA Circulars and SEBI Circulars, the Notice of the EGM is being sent only through electronic mode to those Members whose email address is registered with the Company/ Depository Participants as on 28th October, 2022. Members may note that the Notice of the EGM will also be available on the website of the Company at www.kirloskarpumps.com, on the website of BSE Limited (BSE) at www.bseindia.com, on the website of National Stock Exchange of India Limited (NSE) at www.nseindia.com and also on the website of National Securities Depositories Limited (NSDL) at www.evoting.nsdl.com.

Therefore, Members, whose email addresses are not registered with the Company/Depository Participant/s and who wish to receive the Notice of the EGM and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below: -

- a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, Aadhar) supporting the registered address of the Member, by email to the Company's email address at grievance.redressal@kbl.co.in.
- b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

However, Members who have not registered their email address, may request for a physical copy of the said notice by writing it to the Company at grievance.redressal@kbl.co.in or to its Registrar and Transfer Agent at KBL@bigshareonline.com.





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- d. Since the EGM will be held through VC/OAVM facility, the Route Map is not annexed in this Notice.
- e. NSDL will be providing facility for voting through remote e-Voting, for participation in the EGM through VC/OAVM facility and e-Voting during the EGM.
- f. Members may join the EGM through VC/OAVM facility by following the procedure as mentioned below which shall be kept open for the Members 15 minutes before the time scheduled to start the EGM and the Company may close the window for joining the VC/OAVM facility 15 minutes after the scheduled time to start the EGM.
- g. Members may note that the VC/OAVM facility, provided by NSDL, allows participation of 1,000 Members on a first-come-first-serve basis. The large shareholders (i.e., shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the EGM without any restriction on account of first-come-first-serve principle.
- h. Attendance of the Members participating in the EGM through VC/OAVM facility shall be counted for the purpose of considering the quorum under Section 103 of the Act.
- i. Pursuant to the provisions of Section 108 of the Act and any other applicable provisions, if any, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circulars, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the EGM and facility for those Members participating in the EGM to cast vote through e-Voting system during the EGM.

3. Instructions for Members for remote e-Voting are as under: -

- a. The remote e-Voting period will commence on **Monday, December 5, 2022 (09.00 am IST) and will end on Wednesday, December 7, 2022 (05.00 p.m. IST)**. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of December 1, 2022**, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- b. A person who is not a member as on the cut-off date should treat this Notice of EGM for information purpose only.
- c. The details of the process and manner for remote e-Voting are explained herein below:





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How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by the Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser









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	<p>by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers,</p>





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	<p>so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33





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B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company. For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.





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- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
- 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- 8. Now, you will have to click on "Login" button.
- 9. After you click on the "Login" button, Home page of e-Voting will open.





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Step 2: Cast your vote electronically and join Meeting on NSDL e-Voting system.

How to cast your vote electronically and join Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
8. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 /1800 224 430 or send a request at evoting@nsdl.co.in or contact Mr. Amit Vishal, Asst. Vice President or Ms Pallavi Mhatre Senior Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email IDs: evoting@nsdl.co.in or at telephone nos. : + 1800 1020 990 and 1800 22 44 30 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the Company's email address grievance.redressal@kbl.co.in.

General Guidelines for shareholders

9. Institutional/ Corporate shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cssdlimaye@gmail.com with a copy marked to evoting@nsdl.co.in Or Institutional shareholders (i.e. other than





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individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

10. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
 11. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Asst. Vice President or Ms Pallavi Mhatre Senior Manager, National Securities Depository Ltd at evoting@nsdl.co.in.
 12. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the **cut-off date i.e. December 01, 2022**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e., December 01, 2022 may follow steps mentioned in the Notice of the EGM under "Access to NSDL e-Voting system".
- 4. Process for those Members whose email ids are not registered for procuring user id and password and registration of email ids for e-Voting on the resolutions set out in this Notice:**
- a) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to grievance.redressal@kbl.co.in.
 - b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to grievance.redressal@kbl.co.in. If you are an Individual





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shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e., **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

- c) Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- d) In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

5. Instructions for Members for participating in the EGM through VC/OAVM are as under:

- a. Member will be provided with a facility to attend the EGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- b. Members are encouraged to join the Meeting through Laptops for better experience.
- c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- e. For the smooth conduct of proceedings of the EGM, Members can submit questions/queries in advance with regard to the resolution to be placed at the EGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email address grievance.redressal@kbl.co.in at least seven (7) days in advance before the start of the meeting i.e. by December 01, 2022 by 02.00 p.m. IST. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.





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- f. Members, who would like to ask questions during the EGM with regard to the resolution to be placed at the EGM, need to register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, along with their questions/queries to reach the Company's email address grievance.redressal@kbl.co.in at least seven (7) days in advance before the start of the EGM i.e. by December 01, 2022 by 02.00 p.m. IST. Those Members who have registered themselves as speakers shall only be allowed to ask questions during the EGM, on first-come-first-serve basis and subject to availability of time.
- g. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the EGM through VC/OAVM Facility.

6. Instructions for Members for e-Voting during the EGM are as under:

- a. The procedure for e-Voting on the day of the EGM is same as the instructions mentioned above for remote e-voting.
- b. Only those Members/ shareholders, who will be present in the EGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM.
- c. Members who have voted through Remote e-Voting will be eligible to attend the EGM. However, they will not be eligible to vote at the EGM.
- d. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM shall be the same person mentioned for Remote e-voting i.e. Mr. Amit Vishal, Assistant Vice President- NSDL or Ms. Pallavi Mhatre, Senior Manager- NSDL at the designated email ID: evoting@nsdl.co.in or at telephone number 1800 1020 990 /1800 22 44 30.

7. Other Guidelines for Members

- a. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Log in to the e-Voting website will be disabled upon 5 unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- b. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date of 1st December, 2022.





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- c. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the EGM by email and holds shares as on the cut-off date i.e. 1st December, 2022, may obtain the User ID and password by sending a request to the Company's email address grievance.redressal@kbl.co.in. However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.
- d. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the EGM. Mr. Shyamprasad Limaye, Practicing Company Secretary from Pune, has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and vote cast through e-Voting system during the EGM in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.
- e. During the EGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the EGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolution as set out in the Notice of the EGM and announce the start of the casting of vote through e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the EGM.
- f. The Scrutinizer shall after the conclusion of e-Voting at the EGM, first download the votes cast at the EGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated Scrutinizer's Report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman within 2 working days from the conclusion of the EGM, who shall then countersign and declare the result of the voting forthwith.
- g. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.kirloskarpumps.com, on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of Results by the Chairman or any other authorized person. The Results shall also be immediately forwarded to the BSE and NSE.
8. Electronic copy of requisition along with its annexures as mentioned in the Notice of EGM, the Statement of material facts and other relevant documents shall be available for inspection in the Investor Section of the website of the Company at www.kirloskarpumps.com.





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ANNEXURE TO THE NOTICE OF EXTRAORDINARY GENERAL MEETING

Statement of material facts as required under Section 102 of the Companies Act, 2013

1. Kirloskar Industries Limited ("**KIL**"), a Member of Kirloskar Brothers Limited ("**KBL**") and part of the Promoter Group, holding 1,89,88,038 equity shares aggregating to 23.91% of KBL's voting capital has sent to the Board of KBL (i) a Special Notice and Requisition under Section 100(2)(a) of the Companies Act, 2013 dated 21st October, 2022 and (ii) an Amended Requisition dated November 14, 2022 ("**Requisitions**") for convening an Extra Ordinary General Meeting ("**EGM**") of the Shareholders of KBL.
2. The Requisition dated 21st October, 2022 notes that Mr. Atul Kirloskar ("**ACK**") and Mr. Rahul Kirloskar ("**RCK**") who are also part of the Promoter Group of KBL have consented to being fellow requisitioners on the said matter along with KIL. Neither of the Requisitions have been signed by ACK and RCK.
3. (i) The Requisitions have been addressed to KBL for calling an EGM to pass a resolution for appointment of an Independent and reputed external entity as an independent forensic auditor for conducting a forensic audit to investigate and (a) verify the expenses incurred by Kirloskar Brothers Limited on legal, professional and consultancy charges over the past 6 (six) years, and the affairs of Kirloskar Brothers Limited; (b) verify all records, books of accounts, minutes books, other documents of Kirloskar Brothers Limited; and (c) examine the conduct of the Board of Directors of Kirloskar Brothers Limited including Independent Directors.

(ii) According to the Requisitionists, the conduct of an external forensic audit into the affairs of KBL is for the purported object, *inter alia*, of verification of the participation and the role of the independent directors of KBL in respect of or in connection with certain legal proceedings initiated by KBL which are stated in Para 1.8 of Item No. 1 of the Requisition dated 21st October, 2022, to have resulted in huge legal expenses aggregating to Rs. 70 crores having to be incurred by KBL.
4. In the notice dated 21st October, 2022 requisitioning the meeting, it is suggested that it is Mr. Sanjay Kirloskar ("**SCK**") (as one of the promoters of KBL) who has allegedly caused the Board of KBL including the Independent Directors to pass resolutions pertaining to the initiation of certain legal proceedings in connection with the Deed of Family Settlement dated 11th September, 2009 ("**DFS**") which according to the requisitionists justify/ require a verification of the participation and role of the Independent Directors of KBL.





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5. For the benefit of the Members of KBL, the Board of Directors of KBL wish to highlight, clarify and bring to the attention of the Members, the below mentioned facts (which by way of ease of reference are summarized in this Paragraph; however Members are urged to read the Statement of Material Facts in its entirety) so that the Members can make a fair, rational and an informed decision when voting on the matters proposed by Kirloskar Industries Limited, vide the Requisition:

- The DFS is a family settlement agreement which was signed and entered into on 11th September, 2009 between members of the Kirloskar family, to clearly define ownership, management and control over different Kirloskar Group Companies by each respective branch and in the manner stipulated therein.
- It is pertinent to note that the DFS was implemented by the signatories to the DFS, including RCK and ACK and companies under their control, including Kirloskar Industries Limited (the erstwhile Kirloskar Oil Engines Limited). Kirloskar Industries Limited (a listed company, owned, managed and controlled by RCK and ACK) in pursuance of and as a consequence of the implementation of the DFS, sold equity shares held by it in Toyota Kirloskar Motors Pvt. Ltd. and other Toyota related joint venture companies to Kirloskar Systems Limited (a private company under the ownership, management and control of Mr. Vikram Kirloskar, who is also a signatory to the DFS) in December, 2009 aggregating to about Rs. 250 crores as provided for;
- It is further pertinent to note that some of the other steps taken in implementation of the DFS included (i) a change in shareholding of the concerned companies, in accordance with the Schedules of the DFS, (ii) a change in the composition of the Board of Directors of the concerned companies, in accordance with the Schedules of the DFS, and (iii) disclosures were made under the erstwhile Takeover Code, 1997 and exemptions were sought under the erstwhile Takeover Code 1997, from making an open offer in view of changes in the shareholding of the concerned companies.
- As a result of companies owned, managed and controlled by RCK and ACK engaging in businesses competitive with that of KBL, in breach of the DFS, KBL was left with no other alternative but to adopt proceedings from June, 2018, both before the Hon'ble Pune Courts and the Hon'ble Supreme Court (as particularized more elaborately herein below), to protect its business and interests and that of the general body of its shareholders and consequently KBL was compelled to incur legal costs in relation thereto;





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- On 11th May 2017, KIL (a company under their ownership, management and control of ACK and RCK) along with ACK and RCK, filed a Company Petition against KBL, SCK and KBL's other then Directors, including Independent Directors, before the National Company Law Tribunal, Mumbai Bench, *inter alia* alleging oppression and mismanagement of KBL. In view of these proceedings instituted by KIL, RCK and ACK against KBL, its directors and others before the Hon'ble National Company Law Tribunal, Mumbai Bench, KBL has had to defend these proceedings, and consequently was compelled to incur legal costs in relation thereto;
- Since ACK, RCK and others failed to provide explanations and co-operate with KBL whilst it was conducting KBL's internal enquiry and investigation under KBL's Code of Conduct regarding Insider Trading, KBL (for the reasons as more elaborately set out herein under) was compelled to file a SAT Appeal with the Hon'ble SAT *inter alia* seeking orders from the Hon'ble SAT that the requisite information be furnished to KBL so as to enable KBL to conduct its internal investigation as legally required by KBL's Code of Conduct; and consequently KBL had to incur legal costs in relation thereto;
- The statements made to the press by KIL and RCK that approximately Rs. 274 crores has been paid by KBL towards legal and professional expenses (since disputes arose in 2016) and the allegation that a large part of this was for facilitating private disputes of KBL's Managing Director is incorrect. The bulk of expenses towards legal and consultancy charges aggregating to Rs. 274 crores has been paid to consultants such as Boston Consulting Group, KPMG and Roland Berger, in relation to KBL's growth and business. The legal fees over the last 7 years aggregated to approximately Rs. 70 crores and these include legal expenses relating to tax matters, labour matters, arbitrations, international projects, property documents, which are matters unconnected with the litigations presently ongoing with the requisitionists;
- What is of particular relevance is that even after disputes arose in 2016, KIL, ACK and RCK have not voted against any of the resolutions for adoption of the Audited Balance Sheet and Profit and Loss account of KBL till date at any of KBL's AGMs nor have they raised any objection as regards legal expenses incurred by KBL at any of the General Meetings of KBL or in correspondence till October, 2022. In fact, at KBL's last AGM in August, 2022 each of KIL, ACK and RCK have voted in favour of adopting the accounts of KBL which includes legal and consultancy charges.





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A. The object and purpose of the Deed of Family Settlement dated 11th September 2009

6. The DFS is a family settlement agreement which was entered into on 11th September 2009 between the members of the Kirloskar family to clearly define the ownership, management and control of the different Kirloskar group companies by each branch of the Kirloskar family and in the manner as specified therein. An electronic copy of the DFS is available for inspection in the investor section of the website of KBL at www.kirloskarpumps.com.
7. (i) It is pertinent to note that the DFS was implemented by the signatories to the DFS, including RCK and ACK and companies under their control, including Kirloskar Industries Limited (the erstwhile Kirloskar Oil Engines Limited), Kirloskar Industries Limited (a listed company, owned, managed and controlled by RCK and ACK) in pursuance of and as a consequence of the implementation of the DFS, sold equity shares held by it in Kirloskar Toyota Textile Machineries Pvt. Ltd., Toyota Kirloskar Motors Pvt. Ltd., Toyota Kirloskar Autoparts Pvt. Ltd., TG Kirloskar Automotive Pvt. Ltd., Toyota Tsusho India Pvt. Ltd. and Denso Kirloskar Pvt. Ltd. to Kirloskar Systems Limited (a private company under the management and control of Mr. Vikram Kirloskar, who is also a signatory to the DFS) in December 2009 aggregating to about Rs. 250 crores as provided for. This is clearly an admitted position as mentioned in Kirloskar Industries Limited's Directors Report dated 14.5.2010 (as contained in the Annual Report of Kirloskar Industries Limited, for the Financial Year 2009-10).
- (ii) It is further pertinent to note that some of the other steps taken in implementation of the DFS included (i) a change in shareholding of the concerned companies, in accordance with the Schedules of the DFS (ii) a change in the composition of the Board of Directors of the concerned companies, in accordance with the Schedules of the DFS, and (iii) disclosures were made under the erstwhile Takeover Code, 1997 and exemptions were sought under Regulation 3(1)(e) of the erstwhile Takeover Code 1997, from making an open offer in view of changes in the shareholding of the concerned companies.
8. Pursuant to the DFS, the ownership, management and control of KBL has vested in SCK.
9. Since the DFS was entered into, *inter alia*, with the object of ensuring the smooth functioning of the business being conducted by the various Kirloskar Group companies and to preserve the goodwill thereof, the DFS also contains certain





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negative covenants which restrain each branch from engaging in directly competitive businesses.

10. ACK and RCK, who are supporting the Requisition, have taken and continue to take various steps that have adversely affected and continue to adversely affect KBL's rights under the DFS including by injuring KBL's proprietary interest by using the Kirloskar mark/s to and in relation to competing businesses being carried out by ACK and RCK through their entity Kirloskar Oil Engines Limited ("KOEL") and its subsidiaries/ associate companies.
11. For instance, in June 2017, KOEL has acquired a controlling shareholding in La-Gajjar Machineries Pvt. Ltd. ("LGM"). LGM has been engaged in the business of manufacturing and selling submersible and monoblock pumps and pump-sets, being a business that directly competes with the primary business undertaken by KBL and is therefore in clear breach of the provisions of the DFS.
12. The notices requisitioning the EGM at the instance of RCK and ACK (i.e., the co-requisitionists) who are in ownership, management and control of KIL pursuant to the DFS, is a clear abuse of the provisions of the Companies Act, 2013 to justify and enable the RCK and ACK group-controlled companies to continue to compete with the business of KBL, in breach of the DFS and also to stifle the legal proceedings adopted by KBL against RCK and ACK group controlled companies, which proceedings are presently *sub-judice*.

B. Litigations pertaining to the DFS are for the benefit of KBL and its shareholders

13. On account of the RCK and ACK group-controlled companies carrying on businesses competing with that of KBL, in breach of the DFS, KBL in order to protect the business and interests of KBL and that of the general body of its shareholders, including minority shareholders of KBL, was left with no alternative but adopt the following proceedings:

a. Special Civil Suit No. 798/2018

Forum: Hon'ble District Court at Pune

Parties: SCK & KBL v. ACK & Ors.

This proceeding is filed before the Hon'ble District Court in Pune seeking specific performance of the provisions of the DFS and to restrain the RCK and ACK group-controlled companies from undertaking businesses which compete with the business of KBL in breach of the provisions of the DFS.





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b. Three Applications in the Special Civil Suit No. 798/2018

Forum: Hon'ble District Court at Pune

Parties: ACK, RCK, Vikram Kirloskar, Jyotsna Gautam Kulkarni and their respective family members against SCK & KBL

ACK and RCK along with their families (all signatories to and/or beneficiaries under the DFS) filed three applications to have the disputes, as amongst the signatories to the DFS, in the above Special Civil Suit No. 798/2018 referred to arbitration.

The Hon'ble District Court rejected these three applications vide its Order and Judgement dated 7th December 2020.

c. Arbitration Appeal (St.) No. 1661 of 2021

Forum: Hon'ble Bombay High Court

Parties: ACK & Ors. v. SCK, KBL & Ors.

ACK and RCK along with their families filed an Appeal before the Hon'ble Bombay High Court challenging the Order of the Hon'ble District Court, Pune dated 7th December, 2020 (by which the applications seeking to refer the disputes, raised in the special civil suit filed by KBL to arbitration, as amongst the signatories to the DFS were dismissed).

The Hon'ble Bombay High Court by its Order dated 3rd May, 2021 allowed the Appeal and directed that the disputes in the Suit be referred to arbitration.

d. Special Leave Petition No. 8020/2021

Forum: Hon'ble Supreme Court of India

Parties: KBL vs. ACK & Ors.

The Order and Judgement of the Hon'ble Bombay High Court dated 3rd May, 2021 directed the signatories to the DFS, namely the individual family members of the Kirloskar family and not the companies under the ownership, management and control of the signatories, to refer the disputes in the Pune Suit to arbitration whilst leaving the question as to referring the disputes *inter se* amongst the Kirloskar Group companies and arising out of the DFS to arbitration to be decided by the Arbitral Tribunal. This was despite the fact that the Plaintiff in the Civil Suit filed in Pune was KBL, and the businesses competing with the business of KBL, in breach of the DFS was being carried on by companies under the control of ACK and RCK.





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KBL was therefore constrained to file this Special Leave Petition (i.e., SLP 8020/21) against this Order before the Hon'ble Supreme Court.

KBL has also filed Interim Applications in this Special Leave Petition, seeking to restrain KOEL and its subsidiaries etc., which are under the ownership, management and control of ACK and RCK, from engaging in competitive activities.

e. Special Leave Petition No. 13070 of 2021

Forum: Hon'ble Supreme Court of India

Parties: KOEL & Ors. vs SCK, KBL & Ors.

Since KOEL felt aggrieved by some of the observations made by the Hon'ble Bombay High Court in the Order and Judgment dated 3rd May 2021, KOEL also filed a Special Leave Petition (i.e., SLP 13070/21) before the Hon'ble Supreme Court against the said Order. KBL has been impleaded as a party respondent to these proceedings.

f. Special Leave Petition No. 8221 of 2021

Forum: Hon'ble Supreme Court of India

Parties: SCK & Ors. vs. ACK, Ors. & KBL (as a Proforma Respondent)

Independent of the Special Leave Petitions filed by KBL and KOEL against the Order and Judgment of the Hon'ble Bombay High Court dated 3rd May 2021, SCK has also filed a Special Leave Petition to the Hon'ble Supreme Court on the ground that the various Kirloskar Group companies also ought to have been directed to submit their disputes to arbitration. KBL has been impleaded as a party respondent to these proceedings.

g. Intervention Application 92757/ 2022 in Arbitration Petition 38 of 2022

Forum: Hon'ble Supreme Court of India

Parties: KBL vs. ACK & Ors.

Since certain questions of law as regards whether companies/ entities, which are not signatories to an arbitration agreement, can be directed to submit their disputes to arbitration under the 'group of companies doctrine' were raised and are likely to be decided in another matter by a Bench of Five Judges of the Hon'ble Supreme Court, KBL was advised to intervene in that matter. This was due to the fact that a decision rendered by that Five Judge Bench of the Hon'ble Supreme Court in that matter, was likely to cover / become applicable to the questions of fact and law raised in the Special Leave Petitions filed by KBL.





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h. Intervention Application No. 96946/ 2022 in Arbitration Petition 38 of 2022

Forum: Hon'ble Supreme Court of India

Parties: SCK & Ors. vs. ACK, Ors. & KBL (as a Proforma Respondent)

Since SCK has also preferred an independent Special Leave Petition against the said Order and Judgment of the Hon'ble Bombay High Court dated 3rd May 2021, an intervention application has also been filed by SCK in the matter referred to the Five Judge Bench of the Hon'ble Supreme Court, due to the fact that a decision rendered by them in that matter is likely to affect the issues raised in the Special Leave Petition filed by SCK. KBL has been impleaded as a party respondent to these proceedings.

i. Special Civil Suit No. 40/2018

Forum: Hon'ble District Court at Pune

Parties: KBL vs. Kirloskar Proprietary Limited ("KPL")

KBL was the proprietor of the mark "Kirloskar". KBL had assigned the mark "Kirloskar" to Kirloskar Proprietary Limited ("KPL") in the year 1965 *inter alia* without any monetary consideration on the understanding that KBL would be granted a license in perpetuity to use the mark. The DFS provided that the ownership, management and control of KPL – the assignee of the mark "Kirloskar" – would be shared equally between the signatories to the DFS.

Since the SCK group and KBL's representation in the management of KPL was ousted, and the license granted by KPL to KBL (to use the "Kirloskar" mark), was purportedly terminated by KPL (after not re-appointing SCK to the Board of Directors of KPL), KBL had no choice but to institute the IPR Suit (i.e., SCS 40/2018) before the Hon'ble District Court, Pune.

The Suit *inter alia* sought a declaration that the deeds of assignment be declared void, for failure of consideration, and that the trademarks assigned by KBL to KPL be restored to KBL.

It is only on account of the filing of this Suit that KPL, by a letter dated 3rd March, 2020, withdrew the termination letter. The Suit however continues to remain pending.





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j. SAT Appeal 311 of 2021

Forum: Hon'ble Securities Appellate Tribunal

Parties: KBL vs. SEBI and KOEL

On account of KOEL's failure to disclose the DFS to the members and shareholders of KOEL (evidently to suppress and not disclose the non-compete provisions contained in the DFS), KBL filed a complaint to SEBI seeking necessary orders and directions for disclosure in accordance with Regulation 30 of the Securities and Exchange Board (Listing Obligations & Disclosure Requirements) Regulations, 2015.

SEBI by its communication dated 17th February 2021 refused to entertain KBL's complaint for reasons mentioned therein. KBL was accordingly constrained to file an appeal before the Hon'ble Securities Appellate Tribunal ("**Hon'ble SAT**").

On 13th May, 2022, the Hon'ble SAT passed a Judgment and Final Order, *inter alia*, observing that SEBI's Communication/Decision dated 17th February, 2021 cannot be faulted as the DFS was executed on a date prior to Regulation 30 of the extant SEBI LODR and thereby dismissing the said SAT Appeal.

k. Civil Appeal No. 5202/ 2022

Forum: Hon'ble Supreme Court of India

Parties: KBL vs SEBI & KOEL

KBL was advised that the Order dated 13th May, 2022 of the Hon'ble SAT suffered from errors of law and therefore ought to be challenged before the Hon'ble Supreme Court. In view thereof, KBL has filed a Civil Appeal in the Hon'ble Supreme Court being Civil Appeal No. 5202 of 2022 against the said SAT Order.

14. The nature of the proceedings adopted by KBL, (as set out herein above) clearly demonstrate that they were adopted, in the best interest of and for the benefit of KBL as well as its public shareholders and are not wasteful, mala fide, frivolous, unjustified or ill-advised. The Board of Directors of KBL would have been failing in their duties if KBL were not to have initiated these proceedings.





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15. It is particularly pertinent to note that in none of the aforesaid proceedings pertaining to the DFS, has any court or forum made any observation that the proceedings instituted by KBL are wasteful, mala fide, frivolous, unjustified or ill-advised.

C. Besides the above, KBL has also been forced to defend itself in proceedings adopted by KIL, RCK and ACK

16. Besides the aforementioned proceedings, initiated by KBL, KBL has had to defend proceedings adopted/ initiated by KIL, RCK and ACK (KIL being a company under the ownership, management and control of the ACK Group and RCK group). On 11th May 2017, KIL (a company under their ownership, management and control of ACK and RCK) along with ACK and RCK, filed a Company Petition against KBL, SCK and KBL's other then Directors, including Independent Directors, before the Hon'ble National Company Law Tribunal, Mumbai Bench, *inter alia* alleging oppression and mismanagement of KBL.
17. By these proceedings instituted by KIL, RCK and ACK before the Hon'ble NCLT, Mumbai Bench, the object and purpose of the DFS (as set out above), namely to vest ownership, management and control of various Kirloskar group companies under the respective signatories to the DFS was sought to be disturbed.
18. These proceedings which are ongoing before the Hon'ble National Company Law Tribunal, Mumbai Bench, (i.e., Company Petition No. 193/ 2017) filed by KIL and others against KBL and others (including its Directors) is presently *sub judice* pending hearing and final disposal.

D. Proceedings arising out of the Show Cause Notices issued by SEBI alleging Insider Trading of KBL shares by ACK, RCK, their family members and others

19. On 06th October 2010, ACK / RCK Group caused KIL (a listed company which was under their ownership, management and control) to purchase 1,07,18,400 equity shares held by them in KBL ("Transaction").
20. Between April and May, 2012 when SEBI inquired of KBL as to whether the Transaction was made pursuant to certain price sensitive information (which was not in the public domain), KBL informed SEBI that in view of the declarations made by





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RCK, ACK and others, that they were not privy to any UPSI and that KBL had not initiated any enquiry in relation to the Transaction.

21. (i) Since certain material came to light, pursuant to an audit by KBL, which showed that ACK, RCK and others had entered into the Transaction on the basis of UPSI, KBL addressed letters between April and June 2016 placing this material on record for SEBI's consideration.

(ii) By a communication dated 4th May, 2016, SEBI enquired whether KBL has taken action against the persons who have violated the Model Code of Conduct of KBL prescribed under SEBI (Prevention of Insider Trading) Regulations, 1992.

22. KBL therefore attempted to get explanations from ACK, RCK and others in order to conduct its own internal enquiry and investigation into the matter as required under its Code of Conduct. However, KBL received no cooperation from these individuals.

23. KBL also addressed several letters to SEBI seeking copies of some of these Show Cause Notices issued by SEBI, *inter alia*, to enable KBL to carry out the necessary internal investigation, as required under the provisions of KBL's Code of Conduct. KBL also sought an opportunity to be heard by SEBI which was not granted.

24. Pursuant thereto SEBI conducted its own independent investigation into the matter. During the course of the investigation KBL received letters/emails from the Investigation department of SEBI and provided the information and documents sought for by SEBI and fully co-operated with these investigations.

25. In December 2019, SEBI, as the concerned regulator took its own independent decision and issued Show Cause Notices to several persons, including directors and promoters of KBL.

26. SEBI thereafter passed, *inter alia*, an Order dated 20th October 2020 by which several persons, including ACK and RCK, were found guilty of violating the provisions of the SEBI Act, 1992, SEBI (Prohibition of Insider Trading) Regulations, 1992 and/or the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

27. Several appeals were filed against the said SEBI Order by the aggrieved parties thereto, including KIL, ACK and RCK.

28. KBL also filed an appeal before the Hon'ble SAT *inter alia* on the ground that there were errors in the findings in the SEBI Order and in which KBL prayed that the





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Hon'ble SAT direct that the requisite information be furnished to KBL, so as to enable KBL to conduct its internal investigation as legally required by KBL's Code of Conduct.

29. In this SAT Appeal, KBL also sought for an enhancement of the amount of penalty imposed and profit disgorged, as the amounts directed by SEBI was not adequate or in proportion to the profit derived by the noticees and therefore liable to be enhanced further.

30. The Hon'ble SAT by its Order dated 12th October, 2022 has, *inter alia*, allowed Appeal Nos. 499 of 2020, 503 of 2020 and 504 of 2020; and consequently, in view thereof, dismissed Appeal No. 44 of 2021.

31. KBL is presently seeking advice as to whether this SAT Order ought to be challenged before the Hon'ble Supreme Court, and if so on what grounds. Any decision in this regard will be taken by the Board of Directors of KBL after consideration of the legal advice received in this regard.

32. It is pertinent to note that SEBI had also challenged the maintainability of KBL's SAT Appeal (SAT Appeal No. 44/ 2021) before the Hon'ble SAT on the ground that the role of a complainant comes to an end after the complaint is taken cognizance of, an enquiry is initiated and conducted by SEBI, and the matter duly investigated. It is in these circumstances that SEBI contended that KBL's Appeal was not maintainable under Section 15T of the SEBI Act, 1992.

33. On the other hand, KBL contended that a complainant must have a right to be heard even at the Appellate stage before the Hon'ble SAT, so as to ensure that complete justice is done in the matter, and particularly in cases such as the present case. The SAT's Order dated 12th October, 2022 is based on an interpretation of the relevant provisions of the concerned Regulations and the SEBI Act.

34. It is particularly relevant to note that neither the Hon'ble SAT nor SEBI has contended or held that any of the letters and complaints addressed by KBL or the SAT Appeal filed by KBL were wasteful, mala fide, frivolous, unjustified or ill advised.

35. In view of the SEBI Order dated 20th October, 2020, KBL was legally advised to take steps to rectify the Register of Members. KBL hence filed a Petition, before the Hon'ble National Company Law Tribunal, Mumbai Bench, being Company Petition No. 252/ 2021 seeking directions for rectification of KBL's register under Section 59(4) of the Companies Act, 2013 in view of SEBI's Order dated 20th October 2020. This Company Petition is presently *sub judice* pending hearing and final disposal.





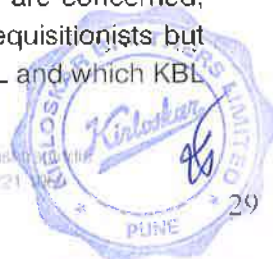
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E. The Notices requisitioning the present EGM

36. KIL and / or RCK had initially alleged in statements made to the press that approximately Rs. 274 crores have been paid by KBL towards professional and legal expenses, ever since the disputes arose since 2016 and further alleged that a large part of this was for facilitating private disputes of KBL's Managing Director.
37. This is factually incorrect since KBL has clarified, including by issuing a press statement, that the legal fees over the last 7 years aggregated to approximately Rs. 70 crores. The bulk of the expenses towards legal and consultancy charges (aggregating to Rs. 274 crores, during the aforementioned period) has been paid to consultants such as Boston Consulting Group, KPMG and Roland Berger, in relation to KBL's growth and business. KIL and ACK/RCK's bare bone allegation of expenditure of Rs. 274 crore towards litigation cost is therefore factually incorrect.
38. Needless to say, all legal and consultancy charges, constitute part of the accounts of KBL, which have been approved by the Audit Committee and Board of Directors of KBL, and have been duly disclosed in the Annual Reports filed by KBL.
39. The Amended Requisition dated 14th November, 2022 now restricts the demand for an external forensic audit to verify and investigate legal expenses incurred over the last 6 years.
40. It is necessary to note that legal expenses amounting to approximately Rs. 70 crores over the last 7 years referred to in the Requisition have been expended against a consolidated turnover of over Rs. 2500 crores per annum, (i.e., over Rs. 17,500 crores over the last 7 years).
41. (i) These expenses include legal expenses towards KBL's tax matters, labour related matters, arbitrations pertaining to KBL's project business, cases related to domestic and international projects of KBL, patents of KBL, property documents of KBL and for KBL's overseas business; more so since KBL is the only Multi National Corporation in the Kirloskar group, with manufacturing subsidiaries in 4 different continents. This amount therefore includes legal expenses relating to several disputes and matters unconnected with the litigations presently ongoing with the requisitionists as described above.
- (ii) As far as the litigations presently ongoing with the requisitionists are concerned, the same relate not to proceedings initiated by KBL against the requisitionists but also include proceedings initiated by the requisitionists against KBL and which KBL





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is therefore defending. As regards litigation costs in relation to these proceedings the same works out to an average of approximately Rs. 4 crores per year over the past seven years.

42. Even after disputes arose between KBL and KIL in 2016, KIL, ACK and RCK had not expressed any concerns as regards the accounts (which includes legal and consultancy charges) in KBL's Annual Report, Auditor's Report or the Board's Report nor did they raise any queries in relation thereto, at any of KBL's Annual General Meetings.
43. Furthermore, none of KIL, ACK and RCK have voted against any of the resolutions for adoption of the Audited Balance Sheet and the Profit and Loss Statements of KBL till date, at any of the Annual General Meetings of KBL.
44. In fact, at KBL's recently concluded Annual General Meeting in August 2022, each of KIL, ACK and RCK have voted in favour of adopting the accounts of KBL (which includes legal and consultancy charges).
45. The only two communications addressed by KIL to KBL after voting in favour of the accounts for the year ended March 31st 2016, dated 19th October, 2016 (to which KBL responded by its letter dated 14th November, 2016) and 1st December, 2016 (to which KBL responded by its letter dated 22nd December, 2016), were in relation to "internal financial controls", but no mention was made nor was any objection raised as regards legal expenses incurred by KBL. The objections / allegations as regards legal expenses have now belatedly been raised, only in October, 2022 by KIL, ACK and RCK, despite all of them having voted in favor of approving the accounts even as recently as August, 2022, at the recently concluded Annual General Meeting of KBL.

F. Observations

46. From the above, it is evident that KBL has been compelled to institute and/or defend the aforesaid litigations, to protect its legal rights and interests. KBL has a robust system in place to consider when litigations are to be initiated and pursued, and/or defended, so as to protect such legal rights and interests of KBL. This includes obtaining requisite oral and written opinions and advice, from Retired Judges of the Hon'ble Supreme Court, or of the Hon'ble Bombay High Court and/or of Learned Senior Counsel, and which have been given due consideration by KBL's Board of Directors at their meetings and deliberations.
47. Several of the aforesaid proceedings are pending and are sub-judice. If KBL had failed to adopt these proceedings and/or defend proceedings instituted against it,





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then KBL and its Board would have failed in protecting the interest of its public shareholders. Failing to fully prosecute these litigations will also be detrimental to the interest of KBL and its public shareholders, as companies under the ownership, management and control of ACK and RCK would be able to continue to carry on and engage in businesses competing with the business of KBL; contrary to and in breach of the DFS.

48. In this view of the matter, given the fact the proceedings (i) pertaining to the DFS; and (ii) arising out of the SEBI Order dated 20th October, 2020, are entirely for the benefit of KBL and in order to protect the interest, *inter alia*, of KBL and its public shareholders, the requisitionists are not justified in questioning the independence of the Independent Directors or the decisions of the Board of Directors to initiate these proceedings.

49. This Requisition is nothing but an attempt to pave the way for ACK and RCK through KOEL and its subsidiaries/ associate companies to continue to breach the DFS, by carrying on and engaging in businesses competing with the business of KBL. The Board of Directors is therefore of the opinion that the attempt by KIL, ACK and RCK (the requisitionists) in issuing the present Requisitions is to stifle proceedings which are *sub judice* and/or pre-empt these proceedings from reaching their logical conclusion.

50. The issues raised questioning the independence of the Independent Directors or seeking any verification of their participation and role does not arise and no forensic audit for this purpose is required. Similarly, the legal expenses of Rs. 70 crore incurred over the past 7 years are for *bona fide* legal matters including litigations initiated by KBL or towards defending litigations against KBL (and all of such legal expenses do not relate to the litigations presently ongoing with the requisitionists as described above).

51. It is particularly relevant to note that the resolutions proposed in the Amended Requisition dated 14th November, 2022 contains blanks with regard to material particulars, namely the name of the Auditor to be appointed, and the fee to be paid to the auditor and hence, such resolutions as proposed are incomplete.

52. Furthermore, the requisitionists, by calling for the present meeting have created unnecessary and unjustified expenses.





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53. None of the Directors, Key Managerial Personnel of KBL and/or their relatives are deemed to be concerned or interested, directly or indirectly, financially or otherwise, in the proposed resolution except Mr. Sanjay C. Kirloskar, Ms. Rama S. Kirloskar and Mr. Alok S. Kirloskar (who had recused themselves during the discussion and did not vote on resolutions on this matter at the board meeting held on 10th November, 2022 and also did not consider or vote on the circular resolutions passed by the Board of Directors of KBL on 16th November, 2022).

54. In view of what is stated in this Statement of Material Facts, the Board does not recommend the resolutions proposed to be passed at KBL's EGM on 8th December, 2022.

By order of the Board of Directors
For KIRLOSKAR BROTHERS LIMITED

Devang Trivedi

Company Secretary

ICSI Membership No. – A13339

Pune: November 16, 2022



Devang Trivedi

Subject: FW: Special Notice and requisition under Section 100(2) of the Companies Act, 2013 and Rules thereunder
Attachments: Requisition letter - 21.10.2022.pdf

From: **Ashwini Mali (KIL)** <ashwini.mali@kirloskar.com>
Date: Tue, Oct 25, 2022 at 1:36 PM
Subject: Special Notice and requisition under Section 100(2) of the Companies Act, 2013 and Rules thereunder
To: secretarial <secretarial@kbl.co.in>

The Board of Directors,

Kirloskar Brothers Limited

Dear Sirs / Madam,

Please see attached, a scanned copy of the Special Notice and Requisition under Section 100(2)(a) and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder, for convening an Extraordinary General Meeting of the shareholders of Kirloskar Brothers Limited ("**Notice**"), the contents of which are self-explanatory.

The original Notice has been separately dispatched to the offices of Kirloskar Brothers Limited through RPAD.

Thanking you.

Best regards,

Ashwini Mali
Company Secretary
Phone: +91 20 2970 4374
Mobile: +91 88 8886 6122

Address: 801, 8th Floor, Cello Platina, F.C. Road, Pune 411005
Website: www.kirloskarindustries.com

21 October 2022

The Board of Directors
Kirloskar Brothers Limited
Yamuna, Survey No. 98 / 3 to 7,
Plot No. 3, Baner,
Pune – 411045, Maharashtra, India.

Subject: Special Notice and Requisition under Section 100(2)(a) and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder for convening an Extraordinary General Meeting of the shareholders of Kirloskar Brothers Limited.

Dear All,

1. Kirloskar Industries Limited ("KIL") is a shareholder of Kirloskar Brothers Limited ("KBL") and holds, as on the date of this letter 1,89,88,038 equity shares of KBL representing 23.91% of the paid-up equity share capital of KBL.
2. KBL has over the past several years been initiating and participating in several litigations against various Kirloskar companies including KIL as well as the promoter family members with whom Mr. Sanjay Kirloskar, Chairman and Managing Director of KBL has been in disputes with, over certain family matters.
 - 2.1. In light of the same, KIL had in the past sought explanations from KBL in relation to the overall functioning of KBL and had even approached the independent directors of KBL requesting a meeting. However, KIL has not received any satisfactory explanation or justification from KBL or its Board of Directors on the queries raised nor did the independent directors of KBL agree for a meeting with the directors of KIL. It appears that the funds and resources of KBL are being misused by Mr. Sanjay Kirloskar, Chairman and Managing Director of KBL and his family for personal disputes. On account of such actions, KIL along with Mr. Atul Kirloskar and Mr. Rahul Kirloskar have filed a Company Petition No. 193 of 2017 under Section 241 and Section 242 read with Section 244 of the Companies Act, 2013, against KBL, Mr. Sanjay Kirloskar and his family members, and the then independent directors of KBL before the Hon'ble National Company Law Tribunal, Mumbai ("NCLT") seeking certain reliefs in relation to the acts of oppression and mismanagement in the affairs of KBL. KIL has also filed a complaint dated May 12, 2020, with the Registrar of Companies against KBL in respect of contravention of the provisions of the Companies Act, 2013 in respect of appointment of Mr. Kishor Chaukar as an independent director of KBL.

- 2.2. In fact, as KBL is aware, in recent proceedings before the Hon'ble Securities Appellate Tribunal ("SAT"), the SAT has dismissed the Appeal filed by KBL *inter alia* seeking enhancement of quantum of penalty and disgorgement amounts against certain promoters of KIL (also being the family members of Mr. Sanjay Kirloskar). These promoters were charged with the allegations of insider trading and fraudulent trade practices in respect of a transaction undertaken by them as an *inter se* transfer of shares of KBL to KIL amongst promoters in 2010 ("2010 Transaction") under the Order dated October 20, 2020 passed by SEBI. This order has now been set aside by the SAT pursuant to an appeal filed by the parties to the 2010 Transaction. The SAT in its Order passed on October 12, 2022 has specifically noted that the SEBI investigations were initiated on the basis of complaints filed by KBL and KBL had filed the appeal not being satisfied with the quantum of the penalty levied by SEBI. The SAT has dismissed KBL's Appeal on the ground that KBL is not an aggrieved person by the decision of SEBI, thereby implying that KBL had no locus to file the Appeal or the complaint in the first place. KIL was also a party in a tagged matter in the said proceedings. Under the said SAT Order, it has been *inter alia* noted that "5. Appeal no. 44 of 2021 is filed by Kirloskar Brothers Ltd. (hereinafter referred to as 'KBL') - the complainant - **who claims that on the basis of it's complaint the impugned order is passed, but not to its satisfaction. Therefore, this original complainant has filed the present appeal praying for an increase in the penalty as well as disgorgement amount.**" (emphasis supplied). It is noteworthy that SAT has observed that the investigations conducted by SEBI in respect of the 2010 Transaction were only initiated at the insistence and on the complaints filed by KBL. However, KBL chose neither to take similar actions against Mr. Sanjay Kirloskar and his wife Mrs. Pratima Kirloskar even though similar trades had been undertaken by them in the scrip of KBL a few days after trades were undertaken by the other promoters under the 2010 Transaction, nor has KBL sought enhancement of the penalty under a similar order passed by SEBI against Mr. Sanjay Kirloskar and his wife Mrs. Pratima Kirloskar. Further, the Hon'ble SAT while dismissing the Appeal filed by KBL has *inter alia* held that "67. ... In our view, the complainant cannot be said to be aggrieved by the decision of SEBI and, therefore, also the appeal is not maintainable." Therefore, KBL had no locus to file the complaint before SEBI, let alone seek any enhancement of the penalties levied by SEBI before the SAT. This only confirms KIL's apprehension that KBL, at the behest of Mr. Sanjay Kirloskar, its Chairman and Managing Director, is mis-utilizing its funds to litigate over disputes that do not even concern KBL.
- 2.3. Pursuant to the passing of the SAT Order dated October 12, 2022, various statements have been released in news articles by KBL whereby KBL has confirmed to expending approximately Rs. 274 Crores for legal, professional fees and consultancy charges, out of which, as per KBL, legal expenses over the last 7 (seven) years incurred by KBL go up to at least Rs. 70 crores. KBL in its statement has *inter alia* stated as follows "We wish to clarify that the legal fees over the last seven years is a total of approximately Rs. 70 crore. These expenses are towards tax matters, labour matters, arbitration pertaining to project business, cases related to domestic and international projects, patents,

property documents and for overseas business as KBL is the only multinational in the group with manufacturing subsidiaries in four continents...They have wrongly assumed that all these expenses are legal expenses. A major portion of the said Rs 274 crore is professional fees paid to various Indian and overseas reputed consultants to improve the Company's business. ... For a Company with a consolidated turnover of over 2,500 crore per annum, legal expenses of Rs 70 crore over last seven years is logical and does not support any allegation made."

2.4. Upon seeking details from the other group companies and promoters in relation to the legal proceedings initiated by KBL against them, we are given to understand that KBL has initiated the following proceedings, relevant to the subject matter hereof:

2.4.1. **Special Leave Petitions filed by Mr. Sanjay Kirloskar and Kirloskar Brothers Limited**, before the Hon'ble Supreme Court of India:

Mr. Sanjay Kirloskar and KBL have jointly filed the Special Civil Suit No. 798 of 2018 (the "Suit") before the Hon'ble Civil Judge, Senior Division, Pune against family members of Mr. Sanjay Kirloskar and various entities belonging to the Kirloskar Group (totaling to 26 Defendants) sometime in 2018, *inter alia*, seeking specific performance of the Deed of Family Settlement dated September 11, 2009 ("DFS") entered into amongst certain members of the Kirloskar family in their individual capacities. Consequent thereto, some of the individual family members including Mr. Atul Kirloskar and Mr. Rahul Kirloskar who are the defendants, filed applications under Section 8 of the Arbitration and Conciliation Act, 1996 seeking reference of the Suit to arbitration which applications were dismissed by a common order dated December 7, 2020, by the Hon'ble Civil Judge, Senior Division, Pune ("Section 8 Order"). The Section 8 Order was challenged by them before the Hon'ble Bombay High Court in Arbitration Appeal (ST) No. 1661 of 2021 (the "Arbitration Appeal") seeking that the Suit be referred to arbitration. By an order dated May 3, 2021 ("HC Order"), the Hon'ble High Court allowed the Arbitration Appeal setting aside the dismissal and the disputes in the Suit have been referred to arbitration. However, since the Hon'ble High Court exceeded its jurisdiction under Section 8 of the Arbitration Act, Kirloskar Oil Engines Limited, La Gajjar Machineries Private Limited and Kirloskar Proprietary Limited have jointly filed a Special Leave Petition (Special Leave Petition (Civil) No. 13070 of 2021) before the Hon'ble Supreme Court of India against these adverse findings in the HC Order. Additionally, two separate Special Leave Petitions being Special Leave Petition (Civil) Nos. 8221 of 2021 and 8020 of 2021 before the Hon'ble Supreme Court of India challenging the HC Order have also been filed by Mr. Sanjay Kirloskar and by KBL, respectively challenging the referral of the Suit to arbitration. All the three Special Leave Petitions have been tagged together. KIL is given to understand that the mediation attempted under the direction of the Hon'ble Supreme Court of India has failed. The proceedings before the Supreme Court are pending and till

date no order whatsoever has been passed by any court on any aspect of the merits of the case and no injunctive reliefs have been granted.

2.4.2. Appeal No. 311 of 2021 - *Kirloskar Brothers Limited v. SEBI & Anr.* before the Hon'ble Securities Appellate Tribunal

Pursuant to the Order dated May 13, 2022, passed by the Hon'ble SAT ("**SAT Order**") in an appeal filed by KBL against SEBI's communication / decision dated February 17, 2021 ("**SEBI Decision**"), whereby SEBI held that the Deed of Family Settlement ("**DFS**") came into existence on September 11, 2009 and the requirement under Regulation 30 of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 ("**SEBI LODR**") came into existence in 2015, prospectively. SEBI has also clarified that the DFS was a private agreement, entered into by the Kirloskar Family members in their individual capacity. The Hon'ble SAT has upheld SEBI's decision/communication dated February 17, 2021. We understand that KBL has filed an Appeal against the said SAT Order dated May 13, 2022 before the Hon'ble Supreme Court of India, however the said appeal remains pending, and no interim or final reliefs have been granted by the Hon'ble Supreme Court of India in favour of KBL in the matter.

2.4.3. Company Petition No. 252 of 2021 – *Kirloskar Brothers Limited vs. Atul Kirloskar and Ors.* before the NCLT, Mumbai Bench.

Company Petition has been filed by KBL along with an application for Interim and Ad-Interim Reliefs (C.A. No. 254 of 2021) before the NCLT against the Company, Mr. Atul Kirloskar and others, seeking certain reliefs as more particularly mentioned in the said petition and application, in relation to 1,07,18,400 shares of KBL held by KIL.

From the aforesaid, we *inter alia* observe the following:

Date	Document	Particulars/Quoted extracts
April 18, 2016	Minutes of the Board meeting of KBL held on April 18, 2016. Annexure 1 hereto.	<ul style="list-style-type: none"> It was informed to the Board that the Company has received a letter from its member and shareholder – Mr. Sanjay Kirloskar, drawing the attention of the Company on restrictions on transferability (acquisition or sale, etc.) of Company's shares, which were agreed upon by him, Mr. Atul Kirloskar, Mr.

		<p>Rahul Kirloskar, Mr. Gautam Kulkarni, members of each of their respective nuclear family and entities under the control of each of them, either jointly or severally, through a Deed of Family Settlement (DFS) dated September 11, 2009.</p> <ul style="list-style-type: none"> • Letter of Mr. Sanjay Kirloskar along with its exhibits was placed in the board meeting for inspection. • Board noted that the said DFS which was shared with the Board for the first time, inter-alia deals with the ownership, control and management by the said promoter/ promoter group and consequent transfer of or dealing with the securities of the companies mentioned therein. • The Board resolved that in consideration of the DFS between Mr. Sanjay C. Kirloskar, Mr. Atul Kirloskar, Mr. Rahul Kirloskar, Mr. Gautam Kulkarni, members of each of their respective nuclear family and entities under the control of each of them, either jointly or severally which was shared with the Board for the first time, any proposal is placed before the Board anytime for or in respect of acquisition, transfer or disposal of securities of the company in any manner whatsoever emanated from any party to the said DFS or an entity under their control or management, the Board shall recognize the terms of the said DFS in
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		<p>letter and spirit of the said arrangement read with the proviso of Sec. 58(2) of the Companies Act 2013 would enforce the said terms in exercise of the power vested in it while granting or refusing consent to any such proposal.</p>
April 19, 2016	<p>Disclosure made by KBL under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the stock exchanges.</p> <p>Annexure 2 hereto.</p>	<ul style="list-style-type: none"> • The Board of Directors at their meeting held on April 18, 2016, have taken on record "Deed of Family Settlement" dated September 11, 2009, entered into between the promoter group shareholders of the Company and each of their family members. • The said arrangement, inter alia, deals with the ownership, control and management by the said promoter / promoter group members of the Kirloskar Group of Companies and consequent transfer of or dealing with the securities of the companies mentioned therein. The arrangement provides for restriction on competition between the parties to the said deed. The Board decided to recognize the contents of the said Deed under the provisions of Section 58(2) of the Companies Act, 2013 to take into account the said terms in exercise of the powers vested in the Board while granting or refusing consent to any such proposal for acquisition, transfer or disposal of the securities of the Company by the said Promoters (which includes their respective family members and also companies under the control of each of them; jointly or severally with others).

2018	<p>Suit No. 798 of 2018 filed by KBL and Mr. Sanjay Kirloskar before the Civil Judge, Senior Division, Pune.</p> <p>Annexure 3 hereto.</p>	<ul style="list-style-type: none"> Although the defendant Nos. 1, 3 and late Gautam Kulkarni till his demise (who were in control of the affairs of the defendant No. 21 herein) and their respective branches have taken full advantage under the Deed of Family Settlement and are well aware that they and the defendant No. 21 is bound by the same, the defendants on the board of directors of defendant no. 21 company have deliberately failed to take the said Deed of Family Settlement on the record to avoid facing any query or opposition from other independent directors while acting in derogation thereof. As against this, the plaintiff No. 2 has taken the Deed of Family Settlement on record which the plaintiff No. 1 is a signatory.
July 13, 2018	<p>Joint Affidavit in Reply filed by Mr. Sanjay Kirloskar and KBL in Company Petition No. 193 of 2017 before the Hon'ble National Company Law Tribunal, Mumbai filed by KIL and others.</p> <p>Annexure 4 hereto.</p>	<ul style="list-style-type: none"> In this context, it is pertinent to note that KBL has, at its Board Meeting held on 18th April 2016, pursuant to the proviso to Section 58(2) of the 2013 Act, taken the DFS on record. KBL's board has also resolved that with respect to any proposal placed before it for or in respect of the acquisition and transfer or disposal of KBL's shares and securities, by either of the parties to the DFS and their families (other than me and my family), KBL's board shall recognize the terms of the DFS in letter and spirit read with the proviso to Section 58(2) of the 2013 Act, and accordingly, ensure that the DFS is implemented and abided by. By virtue of this resolution, KBL has bound itself to the provisions of the DFS.

2018	<p>Suit No. 798 of 2018 filed by KBL and Mr. Sanjay Kirloskar before the Civil Judge, Senior Division, Pune.</p> <p>Annexure 3 hereto.</p>	<ul style="list-style-type: none"> Although the defendant Nos. 1, 3 and late Gautam Kulkarni till his demise (who were in control of the affairs of the defendant No. 21 herein) and their respective branches have taken full advantage under the Deed of Family Settlement and are well aware that they and the defendant No. 21 is bound by the same, the defendants on the board of directors of defendant no. 21 company have deliberately failed to take the said Deed of Family Settlement on the record to avoid facing any query or opposition from other independent directors while acting in derogation thereof. As against this, the plaintiff No. 2 has taken the Deed of Family Settlement on record which the plaintiff No. 1 is a signatory.
July 13, 2018	<p>Joint Affidavit in Reply filed by Mr. Sanjay Kirloskar and KBL in Company Petition No. 193 of 2017 before the Hon'ble National Company Law Tribunal, Mumbai filed by KIL and others.</p> <p>Annexure 4 hereto.</p>	<ul style="list-style-type: none"> In this context, it is pertinent to note that KBL has, at its Board Meeting held on 18th April 2016, pursuant to the proviso to Section 58(2) of the 2013 Act, taken the DFS on record. KBL's board has also resolved that with respect to any proposal placed before it for or in respect of the acquisition and transfer or disposal of KBL's shares and securities, by either of the parties to the DFS and their families (other than me and my family), KBL's board shall recognize the terms of the DFS in letter and spirit read with the proviso to Section 58(2) of the 2013 Act, and accordingly, ensure that the DFS is implemented and abided by. By virtue of this resolution, KBL has bound itself to the provisions of the DFS.

December 21, 2020	<p>Minutes of the Board meeting of KBL held on December 21, 2020.</p> <p>Annexure 5 hereto.</p>	<ul style="list-style-type: none"> Under the Board resolution passed on December 21, 2020 the Board has approved undertaking actions in relation to legal matters/proceedings regarding or relating to the Company, which are pending and/or maybe instituted by the Company and/or maybe defended by the Company, with respect to the matters arising out of the DFS amongst the promoters relating to the ownership, management and control by few of them and ownership of intellectual property rights as the case maybe.
November 29, 2021	<p>Further Additional Affidavit filed by KBL in Special Leave Petition No. 8020 of 2021 before the Hon'ble Supreme Court of India.</p> <p>Annexure 6 hereto.</p>	<ul style="list-style-type: none"> I respectfully submit that Respondent No. 27 herein in his Affidavit dated 18.11.2021 filed in this Hon'ble Court on behalf of the said Respondent and his nuclear family, has already confirmed that: – I and my nuclear family hereby confirm that we will ensure that all companies/entities under our management/control (including Respondent No. 24 which has already taken on record and disclosed the DFS) will unconditionally submit to mediation and this Hon'ble Court should be in the interest of justice direct all the other signatories to the DFS that the they should ensure that all entities / companies under their respective management / control should also unconditionally submit themselves to mediation.

- 2.5. From the aforesaid events and circumstances, certain serious and important questions arise in relation to (a)-the conduct of affairs of the KBL Board especially of the independence of the independent directors; (b) the decision-making process pertaining to initiation of legal proceedings

by KBL; and (c) expending huge legal expenses towards initiating such legal proceedings. It appears that Mr. Sanjay Kirloskar has by making oral claims and statements, perhaps caused the KBL Board including independent directors to pass resolutions to take the DFS on record and thereafter authorize KBL to spend money to initiate legal proceedings in relation to the DFS. However, we observe that even though KBL authorized taking all actions pertaining to matters arising out of the DFS only in 2020, KBL has been initiating various legal cases and incurring expenses pertaining to the same as far back as from 2018.

- 2.6. In the circumstances, it has become imperative that an external forensic audit be conducted in the affairs of the Board of KBL. The forensic audit is required to extend to verification of the participation and role of the independent directors of KBL in respect of each of the questions raised above. Further, it is imperative that the forensic audit verifies and investigates the huge legal expenses to the tune of INR 70 crores admittedly incurred by KBL, since the commencement of the disputes between Mr. Sanjay Kirloskar and others and the benefits thereof to KBL and its shareholders.
- 2.7. KIL being the largest shareholder of KBL requests the Board of KBL to consider requisitioning of a shareholders' meeting of KBL for appointment of an external independent auditor to conduct a forensic audit in respect of the matters and questions set out above. The scope of the audit should extend to seeking explanations from each member of the Board of Directors of KBL especially the independent directors in relation to the aforesaid matters.
- 2.8. KIL has also received a confirmation from Mr. Atul Kirloskar and Mr. Rahul Kirloskar (shareholders of KIL), who have filed a petition along with KIL before the NCLT being Company Petition No. 193 of 2017 in relation to acts of oppression and mismanagement in the affairs of KBL, in relation to requisitioning the said extraordinary general meeting ("EGM") along with KIL.

In the circumstances, pursuant to Section 100(2)(a) and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder ("**Companies Act**"), we submit this requisition and hereby call upon you to forthwith convene an EGM of the shareholders of KBL in the manner prescribed under the Companies Act and other applicable laws, to consider and if approved pass the following resolutions:

Special Business

Item No. 1.

1. To appoint an independent and reputed entity as a forensic auditor and to direct a forensic audit to be conducted by such independent reputed external entity for investigation and verification of all records, books of accounts, minutes books, other documents of KBL and conduct of the Board of Directors of KBL including independent directors, based on the aforesaid matters and to answer the following questions:
 - 1.1. Has the KBL Board especially the independent directors of KBL verified the claims made by Mr. Sanjay Kirloskar in relation to the DFS, in order to ensure that they have not been misled by the claims made by Mr. Sanjay Kirloskar? Has the KBL Board including independent directors sought any independent legal advice pertaining to the same especially in view of the pending personal disputes amongst the promoter family?
 - 1.2. While Mr. Sanjay Kirloskar has been repeatedly claiming that KBL has taken the DFS on record, what steps have been taken by KBL to actually bind KBL with the DFS, in accordance with the provisions of applicable law?
 - 1.3. Have the independent directors acted and approved filing of cases by KBL solely on the basis of claims made by Mr. Sanjay Kirloskar without actually verifying the locus or the benefit to KBL for initiating these cases? Have the independent directors analyzed the locus, benefits or reasons for initiation of cases by KBL? If yes, whether the same has been recorded in the minutes of KBL Board meetings?
 - 1.4. KBL and Mr. Sanjay Kirloskar have filed various pleadings / affidavits before different fora wherein they have claimed that KBL has suffered losses of dramatically different but large amounts, all arising out of the same cause of action, arising out of an alleged breach of the DFS. Have the independent directors verified the veracity of such claims?
 - 1.5. KBL has sworn on Affidavit that KBL is suffering a loss of INR 1 crore per day due to the alleged breach of the DFS. It appears that KBL may have been making such large profits prior to the occurrence of such alleged breaches and only then it could have claimed to suffer the loss as a consequence of the alleged breach. However, the audited financial statements of KBL do not even appear to reflect such high profits of KBL. Has this claim of KBL been verified by the independent directors of KBL prior to the statement being made on oath?

The pleadings / affidavits filed by KBL and Mr. Sanjay Kirloskar are attached hereto as **Annexure 3 and Annexures 7 to 9** hereto.

- 1.6. Is there a status report in relation to the cases setting out the expenses, merits, benefits to KBL, legal strategy, prepared by the management and circulated to the independent directors for their approval and appraisal?
- 1.7. Are the independent directors aware of KBL funding cases/litigations by third parties? If so, KBL should provide the details.
- 1.8. As per the recent news publications quoted above, KBL has admittedly spent an amount of INR 70 Crores towards tax matters, labour matters, arbitration pertaining to project business, cases related to domestic and international projects, patents, property documents and for overseas business. However, none of the abovementioned matters appear or have been referred to in the said expenses. Therefore, how much money out of the said INR 70 crores has been expended towards such cases?

In the circumstances, the shareholders are called upon to pass the following resolution as an **Ordinary Resolution**, with or without modification:

“RESOLVED THAT an independent and reputed external entity be appointed as a forensic auditor to conduct a forensic audit in the affairs of KBL for investigation and verification of all records, books of accounts, minutes books, other documents of KBL and conduct of the Board of Directors of KBL including independent directors, based on the following matters and questions raised:

- 1.1. *Has the KBL Board especially the independent directors of KBL verified the claims made by Mr. Sanjay Kirloskar in relation to the DFS, in order to ensure that they have not been misled by the claims made by Mr. Sanjay Kirloskar? Has the KBL Board including independent directors sought any independent legal advice pertaining to the same especially in view of the pending personal disputes amongst the promoter family?*
- 1.2. *While Mr. Sanjay Kirloskar has been repeatedly claiming that KBL has taken the DFS on record, what steps have been taken by KBL to actually bind KBL with the DFS, in accordance with the provisions of applicable law?*

- 1.3. *Have the independent directors acted and approved filing of cases by KBL solely on the basis of claims made by Mr. Sanjay Kirloskar without actually verifying the locus or the benefit to KBL for initiating these cases? Have the independent directors analyzed the locus, benefits or reasons for initiation of cases by KBL? If yes, whether the same has been recorded in the minutes of KBL Board meetings?*
- 1.4. *KBL and Mr. Sanjay Kirloskar have filed various pleadings / affidavits before different fora wherein they have claimed that KBL has suffered losses of dramatically different but large amounts, all arising out of the same cause of action, arising out of an alleged breach of the DFS. Have the independent directors verified the veracity of such claims?*
- 1.5. *KBL has sworn on Affidavit that KBL is suffering a loss of INR 1 crore per day due to the alleged breach of the DFS. It appears that KBL may have been making such large profits prior to the occurrence of such alleged breaches and only then it could have claimed to suffer the loss as a consequence of the alleged breach. However, the audited financial statements of KBL do not even appear to reflect such high profits of KBL. Has this claim of KBL been verified by the independent directors of KBL prior to the statement being made on oath?*

*The pleadings / affidavits filed by KBL and Mr. Sanjay Kirloskar are attached hereto as **Annexure 3 and Annexures 7 to 9** hereto.*

- 1.6. *Is there a status report in relation to the cases setting out the expenses, merits, benefits to KBL, legal strategy, prepared by the management and circulated to the independent directors for their approval and appraisal?*
- 1.7. *Are the independent directors aware of KBL funding cases/litigations by third parties? If so, KBL should provide the details.*
- 1.8. *As per the recent news publications quoted above, KBL has admittedly spent an amount of INR 70 Crores towards tax matters, labour matters, arbitration pertaining to project business, cases related to domestic and international projects, patents, property documents and for overseas business. However, none of the abovementioned matters appear or have been referred to in the said expenses. Therefore, how much money out of the said INR 70 crores has been expended towards such cases?*

RESOLVED FURTHER THAT the forensic auditor be directed to seek appropriate explanations from the Board of Directors of Kirloskar Brothers Limited on the abovementioned questions and forensically verify the explanations so provided.

RESOLVED FURTHER THAT the forensic auditor be directed to submit its report in writing directly to the shareholders of KBL while ensuring that the same is not tampered with, within a period of 60 days from the date of the EGM.

RESOLVED FURTHER THAT appropriate remuneration be finalized and be paid to the forensic auditor in line with market practices for the conduct of the forensic audit.

RESOLVED FURTHER THAT the Board of Directors of Kirloskar Brothers Limited shall ensure that necessary information, resources and documentation are made available to the forensic auditor so appointed to ensure timely completion of the audit and the issuance of the forensic audit report.

RESOLVED FURTHER THAT the Board of Directors of KBL be and is hereby directed to take all actions and steps as required under the provisions of the Companies Act, 2013 and the rules framed thereunder and any other applicable provisions of law, to give effect to the aforesaid resolution including but not limited to making appropriate filings with the Registrar of Companies and disclosures with the stock exchanges under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any of the directors of KBL are hereby severally authorized to do all acts, deeds and things to give effect to the resolution set out above."

- 3.1. Being a public listed company, the investment of KIL into KBL also affects the public shareholders of KIL who indirectly benefit or lose from such investments. Therefore, there is need for KIL to monitor such investment and prevent abuse by KBL of its resources and shareholders money.

- 3.2. In view of the facts and circumstances set out above, KIL along with Mr. Atul Kirloskar and Mr. Rahul Kirloskar, has requisitioned the subject EGM of the shareholders' of KBL under Section 100(2)(a) of the Companies Act. A copy of KIL's email dated October 21, 2022 to Mr. Atul Kirloskar and Mr. Rahul Kirloskar and a copy of the confirmation received from them is annexed to this notice as **Annexure A**.

Yours faithfully

For and on behalf of Kirloskar Industries Limited




Mahesh Chhabria

Managing Director

Encl.: As above

CC:

Mr. Devang Trivedi, Company Secretary

Kirloskar Brothers Limited

Yamuna, Survey No. 98 / 3 to 7,

Plot No. 3, Baner,

Pune – 411045, Maharashtra, India.

Forwarded message

From: **Mahesh Chhabria (KIL)** <mahesh.chhabria@kirloskar.com>

Date: Fri, Oct 21, 2022 at 3:50 PM

Subject: Requisitioning of EGM Of the shareholders of KBL by KIL

To: Atul Kirloskar <atul.kirloskar@kirloskar.com>, Rahul Kirloskar <Rahul.Kirloskar@kirloskar.com>

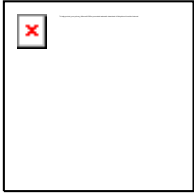
Dear Atul and Rahul,

Kirloskar Industries Limited ("KIL"), in its Board meeting held on October 22, 2022, has decided to exercise its power under Section 100(2)(a) of the Companies Act, 2013 and other applicable laws, to requisition convening of an Extra Ordinary General Meeting ("EGM") of the shareholders of Kirloskar Brothers Limited ("KBL") for the reasons and concerns in the affairs of KBL as set out in the said KIL Board resolution and EGM requisition notice approved thereat. Please see attached a copy of the agenda placed before the Board of KIL which was approved unanimously along with the draft of the EGM requisition notice as approved by the KIL Board, for your reference. Since you both have filed a petition along with KIL against KBL before the Hon'ble National Company Law Tribunal, being Company

Petition No. 193 of 2017 alleging acts of oppression and mismanagement in the affairs of KBL, the Board of KIL has directed seeking a confirmation from you both in relation to requisitioning the said EGM along with KIL.

We await your early response.

Regards

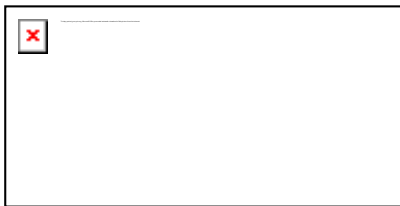


Mahesh Chhabria

Managing Director

Phone: +91 (0)22 6666 1890 / 66661891

Mobile: +91 9867592190



Address: C-1, 1st floor, Wadia International Center
Pandurang Budhkar Marg,
Near Deepak Cinema,
Worli, Mumbai 400025 (India)
Website: www.kil.net.in

From: Atul Kirloskar <atul.kirloskar@kirloskar.com>

Date: Fri, Oct 21, 2022 at 3:58 PM

Subject: Re: Requisitioning of EGM Of the shareholders of KBL by KIL

To: Mahesh Chhabria (KIL) <mahesh.chhabria@kirloskar.com>

Cc: Rahul Kirloskar <Rahul.Kirloskar@kirloskar.com>

Dear Mahesh,

I have perused a copy of the resolution dated October 22, 2022 passed by the KIL Board at its meeting held on October 22, 2022, in relation to approving requisitioning of an extra-ordinary general meeting ("EGM") of Kirloskar Brothers Limited and the EGM requisition notice attached thereto. I consent to being a fellow requisitioner on the matter along with KIL.

Regards

Atul Kirloskar



Phone: +91 020 67060372

www.kirloskarlimitless.com

9th Floor, Cello Platina, FC Road
Pune 411005

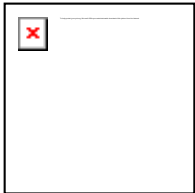
On Fri, Oct 21, 2022 at 3:55 PM Mahesh Chhabria (KIL) <mahesh.chhabria@kirloskar.com> wrote:

Dear Atul and Rahul,

Kirloskar Industries Limited ("KIL"), in its Board meeting held on October 22, 2022, has decided to exercise its power under Section 100(2)(a) of the Companies Act, 2013 and other applicable laws, to requisition convening of an Extra Ordinary General Meeting ("EGM") of the shareholders of Kirloskar Brothers Limited ("KBL") for the reasons and concerns in the affairs of KBL as set out in the said KIL Board resolution and EGM requisition notice approved thereat. Please see attached a copy of the agenda placed before the Board of KIL which was approved unanimously along with the draft of the EGM requisition notice as approved by the KIL Board, for your reference. Since you both have filed a petition along with KIL against KBL before the Hon'ble National Company Law Tribunal, being Company Petition No. 193 of 2017 alleging acts of oppression and mismanagement in the affairs of KBL, the Board of KIL has directed seeking a confirmation from you both in relation to requisitioning the said EGM along with KIL.

We await your early response.

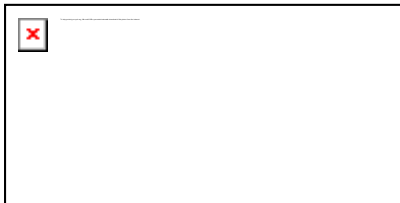
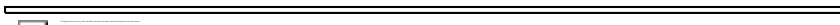
Regards



Mahesh Chhabria
Managing Director

Phone: +91 (0)22 6666 1890 / 66661891

Mobile: +91 9867592190



Address: C-1, 1st floor, Wadia International Center
Pandurang Budhkar Marg,
Near Deepak Cinema,
Worli, Mumbai 400025 (India)
Website: www.kil.net.in

From: **Rahul Kirloskar** <rahul.kirloskar@kirloskar.com>

Date: Fri, Oct 21, 2022 at 3:57 PM

Subject: Re: Requisitioning of EGM Of the shareholders of KBL by KIL

To: Mahesh Chhabria (KIL) <mahesh.chhabria@kirloskar.com>

Cc: Atul Kirloskar <atul.kirloskar@kirloskar.com>

Dear Mahesh,

I have perused a copy of the resolution dated October 22, 2022 passed by the KIL Board at its meeting held on October 22, 2022, in relation to approving requisitioning of an extra-ordinary general meeting ("EGM") of Kirloskar Brothers Limited and the EGM requisition notice attached thereto. I consent to being a fellow requisitioner on the matter along with KIL.

Regards,

Rahul

--

Rahul Kirloskar

Phone: +91 20 6706 0341



Address: 9th Floor, Cello Platina, F.C. Road, Pune 411005

Website: kirloskarlimitless.com



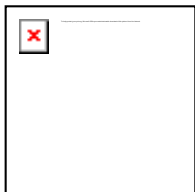
On Fri, Oct 21, 2022 at 3:55 PM Mahesh Chhabria (KIL) <maresh.chhabria@kirloskar.com> wrote:

Dear Atul and Rahul,

Kirloskar Industries Limited ("KIL"), in its Board meeting held on October 22, 2022, has decided to exercise its power under Section 100(2)(a) of the Companies Act, 2013 and other applicable laws, to requisition convening of an Extra Ordinary General Meeting ("EGM") of the shareholders of Kirloskar Brothers Limited ("KBL") for the reasons and concerns in the affairs of KBL as set out in the said KIL Board resolution and EGM requisition notice approved thereat. Please see attached a copy of the agenda placed before the Board of KIL which was approved unanimously along with the draft of the EGM requisition notice as approved by the KIL Board, for your reference. Since you both have filed a petition along with KIL against KBL before the Hon'ble National Company Law Tribunal, being Company Petition No. 193 of 2017 alleging acts of oppression and mismanagement in the affairs of KBL, the Board of KIL has directed seeking a confirmation from you both in relation to requisitioning the said EGM along with KIL.

We await your early response.

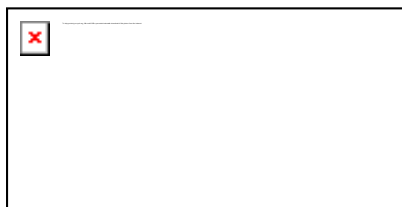
Regards



Mahesh Chhabria
Managing Director

Phone: +91 (0)22 6666 1890 / 66661891

Mobile: +91 9867592190



Address: C-1, 1st floor, Wadia International Center

Pandurang Budhkar Marg,

Near Deepak Cinema,

Worli, Mumbai 400025 (India)

Website: www.kil.net.in

EXHIBIT-D



Enriching Lives

KIRLOSKAR BROTHERS LIMITED

A Kirloskar Group Company

CERTIFIED TRUE COPY OF THE EXTRACT OF THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF KIRLOSKAR BROTHERS LIMITED HELD ON APRIL 18, 2018 AT 10, CORPORATE PARK, SWASTIK MILLS COMPOUND, SION-TROMBAY ROAD, CHEMBUR, MUMBAI 400 071

To note
restriction on
transfer of
shares.

It was informed to the Board that the Company has received a letter from its member and shareholder Mr. Sanjay Kirloskar, drawing the attention of the Company on restrictions on transferability (acquisition or sale, etc.) of Company's shares, which were agreed upon by him, Mr. Atul Kirloskar, Mr. Rahul Kirloskar, Mr. Gautam Kulkarni, members of each of their respective nuclear family and entities under the control of each of them, either jointly or severally, through a Deed of Family Settlement (DFS) dated September 11, 2009.

It was informed to the Board that SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was made effective from December 1, 2015, and in accordance with Regulation 30 read with Schedule III Part A of the said Regulation, agreements between shareholders which are not in the normal course of business, would be disclosed to the Stock Exchanges.

It was further informed to the Board that as per the proviso to section 58(2) of the Companies Act, 2013, which now statutorily permits the restrictions on transferability of shares in a public company in pursuance of a contract or arrangement between the two or more person.

Letter of Mr. Sanjay Kirloskar along with its exhibits was placed in the board meeting for inspection.

Board noted that the said DFS which was shared with the Board for the first time, inter-alia deals with the ownership, control and management by the said promoter / promoter group and consequent transfer of or dealing with the securities of the companies mentioned therein.

The matter was discussed by the Board and following resolution was passed unanimously by the disinterested Directors:

RESOLVED THAT in consideration of the Deed of Family Settlement (DFS) dated September 11, 2009, between Mr. Sanjay C. Kirloskar, Mr. Atul Kirloskar, Mr. Rahul Kirloskar, Mr. Gautam Kulkarni, members of each of their respective nuclear family and entities under the control of each of them, either jointly or severally which was shared with the Board for the first time, any proposal is placed before the Board anytime for or in respect of acquisition transfer or disposal of securities of the company in any manner whatsoever emanated from any party to the said DFS or



Registered Office: Vajrapur, Thane Road, Pune - 411 004, India. Tel: +91 20 2444 0710, Fax: +91 20 2444 0150
Corporate Office: "Vajrapur" Thane Road, Pune - 411 004, India. Tel: +91 20 2444 0710, Fax: +91 20 2444 0150
Email: info@kirloskar.com, website: www.kirloskar.com
CIN: L20112MH0000000000





Enriching Lives

KIRLOSKAR BROTHERS LIMITED
A Kirloskar Group Company

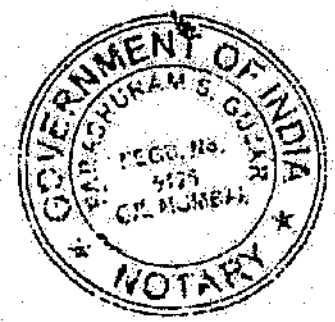
an entity under their control or management, the Board shall recognize the terms of the said NFS in letter and spirit of the said arrangement read with the proviso to Sec.58(2) of the Companies Act 2013 would enforce the said terms in exercise of the power vested in it while granting or refusing consent to any such proposal.

RESOLVED FURTHER THAT Mr. Sandeep Phadnis - Company Secretary, be and is hereby authorized to file necessary disclosures to the Stock Exchanges and / or depositories, if required and to undertake all necessary actions as may be required to give effect to this resolution.

For Kirloskar Brothers Limited

Sandeep Phadnis

Sandeep Phadnis
Company Secretary



Sandeep Phadnis



EXHIBIT-E



KIRLOSKAR BROTHERS LIMITED
A Kirloskar Group Company



Enriching Lives

SEC/F:17

April 19, 2016

(BSE Scrip Code - 500241)
Kind Attn: Mr. Sanjeev Kapoor
BSE Limited
Corporate Relationship Department,
2nd Floor, New Trading Ring,
Phiroza Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

(NSE Symbol - KIRLOSBROS)
Kind Attn: Mr. Hari K.
National Stock Exchange of India Ltd.,
5th Floor, Exchange Plaza,
Bandra (East)
Mumbai - 400 051

Dear Sir / Madam,

Sub.: Disclosure pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors at their meeting held on April 18, 2016, have taken on record "Deed of Family Settlement" dated September 11, 2009, entered into between the promoter group shareholders of the Company and each of their family members.

The said arrangement, inter-alia, deals with the ownership, control and management by the said promoter / promoter group members of the Kirloskar Group of Companies and consequent transfer of or dealing with the securities of the companies mentioned therein. The arrangement provides for restriction on competition between the parties to the said deed. The Board decided to recognize the contents of the said Deed under the provisions of Section 59(2) of the Companies Act, 2013, to take into account the said terms in exercise of the powers vested in the Board while granting or refusing consent to any such proposal for acquisition, transfer or disposal of the securities of the Company by the said Promoters (which includes their respective family members and also companies under the control of each of them; jointly or severally with others).

This is for your information and records.

Thanking you,

Yours sincerely
For Kirloskar Brothers Limited

Sandeep Phadnis
Sandeep Phadnis
Company Secretary



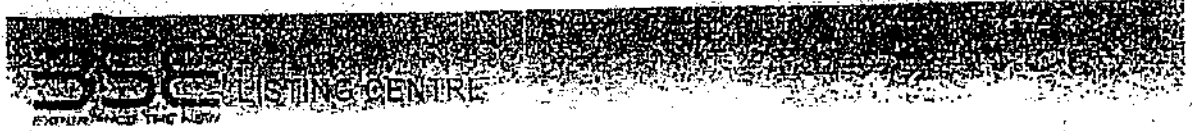
Registered Office: Udyog Bhawan, Tank Road, Pune - 411 002, India. Tel: +91 20 2444 0770, Fax: +91 20 2444 0156
Corporate Office: "YASHWANT" Survey No. 98/3 to 7, Baner, Pune - 411 015, India. Tel: +91 20 2221 2444 / 2221 4444 Fax: +91 20 6721 1000
E-mail: info@kirloskar.in Website: www.kirloskargroup.com
CIN No.: L29113PN1980PLC000010

H. K. i. f.



Acknowledge

Page 1 of 2



SEIS Code : 500241 Scrip Name : KIRLOSKAR BROTHERS LTD. ISIN : INE732A01038 Volume : 1664 | Logout
 Compliance Module | Listing Module | Change Password | Listing For Bids | Market Intelligence | Register Digital Signature | Circulars | Investor
 Complete | XBRL User Manual | Help Desk

You have successfully filed the documents for Outcome of Board Meeting - Reg. 30(2); 30(5); 55(1); 55(2) Others 2014 - , which are subject to verification by the Exchange.

Your Transaction Number for this submission is 19042016281774 Dated Apr 19, 2016

Please mention above Transaction Number for any future communication for this submission.

AO 2012 BSE. All rights reserved



<http://listing.bseindia.com/Acknowledge.aspx?id=7>

4/19/2016

mmmm



BEFORE THE HON'BLE CIVIL JUDGE SENIOR DIVISION PUNE
AT PUNE

Special Civil Suit No. 798 /2018

1. Sanjay Chandrakant Kirloskar
Age about 61 years, Occ: Business
Residing at Plot No. 22 and 23,
270, Pallod Farms, Baner,
Pune 411 045
 2. Kirloskar Brothers Limited
A Company incorporated and registered
under the provisions of the Indian
Companies Act, 1913 and having its
registered office At Udyog Bhavan,
Tilak Road, Pune 411 002
- ...Plaintiffs

Versus

1. Atul Chandrakant Kirloskar
Age about 62 years, Occ: Business
Residing at Radha, 453, Gokhale Road,
Shivajinagar, Pune 411 016
2. Vikram Shreekant Kirloskar
Age about 59 years, Occ: Business
Residing at Kirloskar Residence,
Kirloskar Business Park,
Bellary Road, Hebbal,
Bangaluru 560 024
3. Rahul Chandrakant Kirloskar
Age about 54 years, Occ: Business
Residing at Lakaki Compound,
Model Colony, Shivajinagar,
Pune 411 016
4. Arti Atul Kirloskar
Age about 57 years, Occ: Homemaker,
Residing at Radha, 453,
Gokhale Road, Shivajinagar,
Pune 411 016
5. Gauri Atul Kirloskar
Alias Gauri Kolenaty
Age about 34 years, Occ: Homemaker
Residing at Radha, 453,
Gokhale Road, Shivajinagar,
Pune 411 016
6. Aditi Atul Kirloskar
Alias Aditi Sahni
Age about 32 years, Occ: Homemaker

Residing at Radha, 453,
Gokhale Road, Shivajinagar,
Pune 411 016

7. Pratima Sanjay Kirloskar
Age about 56 years, Occ: Business
Residing at Plot No. 22 and 23,
270, Pallod Farms, Baner,
Pune 411 045
8. Alok Sanjay Kirloskar
Age about 34 years, Occ: Business
Having permanent address at
Plot No. 22 and 23,
270, Pallod Farms, Baner,
Pune 411 045
9. Rama Sanjay Kirloskar
Age about 28 years, Occ: Business
Residing at Plot No. 22 and 23,
270, Pallod Farms, Baner,
Pune 411 045
10. Geetanjali Vikram Kirloskar
Age about 52 years, Occ: Homemaker
Residing at Kirloskar Residence,
Kirloskar Business Park,
Bellary Road, Hebbal,
Bangaluru 560 024
11. Manasi Vikram Kirloskar
Age about 28 years, Occ: Business,
Residing at Kirloskar Residence,
Kirloskar Business Park,
Bellary Road, Hebbal,
Bangaluru 560 024
12. Alpana Rahul Kirloskar
Age about 54 years, Occ: Business
Residing at Lakaki Compound,
Model Colony, Shivajinagar,
Pune 411 016
13. Alike Rahul Kirloskar
Age about 26 years, Occ: Business
Residing at Lakaki Compound,
Model Colony, Shivajinagar,
Pune 411 016
14. Aman Rahul Kirloskar
Age about 23 years, Occ: Business
Residing at Lakaki Compound,
Model Colony, Shivajinagar,
Pune 411 016

15. Jyotsna Gautam Kulkarni
Age about 63 years, Occ: Homemaker
Residing at Yena, 1, Advaitnagar,
Paud Road, Pune 411 038
16. Nihal Gautam Kulkarni
Age about 37years, Occ: Business
Residing at Yena, 1, Advaitnagar,
Paud Road, Pune 411 038
17. Shruti Nihal Kulkarni
Age about 32 years, Occ: Homemaker
Residing at Yena, 1, Advaitnagar,
Paud Road, Pune 411 038
18. Gargi Nihal Kulkarni
Since minor through her guardian father
Mr. Nihal Gautam Kulkarni
Defendant No. 16
Residing at Yena, 1, Advaitnagar,
Paud Road, Pune 411 038
19. Ambar Gautam Kulkarni
Age about 33 years, Occ: Business
Having permanent address at
Yena, 1, Advaitnagar,
Paud Road, Pune 411 038
20. Komal Ambar Kulkarni
Age about 31years, Occ: Homemaker
Having permanent address at
Yena, 1, Advaitnagar,
Paud Road, Pune 411 038
21. Kirloskar Oil Engines Limited
Being the successor in interest of
Erstwhile Kirloskar Oil Engines Limited
A Company incorporated and registered
Under the provisions of the Companies
Act, 1956 having its registered office at
Laxmanrao Kirloskar Road, Khadki,
Pune 411 003
22. La Gajjar Machineries Private Limited
A Company incorporated and registered
Under the provisions of the Companies
Act, 1956, having its registered
office at Nagarwel Hanuman road,
Acidwala Estate, Opp. Sukhrampura,
Amraiwadi, Ahmedabad 380026
23. Kirloskar Proprietary Limited
A Company incorporated and registered
Under the provisions of the Companies
Act, 1956 and having its registered
office at 13/A, Karve Road, Kothrud,
Pune 411038

24. Anil C. Kulkarni
Age about 55 years, Occ: Business
Summons to be served at
Kirloskar Proprietary Limited
13/A, Karve Road, Kothrud,
Pune 411038

25. Chandrashekhar H. Naniwadekar
Age about 60 years, Occ: Business
Summons to be served at
Kirloskar Proprietary Limited
13/A, Karve Road, Kothrud,
Pune 411038

26. Mahesh Chhabria
Age adult, Occ: Business
Summons to be served at
Kirloskar Proprietary Limited
13/A, Karve Road, Kothrud,
Pune 411038

... Defendants

Suit for specific performance,
damages, declaration, injunction
and other reliefs valued at Rupees
1,000/- + 750,00,00,000/-+1000/-
+ 1000/-

The plaintiffs above named most respectfully submit as
under-

1. The plaintiff No. 1 and the defendant Nos. 1 to 20 are lineal descendants of late Shri. Laxmanrao Kashinath Kirloskar who pioneered the Kirloskar family's entry into the industrial map of India. Late Shri. Laxmanrao Kashinath Kirloskar was the architect/ founder of the industrial empire subsequently led by Shri. Shantanurao Laxmanrao Kirloskar along with his brother Shri. Ravindra Kirloskar, making the name Kirloskar synonymous with quality, honesty and integrity.
2. The plaintiff No. 1 and the defendant Nos. 1 and 3 are real brothers who are great grandsons of late Shri. Laxmanrao Kashinath Kirloskar. The defendant No. 2 is and late Gautam Kulkarni was a great grandson of late Shri.

Laxmanrao Kashinath Kirloskar and cousin brothers of the plaintiff No. 1 and the defendant Nos. 1 and 3. Shri. Gautam Kulkarni died on 20th September, 2017, leaving behind him the defendant Nos. 15, 16 and 19 as his legal heirs. The defendant Nos. 17, 18 and 20 are also members of the branch of late Gautam Kulkarni.

3. The defendant No. 4 is the wife of and defendant Nos. 5 and 6 are the daughters of the defendant No. 1. The defendant No. 7 is the wife of and the defendant Nos. 8 and 9 are the son and daughter respectively of the plaintiff No. 1 herein. The defendant No. 10 is the wife of and defendant No. 11 is the daughter of the defendant No. 2 herein. The defendant No. 12 is wife of and the defendant Nos. 13 and 14 are the daughter and son respectively of the defendant No. 3 herein. The defendant No. 15 is the widow of and the defendant Nos. 16 and 19 are the sons of late Gautam Kulkarni. The defendant No. 15 is also the largest individual shareholder of the defendant No. 21 company. The defendant No. 17 is wife of and the defendant No. 18 is minor daughter of the defendant No. 16 herein. The defendant No. 20 is the wife of the defendant No. 19 and daughter in law of late Gautam Kulkarni.
4. The plaintiff No. 2 is the flagship company of the Kirloskar group, incorporated in 1920. The plaintiff No. 2 company has been engaged in the business *inter alia* of manufacturing centrifugal pumps since 1926 (including electric submersible and mono-block pumps), valves for industrial and agricultural use, turbines and other ancillary goods. The

plaintiff No. 1 is the Chairman and the Managing Director of the plaintiff No. 2 company.

5. The defendant No. 21 being the successor-in-interest of the erstwhile Kirloskar Oil Engines Limited under the management and control of the defendant Nos. 1, 3 and late Gautam Kulkarni (during his lifetime) is engaged in the business of manufacturing diesel engines of different horse powers, engine valves, generator sets in various ranges, alternators and certain diesel pump sets. The defendant No. 21 is presently under the control and management of the defendant Nos. 1, 3, 5 and 16. The defendant Nos. 1, 3, 5 and 16 are the present directors from the Kirloskar family on the board of the defendant No. 21 company who are responsible for management and affairs thereof along with other directors. The defendant No. 21 is an alter ego of the defendant Nos. 1 to 5, 12, 15 and 16 who have used the said company as an instrumentality to commit various breaches of the Deed of Family Settlement.
6. The defendant No. 22 is a company incorporated and registered under the provisions of the Companies Act, 1956, having its registered office at the address mentioned in the title of the plaint. The defendant No. 22 is engaged in the business of manufacturing and selling electric submersible and mono-block pumps. The defendant No. 22 is presently subsidiary of the defendant No. 21 company and manufactures products which are in direct competition of the plaintiff No. 2 herein.
7. The defendant No. 23 is a company incorporated in 1965 with the purpose of holding all trademarks and logos

pertaining to the Kirloskar group. The defendant No. 23 was incorporated pursuant to decision amongst the Kirloskar family, which controlled various Kirloskar group companies. The defendant No. 23 company was incorporated to function as a quasi partnership, with equal control, ownership and participation of all branches of Kirloskar family. The defendant Nos. 24 to 26 are the directors of the defendant No. 23 company whose directorship is under challenge in the present suit.

8. Since the Kirloskar Group's entry into the industrial sphere, several members of the Kirloskar family have been involved and continue to be involved in the business of several companies having incorporated as a part of the Kirloskar Group. Under the aegis of Shri. Shantanurao Laxmanrao Kirloskar i.e. grandfather of the plaintiff No. 1 and the defendant Nos. 1 to 3 herein, the Kirloskar Group Companies were operated and promoted with the intention and tradition of ensuring that the businesses carried on by the companies were controlled and managed within the Kirloskar family and were also demarcated between the different branches of the Kirloskar family. The businesses of the Kirloskar group companies were to be complementary and not competitive *inter se* i.e. with each other/ members of the Kirloskar group companies, in the greater interest of the Kirloskar group.
9. To this end, several understandings were arrived at between various members of the Kirloskar family, which reflected the aforementioned tradition and intent. In accordance with the said understandings, the management and control of

Kirloskar Group Companies was compartmentalized and divided amongst various branches of the Kirloskar family. In 1985, to bring into effect the compartmentalization of the management and control of the Kirloskar Group Companies, the lines of businesses which the companies were carrying on, such that distinct businesses were allocated to particular branch/ branches of the family, the defendant Nos. 1 and 2 and the plaintiff No. 1 were each promoted from positions of senior executives to managing directors of different companies of the Kirloskar Group.

10. Accordingly, the defendant No. 1 was appointed as the managing director of the then Kirloskar Oil Engines Limited, presently the defendant No. 21 herein. Since 1985, the plaintiff No. 1 has continuously served as the Managing Director of the plaintiff No. 2 i.e. Kirloskar Brothers Limited. Similarly, the defendant No. 2 was appointed as the managing director of Mysore Kirloskar Limited. In about 1990-91, the defendant No. 3 was appointed as the managing director of Kirloskar Pneumatic Company Limited.
11. In 1994, Shantanurao Kirloskar passed away. In 1989 i.e. prior to his death, he had executed his last Will and testament in which he reiterated the above understanding and family tradition, particularly ensuring that the control of each individual Kirloskar Group Company remained within the branch managing that company. Under the said Will, the shares of the Kirloskar Group companies owned by late Shantanurao Kirloskar were to be distributed between the plaintiff No. 1 and the defendant Nos. 1 and 3 in such a manner that the control of an individual company remained

within the branch managing that company. Further, the Will echoed the understanding that his shares of the Kirloskar Group companies were to be retained/distributed with the object of retaining the shares and control of the group companies within the family.

12. It is evident that the Will of Late Shantanurao Kirloskar and the actions of the individual family members clearly reflect the understanding and tradition under which the Kirloskar Group companies came to be managed and operated.
13. While the Kirloskar group companies continued to be managed as per the above understandings, in or around 2009, it was decided by the Kirloskar family members to formalize this demarcation and compartmentalization to avoid any complications that could result in differences/disputes that could arise between family members. It is submitted that since the concerned parties believed that differences of opinion may arise amongst the plaintiff No. 1, defendant Nos. 1 to 3 and late Gautam Kulkarni representing their respective branches in respect of ownership, management and control of the Kirloskar Group companies on account of various reasons including clash of attitudes and behavior of the next generations, it was felt that it would be prudent to take steps towards prevention of certain issues transforming into problems, leading to emergencies which will have an effect of hampering the progress of the Kirloskar Group affecting peace, harmony, goodwill, prestige and properties of the Kirloskar family.
14. The said concerned parties also thought that it would be wise to effect a family settlement whereby the ownership,

management and control of each branch of Kirloskar family gets clearly defined for the smooth functioning of the businesses and to preserve peace, harmony etc. and also to avoid unpleasant happenings.

15. The aforesaid understanding, which was reflected in several documents, including the will of Late Shantanurao Kirloskar, was formally recorded by way of a Deed of Family Settlement in September 2009. The said Deed of Family Settlement dated September 11, 2009 came to be executed by and amongst the defendant Nos. 1 to 3, the plaintiff No. 1 and late Gautam Kulkarni representing their respective family members on terms and conditions mentioned therein. All the members of the branches of the defendant Nos. 1 to 3, the plaintiff No. 1 and late Gautam Kulkarni, who are amongst the defendants herein, gave their respective consents to accept the terms thereof and letters to that effect came to be executed by them which form part of Annexures to the said Deed of Family Settlement.
16. It is submitted that the promoters of the Kirloskar group companies as mentioned in the Deed of Family Settlement dated September 11, 2009 are all members of Kirloskar family and are bound by the said Deed of Family Settlement along with the companies owned, managed and controlled by them including the defendant Nos. 21 and 23. Under the terms thereof, the parties to the Deed of Family Settlement are obliged to ensure that there is no competition between them, directly or even indirectly, including through the companies under their ownership, management and control.

17. The Deed of Family Settlement is in force, has been implemented, has been taken advantage of and is valid, subsisting and binding upon the defendants and other Kirloskar group companies. It is submitted that the Deed of Family Settlement reflects the spirit, intent and family tradition on the basis of which the Kirloskar Group is required to function and it binds the members of the family as well as the entities which are controlled and/or managed by the members of the Kirloskar family to ensure its highest adherence and implementation.
18. The plaintiff No. 1 heading his branch including the defendant Nos. 7 to 9 complied with all the obligations under the terms of the said Deed of Family Settlement including payment of the sum of Rs. 80.50 crores to the defendant No. 2 and gift of shares of Kirloskar Brothers Investments Limited worth hundreds of crores in favor of the defendant Nos. 1, 3 and late Gautam Kulkarni, effectively handing over the control of the Kirloskar Oil Engines Limited and Kirloskar Pneumatic Limited to them. The plaintiff No. 1 and his branch performed their part of the Deed of Family Settlement in consideration for the agreements, covenants, mutual obligations and promises as contained in the said Deed of Family Settlement by the parties thereto and companies under their control and management. Accordingly, the Deed of Family Settlement was given effect to and the defendant Nos. 1 to 3 and late Gautam Kulkarni along with their respective branches took full benefit under the said Deed of Family Settlement.

19. As more particularly elaborated hereinafter, Defendant Nos. 1, 3, 16 and late Gautam Kulkarni (till his demise) acting for themselves and also on behalf of their respective branches and companies under their management and control have, in the recent past committed gross violations of the Deed of Family Settlement and have acted in complete dereliction of the obligations that bind them, to the detriment of the interests of the plaintiff No. 1, his branch and the plaintiff No. 2 company.
20. The plaintiffs were shocked to learn that the defendant Nos. 1, 3, 16 and late Gautam Kulkarni through defendant No. 21 company (Kirloskar Oil Engines Limited) under their management and control, for the first time ever and that too after execution of the Deed of Family Settlement dated September 11, 2009, ventured in the business of trading in electric mono-block and submersible pumps by procuring such pumps from third party vendors, badging them as the company's own pumps under the name 'Varsha/ Varsha Electric'. The defendant No. 21 company started advertising and marketing the said pumps *inter alia* by approaching the dealers in the local market in India. The defendant No. 21 company distributed marketing material *inter alia* pamphlets, hoardings and banners on trucks and shops. The defendant No. 21 also started making a misrepresentation on its website homepage by stating "*We have been delivering high quality pumpsets across the globe for over a century.*" It is pertinent to note that the defendant No. 21 company is not in existence for 100 years. It is in fact the plaintiff No. 2 which deals with electric pumps and has

been in existence for more than a century and has always been exclusively manufacturing, selling and dealing with all types of pumps including electric submersible and mono-bloc pump sets in the Kirloskar group.

21. The conduct of the defendant Nos. 1, 3, 16 and late Gautam Kulkarni either themselves or through the defendant No. 21 as their alter ego, smacks of *malafides* and is in the teeth of clause 15 of the Deed of Family Settlement and also against the family tradition and understanding of non-compete which is formally reflected in the said Deed of Family Settlement dated September 11, 2009.
22. It is submitted that clause No. 15 of the Deed of Family Settlement dated September 11, 2009 prohibits any party thereto or any Kirloskar Group company under control of such party/ parties from engaging in a directly competitive business with one another. The plaintiffs submit that the negative covenant against engaging in competition is applicable to all the parties to the Deed of Family Settlement dated September 11, 2009 as well as the companies under their management and control. The parties and constituents of the families of five main executants of the Deed of Family Settlement as well as entities owned and/or controlled by them are bound by the said covenant. The aforesaid *malafide* acts by the defendant No. 21 company and its board of directors, including the defendant Nos. 1, 3, 16 and late Gautam Kulkarni therefore constituted gross breach of the Deed of Family Settlement dated September 11, 2009. The other directors of the defendant No. 21 act as per the instructions of the defendant Nos. 1, 3, 16 and late Gautam

Kulkarni (during his life time) and they do not have any independent opinion.

23. The concept of group companies stems from the non-compete basis of the companies constituting the Kirloskar group. If competition is permitted *inter se* Kirloskar Group companies, the very cohesive nature of the group itself would be lost by one group company competing directly or indirectly with another group company.
24. In view of the above, it was incumbent on Defendant Nos. 1,3, 16 and late Gautam Kulkarni, as well as their respective branches, to ensure that none of the companies within their control and management manufacture / sell products which the plaintiff No. 2 company has been manufacturing i.e. *inter alia* manufacturing electric centrifugal pumps and valves for industrial and agricultural use.
25. It is learnt by the plaintiffs that the defendant No. 21 ultimately withdrew their said electric submersible and mono-block pumps from the market after realizing the gross breach of the Deed of Family Settlement by it as the same was brought to its notice by the plaintiff No. 1. The plaintiffs are however, entitled for damages from the defendant No. 21 company and persons controlling and managing the same in defiance of the Deed of Family Settlement.
26. On 21st June 2017, the plaintiffs were shocked to learn by way of a press release that the defendant No. 21 company had acquired 76% stake in La-Gajjar Machineries Private Limited (defendant No. 22 herein), a company engaged in the manufacturing and selling of electric submersible and mono-block pumps and pumpsets (i.e. business which is in direct

competition with that carried out by the plaintiff No. 2) and are trying to sell the said pumps in market. The plaintiff No. 1 had objected to the said acquisition but did not take any legal action in view of pending mediation as mentioned herein after.

27. The continued sale and/or distribution and/or manufacturing and/or marketing of electric submersible and mono-block pumps and pump sets in the market by the defendant No. 21 and by the defendant No. 22 after its acquisition by the defendant No. 21 is a direct contravention of clause 15 of the Deed of Family Settlement, which specifically provides that a party shall not engage in directly competitive business with another company of the Kirloskar Group. The defendant No. 21 company also started advertising products which are directly in competition of the business and the products manufactured and sold by the plaintiff No. 2. The plaintiffs were shocked and surprised to come across one such advertisement published by the defendant No. 21 in Corporate India, a fortnightly magazine for business and investment in its February, 28, 2018 issue. A bare look at the said advertisement and the advertisement by the plaintiff No. 2 in the same issue of Corporate India would reveal that most of the products advertised by the defendant No. 21 are in direct competition of the products of the plaintiff No. 2.
28. Although the defendant Nos. 1, 3 and late Gautam Kulkarni till his demise (who were in control of the affairs of the defendant No. 21 herein) and their respective branches have taken full advantage under the Deed of Family Settlement

and are well aware that they and the defendant No. 21 is bound by the same, the defendants on the board of directors of the defendant No. 21 company have deliberately failed to take the said Deed of Family Settlement on the record to avoid facing any query or opposition from other independent directors while acting in derogation thereof. As against this, the plaintiff No. 2 has taken the Deed of Family Settlement on record of which the plaintiff No. 1 is a signatory. Any breach of non-compete clause of the said Deed of Family Settlement would in fact and in effect adversely affects the plaintiff No. 2. Hence, the plaintiffs have comity of cause of action and interest to act as co-plaintiffs.

29. It is pertinent to note that not to enter competing businesses has not only been a matter of family policy and tradition, the same has been formally reflected in the Deed of Family Settlement as well as admitted inter se between the parties (including the defendant Nos. 1, 21 and 23) in judicial proceedings. The concerned defendants who are in control of the defendant No. 21 company are unjustly enriching themselves at the cost of the plaintiffs by engaging in such competitive business. It is thus clear that the defendants except the defendant Nos. 7 to 9 have directly and through their group entities have acted *malafide* to undermine and commit gross and fundamental violations of the Deed of Family Settlement. The said defendants have systematically attempted, colluded and conspired in a pre-meditated manner to erode the basic tenets of the Deed of Family Settlement.

30. It is stated that the defendant No. 23 (Kirloskar Proprietary Limited) was incorporated in 1965 to function as a quasi-partnership, with equal control, ownership and participation of all family branches. Accordingly, the Deed of Family Settlement also mandates that each family branch is required to have equal shareholding in the defendant No. 23 Company and equal representation on the board thereof and Kirloskar Proprietary Limited is required to be managed and controlled jointly by all branches of the family. (i.e. defendant Nos. 1 to 3, the plaintiff No. 1 and late Gautam Kulkarni) who would hold equal shares in Kirloskar Proprietary Limited and also have equal representation on the board thereof. Moreover, to further ensure parity in control, the Deed of Family Settlement stated that each of the defendant Nos. 1 to 3, the plaintiff No. 1 and late Gautam Kulkarni are entitled to nominate one director on the board of the defendant No. 23 company and only a party nominating a director has a right to remove the said director. Furthermore, decisions had/have to be taken in the defendant No. 23 company in a manner that adheres to the letter and spirit of the Deed of Family Settlement, including the family traditions and values. By not voting/ causing entities in their control to vote in accordance with the Deed of Family Settlement, as more elaborately stated herein below, the said defendant Nos. 1 to 3 and family members of late Gautam Kulkarni have at the 50th Annual General Meeting of Kirloskar Proprietary Limited held on 22 September 2017, wrongfully ousted the plaintiff No. 1 from its board by voting against his re-appointment.

31. At the 267th Board Meeting of the defendant No. 23 company (Kirloskar Proprietary Limited) in July, 2018, its Chairman i.e. the defendant No. 25 announced that 1/3rd of the Board of Directors of the said company were liable for retirement by rotation. The name of the retiring director was decided by draw of lots. Three chits allegedly containing names of three directors were placed in a box and a staff member of the defendant No. 23 company was asked to pick one chit. Incidentally and conveniently, it was the chit bearing name of the plaintiff No. 1 was picked and therefore, it was decided that the plaintiff No. 1 was liable to retire by rotation along with the defendant Nos. 1 and 24. Each of the said directors who was liable to retire by rotation offered himself to be reappointed. As per the Deed of Family Settlement, the plaintiff No. 1 and his branch enjoyed a right of representation in the Board of the defendant No. 23 company and any attempts to oust him from the Board are/ would be deemed to be illegal.
32. At the 50th Annual General Meeting held on 22nd September 2017, all the three directors who were up for retirement, i.e. the defendant No. 1, 24 as well as the plaintiff No. 1 herein, offered themselves for reappointment. To determine whether they could be in fact reappointed as directors of the defendant No. 23 company, Defendant No. 1 demanded that a poll be held. However, the plaintiff No. 1 was shocked to learn, *vide* an email dated 25th September 2017 from Mr. A. V. Chitley, the Head - Secretary & Legal of the Kirloskar Proprietary Limited that only 25% of the shareholders had voted in favour of the appointment of the plaintiff No. 1, while

75% had voted against his reappointment. On the other hand, the defendant No. 24 was reappointed with 75% of the shareholders voting in favour of his appointment and the defendant No. 1 was reappointed with 100% shareholders (2 abstentions) voting for his re-appointment. Evidently, it was only the plaintiff No. 1, whose reappointment was voted against. The fact that 75% of the members of the defendant No. 23 voted against the reappointment of the plaintiff No. 1, clearly indicates that the family members, individually and through the corporate members controlled by them, despite being aware, voted against the terms of the Deed of Family Settlement, which specifically provides in Clause 12 that each of the parties to the Deed of Family Settlement will be *"entitled to nominate one director on the Board of Kirloskar Proprietary Limited and the Party nominating such Director, only will have the right to recommend removal of such director and to nominate another director in his place"*. Having voted in this manner was to ensure the removal of the plaintiff No. 1 from the management of the defendant No. 23, to systematically take unbridled control over its affairs, was/is in the teeth of the letter, intent, and purport of the Deed of Family Settlement. In the next board meeting, the defendant No. 26 came to be appointed as director of the defendant No. 23 totally in derogation of the terms of the Deed of Family Settlement.

33. Since the defendant Nos. 1 to 3 and family members of late Gautam Kulkarni who are in control of the defendant No. 23 company have acted in flagrant violation of Clause 12 of the Deed of Family Settlement, the plaintiff No. 1 sought his

nomination to be appointed as director of the defendant No. 23 and simultaneously on 15th January, 2018, the plaintiff No. 1 also addressed a letter to the board of directors of the defendant No. 23 nominating himself to be re-appointed as director of the defendant No. 23 company under Clause 12 of the Deed of Family Settlement and called upon the defendants on the board of directors to forthwith take all the necessary steps and complete all the necessary formalities to give effect to his reappointment as the director of Kirloskar Proprietary Limited. The plaintiff No. 1 was shocked to receive letter dated 5th February, 2018 from the board of directors of the defendant No. 23 seeking information as to the capacity and the basis for nominating the plaintiff No. 1 as director of Kirloskar Proprietary Limited rather than taking steps to comply with the terms of the Deed of Family Settlement in that regard. The plaintiff No. 1 was further shocked to receive three letters all dated 6th February, 2018, issued by the defendant Nos. 1 to 3 alleging breach of the Deed of Family Settlement on the part of the plaintiff No. 1 as the grounds for his removal from the board of Defendant No. 23. It clearly appears from the contents of the said letters that the removal of the plaintiff No. 1 from the board of directors of the defendant No. 23 and subsequently his non-re-appointment as per the terms of the Deed of Family Settlement was pre-meditated action by the concerned defendants in collusion with each other.

34. It is submitted that considering the purpose for which the defendant No. 23 company was set up and considering that all entities and promoters of the Kirloskar Group have equal

interest in the affairs of the defendant No. 23, Kirloskar Proprietary Limited has been and continues to remain a closely held family company in the nature of a *quasi-partnership*. The defendant No. 23 company centrally holds all the trademarks pertaining to the Kirloskar Group and therefore it is pertinent that the rights of all parties are adequately represented. It was for this reason and to generally protect the Kirloskar trade name and trademarks that the Deed of Family Settlement contained specific clauses pertaining to Kirloskar Proprietary Limited. It was in fact for this reason that the defendant No. 23 was the only entity of the Kirloskar Group where majority shareholding was not delineated towards a specific family branch, but was instead an entity where every branch had equal shareholding. Thus, considering these factors, it is imperative that the rights of the plaintiff No. 1 and his branch are adequately represented in the Board of the defendant No. 23 and that the defendants are directed to take steps to ensure reappointment of the plaintiff No. 1 to the board of the defendant No. 23.

35. It is learnt that the other two directors on the board of directors of the defendant No. 23 company namely Shri. A. C. Kulkarni and Shri. Chandrashekhar H. Naniwadekar (the defendant Nos. 24 and 25 herein respectively) do not have nomination from any of the parties to the Deed of Family Settlement. In the circumstances, the alleged directorship of the said defendant Nos. 24 and 25 is totally in derogation of the letter and spirit of the Deed of Family Settlement. So also, the appointment of the defendant No. 26 is also in derogation

of the Deed of Family Settlement. The defendant No. 23 company is turning blind eye to the said fact in addition to not re-nominating the plaintiff No. 1 as director of Kirloskar Proprietary Limited and has thus committed gross breach of the Deed of Family Settlement. Failure to appoint some nominee of the plaintiff No. 1 in his place amounts to gross breach of the said Deed of Family Settlement in general and clause 12 thereof in particular.

36. Without prejudice to whatever stated above and only if the Hon'ble Court comes to conclusion that the appointment of the defendant Nos. 24 to 26 is proper, the plaintiff No. 1 and his branch also needs to be given equal representation on the board of the defendant No. 23 in proportion to the other parties to the Deed of Family Settlement.
37. In and around June 2017, disputes that had arisen between the Kirloskar family members were referred to mediation before a distinguished and well renowned individual, at the instance of the plaintiff No. 1. Despite genuine and honest efforts by the plaintiff No. 1 and his branch to resolve issues through mediation, the defendants Nos. 1 to 6 and 10 to 20 continued to blatantly commit breach of the terms of the Deed of Family Settlement either by themselves or through companies under their control and management. Since the mediation had already started between the parties, in anticipation of an amicable understanding, in line with the family policy and tradition embodied in the Deed of Family Settlement, the plaintiffs did not proceed with litigation at the relevant time. The said mediator, Shri. Vijay Kelkar has relinquished his role as mediator on 31st May, 2018. A letter

to that effect has been received by the plaintiff No. 1 on 1st June, 2018. In the circumstances, there is no delay in filing the present suit and since the mediation has failed, the plaintiffs are constrained to file the present suit for the reliefs as prayed for. The plaintiffs are not aware of all the breaches, if any and reserve their right to challenge any action/ conduct committed by the defendant Nos. 1 to 6, 10 to 21 and 23 to 26 adverse to the interests of the plaintiffs and against the spirit of the Deed of Family Settlement dated September 11, 2009.

38. The plaintiffs have all along performed and are ready and willing to perform their part of the said Deed of Family Settlement, of which the defendants have been having knowledge. The plaintiffs submit that, if any further breach of the Deed of Family Settlement is committed and/or allowed to be committed by the defendant Nos. 1 to 6, 10 to 21 and 23 to 26, it will cause grave hardship and irreparable loss to the plaintiffs. The plaintiffs further add that, such breaches will destroy the basic objective of the Deed of Family Settlement dated September 11, 2009. In as much as peace, harmony, goodwill, prestige and property of the plaintiffs will be at stake. The plaintiffs submit that this loss cannot be compensated in terms of money and hence it is a fit case for grant of specific performance of the contract as well as injunctive reliefs as sought herein. In these circumstances, the plaintiffs are entitled for specific performance of the said Deed of Family Settlement dated September 11, 2009 and the defendants are liable to perform as per the terms thereof.

39. The plaintiffs are law abiding persons. The defendants Nos. 1 to 6 and 10 to 26 have the power to commit breach and/or continue commission of breach/es of the Deed of Family Settlement dated September 11, 2009. In these circumstances, the plaintiffs are left with no option but to approach this Hon'ble Court for the reliefs as prayed for. In the circumstances, the defendants need to be restrained in terms of the reliefs as sought for.
40. If the defendants are not restrained as prayed for, the plaintiffs will suffer irreparable loss which cannot be compensated in terms of money. If however, the said defendants are so restrained, no prejudice would be caused to them.
41. The cause of action for the present suit first arose when the plaintiffs in or about June, 2017 learnt for the first time about breach of the Deed of Family Settlement dated September 11, 2009 in terms of non-compliance of non-compete clause by the defendant No. 21 company (Kirloskar Oil Engines Limited) and persons controlling and managing the defendant No. 21, *inter alia* by acquisition of the defendant No. 22 by the defendant No. 21, resulting into violation of the Deed of Family Settlement. The cause of action again arose when the plaintiff No. 1 was removed and not re-appointed as director of the defendant No. 23 company, the defendant No. 26 was wrongly appointed as director and the defendant Nos. 24 and 25 were stated and treated to be the directors of the defendant No. 23 company in derogation of the letter and spirit of the Deed of Family Settlement. The cause of action further arose when the

defendants except the defendant Nos. 7 to 9 failed to perform in terms of the Deed of Family Settlement. The cause of action further arose when the mediator sent a letter relinquishing his role as mediator. The cause of action has been arising every day thereafter.

42. The present suit is for specific performance, damages, declaration, injunction and other reliefs and the same is valued at Rs. 750,00,00,000/- (Rupees Seven Fifty crores only) for the purposes of Court fee, advocates fees and jurisdiction. Maximum court fee is paid thereon.
43. The Deed of Family Settlement dated September 11, 2009 was executed at Pune. The cause of action arose at Pune. Hence this Hon'ble Court has jurisdiction to entertain, try and decide the present suit.
44. The present suit is well within limitation and there is no legal bar to file the present suit.
45. It is therefore prayed that
 - (a) The defendants Nos. 1 to 21 and 23 may kindly be directed to perform specifically the Deed of Family Settlement dated September 11, 2009.
 - (b) The defendant Nos. 1 to 6 and 10 to 26 may kindly be directed to pay either jointly or severally an amount of Rs. 750,00,00,000/- (Rupees Seven hundred and Fifty crores only) to the plaintiffs towards damages in addition to the claim for specific performance of the Deed of Family Settlement dated September 11, 2009.
 - (c) It be declared that the removal from and non-re-appointment / non-re-nomination of the plaintiff No. 1

on the board of directors of the defendant No. 23 is illegal, null and void.

- (d) The plaintiff No. 1 be reappointed and/or directed to be reappointed on the board of the defendant No. 23.
- (e) It be declared that the directorship of the defendant Nos. 24 to 26 on the board of the defendant No. 23 company is against the Deed of Family Settlement dated September 11, 2009.
- (f) In the alternative to the prayer clause (e) above, the plaintiff No. 1 and his branch be given equal representation on the board of directors of the defendant No. 23 company as that of the other parties to the Deed of Family Settlement holding directorship of the defendant No. 23.
- (g) The defendant Nos. 1 to 6 and 10 to 22 may kindly be restrained by decree of permanent injunction from doing any competing business with the plaintiff No. 2 in defiance of the Deed of Family Settlement dated September 11, 2009 including manufacturing, trading, distributing or selling any product which competes directly or indirectly with that of the plaintiff No. 2 including but not limited to the business of sale, distribution or trading in electric mono-block and/or submersible pumps, either themselves or through their servants, agents, representatives, assigns, successor-in-interest or persons claiming through or under any of them and/or entities owned and/or managed and/or controlled by any of them (including by way of acquisition of shares/ businesses or entering

into a joint venture, partnership or association with any entity or otherwise) in any manner whatsoever.

- (h) The defendant Nos. 1 to 3, 16 and 24 to 26 may kindly be restrained by decree of permanent injunction from taking any steps in performing their functions as director in respect of the defendant No. 23 company that adversely affect the rights of the plaintiff No. 1 or companies which have come to the plaintiff No. 1 and his branch either directly or indirectly either themselves or through their representatives, proxies or assigns etc.
- (i) Interim reliefs in terms of prayer clause (h) and (g) may kindly be granted in favor of the plaintiffs.
- (j) The costs of the present proceedings throughout may kindly be directed to be given to the plaintiffs by the defendants except defendant Nos. 7 to 9.
- (k) Any other just and equitable reliefs in the interest of justice and equity may kindly be granted.

Pune

Date

1.

2.

Advocate for the Plaintiffs

Plaintiffs

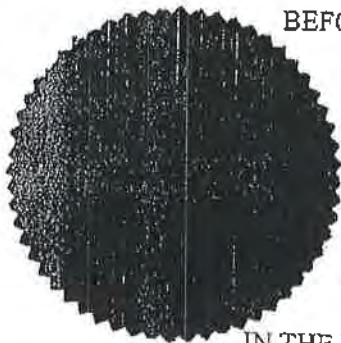
Verification

I, Sanjay Chandrakant Kirloskar, Age about 61 years, Occ: Business, residing at Plot No. 22 & 23, Survey No. 270, Pallod Farms, Baner, Pune 411045, the plaintiff No. 1 herein, for himself and as Chairman and director of the plaintiff No. 2 company do

hereby state on solemn affirmation that whatever stated above is true and correct to the best of my knowledge, information and belief and therefore I have verified the same on this th day of June, 2018 at Pune.

Plaintiff No. 1

490



BEFORE THE NATIONAL COMPANY LAW TRIBUNAL BENCH,
AT MUMBAI

IN THE MATTER OF COMPANIES ACT, 2013
COMPANY PETITION NO. 193 OF 2017

IN THE MATTER OF:

Petition under Sections 241 and 242 read with Section 244 of the Companies Act, 2013.

AND IN THE MATTER OF:

Kirloskar Industries Limited & Ors.

... Petitioners

Vs

Kirloskar Brothers Limited & Ors.

... Respondents

AFFIDAVIT IN REPLY OF RESPONDENT NOS.1 AND 2 TO THE
ABOVE COMPANY PETITION

I, Sanjay Kirloskar, age 61 years, adult, Indian inhabitant, residing at Survey No. 270, Plot No. 22 and 23, Pallod Farms, Opposite BPCL Petrol Pump, Baner, Pune 411 045, being the Respondent No.2 above named, and Chairman and Managing Director of Respondent No.1, do hereby solemnly affirm and state for myself and on Respondent No.1's behalf as follows:

1. I have read a copy of the Company Petition ("Petition"). I am aware of the facts and circumstances of the case, and I am able to depose to the same. I am also Respondent No. 1's Chairman and Managing Director and hold 22.16% (19.97% in my individual capacity and 2.19% as a trustee) of its issued and paid up equity share capital. I reserve my right to file further affidavit at a later stage if necessary. I



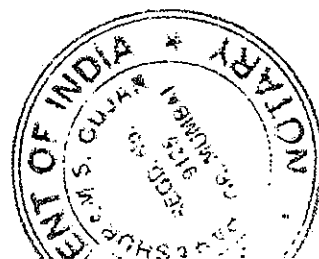
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say that all the statements and allegations in the Petition which are contrary to what is stated hereinafter are denied. Nothing stated in the Petition which is not specifically denied should be taken to be admitted herein and the same shall be deemed to be denied. Each of the defenses raised and statements made, are all in the alternative and without prejudice to each other.

2. The Petition is not maintainable:

2.1 I am disputing and denying the Petitioners' entitlement to institute and maintain this Petition or the National Company Law Tribunal's ("the **Tribunal**") jurisdiction to entertain the same. This is broadly for the following reasons:

2.1.1. The Petition is not maintainable under Section 244 of the Companies Act, 2013 ("2013 Act") as the Petitioners fail to fulfill the minimum shareholding criteria required to maintain a Petition under Sections 241 and 242 of the 2013 Act. Alternatively, Petitioner No.1's shareholding in Respondent No.1 is being misused and abused by Petitioner Nos. 2 and 3 (taking wrongful and illegal advantage of their position vis-à-vis Petitioner No.1 and resorting to active misrepresentation) to wrongfully and illegally join Petitioner No.1, and thereby institute and sustain the Petition. In an equitable and discretionary jurisdiction, such misstatements are fatal and necessitate dismissal of the Petition.



2.1.2. The Petition does not disclose any cause of action (much less, legally actionable) which entitles the Petitioners (more particularly, Petitioner No.1) to complain of oppression and mismanagement and/or to invoke the NCLT's jurisdiction under Sections 241 and 242 of the 2013 Act;

2.1.3. The Petitioners' primary purported grievance in the present Petition is in respect of rejection of the pre-clearance applications. This is a dispute which arises out of or is in connection with the Deed of Family Settlement dated 11th September, 2009 ("DFS"), and is in any event a civil dispute which does not impact the Petitioners' right as shareholders of Respondent No.1. The issues in relation to the interpretation of the terms of DFS and enforcement thereof are presently a subject matter of a pending civil suit filed before Civil Judge, Senior Division Pune. These are civil disputes, and the Petitioners are wrongfully seeking to agitate the same under the guise of claim of operation and mismanagement (which is denied). This is therefore a dressed up Petition. It is therefore, jurisdictionally impermissible for this Hon'ble Tribunal to adjudicate upon issues pertaining to the rejection of the pre-clearance applications.

2.1.4. The Petition is barred by law more particularly the provisions of the Securities and Exchange Board of India Act, 1992. The Petitioners allegations (which are denied) are also the subject

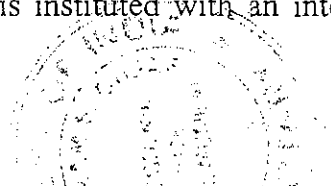


matter of pending complaints before the Security Exchange Board of India ("SEBI").

2.1.5. The Petition is afflicted by the vices of suppression of material facts and documents and falsehood.

2.2 In order to challenge the maintainability of the Petition and seek its dismissal at the threshold, the Company and I have instituted Miscellaneous Application No. 259 of 2017 ("**Maintainability Application**"). A copy of the Maintainability Application (without Exhibits) is annexed hereto and marked as **Exhibit "A"**. I say that this Reply is filed strictly without prejudice to my objection to the Tribunal's jurisdiction and contentions in the Maintainability Application. I repeat and reiterate herein *in extenso*, the contents of the Maintainability Application. I submit that considering that the issues raised in the Maintainability Application constitute a challenge to the maintainability of the Petition; questions the jurisdiction of the Tribunal; and as such, go to the root of the matter, the Maintainability Application is required to be heard and adjudicated upon, prior to any consideration on the merits of the Petition including, the Petitioners' application for interim reliefs and at the preliminary/threshold stage.

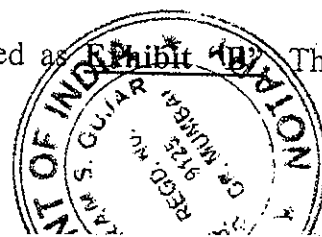
3. Prior to dealing with the allegations made in the Petition, I am setting out the true, correct and material facts in the matter (some of which have been willfully suppressed in the Petition), which disentitle the Petitioners of any relief. The background in which the present Petition is filed, as set out herein below, will demonstrate that the Petition is afflicted with malafides; is instituted with an intention of misusing



and/or abusing the process of this Hon'ble Tribunal; and is an instrument to harass and pressurize me to obtain leverage in relation to various other collateral disputes and differences between the parties.

4. The Oral Arrangement:

- 4.1 The Kirloskar group is a reputed industrial group and family which is based in Pune. The Petitioner Nos.2 and 3 my first cousin Vikram Kirloskar; my second cousin Late Gautam Kulkarni; myself; and our respective nuclear families are lineal descendants of late Shri. Laxmanrao Kashinath Kirloskar who pioneered the Kirloskar family's entry into the industrial map of India. Late Shri. Laxmanrao Kashinath Kirloskar was the architect/ founder of the industrial empire which was subsequently led by Shri. Shantanurao Laxmanrao Kirloskar along with his brother Shri. Ravindra Kirloskar, making the name Kirloskar and the business activities thereunder synonymous with quality, honesty and integrity. Kirloskar family business commenced in the year 1888. The present generation is the 4th generation, which is carrying on diverse businesses under the Kirloskar name. The entire family is of common ancestry, though carrying on directly and independently managed, controlled and administered body corporates.
- 4.2 To the extent relevant for this Petition, the Kirloskar group/family principally comprises of my brothers i.e. Petitioner Nos.2 and 3; our first cousin Mr. Vikram Kirloskar; our second cousin Late Gautam Kulkarni; myself; and our respective nuclear families. A family tree depicting the Kirloskar family and their relationship with each other is annexed hereto and marked as **Exhibit 1B**. The Kirloskar group



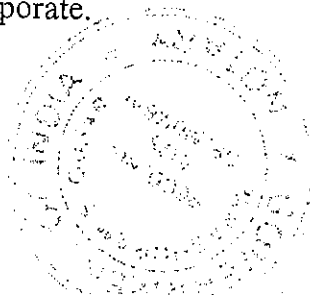
comprises of several corporate entities which are *inter-alia* engaged in diverse businesses such as manufacturing pumps, diesel engines, compressors and pig iron. A list of these corporate entities are set out at Exhibit "C".

- 4.3 In his lifetime, late Shantanu Rao L. Kirloskar ("SLK") i.e. my grandfather was a stalwart in the Indian Industry and was rightly considered to be a guiding force behind the success of the Kirloskar Group. Owing to this, from 1937 till about 1994, late SLK was at the helm and in control of the affairs of all of the Kirloskar group companies. Under the aegis of SLK, various Kirloskar Group Companies were operated and promoted with the intention and tradition of ensuring that the businesses carried on by the companies were controlled and managed within the Kirloskar family and were also demarcated between the different branches of the Kirloskar family.
- 4.4 It is in this light that, in or about 1985, the management and control of Kirloskar Group Companies was compartmentalized and divided amongst various branches of the Kirloskar family. To bring into effect the compartmentalization of the management and control of the Kirloskar Group Companies, the lines of businesses which the companies were carrying on, such that distinct businesses were allocated to particular branch/ branches of the family; the Petitioner Nos. 2 and 3, Respondent no. 2 were each promoted from positions of senior executives to managing directors of different companies of the Kirloskar Group. Accordingly, and only in relation to the business an



arrangement / understanding ("the said understanding") was arrived at between the late SLK, my father late Chandrakant Shantanurao Kirloskar ("CSK") and other members of the Kirloskar family including Petitioner no.2, 3 and myself.; the salient features of which are as follows:

- 4.4.1 The management and control of the Kirloskar group companies was compartmentalized and divided between various branches of the Kirloskar group. Therefore, the management and control of Kirloskar Brothers Limited was given to me. I crave leave to rely upon documents in relation to the various Kirloskar group companies and the branches of the Kirloskar family who enjoyed their respective management and control as and when produced.
- 4.4.2 Pursuant to this, the management and control of the various Kirloskar group companies were specified to be within the control and management of a particular branch of the Kirloskar family and were to remain at all material times remain within the control and management of that particular group. Though there would be cross shareholdings that would be held between the members of the different family branches groups in inter-se body corporates, such shareholding was to be held and rights thereon were to be exercised for the benefit and as per the will of the branch in control and management of such body corporate.

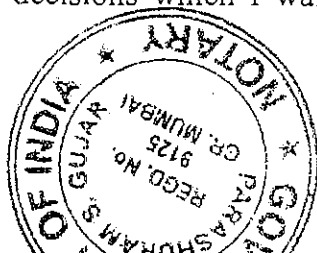


4.4.3 Broadly, the division was based on the distinct businesses which the companies were carrying on. The management and control of the Respondent No.1 Company, which was carrying on the business of pumps came to my share.

4.4.4 The businesses of the Kirloskar group companies were to be complementary and not competitive inter se i.e. with each other/ members of the Kirloskar group companies, in the greater interest of the Kirloskar group.

4.5 The said understanding was acted upon. This is apparent from the following circumstances:

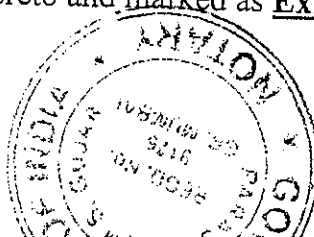
4.5.1 Since 1985, I have consistently served and have been appointed as the Managing Director of the Respondent No. 1 i.e. Kirloskar Brothers Limited ("KBL"). In 1998, I was appointed as Chairman of KBL. As such, I have always retained the most significant position vis-à-vis executive control of KBL. A chart depicting the composition of the board of KBL (post 1985) is annexed hereto and marked as Exhibit "D". Similarly, Petitioner Nos. 2 and Petitioner No.3 were put in charge of the erstwhile Kirloskar Oil Engines Limited and Kirloskar Pneumatic Company Limited, respectively. It is pertinent to note that, whilst Petitioner No.2 has, for several years, served as a director on KBL's board, both Petitioner Nos. 2 and 3 have consistently supported my views and decisions which I wanted KBL's board to take,



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from time to time. Till 2014, there has been no resolution proposed by me at the board level which they have opposed.

- 4.5.2 Similarly, since that time, the control of KBL has been with me pursuant to the said understanding arrived at in or about the year 1985. The Petitioners as well as other members of their families and companies within their control have consistently appointed me as their proxy for the purpose of voting at the Company's general body meetings. This circumstance by itself demonstrates the performance of the said understanding and the level of trust which the Petitioners reposed in me. Owing to such trust and adherence to the said understanding, it is pertinent to note that the Petitioners have at all material times, permitted me to decide how to exercise their voting right and in any event, have always given instructions on the voting which were not opposed to my management and control of the Company and/or decisions in relation to the Company's affairs which I wanted to take. Similarly, I too supported the Petitioners the other branches of family in running their Kirloskar group companies wherever I was on the board of that particular Company. A chart depicting the meetings of the Company at which I was appointed by the Petitioners as their proxy is annexed hereto and marked as Exhibit "E". Copies of specimen proxy forms executed by the Petitioners in my favor, from time to time are annexed hereto and marked as Exhibits "F".



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4.5.3 In light of my continuing as the Company's managing director; the mechanism of appointing me as a proxy; and even otherwise, Petitioner Nos. 2 and 3 and their respective family's and companies adhering to the said understanding, effectively, I was in management, administration and control of KBL.

4.6 Apart from the above facts and circumstances, the existence of the said understanding is also borne out from the following documents:

4.6.1 The last will and testament of the late SLK dated 29th September 1989 more particularly Clause 18(c) at internal page no. 12 thereof, which plainly indicates the pre-existence of the said understanding and that late SLK was strongly in support thereof as he understood that it was an important means of maintaining peace and harmony in the Kirloskar family. Late SLK's Will reiterates the said understanding that the control of each individual Kirloskar Group Company shall remain within the branch managing the company. Under the said Will, the shares of the Kirloskar Group companies owned by late SLK were to be distributed between myself and the Petitioner Nos. 2 and 3 in such a manner that the control of an individual company remained within the branch managing that company. Further, the Will echoed the understanding that his shares of the Kirloskar Group companies were to be retained/distributed with the object of retaining the shares and control of the group companies within the family. A copy of



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the last will and testament of late SLK dated 29th September 1989 ("the 1989 Will") forms part of the Exhibit H defined herein below. The 1989 Will has been accepted and relied upon by all concerned within the Kirloskar Group including the Petitioners herein.

4.6.2 A reading of the DFS makes it plain that the DFS was only a continuation of the pre-existing family understanding and that, late SLK was one of the main reasons why the said understanding was subsisting and abided by. A copy of the DFS is forms part of the Exhibit H defined herein below.

5. DFS and its performance:

5.1 In and around 2009, it was decided by the Kirloskar family members to formalize this demarcation and compartmentalization to avoid any complications that could result in differences/ disputes that could arise between family members. The Kirloskar family members apprehended that differences of opinion may arise between family members on account of various reasons including clash of attitudes and behavior etc. In order to avoid the adverse effect of such family differences on the Kirloskar Group of Companies which could in turn adversely affect the valuable 'Kirloskar' brand built on the efforts of four generations of the Kirloskar family, it was desired to formalize the separation and compartmentalization of the management and control of the Kirloskar Group of Companies giving each family member, the independence in running companies coming under its respective



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control and which had till then been followed and implemented on the basis of the said understanding.

5.2 Accordingly, on 11th September 2009, the DFS came to be executed by and between Petitioner Nos. 2 and 3, Vikram Kirloskar, Late Gautam Kulkarni and myself; representing their respective family members on terms and conditions mentioned therein. All the members of the branches of the Petitioner Nos. 2 and 3, Vikram Kirloskar, Late Gautam Kulkarni and myself gave their respective consents to accept the terms thereof and letters to that effect came to be executed by them which form part of Annexures to the said DFS.

5.3 As per the DFS, for the purpose of smooth functioning of the businesses and to preserve peace, harmony, goodwill and prestige and to avoid unpleasant incidents such as litigations, etc., the ownership, control and management of the Kirloskar Group Companies was divided amongst the Kirloskar family members. The DFS is in force, has been implemented and is valid, subsisting and binding upon the Petitioners and the other parties thereto, including me. The DFS is a continuation of the pre-existing oral arrangement; the formation thereof; sought to ensure that the management and control of the Kirloskar group companies would be held in accordance therewith. It is in this backdrop, that the terms of the DFS, are liable to be interpreted and enforced.

5.4 The DFS is in force, has been implemented, has been taken advantage of and is valid, subsisting and binding upon the Petitioner Nos. 2 and 3 and other Kirloskar group companies. It is submitted that the DFS



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reflects the spirit, intent and the said understanding, tradition on the basis of which the Kirloskar Group is required to function and it binds the members of the family as well as the entities which are controlled and/or managed by the members of the Kirloskar family to ensure its highest adherence and implementation.

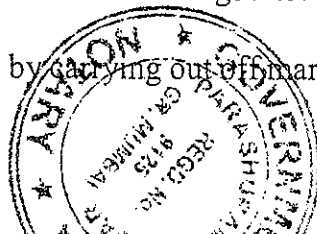
- 5.5 The DFS states: (i) the DFS broadly separated and compartmentalized the ownership, management and control of different Kirloskar group entities and distributed the same; (ii) the Kirloskar family companies are broadly separated and compartmentalized into three groups viz. the first group comprising of two companies namely Quadrant Communications Ltd. and Kirloskar Systems Ltd. which went to Vikram Kirloskar, the second group, comprising of six companies namely Kirloskar Brothers Ltd.; Kirloskar Corrocoat Ltd; Quadromatic Engineering Pvt. Ltd.; Pressmatic Electro Stamping Pvt. Ltd.; Hematic Motors Pvt. Ltd. and Kirloskar Ebara Pumps Ltd. which came to me, and the third group, comprising of seven companies namely Kirloskar Oil Engines Ltd.; Kirloskar Pneumatic Co. Ltd., Kirloskar Ferrous Industries Ltd., G.G. Dandekar Machine Works Ltd., Kirloskar Integrated Technologies Ltd., Kirloskar Consultants Ltd. and Kirloskar Chillers Ltd ("KCPL") which went jointly to Petitioner Nos. 2 and 3 and Late Gautam Kulkarni; (iii) as per the terms, intent and purport of the DFS, the Parties to the DFS (and entities under their control) are under an obligation not to enter into any business which is directly in competition with the business of any other party to the DFS (or any entity under his/their control).



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5.6 The separation and compartmentalization was done broadly on the basis of the nature of the business run by the respective companies. These businesses had been run by the respective members of the Kirloskar family for the past several years prior to the execution of DFS (in accordance with the said understanding) and accordingly, were allotted to such members, pursuant to the DFS. As stated above, since 1983, I have been the Vice President of KBL and was appointed as Managing Director of KBL (its highest executive position) in the year 1985. In 1998, I was appointed as Chairman of KBL. I say that, by 2009, I had put in almost 26 years towards building the business of KBL, as I was and am the force behind building and shaping business of KBL since 1985. Therefore, companies carrying on the business of pumps (and allied thereto) came to my share. Vikram was allotted companies connected with the automotive business. Petitioner Nos.2 and 3 and Late Gautam Kulkarni were jointly allotted companies *inter alia* running business of diesel engines, compressors and pig iron. This position is clear from a chart (which is prepared on the basis of the DFS) containing allocation of shares of Kirloskar group companies amongst the signatories to the DFS, which is annexed hereto and marked as Exhibit "G".

5.7 The plain intention of the DFS was and is that KBL was to come within my share and hence, my family and I were to acquire a majority of its shareholding stake. My family and I were to increase our shareholding in KBL by purchasing additional KBL shares from its holding company i.e. Better Value Holdings Ltd. This was in fact achieved by me and my family by carrying out off market purchases of KBL shares



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from Better Value Holdings Ltd. A chart depicting the total shares purchased in this manner is set out below:

Name of the Purchaser	No. of shares in KBL	Value in INR
Mr. Sanjay C. Kirloskar	3,73,42,688	18,29,79,171

5.8 The intention of the parties to the DFS clearly was that the management, ownership and control of KBL was to completely come to my share. The other parties to the DFS were allotted other companies as stated above. However, at the time of the DFS, KBL had higher profitability and market capitalization, as compared to the other then existent Kirloskar group companies which were the subject matter to the provisions of the DFS. Only for this reason and in an attempt to equalize the worth of all the three groups, Petitioner Nos. 2, 3 and Late Gautam Kulkarni were each permitted and allotted, from Better Value Holdings Ltd., as off market transactions, 52,88,218 shares of KBL and were permitted to hold these shares of KBL. This is also demonstrated by a chart which is set out hereinbelow:

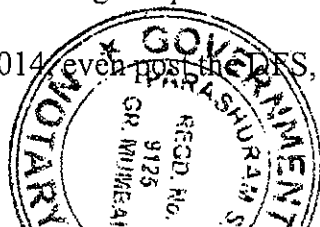
Name of the Transferee	No. of shares in KBL	Book Value in INR
Mr. Atul C. Kirloskar	52,88,218	2,59,12,268/-
Mr. Rahul C. Kirloskar	52,88,218	2,59,12,268/-
Late Mr. Gautam A. Kulkarni	52,88,218	2,59,12,268/-



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5.9 As such, the said 52,88,218 shares were purchased by Petitioner Nos. 2, 3 and Late Gautam Kulkarni only to ensure monetary parity under the settlement; this shareholding was not to be utilized in a manner which would disturb or challenge my control, management and ownership rights in and over KBL; and as such, the Petitioners' holding in Respondent No.1 was and is impinged with fiduciary, contractual and legal obligations of the Petitioners to be exercised in my favor and not to be transacted with so as to in any manner (directly or indirectly) displace any ownership, control and management of KBL. Necessarily, the Petitioners were required and are legally obliged to hold the shareholding in KBL consistent and are liable to exercise rights thereon in accordance with my ownership, management and control of KBL in term of the DFS. Hence, the Petitioners were and are under a continuing obligation in terms of the terms, letter and spirit of the DFS, to offer me the shares of KBL held by them before selling or transacting with or in favor of any other person/s. This is apparent from and/or implied in the DFS (which all accept) and is necessarily required to be implied to ensure that the DFS is adhered to and implemented within accordance with its true letter, spirit and construction.

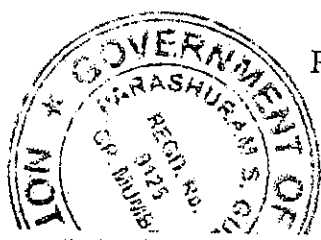
5.10 The aforesaid agreement and understanding is also clear from the conduct of the parties between the years 2009 till the end of 2014 i.e. when the disputes arose. Throughout this period, Petitioner Nos. 2, 3 and Late Gautam Kulkarni have voted on their shares in my favor. In fact, as was done during the period of the said understanding, for the period 2009 to 2014 even post the DFS, Petitioners Nos. 2, 3 and Late



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Gautam Kulkarni have signed proxy forms enabling me to vote on shares held by them in KBL. Petitioner No.1 has passed a board resolution dated 22nd October, 2010 authorizing certain employees and/or key managerial personnel of the Petitioner No. 1 to attend and vote on behalf of the Petitioner No. 1 at all general meetings of other body corporates wherein the Petitioner No. 1 had investments or in which the Company may invest in the future. Further, such employees and/or key managerial personnel of the Petitioner No. 1 that were authorized to attend and vote on behalf of Petitioner No. 1 at general meetings of KBL would provide me with the authority to vote at the general meetings of KBL by executing proxy forms in my favor. A copy of specimen proxy forms signed by a duly authorized representative of Petitioner No.1 dated 15th July 2011 and 10th July 2012 in my favor and the board resolution dated 22nd October 2010 are part of other exhibits to this Reply.

- 5.11 Pursuant to the DFS, I took the necessary actions which I was required to take in order to fulfill my obligations thereunder. I was, as per the DFS, supposed to pay to Vikram Kirloskar, a sum of Rs.80.50 crores. I did this after the Scheme of restructuring / demerger of KBL and Kirloskar Brothers Investment Ltd. ("KBIL") which had taken place on 20th August 2009. As a part of the said understanding, I agreed that neither I nor my nominees will be entitled to the shares of KBIL. This entailed me and my wife Pratima Kirloskar gifting away our entire shareholding / stake in KBIL in favor of Petitioner Nos. 2 and 3. The control of Kirloskar Pneumatic Company Ltd ("KPC") has been with Petitioner No. 2 pursuant to the said understanding arrived at in or

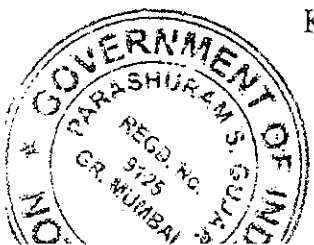


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about the year 1985. Due to some tough business calls, I was appointed as the chairman of KPC from 2002 to 2010. In my sincere adherence to the DFA and to maintain the said understanding, I stepped down from the post of chairman in KPC in favour of Petitioner No. 2. All these actions demonstrate my sincerity in adhering to the DFS in its letter and spirit and its performance thereof.

5.12 I have complied with all the obligations under the terms of the said DFS. In addition to payment of sum of Rs. 80.50 crores to Vikram Kirloskar, I have gifted shares of Kirloskar Brothers Investments Limited worth hundreds of crores in favor of Petitioner Nos. 2, 3 and late Gautam Kulkarni, effectively handing over the control of the Kirloskar Oil Engines Limited and Kirloskar Pneumatic Limited to them. Accordingly, the DFS was given effect to by myself and the Petitioner Nos. 2, 3, Vikram Kirloskar and late Gautam Kulkarni along with their respective branches took full benefit under the said DFS.

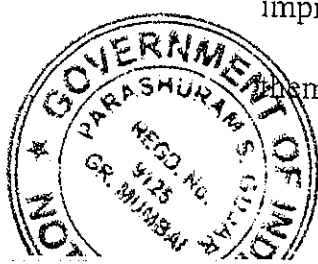
5.13 Just as I had undertaken the actions set out hereinabove, the Petitioners were also expected and are required / legally obliged to reciprocate. As per the DFS, KBL was to entirely come to my control, ownership and management. As such, the Petitioners were required to hold the KBL shares and support me for running the business of KBL. The Petitioners were and are under an obligation (continuing) under the DFS to divest themselves of their shareholding in KBL in my and/or my family's favor, as and when they desired to sell or divest themselves of their shares. In other words, this was in order that the Kirloskar family's shareholding is not divested in favor of outsiders



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and I retain control and management over KBL. Hence, the Petitioners were and are under a continuing obligation in terms of the letter and spirit of the DFS, to offer me to transfer the KBL shares held by them. This is necessarily so, to ensure that control and management of KBL remains with me in terms of the DFS. Any other interpretation would constitute a repudiation and breach of the DFS and the obligations cast thereunder.

5.14 On 6th October 2010, Petitioner Nos. 2 and 3 along with Late Gautam Kulkarni sold 1,07,18,400 shares of KBL to Petitioner No.1 constituting about 13.5% of KBL's equity share capital. The transaction of 6th October 2010 was done behind my back and without my knowledge since, at the relevant time, I was not in Pune. The transaction of 6th October 2010 constituted a breach of the terms of DFS and the letter and spirit thereof; however, upon my objection to the said transaction, Late Gautam Kulkarni orally conveyed to me that the transfer was necessary for consolidation of the holding of Petitioner Nos. 2, 3 and Late Gautam Kulkarni in KBL and assured me that the transfer was only to Petitioner No.1 (which as per the DFS was an entity within their control). Petitioner Nos. 2, 3 and Late Gautam Kulkarni assured me that I could (if need be) enforce the DFS even against Petitioner No.1 and they would ensure that Petitioner No.1 (being under their management and control) complied with the provisions of the DFS. Hence, I did not make much of an issue out of this, only because my relationship with Petitioner Nos. 2 and 3 had improved after the DFS; I trusted them and had reposed confidence in them and I was not required to initiate any action. Consistent with their



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representations, Petitioner No.1 continued to hold and exercise rights in respect of the KBL shares consistent with the DFS and my control of KBL thereunder.

5.15 Consistent with my entitlements under the DFS and for enforcement thereof, I and KBL have instituted a Special Civil Suit No.798 of 2018 ("the DFS suit") before the Civil Judge, Senior Division, Pune and a copy of the DFS suit along with exhibits thereto is annexed hereto and marked as Exhibit "H". I reiterate the contents thereof and submit that in view of the institution thereof, the Petition is not maintainable and ought not be entertained.

6. The Petitioners are wrongdoers and minority shareholders of KBL, who are opposed to the financial and proprietary interest of KBL;

6.1. The institution of the present petition, is a part of the larger wrongful scheme and agenda of the Petitioners and allied opposed groups of the Kirloskar family, who seek to undermine myself and companies within my group, including, KBL. This is evident, from the fact that Petitioner Nos. 2 and 3 and other members of the Kirloskar family, have in fact, abused and misused their majority position in various other entities/body corporate so as to marginalize myself and have acted against the interest of KBL and myself ("these Respondents"). This is, in breach and violation of their obligations under the DFS. This is evident, from the facts narrated which has led to institution of diverse proceedings by KBL and/ or myself, to seek redressal of our rights.

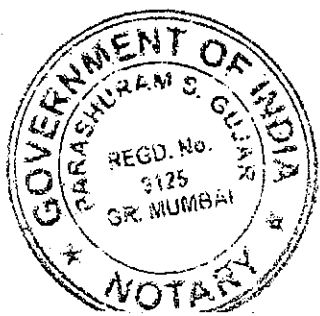
6.2. Kirloskar Institute of Advance Management Studies ("KIAMS") is a society which runs educational institutions. The DFS provides that



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KIAMS is to be jointly managed and run by all branches of the Kirloskar family. However, in breach and violation of the terms of the DFS and/ or the rights of these Respondents, Petitioner No. 2 has been conducting the affairs of KIAMS in a manner that only sub serve his personal interest and is opposed to the interests of the Respondents. This has led to KBL instituting three civil suits in Pune and Harihar Courts, being Civil Suit no. 251 of 2017, Civil Suit no. 175 of 2017 and Civil Suit no.124 of 2017. (collectively referred to as "KIAMS suits") Copies of KIAMS suits are annexed hereto and marked as Exhibits "I" "J" and "K". These suits are presently pending and the contents thereof, are repeated and reiterated herein. These Respondents are relying upon the same to demonstrate that the present Petitioners are acting mala fide and are opposed to the interests of KBL. As such, the present Petition alleging oppression and mismanagement can never lie at the instance of and/ or be maintained by such Petitioners.

- 6.3. In addition thereto, Petitioner Nos. 2 and 3 have also violated my rights and entitlements under the DFS and have injured KBL's proprietary interest by using the Kirloskar mark/s to and in relation to a competing business being carried out by Petitioner Nos. 2 and 3 through their entity Kirloskar Oil Engines Ltd ("KOEL"). Further KOEL has acquired controlling shareholding in La-Gajjar Machineries Pvt. Ltd. ("LGM"). LGM is engaged in the business of manufacturing and selling submersible and monoblock pumps and pump-sets, being a business that directly competes with the primary business undertaken by KBL. As a part of the DFS, it has been agreed upon that the

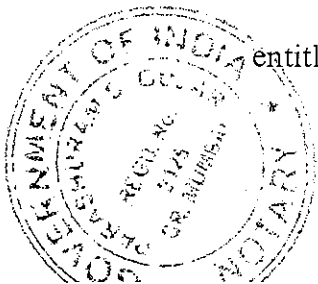


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different branches of Kirloskar family would not indulge in business activities which are competing in character.

6.4. After discovering the above wrongdoings, by a letter dated 13th January 2015 addressed to Petitioner Nos. 2, 3 and Late Gautam Kulkarni, I recorded the aforesaid breaches of the DFS on their part as well as their consequent wrongdoings through KOEL which harmed KBL's interests. A copy of the letter dated 13th January 2015 is annexed hereto and marked as Exhibit "L". In addition to the said letter, I have on various other occasions addressed letters to Petitioner Nos. 2, 3 and Late Gautam Kulkarni, amongst other parties to the DFS, pointing out various breaches of the DFS committed by them. The correspondence exchanged between parties (being letters dated 1st December, 2016 and 17th March 2017 by me and letters dated 7th, 8th and 21st October 2016 and 24th January 2017 by Petitioner Nos. 2 and 3 and by Late Mr. Gautam Kulkarni) in this regard is annexed at Exhibit "M (colly)".

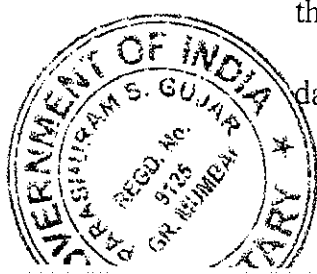
6.5. In furtherance of the joint entitlement to the Kirloskar mark/s, the same are held by Kirloskar Proprietary Limited ("KPL"). Consistent with the joint entitlement that all branches of the Kirloskar family have vis-a-vis the Kirloskar trademark/s Petitioner Nos. 2 and 3; Vikram Kirloskar; Late Gautam Kulkarni; and myself were at all material times directors and equal shareholders in KPL. This because, there was to be equality in ownership and control of the intellectual property of Kirloskar group, so that all branches would be assured equal entitlement thereto.



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6.6. There has however, been a violation of Respondent Nos. 1 and my rights qua the Kirloskar trademark/s property. This has been done by the Petitioners in a twofold manner, (i) using their brute majority (with the support from Vikram Kirloskar and late Gautam Kulkarni) in KPL, Petitioner Nos. 2 and 3 have wrongfully regained KPL to permit KOEL the right to use the trademark Kirloskar for a competing business of manufacturing and selling electric monoblock and submersible pumps; the use of Kirloskar mark for carrying out competing business constitutes breach of DFS, (ii) If this was not enough, Petitioner Nos. 2 and 3 have engineered my wrongful and illegal ouster as a director of KPL. These wrongful and illegal actions are the subject matter of the DFS Suit

6.7. By way of my letters dated *inter alia* 1st October 2015, 28th September 2016, January 13, 2017, 2nd May 2017, 5th June 2017 and 11th and 13th August 2017, I asserted and placed before KPL's board (including Petitioner Nos. 2 and 3), KOEL's breach of the Permitted User Agreement and further, the utter disregard on the part of certain individuals in control of KOEL viz. Petitioner Nos. 2 and 3 and Late Gautam Kulkarni, towards the assets of KPL. However, by that time, Petitioner Nos. 2 and 3 and Late Gautam Kulkarni were already having acrimony towards me; and were only interested in serving their own self-interest; and were showing complete disregard to: (a) the terms of the DFS; (b) compliance by companies within their control (i.e. KOEL) of contractual arrangements i.e. Permitted User Agreement; and (c) their fiduciary obligations and duties towards KPL. Copies of letters dated 1st October 2015, 28th September 2016 (2 letters), 13th January,



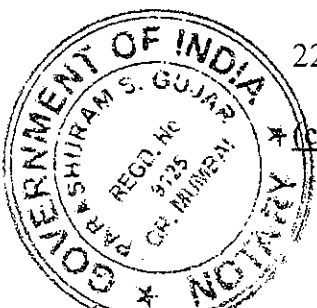
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2017, 2nd May 2017, 5th June 2017 and 11th and 13th August 2017 are hereto annexed and marked as Exhibit “N (copy)”.

6.8. Petitioner Nos. 2 and 3 by abusing their majority on the Board of KPL, have purportedly secured a right to use the trademark 'Kirloskar' and 'Kirloskar Enriching Lives' in favor of certain other entities under their control viz.(i) Kirloskar South East Asia Company Limited, an entity under the control of Petitioner Nos. 2 and 3 (at the 260th Board Meeting of KPL held on 19th April, 2017); and (ii) Kirloskar Solar Technologies Pvt. Ltd., an entity under the control of Petitioner Nos. 2 and 3 (at the 266th Board Meeting of KPL held on June 05, 2017). I have on several occasions and in particular in Board meetings of KPL held on 28th July 2016, 27th August 2016, 13th January 2017, 3rd May 2017, 5th June 2017 and 22nd September, 2017 raised objections with respect to KOEL's breach of the Permitted User Agreement and called upon KPL's Board to initiate action against KOEL in order to fulfil its fiduciary duty of safeguarding the assets of KPL (i.e. the trademark 'Kirloskar' and other associated trademarks). I have also raised an objection against grant of permission in favor of Kirloskar Solar Technologies Pvt. Ltd. and Kirloskar South East Asia Company Limited to use the trademarks 'Kirloskar', 'Kirloskar Enriching Lives', 'Kirloskar Solar', and other associated trademarks (as the case may be) as a trademark and in its corporate name. Copies of the Minutes of the Board meeting of KPL held on 28th July 2016, 27th August 2016, 13th January 2017, 3rd May 2017 and 5th June 2017, and 22nd September, 2017 are annexed hereto and marked Exhibits "O (colly)". Despite Petitioner Nos.2 and 3's wrongdoings and

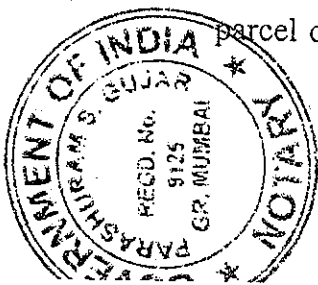
22nd September, 2017 are annexed hereto and marked Exhibits “O (colly)”. Despite Petitioner Nos.2 and 3's wrongdoings and

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illegalities, I have held myself back and displayed patience and tolerance in light of the provisions of the DFS and with the aim of ensuring that the Kirloskar family presents a united face to the outside world and the industrial community. However, it appears that Petitioner Nos.2 and 3 are relentless in their wrong doings, illegalities and attempts to profiteer in breach of the DFS and my rights thereunder in KBL. I say that Respondent No. 1 has issued appropriate instructions to its lawyer to initiate appropriate steps in respect of notice of termination dated 2nd April 2018 and all other matters relating to the trademark. The Respondents crave leave to refer to and rely upon pleadings in the suit in relation to trademark as and when produced before this Hon'ble Tribunal.

- 6.9. From the aforesaid and the contents of the DFS suit and KIAMS suit, it is apparent that Petitioner Nos. 2 and 3 and body corporates within their control have been consistently and continuously acting in a manner which is adverse, hostile and opposed to the interest of myself and KBL. It is therefore, submitted that the present Petitioners are not bona fide minority shareholders of KBL. They are acting in a mala fide manner with a view to undermine the interests of both myself and KBL and to disrupt KBL and my management and control thereof. As such, the present Petition is ill motivated and undeserving of any reliefs. The same therefore, deserves to be dismissed. In this context, both myself and KBL repeat, reiterate and confirm the contents of DFS suit and KIAMS suit and pray that the contents thereof be treated as a part and parcel of this affidavit. These Respondents shall rely upon the same,



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with a view to oppose to maintainability of the present Petition and entitlement to any reliefs thereon.

6.10. As set out in the reply, the allegations contained in the Petition have either been falsely made or situations have been created or engineered to give the false impression of a dispute which discloses an infraction of shareholders' rights. No such dispute exists. There is no merit in the allegations made. The entire Petition is solely instituted with oblique motives and is being used as a tool to settle other and collateral scores which the Petitioners have against me and my family.

6.11. The present Petition is therefore, nothing but a counterblast and a wrongful device adopted in view, of these other disputes and is not instituted to redress a violation of purported shareholders' rights (which the Petition does not disclose) but is only instituted with the sole and oblique motive of settling their other scores with the Respondent no.2 and applying pressure at a time when the family is even otherwise litigating.

7. Wrongful pre-clearance applications qua KBL's shares:

7.1 In February 2016, as a pressure tactic, by an application dated 3rd February 2016, Petitioner No.2, in his capacity as a deemed connected person under the SEBI (Prohibition of Insider Trading Regulations), 2015 ("**2015 PIT Regulations**") applied for a pre-clearance for trading in the shares of KBL from KBL's compliance officer purportedly to acquire 39,70,000 shares of KBL, constituting approx. 5% of the paid up share capital of KBL. Since a transaction to acquire approx. 5% of the paid up share capital of KBL would thereby dilute



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my control, such an acquisition would be in breach of the DFS. By a letter dated 4th February 2016, the compliance officer of KBL rejected the pre-clearance application dated 3rd February 2016 filed by Petitioner No. 2. Thereafter, without prejudice negotiations ensued between Late Gautam Kulkarni (on Petitioner No.2's behalf) and myself at which time, I asserted that the pre-clearance application was a breach of the DFS and that Petitioner No.2 must therefore, withdraw the same. Petitioner No.2 having accepted the position that it was impermissible for him to acquire additional shares in KBL, by his email dated 5th February 2016, unconditionally withdrew his application for pre-clearance. Copies of the application for pre-clearance dated 3rd February 2016, rejection of the pre-clearance application dated 4th February 2016, letter dated 4th February 2016 sent by the Petitioner No. 2 addressed to the Company Secretary, email dated 5th February 2016 unconditionally withdrawing the pre-clearance application dated 3rd February 2016 and the letter dated 4th February 2016 and letter dated 5th February 2016 by the Company Secretary, are annexed hereto and marked as Exhibit "P (colly)". The Petitioners have willfully suppressed these facts and documents in the Petition. In fact, this application and withdrawal was and is not only per-se wrongful, illegal and malafide, but the same also exposes the lack of bonafides of the subsequent applications. All of this is only to engineer and is directed towards a wrongful displacement of my management and control of KBL. In light of the past disputes, there can be no other reason and/or justification available to Petitioner No.2 for purporting to acquire such a high holding in KBL.



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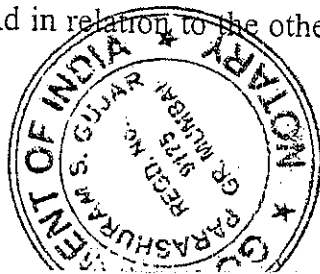
7.2 Clearly, the pre-clearance application dated 3rd February 2016 for acquisition of 39,70,000 shares made by Petitioner no.2 was not a bona fide application. In any event, Petitioner No.2 had submitted an incomplete application which was not in conformity with the form prescribed under Code of Conduct adopted by KBL pursuant to the 2015 PIT Regulations, The Petitioner was well aware that the said application will be rejected by KBL. I say Petitioner No.2 did not have bona fide intention of acquiring the shares of KBL, and the said application was made merely to put pressure on me; to threaten me by an attempt to dilute my control over KBL; and thereby prejudicing my rights and entitlements under the DFS. Petitioner No.2's application was in complete breach and violation of the terms of the DFS (express and implied).

7.3 What the aforesaid circumstance demonstrates is that, Petitioner No.2 is aware and has always been aware that his acquiring additional shares in KBL is contrary to the DFS and is on this basis alone, impermissible. His earlier application of 3rd February 2016 was not a bona fide or genuine application and was only made in order to apply pressure on me. I say that this material fact has been suppressed by the Petitioners. This is because, the earlier attempt on Petitioner No. 2's part clearly exposes the malafides and the wrongful and oblique purpose / intent to breach the DFS afflicting the subsequent applications made purportedly to purchase and sell small quantities of KBL shares.



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- 7.4 The subsequent 3 applications which form the subject matter of the Petition have also been made with the same ulterior, malafide and wrongful motives and purposes by Petitioner No 2 and by way of an entity under the control of Petitioner Nos. 2 and 3, namely KCPL; and are an attempt to test the waters and make ground work before opening further hostilities. None of the Petitioners are interested in the well-being of KBL (which is apparent from his past conduct which demonstrates that Petitioner No. 2 has caused KOEL to compete with KBL, even at the time when he was a director on the Board of KBL) and is not concerned with either reducing or increasing his stake in KBL. This is apparent from the fact that on 7th September 2016, Petitioner No. 2 applied for an acquisition of 5000 shares of KBL whereas thereafter i.e. on 21st November 2016, Petitioner No. 2 applied for a pre-clearance to sell the equal number of shares.
- 7.5 The timing of these pre-clearance applications also demonstrates the oblique motives, allegations and malafides underlying the same. The events and other disputes which have arisen which have led to the making of these three pre-clearance applications and the ultimate institution of the Petition is set out herein. These events and the overall disputes that are ongoing between the Petitioners and me demonstrate that the purported issue being made on the basis of the rejection of the pre-clearance applications is a wrongful, bogus, orchestrated and engineered dispute solely precipitated for the purpose of applying wrongful pressure on me, to succumb to the Petitioner Nos. 2 and 3's demand in relation to the other disputes between the parties; and this



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is nothing but an oppressive and hostile minority (the Petitioners) who are acting against KBL and its management.

- 7.6 In any event and without prejudice, it is submitted that there is no right to trade in shares and/or speculate therein. The Petitioners' pre-clearance applications are either in breach of the DFS and/or constitute a purported attempt to trade / speculate in shares. Either way, the rejection of the pre-clearance application is rightful and does not violate shareholders' rights. The same does not give rise to a cause of action of oppression and mismanagement in the Petitioners' favor.

In addition to the above, I say that the Petitioners have engineered the wrongful pre-clearance applications for collateral purposes to pressurize me and constitutes an abuse of the process of this tribunal. This demonstrates that the present attempt to interfere with and/or disturb the management of Respondent No. 1 and its affairs is part of the larger scheme of the Petitioners to violate the Respondents' rights.

8. Petitioners' breaches of the DFS subsequent to the filing of the Petition:

Exercise of voting rights against my re-appointment as a director of the Company:

At the annual general meeting of KBL held on 27th July 2017, the Petitioners have voted against my re-appointment as a director of the Company. This is apparent from the Scrutinizer's report dated 5th

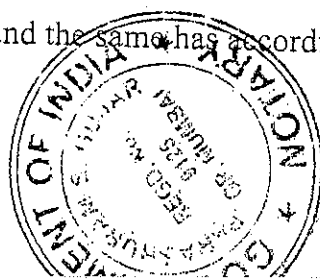
August 2017 a copy of which is annexed hereto and marked as Exhibit 4A. Whilst the resolution was passed with the requisite majority, I

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say that this action on the part of the Petitioners constitutes a breach of the DFS; demonstrative of the hostile intent that Petitioner Nos. 2 and 3 possess against me; and that the Petitioners are nothing but a disruptive and prejudicial minority in KBL, who are out to impair its business and affairs.

9. In order to resolve our disputes and differences in an amicable manner, till about May 2016, Petitioner Nos. 2 and 3 had been engaged in settlement talks with me. We have been attempting to resolve our disputes and differences in relation to the various issues which have arisen. Unfortunately, we have been unable to do so, on account of various other disputes and litigation pending between the parties. It is only at such juncture that the Petitioners have instituted the present Petition. It is therefore, apparent that the applications for pre-clearance were made with a wrongful and oblique purpose; were in any event contrary to the DFS and applicable law; and as such, rightfully rejected. These applications, have been made the basis of the Petition (which is in itself a tool to apply wrongful pressure on me to succumb to wrongful demands which are being made during settlement talks and negotiations), which do not give rise to any claim for oppression and mismanagement. In and around June 2017, another attempt to resolve the aforementioned issues was made and the issues were collectively referred to Dr. Vijay Kelkar, a very respectable social leader and former bureaucrat for mediation. Dr. Kelkar was seized of the aforesaid disputes. However, he has recently withdrawn from the mediation and the same has accordingly failed.



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10. For all of these facts (which have been suppressed) and for this reason alone, I respectfully submit that the Petition is an abuse of the process of this tribunal and is on this ground alone, liable to be dismissed, with costs.

11. I am now dealing with the broad allegations made in the Petition.

12. Allegation that the rejection of Petitioner No.2's pre-clearance applications for acquisition or sale of KBL's shares is an act of oppression and mismanagement. This allegation is disputed and denied. This is for the following reasons:

12.1 As per the letter and spirit of the DFS, the ownership, control and management of KBL is to remain with me and my nuclear family / branch of the Kirloskar family. The purpose and intention of the DFS is that *inter alia* no other party to the DFS and entities under their control (save and except me and my family) can or are permitted to acquire further shares of Respondent No.1 beyond the shares allotted to them pursuant to the DFS (as recorded in schedule 2 thereto). Similarly, and to achieve the same purpose, in the event any other party to the DFS or entities under their control wish to dispose of / sell shares held by them in Respondent No.1, the same are required to be first offered to me in order to ensure that the ownership, control and management of Respondent No.1 remains with me; and Petitioners are in any event not allowed to sell or transfer KBL shares to third parties. This is necessarily the manner in which the DFS is structured and constructed, since, any other construction / interpretation shall make the DFS unenforceable and defeat the rights of the parties thereunder.

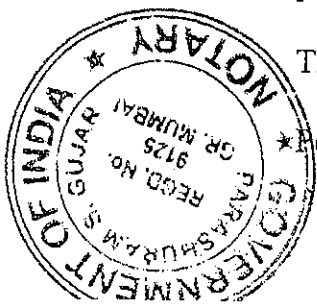


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12.2 Therefore, citing the increase in my stake / shareholding in KBL in the year 2016 does not give any ground to the Petitioners' to allege either unequal or unfair treatment. This is because, the DFS (since, KBL is under my ownership, control and management) would permit me and my nuclear family to increase our shareholding in KBL. However, the same would preclude the Petitioner from acquiring / or transferring to outsiders their KBL shares as it necessarily has the effect of disturbing the ownership, control or management of KBL by my branch of the Kirloskar family. As such, my acquisition of further shares in KBL, is therefore, compliant with and as contemplated by the DFS. It is a circumstance which is irrelevant and does not demonstrate any oppression on my part. I crave leave to refer to and/or rely upon the DFS for its true and correct interpretation.

12.3 By my email dated 22nd November 2016 addressed to Petitioner No.2, I offered to purchase 5000 shares of KBL proposed to be sold by Petitioner No.2 at prevailing market value. I say that Petitioner No.2 did not accept my offer to purchase 5000 shares of KBL at prevailing market value despite the fact that in the application for pre-clearance dated 21st November 2016 for the proposed sale of 5000 shares of KBL, Petitioner No.2 had proposed to sell the said shares at market price. Therefore, no monetary loss or injury would have been caused to Petitioner No.2 if he had accepted my offer to purchase the said shares. This also precludes Petitioner No.2 from contending that the pre-clearance applications cannot be rejected on the basis of the DFS.

Therefore, there is no oppression, as alleged or at all. The rights of Petitioner No.2 as shareholder of KBL is subject to the equitable



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considerations arising out of the rights and obligation embodied in the DFS.

12.4 As stated above, by Petitioner No.2's conduct i.e. accepting KBL's rejection of the earlier application for pre-clearance dated 3rd February 2016 and in any event, unconditionally withdrawing the same on 5th February 2016, Petitioner No.2 has accepted the position that the DFS does not permit Petitioner No.2 to acquire additional shares in KBL. He is in law and in fact, estopped and precluded from taking up a contrary position.

12.5 In this context, it is pertinent to note that KBL has, at its Board Meeting held on 18th April 2016, pursuant to the proviso to Section 58(2) of the 2013 Act, taken the DFS on record. KBL's board has also resolved that with respect to any proposal placed before it for or in respect of the acquisition and transfer or disposal of KBL's shares and securities, by either of the parties to the DFS and their families (other than me and my family), KBL's board shall recognize the terms of the DFS in letter and spirit read with the proviso to Section 58(2) of the 2013 Act, and accordingly, ensure that the DFS is implemented and abided by. By virtue of this resolution, KBL has bound itself to the provisions of the DFS. It is pertinent to note that the Petition does not challenge the validity of KBL's board resolution dated 18th April 2016, and therefore, Petitioners are now estopped from challenging any action taken pursuant to the said board resolution. A copy of the board resolution dated 18th April 2016 is annexed hereto and marked as

Exhibit "R". This demonstrates that what was contemplated under the

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impugned preclearance applications is not a bonafide transaction, that the same are wrongful devices aimed at prejudicing me and my branch of the Kirloskar family in relation to their shareholding, management and control of KBL.

12.6 As per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the 2015 LODR Regulations") and in accordance with Regulation 30 read with Schedule III Part A of the 2015 LODR Regulations, agreements between shareholders including family settlement agreements (to the extent that it impacts management and control of the listed entity) which are not executed in the normal course of business are required to be disclosed to the Stock Exchanges. Accordingly, KBL vide letter dated 19th April 2016 intimated the Bombay Stock Exchange and National Stock Exchange of the passing of the Board Resolution dated 18th April 2016. It is pertinent to note that the Petition does not challenge the validity of KBL's letter dated 19th April 2016 addressed to the Bombay Stock Exchange and National Stock Exchange. A copy of the letter dated 19th April 2016 is annexed hereto and marked as Exhibit "S".

12.7 For all of the reasons stated hereinabove, I reiterate that by applying for a pre-clearance to acquire additional shares in KBL or for selling his existing shares in KBL without first offering me the right to purchase the same, Petitioner No.2 has violated and breached the DFS.

As per the DFS, the Petitioners cannot hold, sell or expand their shareholding to disrupt my ownership, management and control of



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KBL, which is what the Petitioners seek to do. The genesis of this Petition is therefore, rooted in an illegality and wrongdoing to violate the DFS and thereby, settle collateral disputes. Such misconduct per-se disentitles the Petitioners to maintain the Petition or seek reliefs thereon.

12.8 It is settled position of law that there is no legal bar against the board of a public company from taking cognizance of the private arrangement or contract between shareholders restricting the transferability of the shares. This is further clear from the proviso to Section 58(2) of the Companies Act, 2013; the 2015 LODR Regulations (in particular, Regulation 30 read with Schedule III Part A thereto); and Depositories Regulations, 1996. Therefore, KBL is fully justified in rejecting the request for pre-clearance or dealings in shares of KBL, contrary to and in breach of the terms of DFS.

12.9 Therefore, the pre-clearance applications dated 7th September 2016 and 21st November 2016 were validly and rightfully rejected by KBL's compliance officer. KBL is well within its right to take such a decision. The rejection of the request for pre-clearance is neither wrongful nor contrary to any provision of law and does not lack probity.

12.10 In this regard, the Petitioners' contention that the 2015 PIT Regulations do not permit Respondent No.1's compliance officer to reject a pre-clearance application on any grounds other than those set out in the 2015 PIT Regulations is unmeritorious and legally untenable. This is *inter-alia* for the following reasons:



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12.10.1 At the outset, this constitutes allegations against KBL's compliance officer. Such allegations cannot be countenanced and are not legally tenable, since, KBL's compliance officer i.e. Mr. Sandeep Phadnis has not been made a party to the Petition. As such, no allegation can be made against him or his actions and no orders can or should be passed on the basis of such allegations;

12.10.2 In any event and without prejudice, the allegation that the compliance officer could not have acted on the basis of the DFS is misconceived and unmeritorious. Under the 2015 PIT Regulations and the Code of Conduct, the compliance officer is responsible for setting forth policies, procedures, monitoring adherence to the rules, pre-clearing transactions, monitoring trades and ensuring implementation of the Code and compliance under the supervision of KBL's Board. Therefore, the compliance officer has the responsibility and is both entitled and required to function under the supervision of KBL's Board. As stated above, KBL's Board has, at its meeting held on 18th April 2016, taken the DFS on record and has accepted the same. In the present case, the compliance officer is also the company secretary of KBL. A Company Secretary is also duty bound to ensure that not only 2015 PIT Regulations but provisions of other applicable laws are complied with. A compliance officer and a company secretary cannot turn a blind eye to Section 58 (2) of the Act; KBL's board resolution dated 18th April 2016; SEBI

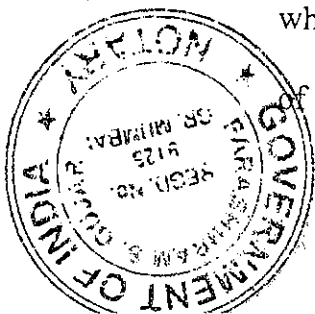


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(Substantial Acquisition of Shares and Takeovers) Regulations, 2011; and 2015 LODR Regulations. Accordingly, no fault can be found with the decision of the Compliance officer to reject Petitioner No.2 and KCPL's application for pre-clearance, all of which bar the pre-clearance applications and the proposed transactions complained thereunder.

12.10.3 Further, the decision of rejecting the Pre-clearance application is an independent decision taken by Compliance Officer in accordance with law and no order or observation thereon can be made without giving him a right of hearing. Further without prejudice, KBL's Board was justified in giving guidance to its compliance officer for deciding applications for pre-clearance in accordance with law; and the Compliance Officer is entitled to take into account all rival views prior to taking a decision on the pre-clearance applications;

12.10.4 Further, the 2015 PIT Regulations only prescribe the minimum conditions on which the compliance officer can reject a pre-clearance application, on the basis of the 2015 PIT Regulations. They are not exhaustive and do not preclude a compliance officer from taking notice of other obligations (legal, contractual, express or implied) or factors which may also prevent or prohibit a dealing by promoters of Respondent No.1's shares. Therefore, the Compliance

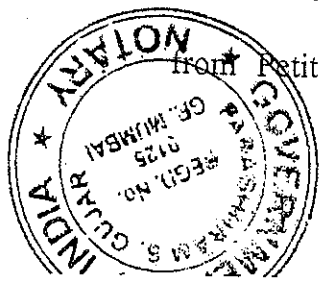


Officer is entitled to take notice of the DFS and reject the pre-clearance application; and

12.10.5 Lastly and in any event and without prejudice, assuming whilst denying that the Compliance Officer could not have exercised power under the 2015 PIT Regulations to reject the pre-clearance applications, KBL's Board (having taken notice of and being bound by the DFS), is well within its rights to take all necessary actions and steps in order to ensure that the DFS is not breached and is abided by / honored. Moreover, the reasons underlying the refusal/rejection of the pre-clearance applications also constitute in law and in fact, a sufficient cause which entitles KBL's and its Board not to approve a transfer of its shares.

12.11 Against the rejection of Petitioner No.2's request for preclearance for purchase of 5000 shares by Respondent No.1, vide letter dated 7th September 2016, on 21st October 2016 Petitioner No. 2 approached SEBI. Once again on 2nd December 2016 Petitioner No. 2 submitted a complaint before SEBI against Respondent No.1 in relation to rejection of pre-clearance permission for acquiring or selling 5000 shares of KBL and called upon SEBI to look into the matter and take appropriate action. KCPL also submitted a similar complaint to SEBI on 2nd December 2016 against Respondent No.1 in relation to rejection of its pre-clearance application for purchase of 50,000 shares of KBL.

Pursuant to the said two complaints dated 2nd December 2016 received from Petitioner No.2 and KCPL, SEBI vide its letter dated 9th



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December 2016 called upon Respondent No.1 to offer its comments on allegations contained in the said complaints. Respondent No.1 vide its letter dated 16th December 2016 addressed to SEBI gave a detailed response to all the allegations contained in the said complaints. For brevity's sake, the contents of the reply dated 16th December 2016 are repeated and reiterated herein, *in extenso* and all that is contrary thereto and/or inconsistent therewith is denied. Upon receipt of the said letter dated 16th December 2016, SEBI has not taken any action on Petitioner No.2 and KCPL's complaints to SEBI. Obviously SEBI did not find any merit in Petitioner No.2 and KCPL's complaints and did not find any alleged breach by Respondent No.1 of provisions of the 2015 PIT Regulations. The Petitioners should therefore not be allowed to raise the same grievance by way of present Petition. In any event, SEBI has exclusive jurisdiction to deal with these issues. Further, the Petitioners having invoked the same cannot reagitate the same cause, in support of a purported claim of oppression and mismanagement. I say that Petitioners are merely taking a chance by filing the present Petition to obtain same relief which they failed to obtain from SEBI. Copies of letters dated 9th December 2016 and 16th December 2016 (without its annexures) are annexed hereto and marked as Exhibit "T" and "U". Such actions of the Petitioners are done to induce actions of SEBI and the Petitioners are using the entities under their control to create corrosive, colluded and concerted actions against Respondent No. 1.

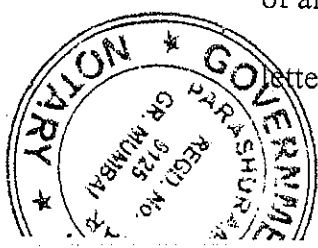
12.12 SEBI's interpretative letter dated 3rd February 2017 also does not take the Petitioners' case in any further. This is because, by its letter dated 3rd February 2017, SEBI has merely recorded the submissions, which



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have been made before it in KCPL's letter dated 2nd December 2016. KBL has by its letter dated 21st April 2017 adequately replied to SEBI's letter dated 3rd February 2017. For brevity's sake, the contents of the reply dated 21st April 2017 are repeated and reiterated herein, *in extenso* and all that is contrary thereto and/or inconsistent therewith is denied. KCPL in its letter dated 2nd December 2016 to SEBI had suppressed several material facts, which have been pointed out by KBL in its letter dated 21st April 2017, which disentitles KCPL from obtaining the interpretative letter from SEBI. Thereafter, SEBI has merely reiterated principles which arise out of the 2015 PIT Regulations. SEBI's observation that a pre-clearance application cannot be rejected for any ulterior motive is not applicable to the present case as the application for pre-clearance was not rejected for any ulterior motive and has been rightfully and justifiably rejected. On the contrary, it is the Petitioners pre-clearance applications which are with ulterior motives.

12.13 After rejection of KCPL's application for pre-clearance, KCPL vide its letter dated 19th October 2016 made a complaint to SEBI. The SEBI did not take any action on the said complaint. After KCPL's complaint was rejected by SEBI, KCPL once again approached SEBI for seeking informal guidance in relation to the same matter. This fact was suppressed by KCPL from SEBI. Further, SEBI in the said letter also acknowledged that views expressed therein are only with respect to clarifications sought in KCPL's letter and do not affect applicability of any other law. In any event and without prejudice, the interpretative letter has been issued without granting me or Respondent No.1 the



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opportunity of a hearing; does not bind me or Respondent No.1; or this Hon'ble Tribunal. Further, SEBI has not sent any reply to KBL's letter dated 21st April 2017. Therefore, it cannot be said that the view expressed in SEBI's letter dated 3rd February 2017 is SEBI's final view on the matter. A copy of letter dated 21st April 2017 addressed by KBL to SEBI is hereto annexed and marked as Exhibit "V". In any event, the SEBI has not taken any action in the matter, which demonstrates that there is no violation or breach of the 2015 PIT Regulations. On all these counts, having invoked SEBI's jurisdiction, it is now no longer open for the Petitioners to agitate the issues in the NCLT. The NCLT is not competent and does not have the jurisdiction to entertain these grievances or grant any reliefs therein.

12.14 Therefore, I reiterate that the DFS is a family settlement and/or contract between KBL's shareholders (promoters) which is a legally valid, binding and enforceable contract as contemplated by Section 58(2) of the 2013 Act. As stated above, the DFS has been acted upon by me and my nuclear family and I have performed my obligations thereunder. This performance has been accepted by the Petitioners who have, benefited from the same. It is however, the Petitioners who are now breaching and violating their obligations under the DFS. Having accepted the benefits of the DFS, the Petitioners cannot be permitted to breach its terms and as such, the rejection of the pre-clearance applications is valid, in law.

12.15 In any event and without prejudice, in law and in fact the rejection of the pre-clearance applications does not and cannot ever constitute



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oppression against the Petitioners. This is for the following reasons:

(a) a shareholder in a company does not have a vested or inherent right to increase his or her shareholding in that company or to trade in the shares of a company. Such a right does not come within the ambit of a shareholder's right; (b) as such, the only effect of the rejection of the pre-clearance applications is that Petitioner No. 2 is unable to increase his shareholding in KBL; (c) as this does not constitute a shareholder's right, the same cannot be the basis of an allegation of oppression or give rise to an actionable claim in this jurisdiction; (d) it is nobody's case that I have caused KBL to dilute the Petitioners' existing shareholding in KBL. This can in any event not be a ground available to the Petitioners as the DFS, its true intent and spirit contemplates that the Petitioners should have no shareholding in the company; (e) as regards the rejection of the pre-clearance application to sell shares and the insistence on the right of first refusal, I respectfully submit that this causes no prejudice or harm to Petitioner No. 2. I had made my position clear that I would purchase Petitioner No. 2's shares at the prevailing market price (which is the price quoted on the stock exchange); and (f) on all counts therefore, no case is made out by the Petitioners of any oppression on the basis of the rejection of pre-clearance applications. In fact, the Petitioners have not suffered any legal injury (muchless, actionable) and the only thing which has happened is an exposure of the Petitioners' ill-motivated actions.

12.16 Pursuant to Section 58 (2) of the Companies Act, 2013, KBL is entitled to prevent the Petitioners from increasing their stake in KBL or ensuring that they do not divest their stake in the company to any third

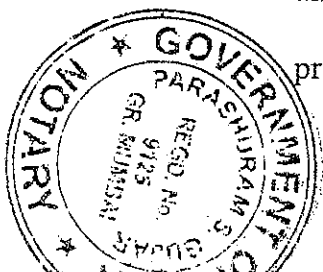


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party / person other than me. This is because, for the reasons stated hereinabove, the Petitioners have in the past, indulged and continue to indulge in activities which are harmful to the company's interests; have carried out activities which compete with KBL's business; and have done this, in breach of the trust and confidence reposed in them in their capacity of being shareholders and directors on KBL's board and have also in the process diluted and infringed KBL's trademarks, reputation and goodwill. This demonstrates that the Petitioners are not interested in the wellbeing of the Respondent no.1 Company and are only interested in wrongfully gaining control in KBL which is in flagrant violation of true intent and spirit of the DFS. A petition under Sections 241 to 244 of the Companies Act, 203 cannot be at the instance of such Petitioners.

13. This Hon'ble Tribunal does not have the jurisdiction to hear alleged grievance of the Petitioners that the applications for pre-clearance were not decided in accordance with the provisions of SEBI (PIT) Regulations, 2015:

- 13.1 The Petitioners' allegation that KBL did not decide the application for pre-clearance in accordance with the 2015 PIT Regulations, and Code of Conduct are denied in view of what is stated herein. Assuming whilst denying, that applications for pre-clearance were not decided in accordance with the 2015 PIT Regulations, and Code of Conduct and the same were decided on the basis of extraneous consideration as alleged and that the DFS is not a valid justification for rejection of the pre-clearance applications, I respectfully submit that, at best, the same

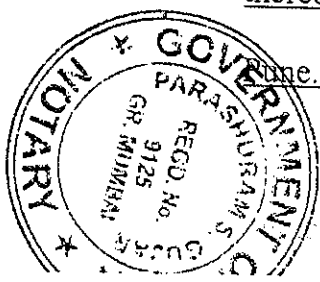


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is a violation of the 2015 PIT Regulations and therefore comes within the exclusive jurisdiction of SEBI.

- 13.2 This Hon'ble Tribunal does not have the jurisdiction to adjudicate over allegations / issues which raise violation of regulations under the SEBI Act such as the 2015 PIT Regulations. No reliefs can be granted by the NCLT on the basis of such allegations. This issue of maintainability should and is required to be decided as a preliminary issue before deciding the Petitioners' application for interim reliefs and before getting into the merits of the case. It is the SEBI which has the exclusive jurisdiction to decide such cases and the remedy to approach SEBI is an alternate and efficacious remedy available to the Petitioners. The jurisdiction of the SEBI has been invoked and the Petitioners have failed to secure any reliefs. Considering this, the Petitioners are estopped and legally barred (by the principles of res-judicata and/or principles analogous thereto) from reiterating the allegations in this Petition. I in any event, once again assert that the rejection is compliant with the 2015 PIT Regulations and does not violate the same.

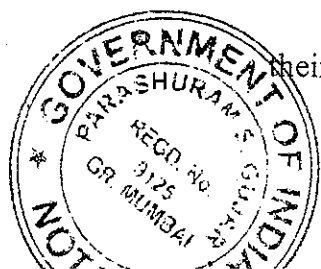
14. Petitioners' primary purported grievance qua rejection of the pre-clearance applications is a dispute which arises out of or is in connection with the DFS, and is in any event a civil dispute which does not impact the Petitioners' right as shareholders of Respondent No.1. The dispute in relation to interpretation of DFS and enforcement thereof is presently pending before the Civil Judge, Senior Division, [illegible]. It is therefore, jurisdictionally impermissible for this Hon'ble



Tribunal to adjudicate issues pertaining to the rejection of the pre-clearance applications. This is for the following reasons:

14.1 It is the Petitioners' case that the DFS cannot be a ground for rejection of their pre-clearance applications. It is also the Petitioners' case that the DFS in any event does not preclude them from acquiring additional shares in Respondent No.1 and/or reducing their shareholding in Respondent No.1 without first giving a right of first refusal to me. As the Petitioners are objecting to the DFS being cited as a reason by KBL and its compliance officer to reject the pre-clearance applications and as KBL (which is bound by the DFS having adopted the same) and it is their case that I am opposing the Petitioners' right to deal with KBL's shares on the basis of the DFS; the situation necessarily requires an interpretation and adjudication of the civil rights of the parties to the DFS; and its applicability to a particular situation (which itself determines rights thereunder). The only other contention of the Petitioners is that even on its interpretation and merits, the DFS does not preclude them from dealing with KBL's shares. This also requires a determination of rights under the DFS; and necessitates an interpretation thereof. The dispute therefore is a contractual dispute and cannot form the subject matter of proceedings under section 241 of the 2013 Act.

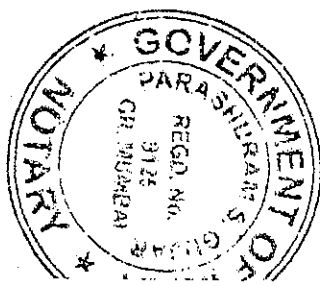
14.2 The issues which are subject matter of the present proceedings and the issues pending adjudication in the DFS suit viz. interpretation of terms of DFS and its binding effect on its signatories and companies under their control are identical, same and / or similar. The DFS suit is a



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comprehensive suit wherein all the family members of the Kirloskar family who are signatories to DFS have been are joined as parties. The question of interpretation of the DFS would be appropriately decided by the civil court in the DFS suit, after hearing all the parties to said DFS. Interpretation of DFS in the present proceedings in the absence of certain parties to the said document is improper and would adversely affect such parties. For this reason, the present Petition is bad for non-joinder of necessary parties. It is respectfully submitted that, this Hon'ble Tribunal ought not to proceed to decide the present matter, when the issues involved therein constitutes the subject matter of a duly instituted suit which is pending adjudication before a civil court.

- 14.3 I respectfully submit that the disputes and differences that have arisen arise out of and/or in connection with the DFS, are therefore, civil / contractual rights which emanate out of or in connection with the DFS and should be only adjudicated by a civil court of competent jurisdiction. Further, all parties to the DFS are not present, and any interpretation of the DFS in their absence is bound to affect and prejudice their rights. For all these reasons, I therefore respectfully submit that this Tribunal does not have the jurisdiction to go into the issues which it has been called upon to adjudicate which arise out of or in connection with the DFS. This issue of maintainability also should be decided as a preliminary issue before deciding Petitioners application for interim reliefs and before getting into the merits of the case.



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14.4 As this is the case, I say that the Petitioners are, in the guise of purported shareholders' rights, actually agitating camouflaged civil and contractual rights and purported disputes in relation thereto, which will impact their status as parties to the DFS. These are not issues in respect of which, the jurisdiction of this Hon'ble Tribunal under Sections 241 and 242 of 2013 Act can be invoked. In no circumstances, whatsoever can these purported rights or an alleged infraction thereof constitute oppression or mismanagement. On this ground also, I respectfully submit that no reliefs are liable to be granted to the Petitioners. It is also a settled principle of law that the jurisdiction of this Hon'ble Tribunal under Sections 241 and 242 of the 2013 Act is a summary jurisdiction which cannot be invoked for the purpose of adjudicating disputed questions of facts. In the present case, I respectfully submit that the Petitioners' having disagreed with KBL and myself with regard to interpretation of the DFS and their status qua KBL as per the DFS, raises complicated and disputed questions of fact and law which, this Hon'ble Tribunal is not competent to decide or deal with.

15. The Petitioners cannot be heard to agitate any grievance on the basis of the rejection of KCPL's pre-clearance application dated 6th September 2016 for purchase of 50,000 equity shares of KBL. This is for the following reasons:

15.1 KCPL is not a member of Respondent No.1. KCPL has no vested right to become a shareholder of KBL. In law, it is only KCPL who has the

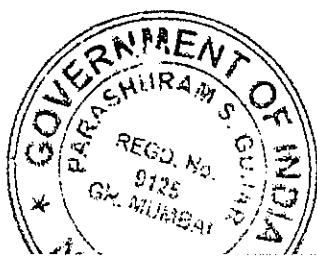


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pre-clearance application by KBL. Admittedly, KCPL has not instituted any proceedings against KBL on this issue. KCPL is not even joined as a party Respondent in this Petition. Therefore, in addition to the contention that the Petitioners do not have the locus to agitate on KCPL's behalf, no rights of KCPL can be adjudicated or no alleged infraction of its purported rights can be considered by this Tribunal in exercise of its jurisdiction under Section 241 and 242 of the Companies Act, 2013.

- 15.2 On merits, I say that the reasons set out in KBL's letter dated 6th September 2016 for rejecting KCPL's pre-clearance application are valid and compliant with law and for brevity's sake, repeat and reiterate the same herein in extenso and deny all that is contrary thereto and/or inconsistent therewith. Also, for all of the reasons stated hereinabove qua SEBI's informal guidance and in view of KBL's letter dated 21st April 2017 to SEBI on this issue, the same does not take the Petitioners' case any further. Further, KCPL is nothing but an alter ego of the Petitioners, who is put up for advancing Petitioner Nos.2 and 3's wrongful, oblique and collateral agenda. As such no premium of KCPL's actions or Applications can be taken by the Petitioners.

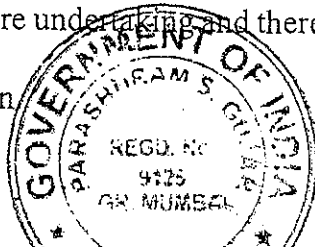
16. Allegation that Petitioner No.2 is wrongfully not being provided with copies of the Minutes of KBL's board meetings during the period when Petitioner No.2 was serving as a director on KBL's board. The allegation is disputed and denied. This is for the following reasons:



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16.1 The allegation that Respondent Nos.1 and 2 have refused to provide copies of KBL's Board Minutes to Petitioner No.2 during the period when he was a director, is a false allegation. A perusal of KBL's letters dated 28th January 2017, 9th February 2017 and 16th March 2017 plainly demonstrate that KBL was always ready and willing to offer and provide inspection of the minutes to Petitioner No.2. Copies of letter dated 28th January 2017, 9th February 2017 and 16th March 2017 are hereto annexed and marked as Exhibit "W (colly)".

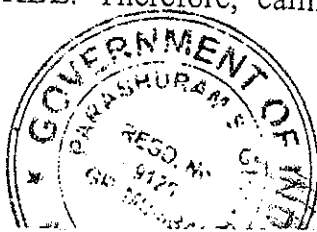
16.2 However, the aforesaid facts and circumstances in relation to KOEL (at Petitioner No.2's instance) having carried out a competing business with KBL (which the Petitioners have willfully suppressed), entitle and in fact made it legitimate and imperative for KBL to be cautious in permitting free access to Petitioner No.2, of such documents. As such, it is only natural for KBL and its Board to be wary of the purpose underlying Petitioner No.2's request for such information. In any event, the guidance notes for the Secretarial Standards on meetings of the Board of Directors (SS-1) provide that *"in order to protect the interest of the company, a system may be introduced requiring a person ceasing to be a director who desires to inspect the Minutes Book to submit a formal application in writing and furnish a non-disclosure undertaking to ensure that he is bound by obligations of confidentiality"*. A copy of the relevant extracts of the guidance notes is annexed at Exhibit "X". On the aforesaid factual and legal basis, I submit that KBL was entitled to require Petitioner No.2 to submit the non-disclosure undertaking and there was nothing illegal or oppressive in its decision.



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16.3 Additionally, in the past, Petitioner No.2 has misused confidential information and unpublished price sensitive information. This is apparent from the fact that despite having had access to such information, on 6th October 2010 Petitioner No.2 and 3 (suppressing their access to confidential information) along with Late Gautam Kulkarni proceeded and gone ahead with the transfer of 1,07,18,400 shares of KBL constituting 13.5% of KBL's shareholding in Petitioner No.1's favor. This was in breach of the obligations under the SEBI (Prevention of Insider Trading) Regulations, 1992 ("**1992 PIT Regulations**"). Therefore, on this ground also, KBL is justified in being apprehensive of sharing the information with Petitioner No.2, without taking necessary and legitimate precaution.

16.4 In any event and without prejudice, for the reasons stated hereinabove, I respectfully submit that Petitioner No.2's request for the Minutes of the Board Meetings for the entire period for which he was a director of KBL is merely to harass me and KBL; is purposeless; and lacks bonafides. Petitioner No.2 was a director on KBL's Board for the period commencing from 19th September 2000 to 22nd April 2014. Therefore, Petitioner No. 2 already has in his possession, copies of board minutes for each of the board meetings which took place during such period which were subsequently confirmed by the Board and signed by Chairman of KBL. Petitioner No. 2 has never objected to any of the minutes of the Board meetings of KBL during his tenure as director of KBL. Therefore, calling for such information, in my



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respectful submission, is nothing but a fishing enquiry and is made with ulterior motives.

16.5 On all counts therefore, no case of oppression has been made out on this purported ground. In any event and without prejudice, non-furnishing of board minutes over a period when Petitioner No.2 was previously a director does not constitute an infraction of a shareholder's right. It is at best a complaint which pertains to a directorial right. It is a settled principle of law that the jurisdiction of oppression and mismanagement is not available to redress directorial complaints. Further refusal of inspection does not constitute oppression.

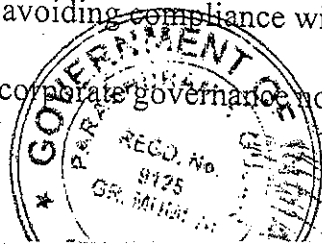
17. Allegations of oppression on the basis of KBL's proactive measures in informing SEBI of the illegalities / irregularities qua the transfer of 1,07,18,400 shares of KBL from Petitioner Nos.2 and 3 to Petitioner No.1 on 6th October 2010. This allegation is meritless, disputed and denied for the following reasons:

17.1 On 6th October 2010, Petitioner Nos.2 and 3 and others had transferred 1,07,18,400 shares of KBL constituting 13.5% of KBL's shareholding to Petitioner No.1. This transaction was done behind my back and without my knowledge and at a time when I was not in Pune. In any event, Respondent No.1 and myself were unaware of Petitioner Nos.2 and 2's wrongful access to price sensitive information. Thereafter, on 27th April 2012, SEBI had enquired with KBL as to the validity of this transaction vis-à-vis compliance with the 1992 PIT Regulations.



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- 17.2 At that time, Mr. Anil Alawani (who was a director on KBL's Board) had been entrusted with the task of responding to SEBI. By a letter dated 10th May 2012 (prepared by Mr. Alawani on KBL's behalf), KBL responded to SEBI's dated 27th April, 2012 and without having full knowledge of the situation and at Mr. Alawani's wrongful instance and behest, conveyed that the transaction was compliant with the 1992 PIT Regulations. I say that I was not in Pune when this letter was issued to SEBI. It is pertinent to note that, contrary to his duty and responsibility, Mr. Alawani did not bring to my notice, this letter, prior to it being issued or of Petitioner Nos.2 and 3's access to price sensitive information, to which Mr. Alawani was party and Respondent Nos.1 and 2 were not. A copy of KBL's letter dated 10th May 2012 is annexed hereto and marked as Exhibit "Y".
- 17.3 It was only later i.e. in 2016 that, KBL caused a forensic audit in relation to the transfer of 1,07,18,400 shares (13.51% shareholding) of KBL by Petitioner no.2, 3 and Late Gautam Kulkarni to Petitioner no.1 on 6th October 2010. Upon conducting the said forensic audit, it was discovered that, when the transaction of 6th October 2010 had taken place, Petitioner Nos.2 and 3 had access to unpublished price sensitive information; that this ideally should have prevented them from undertaking the transaction; and, in any event, should have been brought to SEBI's notice. However, this was not brought to SEBI's notice. It was Mr. Anil Alawani who was responsible for this situation and had concealed the time and correct position. Instead of keeping quiet and avoiding compliance with law, KBL's management chose to adhere to corporate governance norms, and, by its letter dated 12th May

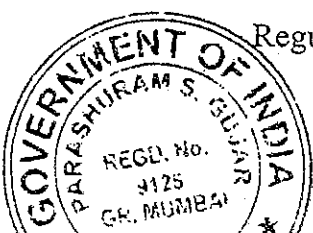


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2016, informed SEBI of this situation and simultaneously also addressed correspondence to Mr. Alawani. There is nothing wrong for a company's Board to inform SEBI of a previous irregularity and come out clean. In fact, KBL was under a legal obligation to provide SEBI, true and correct factual information in respect of a transaction relating to transfer of its shares. Certainly, there is no illegality or oppression in providing true and correct information to a statutory authority i.e. SEBI and by doing so, KBL has merely complied with its legal obligations. A copy of KBL's letter dated 12th May 2016 addressed to SEBI is annexed at Exhibit "Z".

17.4 Instead, the Petitioners are wrongfully terming this as an act of oppression and mismanagement. That can never be. In fact, their resistance to accountability itself demonstrates that the Petitioners are aware of their breaches and violations of the legal and statutory regime and seek to avoid the consequences thereof. For these reasons, I respectfully submit that no case of alleged oppression or mismanagement has been made on this ground.

17.5 Another reason why this Hon'ble Tribunal cannot go into or adjudicate upon this issue is because it necessarily involves deciding whether the transaction of 2010 was or was not compliant with the 1992 PIT Regulations. This will involve the NCLT pre-judging and prematurely deciding an issue which SEBI is already seized of; In any event, the SEBI has the exclusive jurisdiction to deal with the same and the NCLT does not. Assuming that the transaction violates the 1992 PIT Regulations, it is only the Petitioners who are to blame and it is they



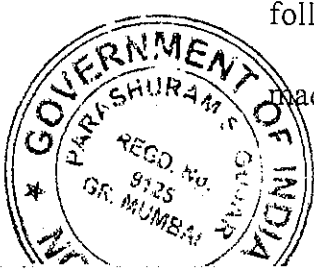
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who would be the law breakers. It therefore hardly lies in their mouth to make any complaint on this basis or draw any capital therefrom. Further assuming that the SEBI holds that the transaction is compliant with the 1992 PIT Regulations, then also, no case of oppression or mismanagement is made out. This is because, as stated above, a company voluntarily reporting a case of infraction of law can never make out a case of oppression or mismanagement.

18. Alleged weaknesses with respect to the internal financial controls of KBL; This allegation is meritless and is disputed and denied. This is for the following reasons:

18.1 The allegations in the Petition are vague, and are in any event, disputed and denied. The allegations pertain to KBL's statutory auditors' report in the annual report of Financial Year 2015-16. In the Petition, there are no particulars or details which substantiate the allegations made. The same are therefore bald and false allegations; are malafide; an afterthought; plainly unmeritorious; and constitute a counterblast to KBL's assistance rendered to SEBI in relation to the share transfer made by Petitioner Nos.2 and 3 and others in Petitioner No.1's favor on 6th October 2010.

18.2 The aforesaid is apparent from the fact that: (a) from 19th September 2000 to 22nd April 2014, Petitioner No.2 was serving as a director on KBL's board of directors. He was therefore, involved in approving its accounts and was well aware of the financial controls which KBL followed. As such, these allegations, vague as they are, cannot even be made by the Petitioners; (b) the Annual Report for the Financial Year



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2015-16 along with statutory auditors' report on the financial statement was accepted and approved by KBL's shareholders in Respondent No.1's AGM held on 21st July 2016. At that time, the Petitioners being KBL's shareholders did not raise any objection to the annual report in the said AGM; and (c) it is only after the disgruntled former director of Respondent No.1, i.e., Mr. Anil Alawani's letters to Petitioner No.1 were received by its Chairman, i.e., Petitioner No.3, that the purported issues were raised. The allegations in this regard are malafide and have been made only to wrongfully pressurize KBL and myself.

18.3 The specific allegations made in Petitioner No.1's letter dated 19th October 2016 have already been dealt with in Respondent No.1's letter dated 14th November 2016 and 22nd December 2016. As Petitioner No.1 does not have any actual basis to allege any financial or other irregularities, Petitioner No.1 has resorted to referring to the Auditors Report and the observations made therein out of context and in a piecemeal manner. Therefore, no actual allegations of financial irregularities are disclosed in the Petition and no case of oppression or mismanagement has been made out on this basis.

18.4 The statutory auditors vide their letter dated 23rd May 2017 clarified certain remarks in the Audit report for the year 2016 forming part of Annual report of Respondent no.1 for the year 2016. In the said letter, after setting out the background in which certain remarks were inserted in Audit report, it is clarified that there are no material weaknesses in the operating effectiveness of the Company's financial controls. A



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copy of Auditors letter dated 23rd May 2017 is annexed hereto and marked as Exhibit "AA". These allegations therefore, do not survive.

18.5 The allegation that there was a forensic audit of KBL's accounts is incorrect and misconceived. There was no forensic audit for accounts. There was a normal internal audit of accounts which is routine for any company. The forensic audit was an independent audit conducted of the documents and emails which pertained to investigation in Anil Alawani's role in replying to SEBI's earlier requisitions qua the transfer of 1,07,18,400 KBL' shares in Petitioner No.1's favor on 6th October 2010 which, appears to be in violation of the 1992 PIT Regulations. This forensic audit was an independent audit conducted for the purpose of assisting SEBI in ascertaining whether the 1992 PIT Regulations had been complied with. The same therefore has no correlation whatsoever with KBL's accounts as is wrongfully being portrayed and has been misrepresented by Petitioner Nos.2 and 3 to wrongfully secure Petitioner No.1's joinder to the Petition.

18.6 On all counts therefore, no case has been made out in the Petition on the purported irregularities in relation to KBL's accounts. KBL has never skipped payment of dividend to its shareholders since the year 1985. KBL's financial results demonstrate that its financials are healthy and it is consistently performing well. I crave leave to refer and rely on the KBL's latest Annual Report as and when produced. The same is audited by the same auditors and does not contain any adverse remarks and falsifies the allegations made in the Petition. This

put up in KBL's general body meeting, and was not objected to



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by the Petitioners. A copy of the Minutes of the general meeting dated 27th July, 2017 is annexed at Exhibit "AB" hereto. This demonstrates that the allegations of financial weakness are false to the Petitioners' knowledge. The Petitioners have deliberately and wrongfully attempted to cause confusion between the independent audit of the documents and emails which pertained to Anil Alawani's role in replying to SEBI's earlier requisitions qua the transfer of KBL' shares in Petitioner No.1's favor in the year 2010 and routine financial audit of the Company done by the Statutory Auditor forming part of the Annual report merely to divert the attention from the irregularities found in the forensic audit relating to the Petitioners' violation of 1992 PIT Regulations.

19. Even otherwise, the Petitioners are not entitled to any reliefs in the Petition. This is for the following reasons:

19.1 Based on what is stated hereinabove, I respectfully submit that the Petitioners have failed to make out any case of oppression or mismanagement. Assuming whilst denying that any of their complaints may indicate oppression or mismanagement, still, I respectfully submit that the Petitioners are not entitled to any reliefs in the Petition. This is because:

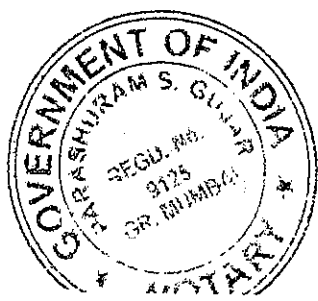
19.1.1 The jurisdiction of this Hon'ble Tribunal under Sections 241 and 242 of the 2013 Act is an equitable jurisdiction and is not available to inequitable and litigants who are not bona fide and who have indulged in suppression of material facts and documents and who have instituted the petition with collateral



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objects and purposes. In the present case, for the reasons stated hereinabove, the Petitioners have suppressed material facts and documents which are relevant to the adjudication of the issues which arise out of the Petition. The Petitioners are also wrongdoers who have and continue to act against the interests of the company; and have violated the 1992 PIT Regulations. The Petitioners are now, instead of coming out clean are still resisting accountability in the matter; and the purpose of the Petition is also not bonafide as it is only a pressure tactic in order to wrongfully secure collateral purposes in relation to the larger family disputes which are on-going within the Kirloskar family. For all of these reasons, I respectfully submit that the Petitioners have not approached this Hon'ble Tribunal with clean hands or bonafide and deserve no relief. The jurisdiction of this Tribunal is an equitable and discretionary jurisdiction, and in such facts and circumstances, no reliefs are liable to be granted in the Petitioners' favor;

- 19.1.2 The petitioners have not satisfied the precondition specified in section 242 of the 2013 Act for grant of relief. In particular, it is a settled principle of law that for relief to be granted in a Petition complaining of oppression and mismanagement, the Petitioners must make out a case for a just and equitable winding up of KBL and that to do so would not be in their interest. In the present case, the Petition does not allege, aver or make out any case of just and equitable winding up of KBL. Therefore, and on this ground alone, this Tribunal does not



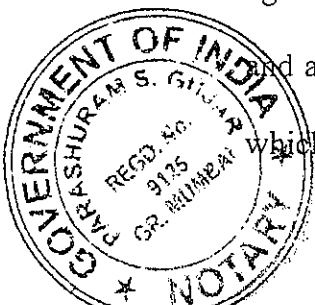
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have the necessary jurisdiction to grant any relief in the Petitioners' favor; and

19.1.3 It is a settled principle of law that courts and tribunals will always lean in favor of family settlements and arrangements as their purpose is to achieve family and societal peace and harmony. A logical corollary of this principle is that no reliefs should be granted which are contrary to or perpetrate a breach / repudiation of a said understanding. In the present case, without prejudice to my contention that it is jurisdictionally impermissible for this Hon'ble Tribunal to enter upon or adjudicate the interpretation of the DFS, I respectfully submit that I have prima facie made out a case in support of my interpretation of the DFS and Petitioner Nos.2 and 3's actions in breach / violations thereof. As such, granting any reliefs in the Petition to the Petitioners would permit them to deal with KBL's shares in the manner in which they are attempting to, will only lead to a breach of the DFS. This is legally impermissible and therefore, no reliefs should be granted to the Petitioners in the petition.

20. From the above, I respectfully submit that the following position emerges:

20.1 The Petitioners have demonstrated inequitable conduct and have acted against KBL's interest. They are not interested in KBL's well-being and are in fact wrongdoers who are clandestinely running a business which competes with KBL's business and are attempting to at every

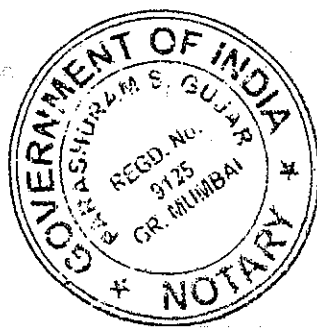


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stage, disrupt my management, control and ownership of KBL in breach of the DFS and to settle collateral disputes.

20.2 The Petitioners have also indulged in suppression of material facts and documents which plainly demonstrates their malafide and true intent and motive. On this ground alone, the Petitioners are disentitled to the grant of any of the equitable and discretionary reliefs which are available to them in this Hon'ble Tribunal's jurisdiction under sections 241 and 242 of the 2013 Act.

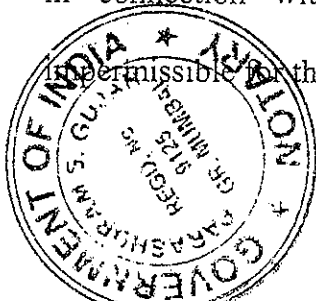
20.3 Despite having availed of the benefits under the DFS, the Petitioners are consistently breaching the same. This is also to settle other collateral disputes which are ongoing between the Petitioners, my family and I. In the past, they have orchestrated a situation wherein Company was constrained to reject a similar application for pre-clearance. That was only a pressure tactic and there was no genuine intention on Petitioner No.2's part to actually acquire any stake in KBL. It was merely a threat and a pressure tactic used at the time of ongoing negotiations and settlement talks. The recent pre-clearance applications which have stood rejected and the institution of this Petition itself is nothing but another orchestrated and engineered situation to create a dispute; institute a litigation and apply wrongful pressure as a counterblast to my agitation of various breaches on the Petitioners' part of the DFS; their wrongful conduct in managing the affairs of KPL etc.



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20.4 Even otherwise, for the reasons stated above, there is no merit in the allegation of oppression and mismanagement on the basis of the rejection of the pre-clearance applications.

20.5 The only other three allegations of oppression and mismanagement namely alleged non-furnishing of the Board Minutes of KBL; communication with SEBI in relation to the possible illegality of the transfer of 1,07,18,400 shares from Petitioner Nos.2, 3, Late Gautam Kulkarni and their family members to Petitioner No.1 on 6th October 2010; alleged irregularities in KBL's accounts have all been explained and dealt with. The explanations provided plainly indicate the un-meritoriousness, falsehood and legal and factual unsustainability of the allegations. It is apparent that these so-called issues have been concocted only to create an illusion of there being purported acts of oppression and mismanagement, when there are no such acts. The Petition therefore must be viewed as a Petition which principally complains only of a solitary act of alleged oppression i.e. the rejection of the pre-clearance applications. It is a settled principle of law that a Petition for oppression and mismanagement must disclose continuous and consistent acts of oppression and mismanagement. One cannot rely upon an isolated act such as the rejection of the pre-clearance application and on that basis set up a case of oppression. I have already explained hereinabove that apart from there being no illegality or oppression in these actions, the issue is really one that arises out of and in connection with the DFS, and it is also jurisdictionally impermissible for the NCLT to deal with the same.



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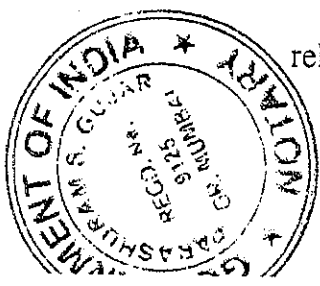
21. No interim reliefs are liable to be granted to the Petitioners as no prima facie case of oppression has been made out and in any event, there is a substantial delay in instituting the present Petition:

21.1 For all of the reasons stated in the Reply, I respectfully submit that the Petition has failed to make out a prima facie case of oppression or mismanagement of KBL. As such and on this ground alone, no interim reliefs are liable to be granted in the Petitioners' favor. In any event and without prejudice, for the following reasons also, interim reliefs cannot be granted:

21.1.1 As regards prayer clause (a), no interim reliefs are liable to be granted to the Petitioners because, no cause of action is demonstrated in the Petition for grant of such interim relief. As regards the statutory registers, there has been no refusal on the part of KBL in providing the same. As regards the copies of Board Minutes, KBL continues to be ready and willing to provide the same (only to Petitioner No.2) subject to the provision of appropriate non-disclosure undertaking as contemplated by the secretarial standards;

21.1.2 as regards the seeking of the internal audit report, the Petitioners do not have any legal entitlement to the same and therefore, no question arises of providing this to the Petitioners;

21.1.3 in so far as prayer clause (b) is concerned, granting those reliefs will in effect mean that final reliefs are granted in



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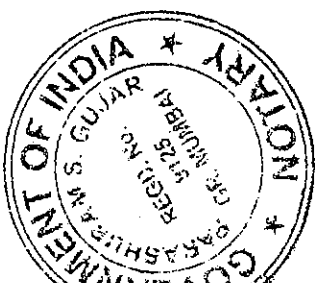
favor of the Petitioners. It is a settled principle of law that, in the guise of granting interim reliefs, final reliefs cannot be applied for or be granted;

21.1.4 as regards prayer clause (c), no relief can be granted as this affects the rights of the Compliance Officer. In the present case, the compliance officer has not been made a party to the Petition. Therefore, no question arises of passing such an order in his absence. It is a settled principle of law that prior to passing any orders which impact a person's civil right or his decision, a hearing must be granted to that person, a breach of this principle will lead to a violation of the compliance officer's fundamental right and natural justice. This is without prejudice to the fact that in any event no case has been made out for grant of such relief and this Hon'ble Tribunal does not have the jurisdiction to grant such relief;

21.1.5 as regards prayer clause (d), no case whatsoever has been made out in the Petition for appointment of an independent auditor or conducting of a forensic audit. There are no irregularities in KBL's accounts which have been pointed out. On the contrary, the present Annual Reports demonstrates the falsity of the Petitioners' allegations. As such, no case is made out for such relief; and

21.1.6 as regards prayer clause (e), the reliefs in effect grant final reliefs to the Petitioners and also have the impact of permitting the Petitioners to breach the DFS. For the reasons

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stated above, this is legally untenable and impermissible. For all of the aforesaid reasons, no interim relief should be granted in the Petitioners' favor.

21.2 It is a settled principle of law that delay is a factor which disentitles grant of interim reliefs. In the present case, the Petitioners' grievances qua the pre-clearance applications pertain to rejections of pre-clearance applications which have taken place in September 2016 and November 2016. The Petition is however instituted on 12th May 2017 and interim reliefs are being sought nearly to a month thereafter. As such, there is gross unexplained and inordinate delay in institution of the Petition and the Petitioners' application for interim relief is undeserving of any orders. Therefore, I respectfully that the Petitioners are not entitled to any interim reliefs.

22. In any event and without prejudice, I am now dealing with the Petition, paragraph wise:

22.1 With reference to paragraphs 1 and 2 of the Petition, with respect to the particulars of the Petitioners, the contents thereof merit no response. I however on the basis of what is stated herein and in the separate "maintainability application" filed by Respondent no.1 and myself, deny that the Petitioners are entitled to file and maintain the present Petition.

22.2 With further reference to paragraph 3 and 4 of the Petition, as far as description of the Respondents is concerned the same does not merit any response. I deny that Respondents 2, 3 and 9 by virtue of their



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close family relationship have been acting in collusion with each other while dealing with the affairs of Respondent No.1. I say that, the allegation of collusion is a bald allegation and not substantiated by any material produced on record and therefore such bald allegation is liable to be ignored and rejected.

- 22.3 With reference to paragraph 5 of the Petition, at the outset, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I say that, payment of consultancy fees of Rs. 10 lakhs by KBL to Respondent no.4 is legal and valid and the same was made on the approval of the shareholders of KBL. The consultancy fee is paid to the Respondent no.4 for the work done by the Respondent no.4 for KBL and accordingly, there is no illegality or infirmity in the payment of consultancy fee to the Respondent no.4. The Petitioners cannot find fault with payment of Rs.10 lakhs as consultancy fees by KBL since all the requisite approvals were duly taken. I deny all the bald allegations with respect to the alleged collusion and connivance between myself and Respondent No. 3 with Respondent nos.4 to 9. I deny that, Respondents have wrongfully denied permission to the Petitioner No.2 for buying / selling shares of KBL as alleged or at all. I say that, the permission for buying / selling shares of KBL has been rejected for valid and justified reasons and in accordance with law as more particularly set out hereinabove. I deny that, myself and Respondent Nos. 3 to 9 are guilty of oppression and mismanagement and are acting in a manner prejudicial to the interests of KBL and its shareholders as alleged or at all. I deny that, the Respondents are



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mismanaging the affairs of KBL as alleged or at all. I further deny that Respondents have avoided providing information and extracts sought by the Petitioners as alleged or at all. I deny that I have acted in collusion with Respondent Nos. 3 and 9, and by virtue of collectively having control of over 39.4 % shares in KBL, Respondent no.2 has misused his position in KBL as alleged or at all. I further deny that, the Petitioners are entitled to institute the present petition against the Respondents as alleged or at all. I say that, Petitioners have made false and baseless allegations against the Respondents and the same are not substantiated by material facts and evidence. I say that, there is no collusion between the Respondents and the actions of Respondents are and have always been in the interest of all the shareholders of Respondent no.1. The Respondents are not guilty of oppression and / or mismanagement as alleged or at all.

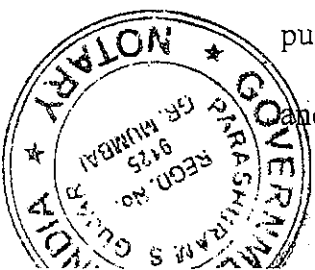
22.4 With reference to paragraph 6 of the Petition, I say that this Hon'ble Tribunal does not have the jurisdiction to receive and entertain the present Petition under Section 241, 242 and 244 of Companies Act, 2013 for the reasons stated herein and in the "Maintainability Application" filed by the Respondent Nos.1 and 2.

22.5 With reference to paragraphs 7 of the Petition, I deny the contents thereof. I say that the Petition is filed at a belated stage and there is unexplained and inordinate delay in filing the present Petition which disentitles the Petitioners from seeking any of the reliefs sought in the present Petition.



22.6 With reference to paragraph 8 of the Petition, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that, the Respondents have committed acts of oppression and mismanagement as alleged or at all. I say that the Petition is not maintainable under the Sections 241, 242 and 244 of the Companies Act, 2013. I say that, as regards paragraph 8(i) to (v), the contents thereof are denied and particularly in view of the correct position as setout herein, no case of oppression and mismanagement has been made out thereunder.

22.7 With reference to paragraph 9 of the Petition, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that there is no covenant or provision in the DFS restricting the rights of any of the executing party or any person claiming through such parties from buying / selling shares in companies under other signatory's control ownership and management. I say that as per the terms of DFS, the ownership, control and management of KBL is to remain with me and my family. If and when, any other party to the DFS (or entities under their control) wish to transfer/sell shares held by them in KBL, they are required to first offer to sell them to me in order to ensure that the ownership, control and management of KBL remains with myself and my branch. Further, no party to the DFS, and entities under their control (save and except myself and my family,) are permitted to acquire further shares of KBL beyond the shares allotted to them pursuant to the DFS which may pose threat to my ownership control and management rights over KBL.



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- 22.8 With reference to paragraph 10 of the Petition, the contents thereof are matters of record and do not deserve any comments.
- 22.9 With reference to paragraph 11 of the Petition, the contents thereof merit no response save and except that the quoted portion from the Code of Conduct is not the only relevant portion. I say the true and correct scope and interpretation of the contents of the Code of Conduct have been stated hereinbefore.
- 22.10 With reference to paragraph 12 and 13 of the Petition, the contents thereof are matters of record and do not merit any response.
- 22.11 With reference to paragraph 14 and 15 of the Petition, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith.
- 22.12 With reference to paragraph 16, 17 and 18 of the Petition, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that the request for pre-clearance made by Petitioner no.2 for purchasing 5000 equity shares of KBL was rejected by KBL at my instance. I deny that the reason for rejecting the request for pre-clearance made by Petitioner no.2 for purchasing 5000 equity shares of KBL is arbitrary, baseless and ultra vires the Code of Conduct. I deny that the rejection of the request for pre-clearance is biased, arbitrary as alleged or at all. I say that the request for pre-clearance was rejected on valid grounds which were communicated to Petitioner No.2 and I say that the complaint dated 21st October 2016 lodged by the Petitioner No.2



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before SEBI against the KBL in respect of the rejection of the Petitioners request for pre-clearance is baseless and devoid of merits. I say that the SEBI has not taken cognizance of complaint filed by the Petitioner no.2. Further, in relation to subsequent complaint filed by Petitioner no.2, SEBI addressed a letter dated 9th December 2016 calling upon the KBL to offer its comments, which was replied by KBL vide letter dated 16th December 2016. Upon receipt of KBL's letter dated 16th December 2016, SEBI did not take any action on complaints filed by Petitioner No.2. Accordingly, SEBI did not find any merit in Petitioner No.2's complaints and therefore the present Petition which is filed to re-agitate the same issue is not maintainable. Therefore, SEBI having been seized of the matter; Petitioner No.2 cannot be permitted to require this Hon'ble Tribunal to go into issues which are exclusively within the jurisdictional domain of SEBI. I deny that no reasons were furnished by KBL for rejecting request for pre-clearance. I say that on 14th September 2016 vide email addressed by Compliance Officer to the Petitioner No.2 reasons for rejection of request for pre-clearance for purchase of 5000 shares of Respondent no.1 were duly communicated.

22.13 With reference to paragraphs 19, 20 and 21 of the Petition, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I say that as per the terms of DFS, the KBL came to my share. As stated herein, as per the terms of the DFS, in the event, any member of Kirloskar family who forms a party to the DFS, intends to sell the shares of KBL, he is required to first offer to sell the same to me. In accordance with the



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terms of DFS, vide email dated 22 November 2016, I offered to purchase shares proposed to be sold by Petitioner no.2 at the prevailing market price. However, Petitioner No.2, for no reason whatsoever and in breach of the DFS, rejected my offer. This rejection constitutes a breach of the DFS and also demonstrates Petitioner No.2's *mala fide* intent. This is because, the offer which I had made would have led to no monetary loss or injury to Petitioner No.2 had he accepted the same. Petitioner No.2 rejected the same solely for the purpose of wrongfully engineering a situation whereby he breaches the DFS and concocts a false cause of action to agitate disputes with me.

22.14 With reference to paragraphs 22 and 23 of the Petition, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that on 24 November 2016, the Compliance Officer of KBL arbitrarily rejected Petitioner No. 2's application for pre-clearance for sale of shares. I deny that the rejection was arbitrary and say that the same was backed by legally justifiable and tenable reasons. I deny that the request for pre-clearance made by Petitioner No.2 for selling 5000 equity shares of KBL was rejected by KBL at my the behest. I deny that reason for rejecting the request for pre-clearance is arbitrary as alleged or at all.

22.15 With reference to paragraph 24 of the Petition, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I say that prior to email dated 29 November 2016, KBL vide email dated 22 September 2016 communicated to Petitioner no. 2 that since the Petitioner No.2 had



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addressed his letter dated 15 September 2016 to the Board of Directors of KBL, the Board of Directors of KBL would be reviewing the same and sending a detailed reply after the Board of KBL had the opportunity to review the letters issued by the Petitioner No. 2.

22.16 With reference to paragraphs 25 and 26 of the Petition, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I say and submit that reasons stated in email dated 1st December 2016 are correct. I deny that there is any alleged misinterpretation of DFS by Respondents. I repeat and reiterate that the DFS is to be construed in the manner stated hereinabove. I say that, vide my email dated 1st December 2016, I made a valid offer to purchase shares of KBL proposed to be sold by Petitioner no.2 at the prevailing market rate. Petitioner No.2 has wrongly; for no valid and justified reason whatsoever and in breach of his obligations under the DFS, rejected my offer to purchase the shares of KBL. This constitutes a wrongful rejection of my valid and fair offer to purchase the shares proposed to be sold by him. Petitioner No.2 can in no circumstance complain of any oppression or mismanagement as this in any event is an issue which pertains not to his shareholders' right but to the performance of the DFS.

22.17 With reference to paragraph 27 of the Petition, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I say that as stated herein above, SEBI did not find any merit in complaint dated 2nd December 2016 filed by the Petitioner no.2. KBL vide its letter dated

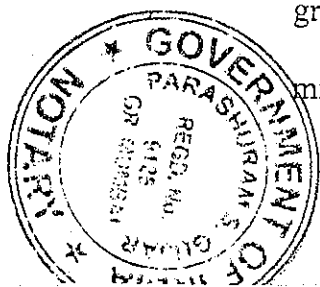


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16th December 2016 addressed to SEBI have suitable reply to SEBI's letter dated 9th December 2016. Since the receipt of KBL's letter dated 16th December 2016, SEBI has not taken any action on Petitioner no.2 complaint. Accordingly, it is clear that SEBI did not find any merit in Petitioner no.2's complaint. The Petitioners should therefore not be allowed to raise the same grievance by way of present Petition. For the reasons stated hereinabove, it is legally and jurisdictionally impermissible for this Hon'ble Tribunal to adjudicate on issues which have already been dealt with by SEBI and which are jurisdictionally exclusively within SEBI's domain.

22.18 With reference to paragraph 28 of the Petition, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that Respondents are targeting companies forming a part of the Petitioners' group of companies and are acting in an arbitrary and oppressive manner against them as alleged or at all.

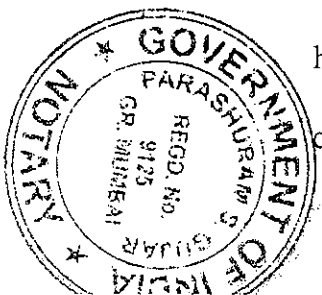
22.19 With reference to paragraphs 29 and 30 of the Petition, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I say that rejection of KCPL's request for pre-clearance for purchase of 50,000 equity shares of KBL is irrelevant for the purpose of this Petition. KCPL is not and cannot one of the Petitioner in the present Petition. KCPL is not a member of KBL. KCPL's grievance if any, cannot be a ground for filing the present Petition alleging oppression and mismanagement. Without prejudice to the above, I say that KCPL's



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request for pre-clearance for purchase of 50,000 equity shares was rejected on valid grounds as set out in KBL's letters dated 6th September 2016, 12th September 2016, and 3rd November 2016. I say that the ground for rejection of KCPL's application for pre-clearance is one of the grounds on which the same came to be rejected. The letter dated 12th September 2016 uses word '*interalia*'. As stated hereinabove, KCPL being a company under the control and management of Petitioner Nos.2 and 3 is bound by the terms of DFS and therefore KCPL's application was validly rejected same being in violation of terms of DFS. Further, as Takeover Regulation prescribes that every financial year promoters of a company can additionally acquire upto 5% equity shares subject to limit of 75% total shareholding and for such acquisition, permissible trades that can be undertaken by the promoters and its group companies. By the time, KCPL applied for permission, the prescribed permissible trades under Takeover Regulations were already approved by KBL to other promoters and accordingly, permission in favor of KCPL could not be granted as the same would have been in violation of provisions of Takeover Regulations. Therefore, not only was KCPL's application for preclearance required to be rejected on the ground of the same constituting the breach of the DFS, but, the same was also liable to be rejected as it was seeking to enable a transaction which was also violative of the takeover regulations.

22.20 With reference to paragraph 31 of the Petition, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that reasons

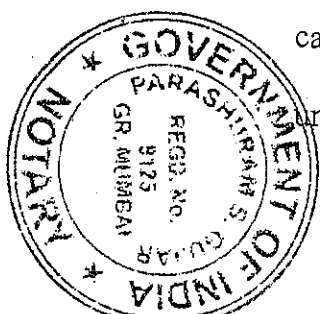


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recorded in letter rejecting KCPL's application for pre-clearance are arbitrary and not in accordance with the provisions of law. I say that by reason of KCPL's complaint before SEBI for the reasons stated hereinabove, it is jurisdictionally and legally impermissible for this Hon'ble Tribunal to adjudicate on issues which were raised before SEBI and are exclusively within its jurisdictional domain.

22.21 With reference to paragraphs 32 and 33 of the Petition, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I say that the interpretive letter dated 3 February 2017 issued by SEBI does not assist the Petitioners. SEBI's observation that a pre-clearance application cannot be rejected for any ulterior motive is not applicable to the present case as the application for pre-clearance was not rejected for any ulterior-motive and have been rightfully and justifiably rejected. On the contrary, it is Petitioner No.2's and KCPL's preclearance application which are for ulterior motives. In any event, the interpretative letter has been issued without granting Respondent No.1 or me the opportunity of hearing; does not bind KBL or me and or this Hon'ble Tribunal.

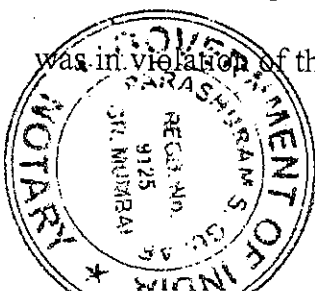
22.22 With reference to paragraphs 34 to 36 of the Petition, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that the Respondents are denying rights available to Petitioner No. 2 in his capacity as a past director of KBL. I deny that, KBL entered into unnecessary correspondence with Petitioner No. 2 under the false



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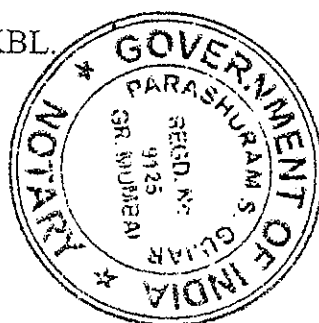
pretext of understanding the purpose of the request for the Minutes. I deny that such requisition for stating the purpose of request for minutes was done to avoid providing copies of the signed minutes to Petitioner No.2 as alleged or at all. I deny that, despite repeated notice, KBL has failed to comply with the provisions of law. I deny that the affairs of KBL are being mismanaged and are being carried out in a manner that is oppressive to the Petitioners and without complying with relevant provisions of laws. I say that KBL has acted within the legal parameters while requiring Petitioner No.2 to provide purpose of the inspection of minutes of past board minutes and non-disclosure undertaking. In the present case, this has also been necessitated by Petitioner No.2' past conduct which demonstrates that he has indulged in business activities which compete with KBL's business; has acted against KBL's interests and has also indulged in activities which have undermined and harmed KBL's intellectual property. As stated herein, the Secretarial Standards permit KBL to ask for the aforesaid information/ undertaking from past director.

22.23 With reference to paragraphs 37 and 38, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that the transfer of 13.5 per cent shares of KBL from Petitioner Nos.2 and 3 and their family members to Petitioner No.1 on 6th October 2010 was in compliance with all the applicable law, rules and regulations. For the reasons stated hereinabove, I repeat and reiterate that the transfer of 13.5% shares was in violation of the 1992 PIT Regulations.



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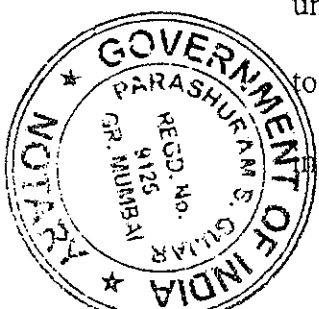
- 22.24 With reference to paragraphs 39 and 40, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that I have targeted Mr. Anil Alawani as alleged or at all. Mr. Anil Alawani has indulged in activities which have been found to be a perpetuation of violation of the 1992 PIT Regulations by the Petitioners. He therefore needs to answer for his wrongdoings. As such, the Petitioners' allegations are being made only to protect a person who has assisted the Petitioners in breaching the 1992 PIT Regulations. Petitioner Nos.2 and 3 along with Mr. Anil Alawani misrepresented to the board of Petitioner No.1 company and misled the board of Petitioner No.1 to wrongly believe that forensic audit conducted by KBL was with respect to certain alleged financial / operational weaknesses of KBL.
- 22.25 With reference to paragraph 41, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I say that, from the independent forensic audit conduct by KBL through an independent and external firm, KBL has discovered that there were certain irregularities and illegalities afflicted to the transaction dated 6th October 2010 and the same was in violation of certain provisions of 1992 PIT Regulations. Further from the said forensic audit, it is revealed that Mr. Anil Alawani was aware of such irregularities. However, he failed / neglected to inform about the same to me at the time of drafting and preparing response to SEBI on behalf of KBL.



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22.26 With reference to paragraphs 42, 43 and 44, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that Petitioner Nos.2 and 3 acted in accordance with the provisions of applicable laws and necessary / complete disclosures were made in relation to the 6th October 2010 transaction to SEBI. I deny that the correspondence referred to in the paragraph under reply was exchanged with a *mala fide* intention of harassing the Petitioners. For the reasons stated hereinabove, I say that the correspondence with SEBI was and is bona fide and furthers compliance with 1992 PIT Regulations.

22.27 With reference to paragraphs 45 to 49, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I say that, the Petitioner Nos.2 and 3 along with Mr. Anil Alawani misrepresented to the Board of Directors of Petitioner No.1 that the "forensic audit" was conducted by KBL in relation to alleged irregularities in the operations of KBL. I repeat and reiterate that, the forensic audit was conducted in relation to the illegalities and irregularities afflicted to the transfer of shares on 6th October 2010 and was not in any manner related to the alleged irregularities in the operations of KBL. I deny that auditors' observations in annual report for the financial year 2015-16 identified any weaknesses in operating effectiveness of KBL's internal financial control. I deny that Directors' report of KBL was inadequate and unsatisfactory. I repeat and reiterate that KBL is under no obligation to provide details / information / documents sought by the Petitioners in its letter dated 19th October 2016.

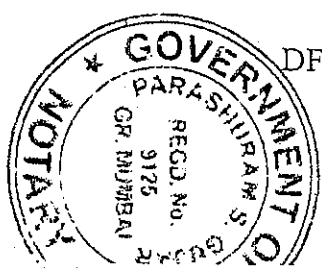


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22.28 With reference to paragraph 50, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that KBL avoided request made by Mr. Mahesh Chhabria for a meeting by raising unnecessary and unwarranted queries about his authority. I say that KBL was fully justified in requesting Mr. Chhabria to furnish answers to the queries in relation to Mr. Chhabria's authority.

22.29 With reference to paragraph 51, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that the affairs of KBL are conducted in manner oppressive to Petitioners and minority shareholders of KBL. I deny that the Petition discloses any acts of oppression and in any event, deny that the alleged acts of oppression complained of in the Petition are continuous acts of oppression and are continuing on the date of this Petition. I deny that the conduct of the Respondent is burdensome harsh and wrongful. I deny that the conduct of the Respondents lacks probity, fair dealing and is causing great or any prejudice to the Petitioners.

22.30 With reference to paragraph 52, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that all that the compliance officer is required to ascertain is whether a person who intends to sell shares is in possession of any unpublished price sensitive information. I deny that it is not open for the compliance officer of KBL to advert to the DFS while deciding an application for pre-clearance. I deny that there

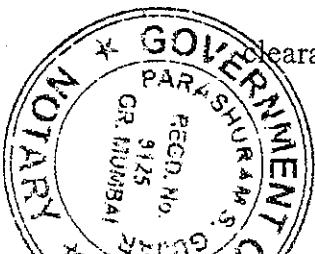


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is no negative covenant in DFS restricting Petitioner No.2's right to sell his shares. I deny that it is impermissible for Board of Directors of KBL to interpret the "*true letter and spirit*" of DFS. I deny that the Board of Directors of KBL has misread the DFS. I deny that the refusal to the pre-clearance Application is ultra vires the code of conduct and PIT regulation and amounts an abuse of power. I deny that the refusal is *mala fide* and is at my instance to oppress the Petitioner and prevent them in exercising in legal and proprietary rights as shareholders of KBL. I deny that I am oppressing the Petitioners and preventing them from exercising legal and proprietary rights as shareholders of KBL.

22.31 With reference to paragraph 53 of the Petition, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that I intended to purchase the shares proposed to be sold by Petitioner No.2 with *mala fide* intentions. I deny that I am in any manner coercing Petitioner No.2 to sale its share to myself. The offer made by me to purchase the shares proposed to be sold by Petitioner No.2 is in accordance with letter and spirit of the DFS. I deny that KBL's refusal to Petitioner No.2's application to sell its shares is oppressive and /or contrary to the Code of Conduct and 2015 PIT Regulations. I further deny that Respondents actions are oppressive and /or in gross violation of law.

22.32 With reference to paragraph 54 of the Petition, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. The KCPL's pre-clearance application for purchase of 50,000 shares of KBL was

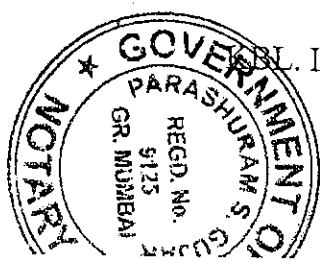


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validly rejected by the Compliance officer on the ground that the same is in violation of the terms of the DFS and the proposed transaction was not permissible under the takeover regulations. I deny that KCPL's Application for pre-clearance was rejected at my behest. I further deny that the allegation in relation to the mismanagement in the affairs of KBL.

22.33 With reference to paragraph 55 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. KBL is under my control, ownership and management and there are no fetters on me acquiring and/or selling the shares of KBL. I repeat and reiterate that the applications for purchase / sale made by Petitioner No.2 and KCPL was validly rejected by KBL and the allegations of oppression and mismanagement in relation to such refusal are baseless and invalid.

22.34 With reference to paragraph 56 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I say that the preclearance applications filed by Petitioner No.2 and KCPL were rejected on valid and legal grounds and as per the provisions of 2015 PIT Regulations and other applicable laws. I deny that the Petitioners right to carry out trade and business guaranteed under Article 19 of Constitution of India is in any manner infringed or violated by the actions of the Respondents. I deny that I along with Respondent No.3 acted in collusion and connivance with the Compliance officer of KBL. I deny that rejection of the applications of preclearance is bad in



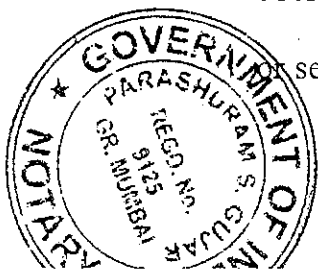
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law or illegal or unjustified or arbitrary or oppressive to the Petitioners as alleged or at all.

22.35 With reference to paragraph 57 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. The Board of Directors of KBL on 18th April, 2016 have validly adopted / recognized the DFS. Accordingly, and pursuant to the Board Resolution passed on 18th April, 2016, on 19th April, 2016 KBL addressed a letter to the Stock Exchanges informing about the Board Resolution dated 18th April, 2016, wherein it was resolved that with respect to any proposal placed before it for or in respect of the acquisition and transfer or disposal of KBL's shares and securities, by either of the parties to the DFS and their families (other than me and my family), KBL's board shall recognize the terms of the DFS in letter and spirit read with the proviso to Section 58(2) of the 2013 Act, and accordingly, ensure that the DFS is implemented and abided by. I deny that intimation of DFS to the stock exchanges was an afterthought and /or the same was made with *mala fide* intent of preventing the Petitioners from transferring their shares. I say that Section 58(2) proviso of Companies Act, 2015 apply with full force in the present case.

22.36 With reference to paragraph 58 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that the DFS does not contain any fetter on any of the signatories for either buying or sell shares in the company. I deny that DFS does not provide any

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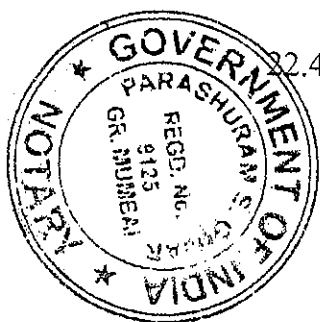
rights such as right of first refusal / preemption/ right of first offer, etc.

I deny that the DFS does not provide for any restrictive covenant.

22.37 With reference to paragraph 59 of the Petition, I repeat and reiterate herein in extenso all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that the Petitioners applications for pre-clearance were not inconsistent with terms and conditions of DFS. I deny that the terms of DFS cannot be looked at by the Compliance officer of KBL while deciding the application for preclearance.

22.38 With reference to paragraph 60 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that KCPL's application for pre-clearance was rejected by KBL at my behest or Respondent No.3. I deny that select or any entities of the promoter group of KBL are being oppressed. I further deny that affairs of KBL are being mismanaged by those in charge of its affairs.

22.39 With reference to paragraph 61 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that Respondent No.3 along with I are misusing powers as persons in management and control of KBL. I further deny that the acts of the Respondents are malafide unjust, biased, arbitrary and oppressing the Petitioners.

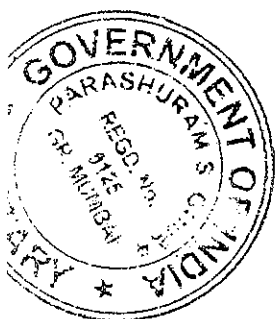


22.40 With reference to paragraph 62 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is

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contrary thereto and/or inconsistent therewith. I deny that Petitioner No.2 was refused inspection of the minutes of the Board Meetings held during the period when Petitioner No.2 was Director of KBL on false and/or frivolous pretext. I deny that the Petitioners have any basis for any apprehension or allegation that the Respondents may engage in large scale tampering of Minutes Book and create false record against the Petitioners. I deny that refusal to furnish copies of the minutes of Board Meeting by KBL in facts of the present case is in violation of Section 118 of the Companies Act and /or Secretarial Standards-I. I deny that Respondents' conduct lacks in probity and is unfair to the Petitioners. I say that for the reasons stated hereinabove, KBL is legitimately entitled to call upon and require Petitioner No.2 to provide KBL the non- disclosure undertaking as per applicable law.

22.41 With reference to paragraph 63 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that the reports given by the statutory auditors of KBL demonstrate any material weakness in the operative effectiveness/ accounts of KBL. I say that the false purported concerns and allegations raised by Petitioner No.1's letter dated 19th October 2016, 14th November 2016, 22nd December 2016, 20th January 2017 and 10th February 2017 have been adequately dealt with by KBL vide its letter dated 14th November, 2016, 22nd December, 2016, 27th January, 2017 and 23rd February, 2017. I deny Mr. Chhabria's (the independent Director of Petitioner No.1) authority to meet the representatives of KBL on behalf of Petitioner No.1. I say that KBL did not refuse the proposed meeting

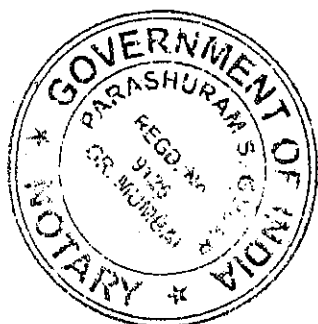


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between the independent directors of KBL and Mr. Mahesh Chhabria. However Respondent no.1 insisted on Mr. Chhabria providing documents (including Board Resolution passed in this regard) showing authorization given in his favor. I deny that the independent Directors of Respondent No.1 are not acting in their capacity as independent directors and merely following Respondent No.3's and my diktat. I further deny that Respondent No.4 is a beneficiary of large amounts of money from KBL and therefore is only acting as per my instructions.

22.42 With reference to paragraph 64 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that bogus record is being created and reckless allegations are being made against the Petitioner in order to oppress them. I say that the internal forensic audit was conducted in relation to the transaction of transfer / sale of securities of KBL in 2010 by Petitioner No.2, 3, their family members to Petitioner No.1. I say that this internal forensic audit was carried out to ensure good corporate governance and I deny that the same was conducted in any manner to oppress the Petitioners.

22.43 With reference to paragraph 65 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that Respondent No. 3, 9 and myself are abusing their powers in order to coerce the Petitioners into selling their shares to myself. I deny that Respondent Nos.2 to 9 have been acting in a discriminatory manner to cause unfair prejudice and to oppress the Petitioner as alleged or at all. I say that



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Petitioners have come to this Hon'ble Arbitral Tribunal with *malafide* intentions, ulterior motives and unclean hands and do not deserve any reliefs under Sections 241, 242 and 244 of Companies Act, 2013. I say that no order as prayed for in the Petition including the order of framing any scheme for management administration control of KBL ought to be passed. I further say that no case for appointment of an independent chairman or administrator for KBL has been made out by the Petitioners. I deny that in absence of intervention of this Hon'ble Tribunal the Respondent Nos. 2 to 9 will continue to prejudice and harm the Petitioners as alleged or at all.

22.44 With reference to paragraph 66 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that I have repeatedly or on any occasion misused my position of being a Chairman and Managing Director of KBL and acted in a manner prejudicial to the interest of the Petitioners or to the detriment of KBL. I further deny that I have acted in *mala fide* and wrongful manner in breach of his fiduciary duty to further my personal ulterior motive as alleged or at all. I vehemently deny and oppose the prayer for my removal as Chairman and Managing Director of KBL.

22.45 With reference to paragraph 67 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that Respondent Nos. 2 and 4 to 9 have repeatedly or on any occasion failed to discharge their fiduciary duties towards the Petitioner as well as KBL. I say that



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for the reasons stated herein, none of the instances cited by the Petitioners demonstrate that Respondent Nos.2 to 9 have acted in manner prejudicial to the interest of the Petitioners and /or KBL.

22.46 With reference to paragraph 68 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that Respondent Nos.4 to 9 are acting at my behest and Respondent No. 3. I further deny that Board of Directors of KBL is not acting in the best interest of KBL. I further deny that the Board of Directors of KBL has acted in a mala fide manner with an intention of defeating the rights of Petitioners as alleged or at all. I vehemently oppose the prayer for appointment of Petitioners nominees on the Board of Directors of KBL in proportion to their shareholding in KBL, all the more after another entity under the control of *inter alia* Petitioner Nos. 2 and 3 viz. KOEL has already breached the terms of the DFS as explained by me above by acquiring LGM, a company engaged in a directly competing business with KBL. The Petitioners who have wrongdoers cannot seek any equitable relief under Section 241 and 242 of the Companies Act.

22.47 With reference to paragraph 69 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that Petitioner No.1 is entitled to receive the information and inspection sought. I say that the requisition for inspection made by the Petitioner is in the nature of fishing inquiry and the Petitioners are not entitled to the same

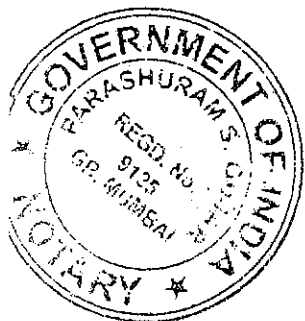


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in law. I further say and submit that the grounds for seeking inspection are mala fide and baseless.

22.48 With reference to paragraph 70 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that KBL is being run as per my whims and fancies without following law or any corporate governance. I deny that Respondent No.3 and myself are running the affairs of KBL without any regard to the interest and rights of the Petitioners and the best interest of KBL. I say that KBL did not deny the request of Petitioner No.2 for inspection of the Minutes of Board Meeting held during the period for which he was a Director of KBL. KBL has only in accordance with the provisions of Secretarial Standards I called upon the Petitioner No.2 to provide a non-disclosure undertaking along with reasons for request of the inspection of the Minutes of Board Meeting held during his tenure as a Director on the board of KBL. I deny that there is any basis for the Petitioners' apprehension or allegation that the Respondents may tamper with the Minutes to create a false record with the Petitioners. I in any event deny that the Respondents have any intention to carry out such actions. I oppose the prayer for direction against the Respondents to provide signed copies of the Minutes of Board Meeting of KBL.

22.49 With reference to paragraph 71 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that Petitioners have created bogus records in relation to the forensic audit conducted



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to the 2010 transfer of shares transactions. I deny that Petitioners are kept out of the affairs of KBL and in any event deny that the Petitioners have any right to interfere in the affairs of KBL. The ownership, management and control of KBL as per the DFS and as per my rights as a shareholder having a controlling stake, vests in me. The Petitioners are provided with all relevant information and documents which they are entitled to the shareholders of KBL. I oppose the prayer for appointment of an independent auditor as a Court commissioner for conducting affairs of KBL.

22.50 With reference to paragraph 72 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that the compliance officer of KBL is acting as a mere puppet of Respondent Nos.3 and myself. I say that the compliance officer of KBL is an independent office who has independently taken the decision in accordance with law. I further say that compliance officer is not made a party to the present Petition and therefore no allegation of any nature whatsoever can be made without making him a party to the present proceedings. I deny that the compliance officer is merely acting at behest of Respondent No.3 and myself. I oppose the prayer for removal of compliance officer of KBL.

22.51 With reference to paragraph 73 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that while considering a request for pre-clearance approval under PIT regulation



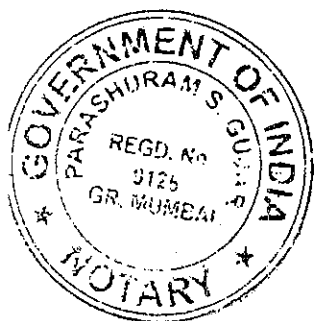
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a compliance officer cannot advert to any other document/ material / decision taken by the Board of Directors of the company under the provisions of Companies Act and /or any other law for the time being.

22.52 With reference to paragraph 74 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that the provisions of DFS cannot be taken into consideration by KBL for deciding any application for pre-clearance submitted by the Petitioners.

22.53 With reference to paragraph 75 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that there is any reason or cause for any loss of confidence between the shareholders and management of the company. I deny that the Petition makes out any case which demonstrates a basis for such a loss of confidence, I in any event deny that loss of confidence between the shareholders and management of the company is a ground for filing a Petition for oppression and mismanagement.

22.54 With reference to paragraph 76 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that the present case is a fit case for this Hon'ble Tribunal to exercise its equitable and discretionary jurisdiction. I say that KBL through its Board of Directors has validly and legally taken the cognizance of DFS and KBL has validly rejected the Application for pre-clearance by the



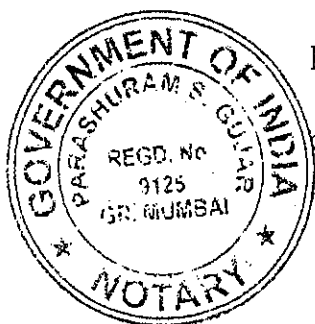
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Petitioner on the ground that the same are contrary to and in violation of DFS accordingly no order directing the Respondent to decide the Application for pre-clearance submitted by the Petitioner without having regard to the DFS can be passed.

22.55 With reference to paragraphs 77 and 78 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that interest of justice, fair play, and balance of convenience requires grant of interim reliefs in favor of the Petitioners. I deny that irreparable harm and hardship will be caused to the Petitioner if the interim reliefs are not granted. On the contrary, if the interim reliefs prayed for in the Petition are granted irreparable harm, loss and injury will be caused to the Respondents.

22.56 With reference to paragraphs 79 and 80 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that Petitioners have not filed any proceedings before any other Tribunal and/or authority in respect of the subject matter of the present Petition. I say that Petitioners have submitted complaints before the SEBI in the past in relation to the Respondents action complained of in the present Petition.

22.57 With reference to paragraph 81 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. For the reasons stated



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hereinabove, the Petitioners are not entitled to any of the final, interim and ad-interim reliefs prayed for in the Petition.

22.58 With reference to paragraph 82 of the Petition, I repeat and reiterate herein *in extenso* all that is stated hereinabove and deny all that is contrary thereto and/or inconsistent therewith. I deny that there is any urgency in the present matter. I say that the Petitioners have not made any case for urgency in the Petition and deny that the Petitioners are entitled to any of the final, interim and ad-interim reliefs prayed for in the Petition.

22.59 With reference to paragraph 83 of the Petition, I say that for all of the reasons stated hereinabove, the Petition is plainly unmeritorious and no reliefs are liable to be granted thereon and it is therefore respectfully submitted that the Petition be dismissed with costs.

In the aforesaid circumstances, I say that above Company Petition is liable to be dismissed.



Handwritten signature of P. S. GUJAR

Solemnly declared at Mumbai)

This 13TH day of July, 2018)

Before me,
BEFORE ME

P. S. GUJAR
ADVOCATE & NOTARY
UNION OF INDIA
GREATER MUMBAI
REGD NO. 9125

M/s. Crawford Bayley & Co.
Advocates for Respondent Nos. 1 and 2

SR. No. 2541
Date: 13/07/2018

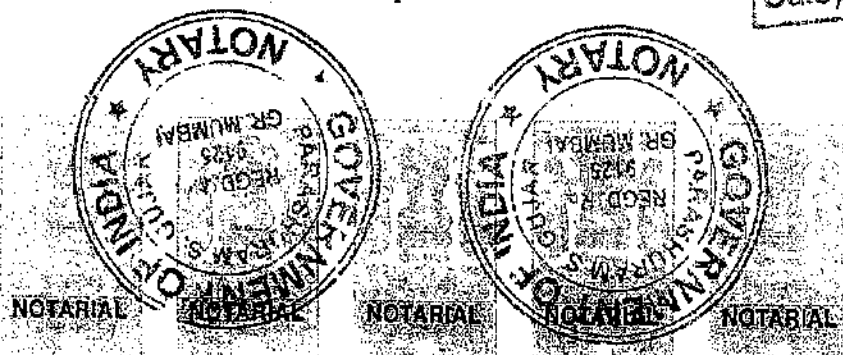


EXHIBIT A-1

25

**KIRLOSKAR BROTHERS LIMITED**

A Kirloskar Group Company

Enriching Lives

CERTIFIED COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF KIRLOSKAR BROTHERS LIMITED AT ITS MEETING HELD ON DECEMBER 21, 2020 AT YAMUNA, S. NO. 98(3 TO 7), PLOT NO.3, BANER, PUNE 411 045

"RESOLVED THAT (i) Mr. Unesh Gosavi – Associate Vice President & Head – Legal (ii) Mr. Sandeep Phadnis – Company Secretary (iii) Mr. Raghunath Apte – Divisional Manager (Secretarial), (iv) Mr. Yogeshkumar Deshpande – Manager (Legal) (v) Mr. Siddhesh Mandke – Manager (Secretarial) and (vi) Mr. Jagdish Kalekar – Manager (Legal), be and are hereby individually and severally authorized with the following powers:-

To do one or more things in relation to legal matters / proceedings regarding or relating to the Company, which are pending and/or may be instituted by the Company and/or may be defended by the Company before various courts, fora, tribunals (including the National Company Law Tribunal ("NCLT"), the National Company Law Appellate Tribunal ("NCLAT") and Securities Appellate Tribunal ("SAT")), other judicial and/or quasi-judicial authorities and/or before any governmental authorities and/or before any arbitrators / mediators / conciliators with respect to the matters arising out of Deed of Family Settlement amongst the promoters relating to ownership, management and control by the few of them and ownership of Intellectual property rights, as the case may be, including but not limited to :-

- i. representing the Company in various legal matters / proceedings;
- ii. on behalf of the Company, to make, prepare, file, institute and/or defend Suits, Applications, Petitions, Appeals, Complaints, Executions and / or any other legal proceedings before any courts, fora, tribunals (including the NCLT, NCLAT and SAT), other judicial and/or quasi-judicial authorities and/or before any governmental authorities in respect of any and all matters whether civil or criminal;
- iii. on behalf of the Company, to institute, prosecute and/or defend any and all legal proceedings, including executing consent terms, withdrawing any legal proceedings, opposing, appearing and/or appealing in any legal proceedings, not limited to execution proceedings, settlements, compromise and/or disputes, instituting, submitting to and defending Arbitrations, accepting service of processes and notices and giving security and/or indemnities for costs, paying money into Court and obtaining payment of any money lodged in Court;
- iv. on behalf of the Company, to file legal proceedings including Suits, Appeals, Complaints, Written Statements and/or Replies and/or all other relevant ancillary and/or consequential pleadings, documents, Affidavits, Declarations from time to time, as required in such various legal proceedings;
- v. on behalf of the Company to initiate / participate in any arbitration/ mediation / conciliation process;
- vi. on behalf of the Company, to demand, collect, receive, deposit, withdraw in the name of and on behalf of the Company all debts, sums of money, advances, claims, mesne profits and/or other monies due to the Company and to give effectual receipts and discharges there for, further to take/institute all legal proceedings and means for



Registered Office & Global Headquarters: "Yamuna", Survey No. 98 (3 to 7), Plot No. 3, Baner, Pune 411 045, State Maharashtra, India.
Tel: +91 (0) 20 271 4444 Email: mail@kbl.co.in Website: www.kirloskarbros.com
CIN No.: L2011MH10201PLC005070

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KIRLOSKAR BROTHERS LIMITED

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recovering and realizing debts and advances and also to commence, prosecute and/or defend at law all actions, suits, claims, demands, complaints and/or disputes in the name of and on behalf of the Company;

- vii. on behalf of the Company, to verify, sign, swear, affirm, declare, deliver, make, enter into, acknowledge, record and execute (whether physically or digitally, as permissible) all pleadings, authorities, vakalatnamas, deeds, declarations, instruments, Plaints, Appeals, Complaints, Affidavits, Objections, Applications, Notices and any other pleadings/writings whatsoever, as may be necessary, proper and expedient and all manner of documents including Petitions, Affidavits and Applications and all ancillary / consequential pleadings relating thereto or arising therefrom in connection with all legal matters/ legal proceedings relating to or concerning the Company, under various laws, including corporate laws, securities laws and/or intellectual property laws;
- viii. on behalf of the Company, to file Application(s) including for Renewal of Trade Mark(s), file Applications for Opposition of Trade Marks and other requisite documents, Affidavits, Replies, Counter-Affidavits, Declarations from time to time in relation to various Intellectual Property Matters (including Trade Mark, Copyright, Patent and Design matters) of the Company before the appropriate authorities and/or before any Court / tribunal / fora;
- ix. to initiate legal action/defend on behalf of the Company any and all proceedings under the Intellectual Property Laws, including the Trade Marks Act, 1999 and Copyright Act 1957;
- x. on behalf of the Company, to accept service of notices and/or all other processes which may from time to time be issued in connection with any or all of the aforesaid matters and/or legal proceedings;
- xi. on behalf of the Company, to produce all documents and/or evidence in connection with any or all of the aforesaid matters and/or legal proceedings;
- xii. to represent the Company before any and all Court, fora, tribunals (including NCLT, NCLAT and SAT) and/or other judicial and/or quasi-judicial authorities and/or before any governmental authorities;
- xiii. on behalf of the Company, to appoint, instruct and engage Senior Counsel, Counsel, Solicitors, and/or Advocates for any or all of the aforesaid purposes, with the power to discharge them and appoint other Senior Counsel, Counsel, Solicitors and/or Advocates in their place;
- xiv. on behalf of the Company, to negotiate, finalize and/or approve the professional fees and expenses of Senior Counsel, Counsel, Solicitors and/or Advocates as engaged on behalf of the Company;
- xv. on behalf of the Company, to do and perform all such other acts, deeds, matters and things as may be necessary, proper, expedient or appropriate to effectively carry out any or all of the aforesaid purposes;



Registered Office & Global Headquarters: "Vardana", Survey No. 88/4/107, Plot No. 3, Bamber, Pune 411 048, State Maharashtra, India
 Tel: + 91 (20) 2721 4444 Email: marketing@kbl.co.in Website: www.kirloskarbrothers.com
 CIN No. L28113MH1920PLC000870



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KIRLOSKAR BROTHERS LIMITED

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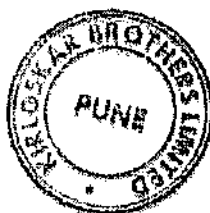
The powers conferred hereinabove are in supersession of the Powers already conferred, if any, upon the said attorney(s).

The powers conferred hereinabove shall be valid only till such time each of the said Attorney(s) is in the employment of the Company.

RESOLVED FURTHER THAT any one of the Directors and the Company Secretary, of the Company, be and are hereby authorized severally to issue a certified true copy of this resolution."

For Kirloskar Brothers Limited

Sandeep Phadnis
Sandeep Phadnis
Company Secretary
Pune : January 11, 2021



True Copy
Gagrats
S. Phadnis
Partner
Advocate High Court



Registered Office & Global Headquarters : "Yamuna", Survey No. 58 (A) (7), Plot No. 3, Banner, Pune 411 045, State Maharashtra, India
Tel : 91 (20) 2721 4144 Email: marketing@kbl.co.in Website: www.kirloskarbros.com
CIN No. : L20113PM0203PLC800070

LISTED ON: 02.12.2021

Section: IX

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION
SPECIAL LEAVE PETITION (CIVIL) NO. 8020 OF 2021
IN THE MATTER OF:

Kirloskar Brothers Limited

...Petitioner

Versus**Atul Chandrakant Kirloskar & Ors.**


...Respondents

INDEX

Sl. No.	Particulars	Spare Copies	Court Fees
1.	Further Additional Affidavit on behalf of the Petitioner along with Annexures A to C.	1 + 3	Rs.20/-

Dated this 29th day of November, 2021

I. Card No.5222 A.K. Srivastava
Office Phone Nos.23322311/23320912
Chambers Mob. No.9213142970
7, Lawyers Chambers, 7838353242
Supreme Court of India
New Delhi
Ph.: 23387608


Messrs Gagrut & Co.
Advocates for the Petitioner
Plaza Cinema Building,
Connaught Circus,
New Delhi-110001
Code No.386

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION
SPECIAL LEAVE PETITION (CIVIL) NO. 8020 OF 2021

IN THE MATTER OF:

Kirloskar Brothers Limited ...Petitioner

Versus

Atul Chandrakant Kirloskar & Ors. ...Respondents

Further Additional Affidavit on behalf of the Petitioner

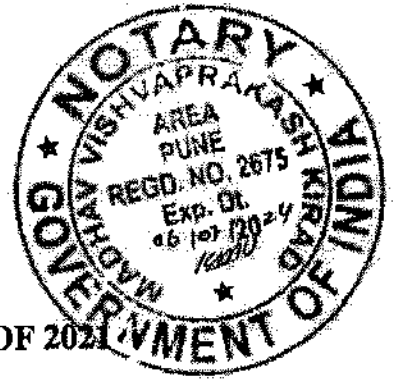
(For INDEX please see inside)

Advocates for the Petitioner:
Filed on: 29.11.2021

M/S. GAGRAT & CO.

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**IN THE SUPREME COURT OF INDIA
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SPECIAL LEAVE PETITION (CIVIL) NO. 8020 OF 2021
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Kirloskar Brothers Limited

...Petitioner

V E R S U S

Atul Chandrakant Kirloskar & Ors.

...Respondents

**ADDITIONAL AFFIDAVIT ON BEHALF OF THE
PETITIONER**

I, Umesh Gosavi S/o. Madhav Gosavi, aged about 58 years, Indian inhabitant, having my office at 'Yamuna', Survey No 98/(327), Plot No.3, Baner, Pune 411 045, Maharashtra, do hereby solemnly affirm and state as under:

1. I am the Associate Vice President and Head- Legal of the Petitioner. I am conversant with the relevant facts relating to the present case and therefore, I am competent to depose to and file this further Additional Affidavit on behalf of the Petitioner.

2. I am authorized to file the present Additional Affidavit under a Power of Attorney dated 5th April, 2017, in my favour.

3. At the very outset, I repeat and reiterate the contents of the Petition for Special Leave to Appeal filed herein ("the present Petition") and the Additional Affidavit filed on 18.11.2021. I am filing the present Further Additional Affidavit for the purpose of placing on record, what we presently believe are two Lists of Companies / entities under the control of (A)(i) Atul

Umesh



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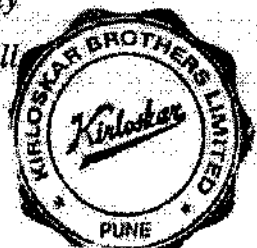
Kirloskar/Respondent No. 1 (ii) Rahul Kirloskar/Respondent No.3, and (iii) Mr. Nihal Kulkarni/ Respondent No. 16 and (B) Mr. Vikram Kirloskar / Respondent No. 2 and their respective nuclear family members. The aforesaid individuals are signatories to the Deed of Family Settlement dated 11.09.2009 ("DFS") but the Companies / entities under their control, are not signatories to the DFS.

4. At the hearing held on 25.11.2021 before this Hon'ble Court, the Learned Senior Counsel appearing for the Respondent No. 1,3 to 6 and 12 to 20 had *inter alia* had purported to submit that these Companies / entities are not signatories to the DFS and are not parties before this Hon'ble Court and hence cannot be parties to mediation /arbitration and are not bound by the DFS. After deliberations before this Hon'ble Court, the said Learned Senior Counsel for Respondent Nos. 1, 3 to 6 and 12 to 20 sought time to take instructions, when this Hon'ble Court passed an Order recording as under:

"At the request of Mr. Ritin Rai, learned senior counsel appearing on behalf of respondent Nos. 1, 3 to 6 and 9 to 17 in SLP (C) No. 8221/2021 to enable him to seek instructions, list on 02.12.2021."

5. I respectfully submit that Respondent No. 27 herein in his Affidavit dated 18.11.2021 filed in this Hon'ble Court on behalf of the said Respondent and his nuclear family, has already confirmed that –

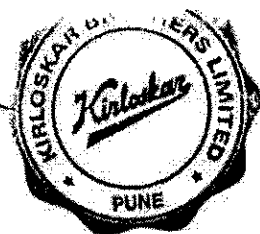
"I and my nuclear Family hereby confirm that we will ensure that all companies/entities under our management / control (including Respondent No. 24 which has already taken on record and disclosed the DFS) will



unconditionally submit to mediation and this Hon'ble Court should in the interest of justice direct all the other signatories to the DFS that they should ensure that all entities / companies under their respective management / control should also unconditionally submit themselves to mediation."

6. This confirmation has been given by Respondent No. 27 herein and his nuclear family on behalf of companies / entities under their management/control though these companies / entities are not parties to or signatories to the DFS; to ensure that the mediation would be holistic, fulsome and meaningful. I seek leave of this Hon'ble Court to place on record a List of the Companies / entities, which I *bona fide* believe are under the control and management of Respondent No. 27 herein and his nuclear family, which are not parties to and signatories to and signatories to the DFS, nor are parties before this Hon'ble Court and which companies / entities will submit to mediation /arbitration, as directed by this Hon'ble Court. A copy of the List of companies/entities under the Respondent No. 27 herein 's management/ control, which are not parties to and signatories to the DFS and also not parties before this Hon'ble Court is annexed hereto and marked as Annexure "A". (Pg - 11-16).

7. I also seek leave of this Hon'ble Court to place on record, for the consideration of this Hon'ble Court, a List of Companies / entities which according to publicly available materials, under the control and management of (i) Mr. Atul Kirloskar / Respondent No. 1, (ii) Mr. Rahul Kirloskar / Respondent No. 3 and (iii) Mr. Nihal Kulkarni / Respondent No. 16 and their respective nuclear



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families but are not parties or signatories to the DFS nor are they parties before this Hon'ble Court. A List of these Companies / entities is annexed hereto and marked as Annexure "B". (Pg-17-38).

8. I submit that this Hon'ble Court should direct (i) Mr. Atul Kirloskar / Respondent No. 1, (ii) Mr. Rahul Kirloskar / Respondent No. 3 and (iii) Mr. Nihal Kulkarni / Respondent No. 16 and the members of their respective nuclear families to file Affidavits before this Hon'ble Court confirming the list of companies / entities under their management / control which are not parties to or signatories to the DFS or parties before this Hon'ble Court.

9. I also seek leave of this Hon'ble Court to place on record, for the consideration of this Hon'ble Court, a List of Companies / entities which according to publicly available materials, are under the control and management of Mr. Vikram Kirloskar / Respondent No. 2 and his respective nuclear family but are not parties or signatories to the DFS nor are they parties before this Hon'ble Court. A List of these Companies / entities is annexed hereto and marked as Annexure "C". (Pg-39-42).

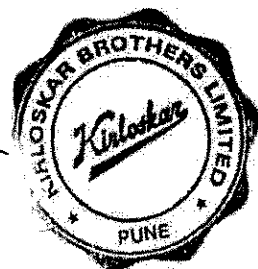
10. I submit that this Hon'ble Court should direct Mr. Vikram Kirloskar / Respondent No. 2 and the members of his nuclear family to file Affidavits before this Hon'ble Court confirming the list of companies / entities under their management / control which are not parties to or signatories to the DFS or parties before this Hon'ble Court.



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11. I further state and submit that in 2021, and even after deliberations before this Hon'ble Court on 27.07.2021, (when the matter was adjourned to enable the Parties to explore the possibility of mediation) some or all of Respondent Nos. 1, 3 to 6 and 12 to 20 appear to have, directly/ indirectly incorporated companies such as Optiqua Pipes and Electricals Pvt. Ltd. in February, 2021 and acquired a stake in other companies such as ESVA Pumps India Pvt. Ltd in August, 2021; which companies, based upon materials publicly available, appear to be engaged in business activities which are / could be in competition with that of the Petitioner herein:. The details of these companies, based on publicly available materials, are mentioned below: -

- i. Optiqua Pipes and Electricals Private Limited ("OPEPL" / "Company"), a company limited by shares, was incorporated on 19th February, 2021 having its Corporate Identification Number as U29304GJ2021PTC and its registration number as 120412. OPEPL is a wholly owned subsidiary of Respondent No. 22 herein *i.e.*, La-Gajjar Machineries Private Limited. Furthermore, Respondent No. 22 *i.e.*, La- Gajjar is a wholly owned subsidiary of Respondent No. 21 *i.e.*, KOEL which in turn controlled by Respondent No. 1 and Respondent No. 3. I state that Respondent No. 22 which is wholly owned subsidiary of Respondent No. 21 has 100% equity stake in OPEPL which is directly/indirectly controlled by the Respondent No. 1 or 3.



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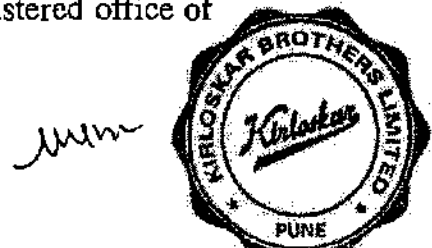
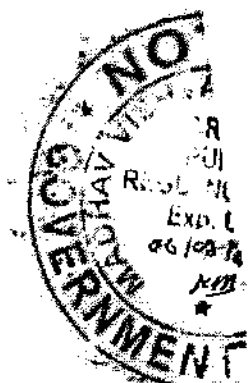
- ii. The object of OPEPL according to its Memorandum of Association is set out below:

"To carry on business in India or elsewhere of designing, developing, manufacturing, processing, buying, selling, trading, importing, exporting, producing, extracting, generating, assembling, hiring, bartering, distributing, testing, installing, condition, reconditioning, servicing, repairing, harnessing, contracting, maintaining, converting, altering or otherwise dealing in all types of all types of pipes, pipe fittings and pipes accessories used on Agriculture, Construction, Mechanical, Electrical & any other Industries, all types of pumps, cables, chains, anchors, belts, wires, cords, conductors, valves, control panels, controllers, mechanical, electrical machinery plant and fittings, motors, machineries related irrigation including micro irrigation, tanks, water storage and distribution machines or devices and other allied products."

- iii. It hence appears that OPEPL has been incorporated in 2021, to engage in businesses competitive with that of the Petitioner herein.

- iv. It is further pertinent to note, that the Directors of OPEPL are (i) Mr. S. Nimkar (who is a Director of KOEL and La-Gajjar Machineries Pvt. Ltd.), (ii) Mr. P. K. Agarwal (who is a Director of La-Gajjar Machineries Pvt. Ltd. and ESVA Pumps India Pvt. Ltd.) and (iii) Ms. Gauri Kirloskar (who is a Director of KOEL and La-Gajjar Machineries Pvt. Ltd.).

- v. ESVA Pumps India Private Limited ("ESVA" / "Company"), a company limited by shares, was incorporated on 26th May, 2020 having its Corporate Identification Number as U31909TZ2020PTC033814 and its registration number as 033814. The registered office of



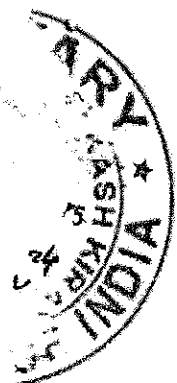
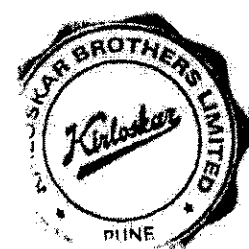
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ESVA is situated in the State of Tamil Nadu. The Optiqua Pipes and Electricals Private Limited which is a wholly owned subsidiary of Respondent No. 22 i.e. La-Gajjar, which is in turn a wholly owned subsidiary of Respondent No. 21 i.e. KOEL has acquired a 49% equity stake in ESVA Pumps India Private Limited in around August, 2021. The Object of ESVA according to its Memorandum of Association is set out as under: -

"To carry on the business as producers, manufacturers, exporters, buyers, sellers, traders, distributors and dealers in all kinds of pumps and motors including allied spares and components, Iron Casting and all types of casting and Alloys used for commercial, agricultural, industrial and domestic purposes."

- vi. According to the Articles of Association of ESVA, certain special rights have been accorded to OPEPL including as regards, representation on its Board, reserved matters and transfer of shares.
- vii. It hence appears that OPEPL has in or after August, 2021, acquired a 49% stake in ESVA, since ESVA can engage in businesses competitive with that of KBL
- viii. Vahinie Engineering ("Vahinie") is a Partnership firm. It appears from the corporate records of ESVA Pumps India Pvt Ltd, as of September 2021, as available in the public domain, that the two current Partners of Vahinie Engineering appear to be (i) V. Bharanitharan and (ii) Mrs. C. Shanthi. The said two persons are also Directors and shareholders of ESVA Pumps India Pvt Ltd (in which Optiqua Pipes and Electricals Pvt Ltd (which is a wholly

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owned subsidiary of La-Gajjar Machineries Pvt. Ltd. (Respondent No. 22), and which is in turn a wholly owned subsidiary of KOEL i.e., Respondent No. 21 holds a 49% stake). It appears that the said V. Bharanitharan and Mrs. C. Shanti hold a 51% stake in ESVA. It is pertinent to note that on the website of Vahinie, it has been disclosed that it is a manufacturer of Electrical Motors and Pumps. The website of Vahinie also *inter alia* mentions the following information and which is reproduced herein below: -

Section dealing with "About Us"

"Vahinie Engineering provides innovative water management solutions in the field of Domestic & Agriculture segment right across the country. Our nurtured dream is to provide systematic, prompt, customer friendly and complete water management solutions. It goes unsaid that the product under "AquamxX" is well known for its quality, consistency and value for many approaches in terms of product quality and performance....."

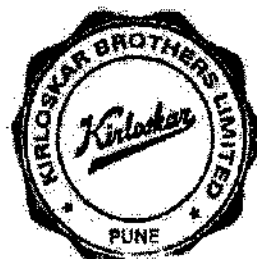
VAHINIE ENGINEERING has 4 units with a manufacturing capacity of over 1000 pump sets per day. The existing infrastructure includes 1 automated foundry for castings, 3 manufacturing units and the latest laboratory instruments & testing facilities. The R & D department is committed to the design of new products and to the improvement of the performance and efficiency of its current product range...."

Section dealing with "Products"

The following products have been enlisted on Vahinie's website:

- "Regenerative Self Priming Pumps
- Super Suction Self Priming Pumps
- Shallow Well Jet Self Priming Pumps
- Centrifugal Jet Pumps
- Centrifugal Monoblock Pumps
- Pressure Booster Pumps

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- *Single Phase Horizontal Openwell Submersible Pumps*
- *3 Phase Openwell Submersible Pumps*
- *4" Borewell Submersible Pumps*
- *6" Borewell Submersible Pumps*

Induction Motors"

Vahinie according to its own website, appears to be engaged in businesses competitive with that of KBL. It further appears that there appears to be a business relationship / engagement between Vahinie, KOEL, La-Gajjar Machineries Pvt. Ltd., OPEPL and ESVA.

12. I state and submit that the aforesaid facts corroborate our concerns and contentions that despite the Clause 15 and 16 of the Deed of Family Settlement (wherein it was stated that no signatory to the DFS and any one claiming under or through them (viz. companies / entities under their management / control) would engage in a competitive business) and despite the pendency of the aforementioned proceedings before this Hon'ble Court, the Respondents have been acquiring stakes in companies and establishing business relationships to engage in business activities competitive with the Petitioner herein. This goes against the very grain and purpose, and the letter and spirit of the DFS.

13. The Petitioner prays that in the interests of justice and to avoid any further litigation before various Hon'ble Courts, this Hon'ble Court should direct not only all signatories to the DFS but all companies / entities (whether present and future), under their management/control to unconditionally submit themselves to mediation/arbitration as this Hon'ble Court may direct.

FOR KIRLOSKAR BROTHERS LTD.

Umesh

UMESH GOSAVI
ASSOCIATE VICE PRESIDENT
AND HEAD CORPORATE LEGAL

DEPONENT



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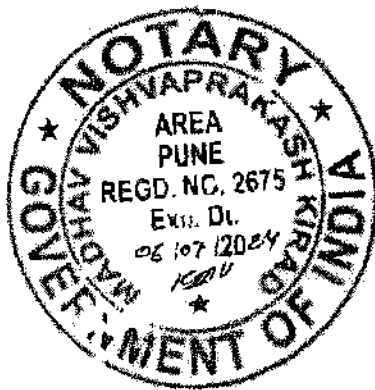
VERIFICATION:

Verified at PUNE on 29th day of November, 2021
that the contents of this Affidavit are true and correct to the best
of my knowledge and belief and are based on the records of the
case and no part of it is false and nothing material has been
concealed therefrom.

FOR KIRLOSKAR BROTHERS LTD.

Umesh Gosavi
UMESH GOSAVI
ASSOCIATE VICE PRESIDENT
AND HEAD CORPORATE LEGAL

DEPONENT

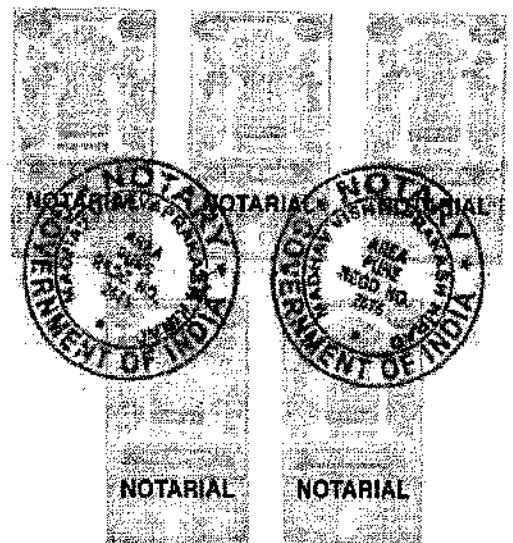


BEFORE ME

Madhav Vishvaprasash Kirad
MADHAV VISHVAPRAKASH KIRAD
ADVOCATE & NOTARY
R/at:- 269, Nana Peth, Hindmata Chowk,
PUNE - 411002

NOTED & REG. AT
SR. NO. 327/2021

29 NOV 2021



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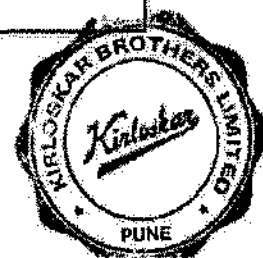
ANNEXURE - A

LIST OF COMPANIES/ENTITIES UNDER THE CONTROL OF MR. SANJAY KIRLOSKAR (DIN 00007885) AND HIS FAMILY, WHICH ARE NOT SIGNATORIES TO THE DFS OR PARTIES TO THE SLPS;

Sr. No	Name of the Companies / Entities
1.	Kirloskar Ebara Pumps Limited, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U29120MH1988PLC045865) – <u>KBL holds 45% of the paid up share capital.</u>
2.	Karad Projects and Motors Limited, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U45203PN2001PLC149623) – <u>Wholly owned subsidiary of KBL</u>
3.	The Kolhapur Steel Limited, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U27106MH1965PLC013212) – <u>KBL holds 99% of paid up share capital</u>
4.	Kirloskar Corrocoat Private Limited, a company incorporated

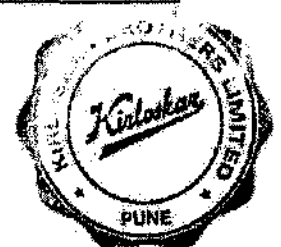
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	and organised under the laws of the Republic of India (bearing CIN No. U28920PN2006PTC022240) - <u>KBL holds 65% of paid up share capital</u>
5.	Kirloskar Brothers International B.V., a body corporate incorporated and organised under the laws of The Netherlands (bearing registration no. 34281727) - <u>Wholly owned subsidiary of KBL</u>
6.	SPP Pumps Limited, a body corporate incorporated and organised under the laws of England (bearing registration no. 4839607) - <u>Wholly owned stepdown subsidiary of KBL</u>
7.	Kirloskar Brothers (Thailand) Limited, a body corporate incorporated and organised under the laws of Thailand (bearing registration no. 0105550124075) - <u>Wholly owned stepdown subsidiary of KBL</u>
8.	SPP Pumps MENA LLC., an entity organised under the laws of Egypt (bearing registration no. 2063) - <u>Wholly owned stepdown subsidiary of KBL</u>
9.	Kirloskar Pompen B.V., a body corporate incorporated and organised under the laws of The Netherlands (bearing registration no. 34301519) - <u>Wholly owned stepdown</u>



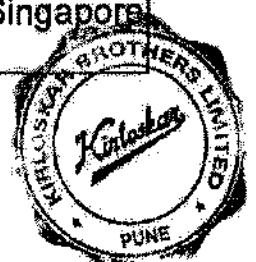
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	<u>subsidiary of KBL</u>
10.	Micawber 784 (Proprietary) Limited, a body corporate incorporated and organised under the laws of the Republic of South Africa (bearing registration no. 2009/020819/07) - <u>Wholly owned stepdown subsidiary of KBL</u>
11.	SPP Pumps International Pty. Ltd., a body corporate incorporated and organised under the laws of the Republic of South Africa (bearing registration no. 2013/225348/07) - <u>Wholly owned stepdown subsidiary of KBL</u>
12.	SPP France S A S, an entity organised under the laws of France (bearing registration no. 32835778500034) - <u>Wholly owned stepdown subsidiary of KBL</u>
13.	SPP Pumps Inc., a body corporate incorporated and organised under the laws of U.S.A. (bearing registration no. 20-4412188) - <u>Wholly owned stepdown subsidiary of KBL</u>
14.	SPP Pumps (South Africa) (Pty) Limited, a body corporate incorporated and organised under the laws of the Republic of South Africa (bearing registration no. 2013/16526/07) - <u>Wholly owned stepdown subsidiary of KBL</u>
15.	Braybar Pumps (Proprietary) Limited, Benoni, a body corporate incorporated and organised under the laws of the

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	Republic of South Africa (bearing registration no. 2010/002017/07) - <u>Wholly owned stepdown subsidiary of KBL</u>
16.	Rodelta Pumps International B.V., a body corporate incorporated and organised under the laws of The Netherlands (bearing registration no. 27307856) - <u>Wholly owned stepdown subsidiary of KBL</u>
17.	Rotaserve B.V., a body corporate incorporated and organised under the laws of The Netherlands (bearing registration no. 65007964) - <u>Wholly owned stepdown subsidiary of KBL</u>
18.	SPP Real Estate LLC, an entity organised under the laws of U.S.A (bearing registration no. 38-3886250) - <u>Wholly owned stepdown subsidiary of KBL</u>
19.	Syncroflo, Inc., a body corporate incorporated and organised under the laws of U.S.A (bearing registration no. 58-0951803) - <u>Wholly owned stepdown subsidiary of KBL</u>
20.	SPP Pumps (Asia) Co. Limited, a body corporate incorporated and organised under the laws of Thailand (bearing registration no. 0105559080895) - <u>Wholly owned stepdown subsidiary of KBL</u>
21.	SPP Pumps (Singapore) Pte. Limited, a body corporate incorporated and organised under the laws of Singapore



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	(bearing registration no. 201614198E) - <u>Wholly owned stepdown subsidiary of KBL</u>
22.	Rotaserve Limited, a body corporate incorporated and organised under the laws of the United Kingdom (bearing registration no. 04890277) - <u>Wholly owned stepdown subsidiary of KBL</u>
23.	Rotaserve Mozambique, a body corporate incorporated and organised under the laws of the Republic of South Africa (bearing registration no. 100821869) - <u>Wholly owned stepdown subsidiary of KBL</u>
24.	KBL Synerge LLP, a limited liability partnership registered under the laws of the Republic of India (bearing LLPIN No. AAH-2867) – <u>KBL has a 50% share of profit.</u>
25.	Prakar Investments Private Limited, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U74110MH1992PTC064861) <u>This Company is not KBL's subsidiary - 99.98% of its shares are held by Mr. S.C.Kirloskar jointly with Mrs. Pratima Kirloskar</u>
26.	Any other companies / bodies corporate/ entities (whether (x) incorporated/organized or (y) to be incorporated/ organised in

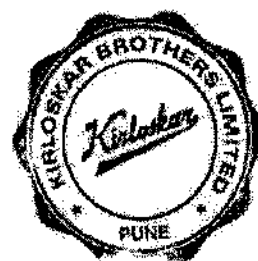
Signature



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	<p>the Republic of India or overseas) which in the future come under the control (as such term is defined in Section 2(27) of the Cos. Act, 2013) of Mr. Sanjay Kirloskar (DIN 00007885) and/or his respective nuclear family members (viz. Mrs. Pratima Kirloskar, Mr. Alok Kirloskar and Ms. Rama Kirloskar), which cannot be presently identified.</p>
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Signature



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ANNEXURE B

LIST OF COMPANIES/ ENTITIES UNDER THE CONTROL OF (i) A.C.KIRLOSKAR (ACK) & HIS NUCLEAR FAMILY; (ii) R.C.KIRLOSKAR (RCK) & HIS NUCLEAR FAMILY; AND/OR (iii) MR. NIHAL KULKARNI (NGK/NK) & HIS NUCLEAR FAMILY; WHICH ARE NOT PARTIES IN SLP NOS. (i) 8020 of 2021 (KBL v. ACK & Ors.) (ii) 8221 of 2021 (SCK & Ors. v. ACK & Ors.) and (iii) 10370 of 2021 (KOEL & Ors. v. SCK & Ors.)

Sr. No	Name of the Companies / Entities
1.	<p><u>Kirloskar Ferrous Industries Limited</u>, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. L27101PN1991PLC063223) –</p> <p><u>The Promoter Holding aggregates to 59.08%</u></p> <p><u>Of which Mr. ACK holds 2.15%, Mr. RCK holds 2.25%, Mr. NGK holds 0.56% and Kirloskar Industries Ltd.(which is controlled by ACK/ RCK) holds 51.03% of the paid up share capital of KFIL.</u></p>
2.	<p><u>Kirloskar Industries Limited</u>, a company incorporated and organised under the laws of the Republic of India (bearing</p>




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	<p>CIN No. L70100PN1978PLC088972) –</p> <p><u>The Promoter Holding aggregates to 72.84%</u></p> <p><u>Of which Mr. ACK holds 16.97%, Mr. RCK holds 24.1% and Mr. NGK holds 6.07% of the paid up share capital of KIL.</u></p>
3.	<p><u>Kirloskar Pneumatic Company Limited</u>, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. L29120PN1974PLC110307) –</p> <p><u>The Promoter Holding aggregates to 53.74%</u></p> <p><u>Of which Mr. ACK holds 11.13%, Mr. RCK holds 14.84 % and Mr. NGK holds 3.63% of the paid up share capital of KPCL.</u></p>
4.	<p><u>Kirloskar Chillers Pvt. Ltd.</u>, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U29191PN1995PTC095733) –</p> <p><u>Mr. ACK and Mr. RCK's holdings aggregate to 53.5%</u></p> <p><u>Of which Mr. ACK holds 26.75% and Mr. RCK holds 26.75% of the paid up share capital of KPCL</u></p>
5.	<p><u>Kirloskar Integrated Technologies Pvt. Ltd.</u>, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U29120PN1970PTC014588) –</p> <p><u>Mr. ACK and Mr. RCK's holdings aggregate to 89%</u></p> <p><u>Of which Mr. ACK holds 44.50% of equity shares and 50%</u></p>



	<p><u>preference shares. Mr. RCK holds 44.50% equity shares and 39.83% preference shares of the paid up share capital of KITPL.</u></p>
6.	<p><u>Kirloskar Solar Technologies Pvt. Ltd., a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U29308PN2016PTC167173) –</u></p> <p><u>Mr. ACK and Mr. RCK's holdings aggregate to 100%</u></p> <p><u>Of which Mr. ACK holds 50% and Mr. RCK holds 50% of the paid up share capital of KSTPL.</u></p>
7.	<p><u>Kirloskar Energen Pvt. Ltd., a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U29253PN2015PTC156286) –</u></p> <p><u>Mr. ACK and Mr. RCK's holdings aggregate to 100%</u></p> <p><u>Of which Mr. ACK holds 50% and Mr. RCK holds 50% of the paid up share capital of KEPTL.</u></p>
	<p><u>Kirloskar DMCC, an entity organised under the laws of Dubai, U.A.E. (bearing registration no. JLT-66865)</u></p> <p><u>The shareholding patterns of KIL, KOEL and KPCL (all of which are controlled by ACK/ RCK), as available on the website of BSE records that Kirloskar DMCC forms part of the Promoter Group of KIL, KOEL and KPCL</u></p>



9.	<u>Kirloskar South East Asia Company Limited, (KSEACL) a</u>
	body corporate incorporated and organised under the laws of
	Kingdom of Thailand (bearing registration no.
	0105559054801)

10.	<u>Kirloskar Kenya Limited</u> , a body corporate incorporated and organised under the laws of Republic of Kenya (bearing registration no. – UIN No. BY JGX19780011)
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11.	<p><u>Kirloskar Institute of Advanced Management Studies</u> <u>(Society)</u>, an entity organized under the laws of the Republic of India (bearing registration no. U80902KA1991PLC011786). <u>As per paragraph 13 of the DFS the Institute was to be run</u> jointly</p>
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12.	<u>S.L Kirloskar CSR Foundation</u> , an entity organized under the laws of the Republic of India
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	<p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation 2(1)(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.</p>
13.	<p><u>KOEL Americas Corp, USA</u>, a body corporate incorporated and organised under the laws of U.S.A. (bearing registration no. 5712803). –</p> <p><u>KOEL Americas is a wholly owned subsidiary of KOEL (which is controlled by ACK/ RCK)</u></p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation 2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.</p>
14.	<p><u>Arka Fincap Limited</u> (formerly known as Kirloskar Capital Limited), a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U65993MH2018PLC308329).</p>



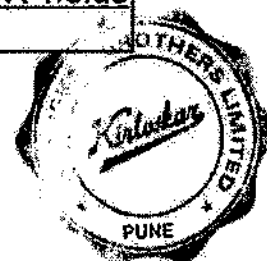
	<p><u>Arka is a wholly owned subsidiary of KOEL (which is controlled by ACK/ RCK)</u></p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation 2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.</p>
15.	<p><u>SOX Control Solutions Private Limited</u>, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U74999PN2018PTC174678)</p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation 2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.</p>
16.	<p><u>Better Value Holdings Private Limited</u>, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U65993MH1989PTC051139) :-</p> <p><u>Mr. ACK holds 19.99% and Mr. RCK holds 19.99% of the</u></p>



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	<u>paid up share capital of BVHPL.</u>
17.	<u>Navsai Investments Private Limited</u> , a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U65993MH1992PTC064866) - <u>Mr. ACK holds 100% equity shares and 99.99% preference shares of the paid up share capital of NIPL.</u>
18.	<u>Cees Investments and Consultants Private Limited</u> , a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U65993MH1983PTC030031) - <u>Mr. ACK holds 40% equity shares, Mr. RCK holds 10% equity shares of the paid up share capital of CICPL.</u>
19.	<u>Asara Sales and Investment Private Limited</u> , a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U65993MH1972PTC016178) - <u>Mr. ACK holds 19.55% equity shares and Mr. RCK holds 19.55% equity shares of the paid up share capital of ASIPL.</u>
20.	<u>GG Dandekar Machine Works Limited</u> , a company incorporated and organised under the laws of the Republic of India (bearing CIN No. L99999MH1938PLC002869) - <u>Mr. ACK holds 14.13% equity shares and Mr. RCK holds</u>

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	<u>19.96% equity shares of the paid up share capital of GDMWL.</u>
21.	<u>Greentek Systems (India) Private Limited</u> , a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U74900PN2011PTC138321) <u>Mr. ACK holds 49.86% equity shares and Mr. RCK holds 49.86% equity shares of the paid up share capital of GSPL.</u>
22.	<u>Alpak Investments Private Limited</u> , a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U65993PN1992PTC064865) – <u>Mr. RCK holds 98.15% equity shares and 100% preference shares of the paid up share capital of AIPL.</u>
23.	<u>Mahila Udyog Limited</u> , a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U15136MH1965PLC013242) – <u>Mr. ACK holds 6.90% equity shares and Mr. RCK holds 6.79% equity shares of the paid up share capital of MUL.</u>
24.	<u>Kairi Investments LLC</u> , an entity organized under the laws of U.S.A (bearing registration no. 20121335203). See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters.

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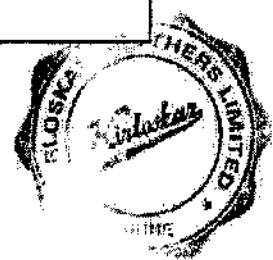


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	Furthermore, if they are Promoters then under Regulation 2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.
25.	<p><u>Snow Leopard Technology Ventures LLP</u> an entity organized under the laws of the Republic of India (bearing LLPIN No. AAB-3612) –</p> <p><u>Mr. ACK has a 16.67% share as a Designated Partner and</u></p> <p><u>Mr. RCK has a 16.66% share as a Partner in the SLTV LLP.</u></p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation 2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.</p>
26.	<p><u>Snow Leopard Momentum LLP</u> an entity organized under the laws of the Republic of India (bearing LLPIN No. AAC-0951) –</p> <p><u>Mr. ACK has a 33.33% share as a Designated Partner and</u></p> <p><u>Mr. RCK has a 33.33% share as a Partner in the SLM LLP.</u></p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters.</p>

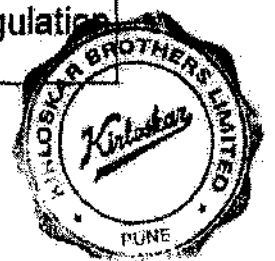
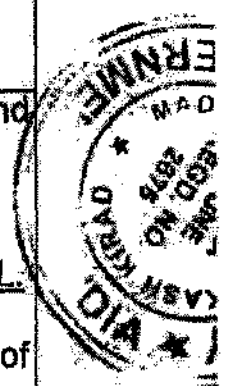


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	<p>Furthermore, if they are Promoters then under Regulation 2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.</p>
27.	<p><u>Kloudq Technologies Limited</u> a company incorporated and organized under the laws of Republic of India (bearing CIN No. U72200PN2013PLC147635) -</p> <p><u>Mr. ACK has a 8.33% share as a Designated Partner and Mr. RCK has a 8.33% share as a Partner in KTL.</u></p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation 2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.</p>
28.	<p><u>Lakeland Universal Limited, BVI</u>, a company incorporated and organised under the laws of British Virgin Islands--</p> <p><u>Mr. ACK has a 100% share as a Designated Partner in LUL.</u></p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation</p>

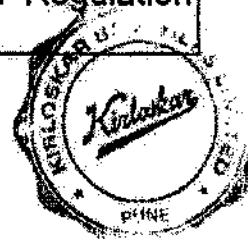


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	2(o)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.
29.	<p><u>Snow Leopard Global Technology, LLP</u> an entity organized under the laws of the Republic of India (bearing LLPIN No. AAF-5274) –</p> <p><u>Mr. ACK has a 33.34% share as a Designated Partner and</u></p> <p><u>Mr. RCK has a 33.33% share as a Partner in SLGT LLP.</u></p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation 2(o)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.</p>
30.	<p><u>Snow Leopard Infrastructure - 1, LLP</u> an entity organized under the laws of the Republic of India (bearing LLPIN No. AAH-6853) –</p> <p><u>Mr. ACK has a 8.99% share as a Designated Partner and Mr.</u></p> <p><u>RCK has a 8.99% share as a Partner in SLI - 1 LLP.</u></p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters.</p>



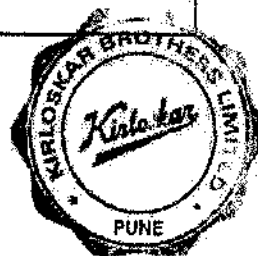
	Furthermore, if they are Promoters then under Regulation 2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.
31.	<p><u>Snow Leopard Lever Boost, LLP</u> an entity organized under the laws of the Republic of India (bearing LLPIN No. AAH-6844).</p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation 2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.</p>
32.	<p><u>Snow Leopard Momentum – II, LLP</u> an entity organized under the laws of the Republic of India (bearing LLPIN No. AAI-2268) –</p> <p><u>Mr. ACK has a 33.33% share as a Designated Partner and</u></p> <p><u>Mr. RCK has a 33.33% share as a Partner in SLM – II LLP.</u></p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation</p>



	2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.
33.	<p><u>Samarth Udyog Technology Forum</u> an entity organized under the laws of the Republic of India (bearing CIN No. U74999PN2017NPL172629) –</p> <p><u>Mr. ACK has a 33.33% share and Mr. RCK has a 33.33% share in SUTF.</u></p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation 2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.</p>
34.	<p><u>K.C. Ventures LLP</u>, an entity organized under the laws of the Republic of India (bearing LLPIN No. AAM-4766) –</p> <p><u>Mr. ACK has a 48.24% share as a Designated Partner and Mr. RCK has a 48.24% share as a Partner in KCV LLP.</u></p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation</p>



	2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.
35.	<p><u>Navasasyam Dandekar Private Limited</u>, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U29309PN2019PTC188112).</p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation 2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.</p>
36.	<p><u>Saucelito Ventures</u>, an entity organized under the laws of _____</p> <p><u>Mr. ACK has a 36.36% share as a Designated Partner and Mr. RCK has a 36.36% share as a Partner in SV.</u></p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation 2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.</p>



37.	<p><u>Beluga Whale Capital Management Pte. Ltd.</u>, an entity organized under the laws of Singapore (bearing registration no. 201908525Z).</p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation 2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.</p>
38.	<p><u>Kirloskar Management Services Private Limited</u>, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U74999PN2020PTC189416).</p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation 2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.</p>
39.	<p><u>Joburg Industrial Trading (SA) (PTY) (Ltd)</u>, an entity organized under the laws of the Republic of South Africa.</p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of</p>



	<p>SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation 2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.</p>
40.	<p><u>KiARA Lifespaces Private Limited</u>, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U7103PN2017PTC169651).</p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation 2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.</p>
41.	<p><u>Sri Harihareshwara Finance and Investments Private Limited</u>, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U67120KA1989PTC009980).</p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters.</p>

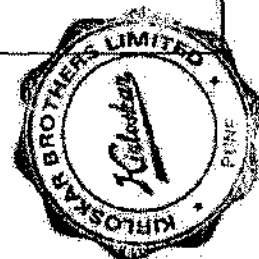


	Furthermore, if they are Promoters then under Regulation 2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.
42.	<p><u>VSK Holdings Private Limited</u>, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U65900KA2012PTC064328).</p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation 2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.</p>
43.	<p><u>Optiqua Pipes and Electricals Private Limited</u>, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U49340GJ2021PTC120412).</p> <p><u>It is a wholly owned subsidiary of La-Gajjar Machineries Pvt. Ltd. (an entity controlled by KOEL)</u></p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation</p>



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	2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.
44.	<p><u>ESVA Pumps India Private Limited</u>, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U31909TZ2020PTC033814).</p> <p>KOEL's wholly owned subsidiary is La-Gajjar Machineries Pvt. Ltd. ("LG"), LG's wholly owned subsidiary is Optiqua Pipes and Electricals Pvt. Ltd. ("Optiqua") and Optiqua has a 49% stake in ESVA Pumps India Pvt. Ltd.</p>
45.	<p><u>Wellness Space Developers Limited</u>, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U45202PN2020PLC192070).</p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation 2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.</p>
46.	<p><u>Snow Leopard Global Technology II - LLP</u>, an entity organized under the laws of the Republic of India (bearing LLPIN No. AAU-7165).</p>

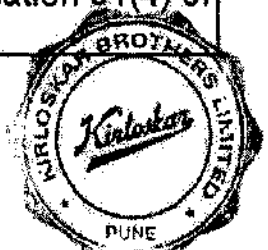


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	<p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation 2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.</p>
47.	<p><u>Snow Leopard Global Technology III – LLP</u>, an entity organized under the laws of the Republic of India (bearing LLPIN No. AAV-3009).</p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation 2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.</p>
48.	<p><u>Kirloskar Proprietary Private Limited</u>, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U31102MH1965PLC013362) –</p> <p><u>Mr. ACK holds 18.03% and Mr. RCK holds 18.03% of the paid up share capital of KPPL.</u></p> <p>See ACK's and RCK's disclosures under Regulation 31(4) of</p>



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	SAST, 2015. Disclosure would be made under Regulation 31(4) of the SAST, 2015 only if they are Promoters. Furthermore, if they are Promoters then under Regulation 2(oo)(ii) or (iii) of the ICDR, 2018 they (directly/ indirectly) control the entity or control its Board.
49.	<u>New Precision (India) Limited</u> , a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U29119MP1960PLC000902) – <u>Mr. ACK holds 10% of the paid up share capital of NPIL.</u>
50.	<u>Any other companies / bodies corporate/ entities (whether organized in the Republic of India, or elsewhere) (x) which are presently under the control (as such term is defined in Section 2(27) of the Cos. Act, 2013) of the below mentioned persons or (y) in which the below mentioned persons are Promoters</u> viz. (i) Mr. Atul Kirloskar (DIN 00007387) and/or his respective nuclear family members (viz. Mrs. Arti Kirloskar, Ms. Gauri Kirloskar and Ms. Aditi Kirloskar), (ii) Mr. Rahul Kirloskar (DIN 00007319) and/or his respective nuclear family members (viz. Mrs. Alpana Kirloskar, Ms. Alike Kirloskar and Mr. Aman Kirloskar)



	<p>(iii) Mr. Nihal Kulkarni (DIN 01139147) and/or his respective family members (viz. Mrs. Jyotsana Kulkarni, Mrs. Shruti Kulkarni, Ms. Gargi Kulkarni, Mr. Ambar Kulkarni and Mrs. Komal Ambar Kulkarni), and/or</p> <p>(iv) Lineal descendants of the aforesaid persons <u>which have not been identified, since adequate information is not available in the public domain.</u></p>
51.	<p><u>Any other companies / bodies corporate/ entities (to be incorporated/ organised in the Republic of India or overseas) in the future (x) which come under the control (as such term is defined in Section 2(27) of the Cos. Act, 2013) of the below mentioned persons or (y) in which the below mentioned persons are Promoters viz.</u></p> <p>(i) Mr. Atul Kirloskar (DIN 00007387) and/or his respective nuclear family members (viz. Mrs. Arti Kirloskar, Ms. Gauri Kirloskar and Ms. Aditi Kirloskar),</p> <p>(ii) Mr. Rahul Kirloskar (DIN 00007319) and/or his respective nuclear family members (viz. Mrs. Alpana Kirloskar, Ms. Alike Kirloskar and Mr. Aman Kirloskar)</p> <p>(iii) Mr. Nihal Kulkarni (DIN 01139147) and/or his respective family members (viz. Mrs. Jyotsana Kulkarni, Mrs. Shruti</p>



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	<p>Kulkarni, Ms. Gargi Kulkarni, Mr. Ambar Kulkarni and Mrs. Komal Ambar Kulkarni), and/or</p> <p>(iv) Lineal descendants of the aforesaid persons <u>which cannot be presently identified.</u></p>
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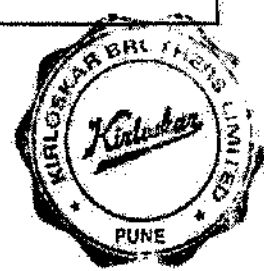
ANNEXURE C

LIST OF COMPANIES/ ENTITIES UNDER THE CONTROL OF VIKRAM KIRLOSKAR & HIS NUCLEAR FAMILY WHICH ARE NOT PARTIES IN SLP NOS. (i) 8020 of 2021 (KBL v. ACK & Ors.) (ii) 8221 of 2021 (SCK & Ors. v. ACK & Ors.) and (iii) 10370 of 2021 (KOEL & Ors. v. SCK & Ors.)

Sr. No	Name of the Companies / Entities
1.	Toyota Kirloskar Motor Private Limited, a company incorporated and organised under the laws of Republic of India (bearing CIN No. <u>U34101KA1997PTC022858</u>) <u>Mr. Vikram Kirloskar is the Vice Chairman of Toyota Kirloskar Motor Pvt. Ltd.</u>
2.	Kirloskar Systems Limited, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. <u>U34300KA1962PLC053582</u>) <u>Mr. Vikram Kirloskar is the Chairman and Managing Director of Kirloskar Systems Ltd.</u>
3.	Toyota Kirloskar Auto Parts Private Limited, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. <u>U35914KA2002PTC030335</u>)

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	<u>Mr. Vikram Kirloskar is a Director of Toyota Kirloskar Auto Parts Private Limited</u>
4.	<p>Kirloskar Technologies Private Limited, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. <u>U31909KA1993PTC014893</u>)</p> <p><u>Mr. Vikram Kirloskar is a Director of Kirloskar Technologies Private Limited</u></p>
5.	<p>Kirloskar Toyota Textile Machinery Private Limited, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. <u>U29248KA2015FTC079786</u>)</p> <p><u>Mr. Vikram Kirloskar is a Director of Kirloskar Toyota Textile Machinery Private Limited</u></p>
6.	<p><u>VikramGeet Investments & Holdings Private Limited</u>, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. <u>U74996KA2008PTC044934</u>).</p>
7.	<p><u>Sri Harihareshwara Finance and Investments Private Limited</u>, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. <u>U67120KA1989PTC009980</u>).</p>

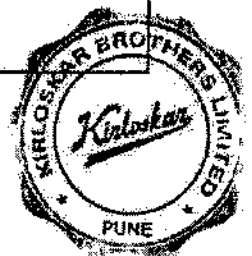
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8.	<u>VSK Holdings Private Limited, a company incorporated and organised under the laws of the Republic of India (bearing CIN No. U65900KA2012PTC064328).</u>
9.	<p><u>Any other companies / bodies corporate/ entities (whether organized in the Republic of India, or elsewhere) (x) which are presently under the control (as such term is defined in Section 2(27) of the Cos. Act, 2013) of the below mentioned persons or (y) in which the below mentioned persons are Promoters viz</u></p> <p>(i) Mr. Vikram Kirloskar,</p> <p>(ii) Mrs. Geetanjali Kirloskar</p> <p>(iii) Ms. Manasi Kirloskar, and/or</p> <p>(iv) Lineal descendants of the aforesaid persons</p> <p><u>which have not been identified, since adequate information is not available in the public domain.</u></p>
10.	<p><u>Any other companies / bodies corporate/ entities (to be incorporated/ organised in the Republic of India or overseas) in the future (x) which come under the control (as such term is defined in Section 2(27) of the Cos. Act, 2013) of the below mentioned persons or (y) in which the below mentioned persons are Promoters viz</u></p>

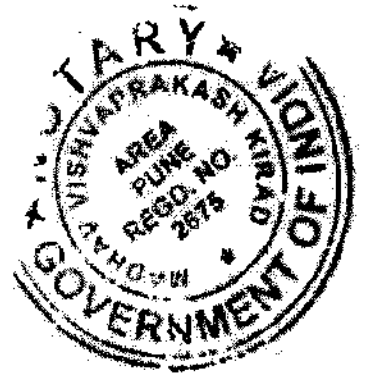
10/11/2018
KIRLOSKAR BROTHERS LIMITED
PUNE

[Handwritten signature]



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	<p>(i) Mr. Vikram Kirloskar,</p> <p>(ii) Mrs. Geetanjali Kirloskar</p> <p>(iii) Ms. Manasi Kirloskar, and/or</p> <p>(iv) Lineal descendants of the aforesaid persons</p> <p><u>which cannot be presently identified.</u></p>
--	--



Not listed before 5 days

Section: IX

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION
SPECIAL LEAVE PETITION (CIVIL) NO. 8020 OF 2021

IN THE MATTER OF:**Kirloskar Brothers Limited**

...Petitioner

Versus**Atul Chandrakant Kirloskar & Ors.**

...Respondents

I N D E X

Sl. No.	Particulars	Spare Copies	Court Fees
1.	Additional Affidavit on behalf of the Petitioner along with Annexures 1 to 6	1 + 3	Rs.20/-

Dated this 18th day of November, 2021

L. Card No.5222 A.K. Srivastava
Office Phone Nos.23322311/23320912
Chambers Mob. No.9213142970
7, Lawyers Chambers, 7838353242
Supreme Court of India
New Delhi
Ph.: 23387608

[Signature]
Messrs Gagrut & Co.
Advocates for the Petitioner
Plaza Cinema Building,
Connaught Circus,
New Delhi-110001
Code No.386



IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION
SPECIAL LEAVE PETITION (CIVIL) NO. 8020 OF 2021

IN THE MATTER OF:

Kirloskar Brothers Limited ...Petitioner

Versus

Atul Chandrakant Kirloskar & Ors. ...Respondents

Additional Affidavit on behalf of the Petitioner

(For INDEX please see inside)

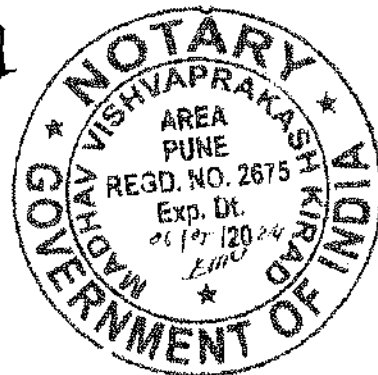
Advocates for the Petitioner:
Filed on: 18.11.2021

M/S. GAGRAT & CO.

INDEX

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1



IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

SPECIAL LEAVE PETITION (CIVIL) NO. 8020 OF 2021

IN THE MATTER OF:

Kirloskar Brothers Limited

...Petitioner

V E R S U S

Atul Chandrakant Kirloskar & Ors.

...Respondents

Additional Affidavit on behalf of the Petitioner

I, Umesh Gosavi S/o. Madhav Gosavi, aged about 58 years, Indian inhabitant, having my office at 'Yamuna', Survey No 98/(327), Plot No.3, Baner, Pune 411 045, Maharashtra, do hereby solemnly affirm and state as under:

1. I am the Associate Vice President and Head- Legal of the Petitioner. I am conversant with the relevant facts relating to the present case and therefore, am competent to affirm and file this Additional Affidavit on behalf of the Petitioner.
2. I am authorized to file the present Additional Affidavit

Umesh Gosavi



under a Power of Attorney dated 5th April, 2017, in my favour.

3. At the very outset, I repeat and reiterate the contents of the Petition for Special Leave to Appeal filed herein (**"the present Petition"**). I am filing the present Additional Affidavit for the limited purpose of placing on record the correspondence between the Advocates for the Petitioner and the Advocates for Respondent Nos. 1, 3 to 6 and 12 to 20. I crave leave to file a further affidavit if required.

4. At the further outset, I state and submit that the present Petition was listed before this Hon'ble Court on 27.07.2021, when after hearing Senior Counsel of the respective parties, this Hon'ble Court had passed the following Order:

"The Court is convened through Video Conferencing.

Heard learned Senior counsel appearing for the parties.

Issue notice returnable after six weeks.



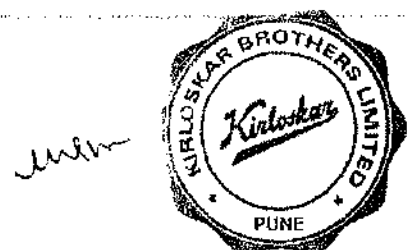
Mr. Shyam Diwan, learned Senior counsel, who is on caveat, accepts and waives formal notice on behalf of Respondent No.18, 19 and 20 in Special Leave Petition (Civil) No.8221/2021 and Mr. Ritin Rai, learned Senior counsel, who is on caveat, accepts and waives formal notice on behalf of Respondent Nos.1, 3 to 6, 12 to 20 in Special Leave Petition (Civil) No. 8020 of 2021 and for Respondent Nos.1, 3 to 6 and 9 to 17 in Special Leave Petition (Civil) No.8221 of 2021.

We feel that this is a case where the disputes between the parties can be settled by way of mediation also.

We direct the parties to explore the possibility of mediation also on the next date of hearing.

In the meantime, there shall be stay of proceedings and status quo, as it exists today, shall be maintained by the parties."

A true and correct copy of the Order dated 27.07.2021 is annexed hereto and marked **Annexure 1.** (Pg - 20 - 21)



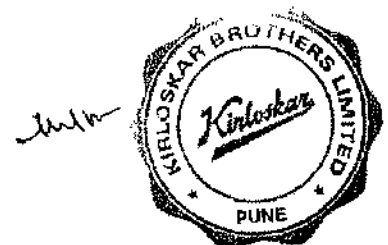
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5. In view of the aforesaid Order dated 27.07.2021 of this Hon'ble Court in the present Petition, the Advocates on behalf of the Petitioner addressed a letter dated 25.08.2021 bearing Ref. No. UAR/G-4168/142 to the Advocates for Respondent Nos. 1, 3 to 6 and 12 to 20, *inter alia* recording that:

(i) this Hon'ble Court had, on 27.07.2021, after hearing the parties, passed an order *inter alia* directing the parties to explore the possibility of mediation. For this purpose, the relevant text of this Order was reproduced;

(ii) Mr. Sanjay Kirloskar/ Respondent No.27 had approached Dr. Vijay Kelkar, who had earlier acted as a Mediator in 2017, to ascertain whether he would still be willing to act as a Mediator. Dr. Vijay Kelkar however, declined to act as a Mediator;

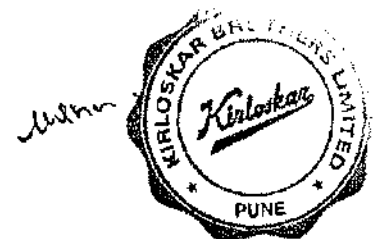
(iii) a noting from the website of the Hon'ble Supreme Court that instead of filing a Reply in the present Petition, (for which time was sought on behalf of Respondent Nos. 1, 3 to 6 and 12 to 20, on 27.07.2021), Respondent Nos. 21, 22 and 23 had



instead, on 31.07.2021 chosen to file a substantive Special Leave Petition before this Hon'ble Court (being SLP No. 13070 of 2021 (Kirloskar Oil Engines Ltd. & Ors. vs. SCK & Ors.) (KOEL), impugning the Judgment of the Hon'ble Bombay High Court dated 03.05.2021;

(iv) the Special Leave Petition (being SLP No. 13070 of 2021 (KOEL & Ors. vs. Mr. Sanjay C. Kirloskar & Ors.) has been filed by KOEL (Respondent No. 21), and some of the other Respondents, within 3 days after the hearing of the captioned matter, without giving any indication to this Hon'ble Court that they would be filing a Special Leave Petition (being SLP No. 13070 of 2021 (KOEL & Ors. vs. SCK & Ors.), even though the Hon'ble Supreme Court has accorded its indulgence to adjourn the matter to enable the parties to explore the possibility of mediation; and

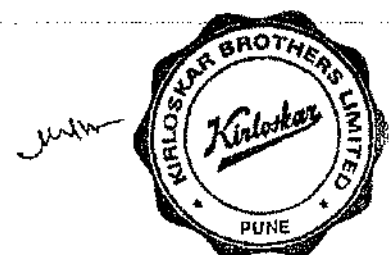
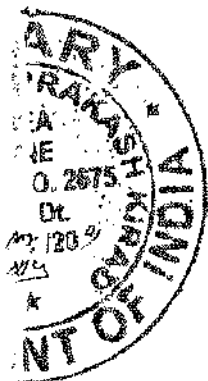
(v) in deference to the suggestion of this Hon'ble Court, and with a view to still explore the possibility of mediation, names of former Judges of this Hon'ble Court were suggested; one of whom could act as a Mediator between the parties.



A true and correct copy of the letter dated 25.08.2021 bearing Ref. No. UAR/G-4168/142 to the Advocates for Respondent Nos. 1, 3 to 6 and 12 to 20, is annexed hereto and marked as **Annexure 2.** (Pg - 22 - 23)

6. In response to the letter dated 25.08.2021 addressed by the Advocates of the Petitioner, the Advocates for Respondent Nos. 1, 3 to 6 and 12 to 20 addressed a letter dated 05.09.2021, to the Advocates of the Petitioner, *inter alia* recording the following:

- (i) that the contents of the Letter addressed by the Advocate of the Petitioner dated 25.08.2021 had been discussed with Respondent Nos. 1, 3 to 6 and 12 to 20;
- (ii) that as the disputes between the parties are primarily commercial in nature, Respondent Nos. 1, 3 to 6 and 12 to 20 believed that the mediation would progress better if an eminent business personality was approached to act as a Mediator and accordingly 3 names were suggested for the consideration of the Petitioner, one of whom could act as a Mediator between the parties.

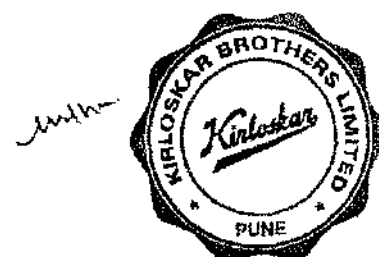
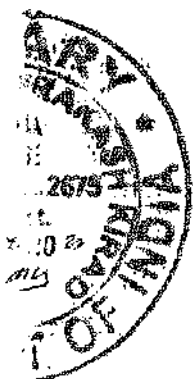


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A true and correct copy of the letter dated 05.09.2021 addressed by the Advocates for Respondent Nos. 1, 3 to 6 and 12 to 20 to the Advocate for the Petitioner, is annexed hereto and marked as **Annexure 3.** (Pg - 24-25)

7. In response to the aforesaid Letter dated 05.09.2021 addressed by the Advocates for Respondent Nos. 1, 3 to 6 and 12 to 20, the Advocates for the Petitioner, addressed a letter dated 15.09.2021 bearing Ref. No. UAR/G-4168/167 to the Advocates for Respondent Nos. 1, 3 to 6 and 12 to 20, *inter alia* recording that:

- (i) the said letter dated 05.09.2021 addressed by the Advocates for Respondent Nos. 1, 3 to 6 and 12 to 20, to the Advocate for the Petitioner was received by the Advocate for the Petitioner late in the night on Sunday, 5th September 2021, despite which, the Advocates for the Petitioner had promptly forwarded a copy of the said letter dated 5th September, 2021, to the Petitioner;
- (ii) in deference to the directions of this Hon'ble Court (to explore the possibility of mediation), in its Order dated 27.07.2021, the Petitioner, through their Advocates had

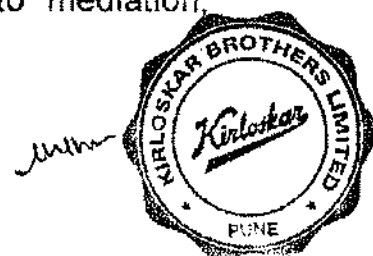
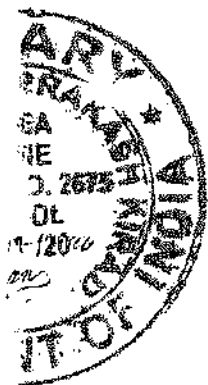


written to the Advocates for Respondent Nos. 1, 3 to 6 and 12 to 20 and also to the Advocates for Respondent Nos. 21 to 23.;

(iii) although Respondent Nos. 1, 3 to 6 and 12 to 20, expressed their willingness to seek to resolve matters by way of mediation, the Advocate for the Petitioner had still not received any response from the Advocates for Respondent Nos. 21, 22 and 23, that Respondent Nos. 21, 22 and 23 are willing to unconditionally submit themselves to mediation;

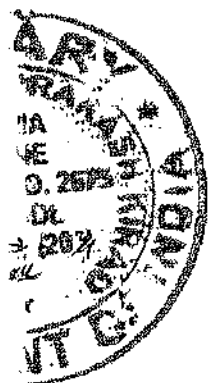
(iv) although Respondent Nos. 21, 22 and 23 are not signatories to the Deed of Family Settlement dated 11.09.2009 ("DFS"), they are companies under the control of persons, who are signatories to the DFS, and for any mediation to be meaningful, all signatories to the DFS and all entities/ companies under their management / control should unconditionally submit themselves to mediation; and

(v) pending receipt of a confirmatory response from the Advocate for Respondent Nos. 21, 22 and 23 that they will unconditionally submit themselves to mediation,



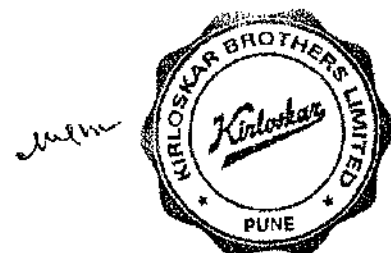
and which Respondent Nos. 1, 3 to 6 and 12 to 20 are in a position to ensure since they are in control of these companies, it was not possible for the Petitioner to respond further, including as regards names of the mediators. It was further stated that considering the nature of issues and the legal aspects involved, it would be desirable and advisable if the mediator were to be a former Judge of this Hon'ble Court.

A true and correct copy of the letter dated 15.09.2021 bearing Ref. No. UAR/G-4168/167 to the Advocates for Respondent Nos. 1, 3 to 6 and 12 and 20, is annexed hereto and marked **Annexure 4.** (Pg - 26 - 27)



8. In response to the Petitioner's Letter dated 15.09.2021, the Advocates for Respondent Nos. 1, 3 to 6 and 12 to 20, after one month, addressed a letter dated 19.10.2021 marked "Without Prejudice", to the Advocates for the Petitioner *inter alia* :-

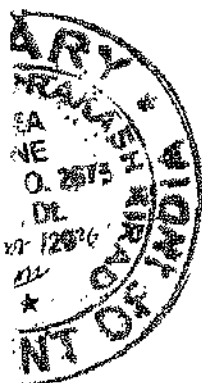
(i) making unsubstantiated, reckless and unwarranted allegations against the Petitioner's Chairman and Managing Director (viz. Respondent No. 27).



(ii) falsely alleging that the claims of the Petitioner were bold and arbitrary and seeking to resile from unconditionally submitting to mediation at this belated stage;

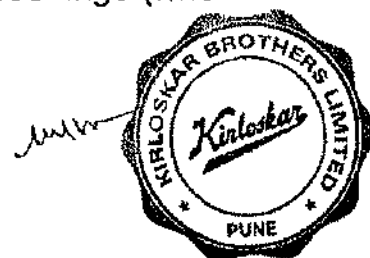
(iii) not accepting any of the three eminent Former Justices of the Supreme Court whose names had been suggested as mediators on the untenable ground that the disputes are primarily commercial in nature.

A true and correct copy of the letter dated 19.10.2021 by the Advocates for Respondent Nos. 1, 3 to 6 and 12 and 20, is annexed hereto and marked **Annexure 5.** (Pg-28-29)



9. The Advocates for the Petitioner, vide their letter dated 16.11.2021 bearing Ref. No. UAR/G-4168/235, in reply to the letter dated 19.10.2021 of the Advocates for Respondent Nos. 1, 3 to 6 and 12 to 20, *inter alia* denied what was stated therein and placed on the record the below mentioned pertinent facts:

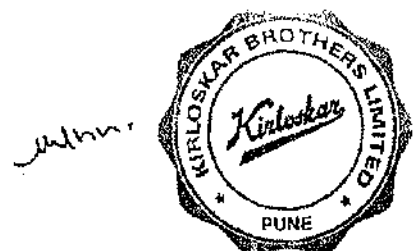
- i. that this Hon'ble Court by its aforesaid order dated 27.07.2021 had expressly directed "the parties" in the aforementioned proceedings (who



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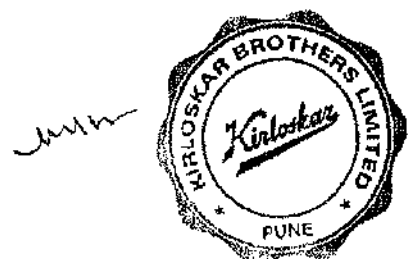
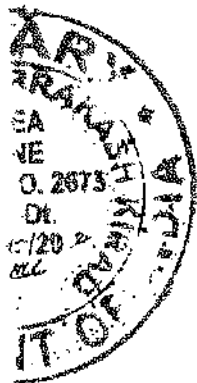
are not only members of the Kirloskar family and signatories to the DFS, but also companies under their control such as Respondent Nos. 21, 22 and 23) to seek to resolve matters by way of mediation;

- ii. that Respondent Nos. 1, 3 to 6 and 12 to 20 have despite the aforementioned direction of this Hon'ble Court made all possible efforts and raised all possible alibis, in their Advocate's aforesaid letters dated 05.09.2021 and 19.10.2021, to scuttle any meaningful resolution of disputes by way of mediation, notwithstanding the fact that for any mediation to be meaningful, all signatories to the DFS and all entities/companies under the management and control of these signatories, should unconditionally submit themselves to mediation;
- iii. that the object of Mediation is to achieve a holistic and fulsome settlement in both; the letter and spirit of this Hon'ble Court's Order and not



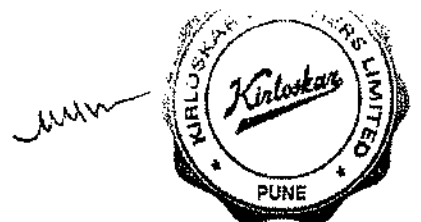
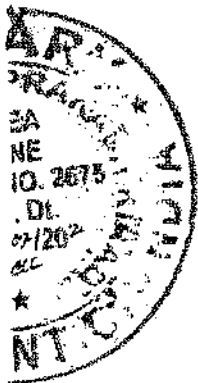
merely go through the motions resulting in a Partial or incomplete process;

- iv. that Respondent Nos. 1, 3 to 6 and 12 to 20 (and the boards of those respective companies) have intentionally and deliberately not caused Respondent Nos. 21, 22 and 23, to adopt, ratify and/or disclose the DFS for malafide reasons, so that Respondent Nos. 21 and 22 in particular can engage in businesses competitive with that of the Petitioner, notwithstanding Clauses 15 and 16 of the DFS;
- v. that some of Respondent Nos. 1, 3 to 6 and 12 to 20 had in fact been indicted by SEBI by its Order dated 20th October, 2020, for not only insider trading in shares of Respondent No. 24, but also for having perpetrated a fraud on Kirloskar Industries Limited ("KIL"), a publicly listed Company under the management/ control of Respondent Nos. 1, 3 to 6 and 12 to 20, and despite the losses suffered by KIL, KIL has not adopted any proceedings against some of these

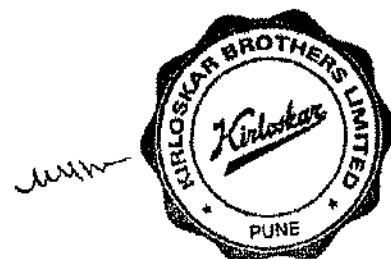
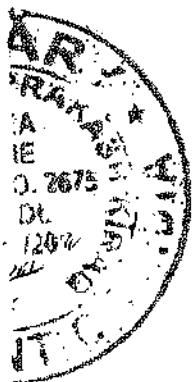


Respondents, which raises grave doubts and suspicions not only as regards the independence of the board of directors of KIL, but also of other public limited companies, such as Respondent No. 21 (KOEL), for reasons as mentioned more specifically in the Petitioner's Advocate's said letter;

- vi. that Respondent Nos. 21, 22 and 23 (evidently at the instance of Respondent Nos. 1, 3 to 6 and 12 to 20), had three days after the Order of this Hon'ble Court dated 27.07.2021 directing parties to explore the possibility of mediation, filed a substantive SLP in this Hon'ble Court without giving any indication to this Hon'ble Court, that they would be doing so, and this corroborates the fact that neither Respondent Nos. 1, 3 to 6 and 12 to 20 nor companies under their management/control have any bona fide, genuine or good faith desire to resolve matters by way of mediation, notwithstanding the aforementioned directions of this Hon'ble Court;



- vii. that although Respondent Nos. 21, 22 and 23 are not signatories to the DFS, they are all companies under the control of Respondent Nos. 1, 3 to 6 and 12 to 20, who are signatories to the DFS, (and apart from the fact that this Hon'ble Court had directed "the parties" (which would include Respondent Nos. 21, 22 and 23) to seek to resolve matters by way of mediation), for any mediation to be meaningful all signatories to the DFS and all entities/ companies under their management/control should unconditionally submit themselves to mediation;
- viii. that as regards, the alibi that it is for the board of Respondent No.21 to take a decision regarding the DFS, the board of Respondent No.21 is far from independent and includes common directors (who are on the boards of other companies controlled by Respondent Nos. 1, 3 to 6 and 12 to 20) and former executives /



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employees of companies, controlled by Respondent Nos. 1, 3 to 6 and 12 to 20; and

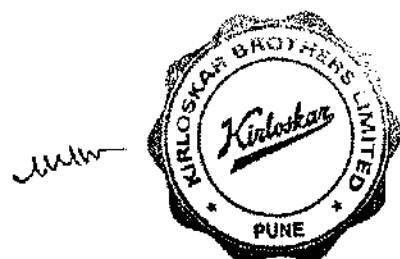
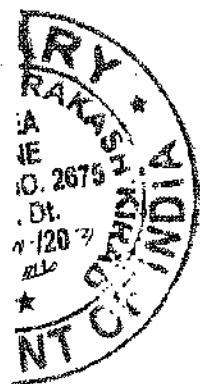
- ix. that considering the nature of the legal issues and legal aspects to be resolved, the mediator, apart from being a person with an unimpeachable reputation, needs to have a deep understanding of legal issues and hence, the three mediators suggested by the Petitioner in their letter of 25th August, 2021, being Former Justices of the Supreme Court of India, would be eminently suitable.

A true and correct copy of the letter dated 16.11.2021 bearing Ref. No. UAR/G-4168/235 addressed by the Advocate for the Petitioner to the Advocates for Respondent Nos. 1, 3 to 6 and 12 and 20, is annexed hereto and marked **Annexure 6.** (88 - 30 - 36).

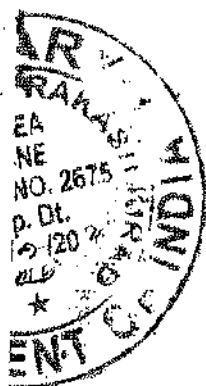
10. It is submitted that Respondent Nos. 1, 3 to 6 and 12 to 20 are (i) deliberately delaying any resolution of disputes by way of mediation with *mala fide* intent so that companies (such as Respondent Nos. 21 and 22) under



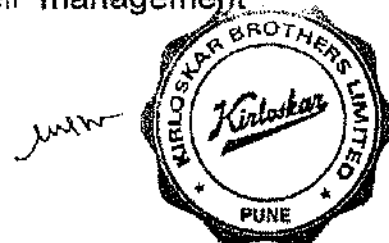
the control of Respondent Nos. 1, 3 to 6 and 12 to 20 can continue to engage in competitive businesses with the Petitioner (in breach of Clauses 15 and 16 of the DFS). Furthermore, whilst efforts are being made by this Hon'ble Court to settle disputes between the Parties by way of Mediation, Respondent Nos. 21 and 22 (evidently at the instance of Respondent Nos. 1, 3 to 6 and 12 to 20) have directly/ indirectly acquired a stake/ interest in other companies such as Optiqua Pipes and Electricals Pvt. Ltd. and ESVA Pumps India Pvt. Ltd, which companies are/ are likely to be engaged in business activities competitive with that of the Petitioner. As a consequence of these continuing dishonest actions of Respondent Nos. 1, 3 to 6 and 12 to 20, and consequently of Respondent Nos. 21 and 22, the Petitioner has since 2017 been suffering a daily loss of about Rs. 1,00,00,000/- every day. The Petitioner reserves its right to seek accounts/ compensation for the loss which it has consequently suffered.



11. Without prejudice to what is stated in paragraph 9 hereinabove, in view of the continuing dishonest and false alibis repeatedly being raised by Respondent Nos.21 and 22 (evidently at the instance of Respondent Nos. 1, 3 to 6 and 12 to 20), that they are not bound by the DFS; the Petitioner reserves its right to claim damages against each of Respondent Nos. 1, 3 to 6 and 12 to 20, to restitute the Petitioner for the daily loss of about Rs. 1,00,00,000/- which the Petitioner has suffered every day since 2017, as a consequence of the aforementioned continuing dishonest and false alibis, which Respondent Nos. 1, 3 to 6 and 12 to 20 have caused Respondent Nos.21 and 22 to take.

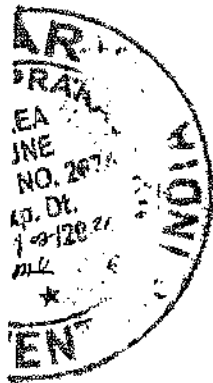


12. It is respectfully submitted and reiterated that although companies such as Respondent No. 21 (KOEL), Respondent No. 22 (La-Gajjar) and Respondent No.23 (KPL) are not signatories to the DFS they are undeniably under the control of persons (viz. Respondent Nos. 1, 3 to 6 and 12 to 20) who are signatories to the DFS and who can ensure that all companies under their management

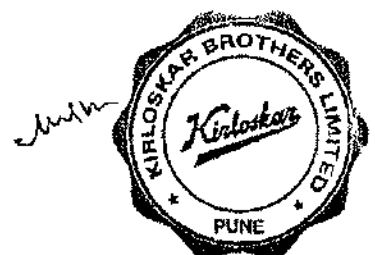


/control can unconditionally submit to mediation (more so since the Boards of these companies comprise of common Directors and former employees who act as per their behest).

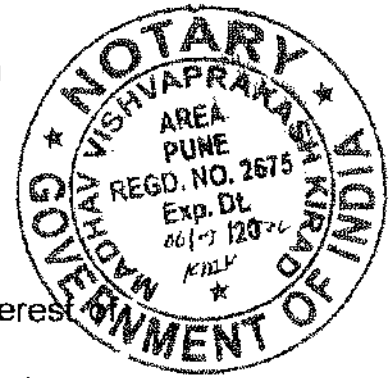
13. For any mediation to be meaningful all signatories to the DFS and all entities/ companies under their management and control should unconditionally submit themselves to mediation, failing which, there will continue to be a plethora of litigation before various courts and fora.



14. I submit that the aforesaid facts and letters dated 25.08.2021, 05.09.2021, 15.09.2021, 19.10.2021, and 16.11.2021 are being brought on record, to apprise this Hon'ble Court and for due consideration of this Hon'ble Court and no harm or prejudice is being consequently caused to the Respondents. On the contrary, grave harm and prejudice shall be caused to the Petitioner if the aforesaid facts and correspondence are not brought on record and this Hon'ble Court is not apprised of the same.



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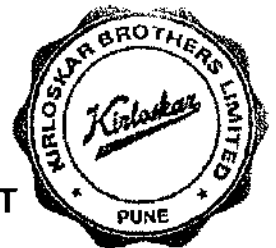


15. The Petitioner respectfully prays that in the interest of justice and to avoid a plethora of continuing and new litigation before various courts and fora, this Hon'ble Court should direct all signatories to the DFS and all entities/ companies under their management/ control to unconditionally submit themselves to mediation.

FOR KIRLOSKAR BROTHERS LTD.

Umesh Gosavi
UMESH GOSAVI
ASSOCIATE VICE PRESIDENT
AND HEAD CORPORATE LEGAL

DEPONENT



VERIFICATION:

Verified at Pune on this ____ day of November, 2021 that the contents of my above Affidavit are true and correct to my knowledge and belief, which are derived from the record maintained in the usual and ordinary course of business and no part of it is false and nothing material has been concealed therefrom.

FOR KIRLOSKAR BROTHERS LTD.

Umesh Gosavi
UMESH GOSAVI
ASSOCIATE VICE PRESIDENT
AND HEAD CORPORATE LEGAL

DEPONENT



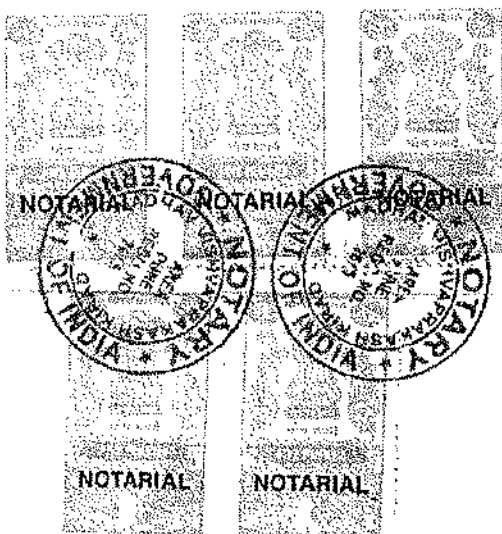
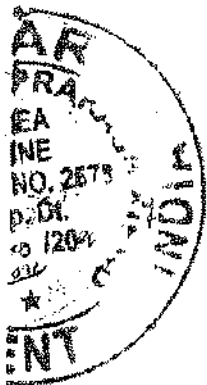
BEFORE ME

Madhav Vishvapraakash Kirad
MADHAV VISHVAPRAKASH KIRAD
ADVOCATE & NOTARY
Flat: 269, Nana Peth, Hindmata Chowk,
PUNE - 411002

19 NOTED & REG. AT

SR. NO. 358/2021

18 NOV 2021



ITEM NO.5

Court 1 (Video Conferencing)

SECTION IX

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petition for Special Leave to Appeal (C) No.8020/2021

(Arising out of impugned final judgment and order dated 03-05-2021 in ARBA(ST.) No. 1661/2021 passed by the High Court of Judicature at Bombay)

KIRLOSKAR BROTHERS LIMITED

Petitioner(s)

VERSUS

ATUL CHANDRAKANT KIRLOSKAR & ORS.

Respondent(s)

(FOR ADMISSION and I.R.)

WITH

SLP(C) No. 8221/2021 (IX)

(FOR ADMISSION and I.R.)

Date : 27-07-2021 These petitions were called on for hearing today.

*CDRAM :

HON'BLE THE CHIEF JUSTICE

HON'BLE MR. JUSTICE SURYA KANT

For Petitioner(s)

Mr. Kapil Sibal, Sr. Adv.
Dr. A.M. Singhvi, Sr. Adv.
Mr. Ujjwal A. Rana, Adv.
Mr. R.J. Gagrath, Adv.
Mr. Himanshu Mehta, Adv.
Mr. I. Sen, Adv.
Mr. Amit Bhandari, Adv.
For M/s. Gagrath And Co, AOR

For Respondent(s)

Mr. Shyam Diwan, Sr. Adv.
Ms. Samiksha Godiyal, Adv.
Mr. Kunal Katariya, Adv.
Ms. Sukanya Sengal, Adv.
Mr. Ankit Acharya, Adv.
Mr. Shreyas Awasthi, Adv.
Ms. Pratiksha Sharma, AOR

Mr. Ritin Rai, Sr. Adv.
Mr. Tushar Ajinkya, Adv.
Ms. Liz Mathew, AOR



Mr. Vedant Chajjed, Adv.
Ms. Ritika Sinha, Adv.
Ms. Tahira Kathpalia, Adv.
Mr. Navneet R., Adv.

UPON hearing the counsel the Court made the following
O R D E R

The Court is convened through Video Conferencing.

Heard learned Senior counsel appearing for the parties.

Issue notice returnable after six weeks.

Mr. Shyam Diwan, learned Senior counsel, who is on caveat, accepts and waives formal notice on behalf of Respondent No.18, 19 and 20 in Special Leave Petition (Civil) No.8221/2021 and Mr. Ritin Rai, learned Senior counsel, who is on caveat, accepts and waives formal notice on behalf of Respondent Nos.1, 3 to 6, 12 to 20 in Special Leave Petition (Civil) No. 8020 of 2021 and for Respondent Nos.1, 3 to 6 and 9 to 17 in Special Leave Petition (Civil) No.8221 of 2021.

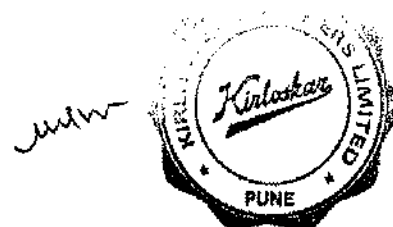
We feel that this is a case where the disputes between the parties can be settled by way of mediation also.

We direct the parties to explore the possibility of mediation also on the next date of hearing.

In the meantime, there shall be stay of proceedings and status-quo, as it exists today, shall be maintained by the parties.

(VISHAL ANAND)
ASTT. REGISTRAR-cum-PS

(R.S. NARAYANAN)
COURT MASTER (NSH)



PLAZA CINEMA BUILDING,
CONNAUGHT CIRCUS,
NEW DELHI-110001

TEL : 011-23322311
: 011-23320912
FAX : 011-23713667
E-MAIL : gagrat@gagratdelhi.com

OUR REF. :

UAR/G-4168/142
25.08.2021

Ms. Liz Mathew,
Advocate, Supreme Court
38, Lower Ground Floor,
Kailash Colony, New Delhi-110 048

Madam/Sir,

Re.: In the Supreme Court of India
SLP No.8020 of 2021
Kirloskar Brothers Limited
Vs.
Atul Chandrakant Kirloskar & Ors.

(Arising out of Judgment and Final Order dated 03.05.2021
of the Bombay High Court in Civil Arbitration Appeal (St.)
No.1661 of 2021)

As you will recall, when the aforesaid matter was listed before the Hon'ble Supreme Court on 27.07.2021, after hearing Senior Counsel of the respective parties, the Hon'ble Supreme Court had passed the following Order:

"The Court is convened through Video Conferencing.

Heard learned Senior counsel appearing for the parties.

Issue notice returnable after six weeks.

Mr. Shyam Diwan, learned Senior counsel, who is on caveat, accepts and waives formal notice on behalf of Respondent No.18, 19 and 20 in Special Leave Petition (Civil) No.8221/2021 and Mr. Ritin Rai, learned Senior counsel, who is on caveat, accepts and waives formal notice on behalf of Respondent Nos.1, 3 to 6, 12 to 20 in Special Leave Petition (Civil) No. 8020 of 2021 and for Respondent Nos.1, 3 to 6 and 9 to 17 in Special Leave Petition (Civil) No.8221 of 2021.

We feel that this is a case where the disputes between the parties can be settled by way of mediation also.



ASSOCIATE OFFICE : MUMBAI

We direct the parties to explore the possibility of mediation also on the next date of hearing.

In the meantime, there shall be stay of proceedings and status quo, as it exists today, shall be maintained by the parties."

In deference to the aforesaid observations of the Hon'ble Supreme Court, Mr. Sanjay Kirloskar, the Chairman & Managing Director of our client, had approached Dr. Vijay Kelkar, who had earlier acted as a Mediator in 2017, to ascertain whether he would still be willing to act as a Mediator. Dr. Kelkar has however declined to act as a Mediator.

In the meantime, we are surprised to note from the website of the Hon'ble Supreme Court that instead of filing a Reply to the aforesaid SLP, (for which time was sought on your clients' behalf on 27.07.2021), Kirloskar Oil Engines Ltd. and some of the other Respondents have instead, on 31.07.2021 chosen to file a substantive Special Leave Petition in the Hon'ble Supreme Court, impugning the Judgment of the Hon'ble Bombay High Court dated 03.05.2021.

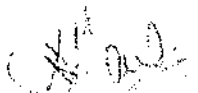
The said Special Leave Petition has been filed by Kirloskar Oil Engines Ltd. and some of the other Respondents, within 3 days after the hearing of the aforesaid matter by the Hon'ble Supreme Court on 27.07.2021, without giving any indication to the Hon'ble Supreme Court that they would be filing a substantive Special Leave Petition, even though the Hon'ble Supreme Court accorded its indulgence to adjourn the matter to enable the parties to explore the possibility of mediation.

Be that as it may, in deference to the suggestion of the Hon'ble Supreme Court, we have instructions to still explore the possibility of mediation and are hence instructed by our clients to suggest the names of the below-mentioned distinguished former justices; one of whom could act as a Mediator:

- i) Hon'ble Mr. Justice A. K. Sikri, a Former Judge of the Supreme Court of India.
- ii) Hon'ble Ms. Justice I. Malhotra, a Former Judge of the Supreme Court of India.
- iii) Hon'ble Mr. Justice R.F. Nariman, a Former Judge of the Supreme Court of India

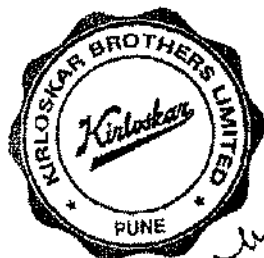
We look forward to an immediate response from you.

Yours faithfully,



U.A. Rana
Partner

M/s. Gagrat & Co.
Advocates for the Petitioners



LIZ MATHEW
Advocate on Record

H- 38, Lower Ground Floor,
Kailash Colony,
New Delhi - 110048
Tel: +91 - 9871113258

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05.09.2021

To:
M/s Gagrat and Co.
C/o U.A. Rana,
Partner, Gagrat and Co.,
Plaza Cinema Building,
Connaught Circus,
New Delhi - 110001.

Attention: Sh. U.A. Rana.

Subject: Your letter dated August 25, 2021 bearing reference no. **UAR/G-4168/142**.

Dear Sir,

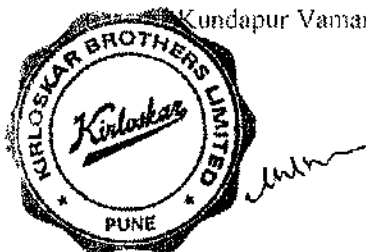
- 1) We thank you for your captioned letter dated August 25, 2021 suggesting names of prominent former judges of the Hon'ble Supreme Court of India to act as mediators in furtherance of the suggestion made by the Hon'ble Supreme Court of India as recorded in the Order dated July 27, 2021.
- 2) We have discussed the same with our clients, viz. Mr. Atul Kirloskar, Mr. Rahul Kirloskar and Mrs. Jyotsna Kulkarni and their respective family members.

While our clients appreciate the names of the prominent jurists suggested by you, however, since the disputes between the parties proposed to be referred to mediation are primarily commercial in nature, our clients believe that the mediation would progress better if an eminent business personality is approached to act as a mediator.

- 4) Accordingly, our clients suggest that any 1 (one) of the following eminent industry personalities could be appointed as a mediator. We have, in addition to their names, also provided a brief description of their profile for your kind consideration:

a **Mr. K. V. Kamat**

Kundapur Vaman Kamath was the former chief of the New Development Bank of BRICS



countries. Previously he has also served as the Chairman of Infosys Limited and as the Non-Executive Chairman of ICICI Bank, India's largest private bank. He has also served as ICICI Bank's founder and Managing Director and CEO from May 1, 1996 until April 30, 2009. He also serves as an independent director on the boards of the Houston-based oil services company Schlumberger since 2010, and the Indian pharmaceutical manufacturer Lupin.

b. Mr. Vallabh Bhansali

Mr. Vallabh Bhansali is a leading investment banker, investor, venture capitalist and Capital Markets expert of the country. He is the co-founder and Chairman of ENAM group. He is a Trustee of the Bombay Stock Exchange and serves on various Committees of the Stock Exchange, SEBI and other bodies.

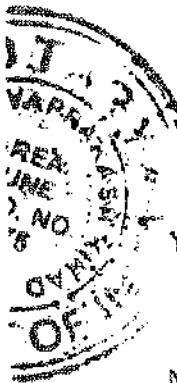
c. Mr. MM Murugappan

MM Murugappan is a fourth-generation member of the Murugappa family and the Executive Chairman of the Murugappa Group Corporate Advisory Board since February 2018. He is Chairman of Tube Investments of India Ltd., Carborundum Universal Ltd. and Coromandel International Ltd.

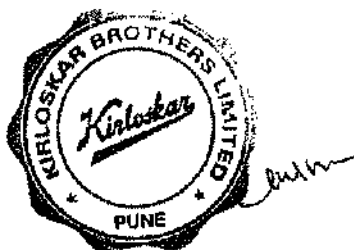
We look forward to hearing from you.

Yours truly,


MS. LIZ MATHIEW
Advocate



Cc: Ms. Pratiksha Sharma
Advocate,
N-13, Green Park Extension,
2nd Floor, New Delhi – 110016.
pratikshasharma08@gmail.com



Gagral & Co

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ADVOCATES, SUPREME COURT OF INDIA

PLAZA CINEMA BUILDING,
CONNAUGHT CIRCUS,
NEW DELHI-110051

TEL : 011-23322311
: 011-23320812
FAX : 011-23313057
E-MAIL : gagral@supremecourt.org

UARG-4168/167
15.09.2021

Ms. Liz Mathew,
Advocate, Supreme Court
38, Lower Ground Floor,
Kailash Colony, New Delhi-110 048

Dear Madam,

Re.: In the Supreme Court of India
SLP No.8020 of 2021

Kirloskar Brothers Limited
Vs.
Atul Chandrakant Kirloskar & Ors.

Subject: Our Letter dated 25th August, 2021 bearing
Ref No: UAR/G-4168/142 and Your Reply
dated 5th September, 2021

We received late in the night on Sunday 5th September, 2021 your Letter under reference. We have promptly forwarded a copy of your Letter under reference to our Clients and are presently instructed to state as under: -

As you and your Clients are aware, the Hon'ble Supreme Court by its Order dated 27th July, 2021 had *inter alia* directed as under: -

"We feel that this is a case where the disputes between the parties can be settled by way of mediation also."

We direct the parties to explore the possibility of mediation also on the next date of hearing."

In deference to the aforesaid directions of the Hon'ble Supreme Court, we had written to you (on behalf of your Clients viz. Mr. Atul Kirloskar, Mr. Rahul Kirloskar, Mrs. J. Kulkarni and their respective family members, who are parties to the proceedings) and also written to Ms. Pratiksha Sharma, Advocate, who represents Kirloskar Oil Engines Ltd. ("KOEL"), La Gajjar Machineries Private Ltd. ("La Gajjar") and Kirloskar Proprietary Ltd. ("KPL") (who are also parties to the proceedings).

Whilst you have, on behalf of your Clients viz. Mr. Atul Kirloskar, Mr. Rahul Kirloskar, Mrs. J. Kulkarni and their respective family members expressed their willingness to seek to resolve matters by way of mediation, we have still not received any response from Ms. Pratiksha Sharma on behalf of her Clients

ASSOCIATE OFFICE : MUMBAI



(all of which are companies under the control and management of your Clients) that they are willing to unconditionally submit themselves to mediation.

Although KOEL, La Gajjar and KPL are not signatories to the DFS, they are companies under the control of your Clients, who are signatories to the DFS, and for any mediation to be meaningful, all signatories to the DFS and all entities/ companies under your Clients' management/ control should unconditionally submit themselves to mediation.

Hence, pending receipt of a confirmatory response from Ms. P. Sharma (on behalf of her Clients) that they will unconditionally submit themselves to mediation, and which your Clients are in a position to ensure since they are in control of these companies, it is not possible for our Clients to respond further to your Letter under reference, including as regards the names of the mediators suggested in your Letter under reference. Our Clients and we however believe that considering the nature of issues and the legal aspects involved, it would be desirable and advisable if the mediator were to be a former Judge of the Supreme Court of India.

After we receive a response from Ms. Pratiksha Sharma on behalf of her Clients we will write to you further.

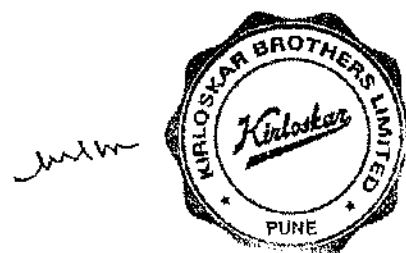
Yours faithfully,



U.A. Rana
Partner

M/s. Gagrat & Co.
Advocates for the Petitioners

CC: Ms. Pratiksha Sharma,
Advocate,
N-13, Green Park Extension,
2nd Floor, New Delhi -110016



LIZ MATHEW
Advocate on Record

H- 38, Lower Ground Floor,
Kailash Colony,
New Delhi - 110048
Tel: +91 - 9871113258

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19.10.2021

To:

M/s Gagrat and Co.
C/o U.A. Rana,
Partner, Gagrat and Co.,
Plaza Cinema Building,
Connaught Circus,
New Delhi - 110001.

Without Prejudice

Attention: Mr. U.A. Rana.

Subject: Your letter dated September 15, 2021 bearing reference no. UAR/G-4168/167
(the "Letter") in response to our letter dated September 5, 2021.

Ref: 1. Your letter dated August 25, 2021 bearing reference no. UAR/G-4168/142.
2. Our reply dated September 5, 2021.

Dear Sir,

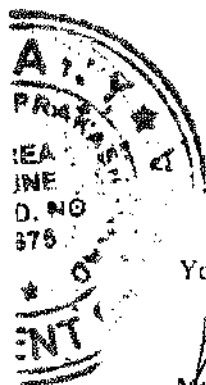
We refer to your captioned Letter and state as under on behalf of and under the instructions of our clients viz. Mr. Atul Kirloskar, Mr. Rahul Kirloskar, Mrs. Jyotsna Kulkarni and their respective family members:

- 1) Our clients state that merely because Mr. Sanjay Kirloskar has time and again claimed in various ongoing legal proceedings between him and our clients, that he has the right to control, govern and manage the affairs of Kirloskar Brothers Limited ("KBL") (a public listed company with tens of thousands of shareholders) as per his wishes without any interference or opposition, thereby implying that he is the alter ego of KBL, our clients do not consider themselves as alter egos of Kirloskar Oil Engines Limited ("KOEL"), La Gajjar Machineries Private Limited ("LGM") and Kirloskar Proprietary Limited



("KPL"), as alleged. Our clients state that you have by your own admission stated in the captioned Letter that the aforesaid companies are not signatories to the Deed of Family Settlement dated September 11, 2009 ("DFS"). As per our client's knowledge, none of these companies have either adopted or ratified the DFS. Hence, the DFS is not binding on these companies.

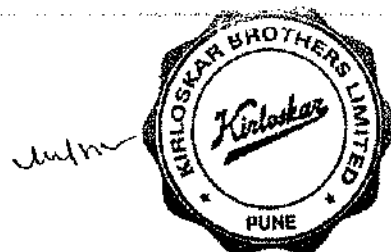
- 2) In view of the same, our clients are unable to appreciate your bold and arbitrary claims that KOEL, LGM and KPL should unconditionally submit themselves to mediation merely because they are under the management and control of our clients even though you are well aware that the DFS has been executed by our clients in their respective individual capacities and not on behalf of any company including KOEL, LGM and KPL. Our clients hope that you will appreciate that being a listed company, the Board of KOEL comprises of eminent individuals as independent directors and such decisions would be a consequence of the decision of the Board and our clients would not be in a position to participate or otherwise influence such decisions.
- 3) In the circumstances, the claims made in your Letter are gravely misplaced and our clients vehemently oppose the same.
- 4) While our clients are agreeable to the suggestion of the Hon'ble Supreme Court of India for referring the matters arising under the Special Leave Petitions to mediation, in relation to the choice of a mediator, our clients continue to believe that since the disputes proposed to be referred to mediation are primarily commercial in nature, the mediation would progress better if an eminent business personality was approached to act as a mediator. Accordingly, our clients request you to re-consider the names of the mediators suggested under our letter dated September 5, 2021.



Yours truly,

MS. LIZ MATHEW
Advocate

Cc: Ms. Pratiksha Sharma
Advocate,
N-13, Green Park Extension,
2nd Floor, New Delhi - 110016.
pratikshasharma08@gmail.com



Gagrat & Co

ADVOCATES, SUPREME COURT OF INDIA

30

PLAZA CINEMA BUILDING,
CONNAUGHT CIRCUS,
NEW DELHI-110001

TEL : 011-23322311
011-23320912
FAX : 011-23713657
E-MAIL : gagrat@gagratdelhi.com

OUR REF :

UAR/G-4168/235
16.11.2021

Ms. Liz Mathew,
Advocate, Supreme Court
H-38, Lower Ground Floor,
Kailash Colony,
New Delhi-110 048

Madam/Sir,

Re.: In the Supreme Court of India
SLP No.8020 of 2021

Kirloskar Brothers Limited
Vs.
Atul Chandrakant Kirloskar & Ors.

(Arising from Judgment and Final Order dated 03.05.2021
of the Bombay High Court in Civil Arbitration Appeal (St.)
No.1661 of 2021)

- Subject: (i) Our Letter dated 25th August, 2021 bearing Ref No:
UAR/G-4168/142;
(ii) Your Reply dated 5th September, 2021;
(iii) Our Letter dated 15th September, 2021 bearing Ref No:
UAR/G-4168/167; and
(iv) Your Reply dated 19th September, 2021.

Dear Madam,

We refer to our Letter dated 15.09.2021 and your response, after a month,
dated 19.10.2021, marked "Without Prejudice".

In response thereto, we are instructed by our Clients, Kirloskar Brothers
Limited to reply and state as under: -

At the outset, our Clients repeat and reiterate what is stated in our Letters
dated 25.08.2021 and 15.09.2021. Anything not specifically denied by us in
this Letter of ours should not be deemed to be admitted for non-traverse or
otherwise.



At the further outset, we wish to state that, you and your Clients are well aware, that the Hon'ble Supreme Court by its Order dated 27.07.2021 had expressly *inter alia* directed that :-

"We feel that this is a case where the disputes between the parties can be settled by way of mediation also."

"We direct the parties to explore the possibility of mediation also on the next date of hearing."

Hence, the Hon'ble Supreme Court by its aforesaid order had expressly directed "the parties" in the aforementioned proceedings (who are not only members of the Kirloskar family and signatories to the DFS, but also companies under their control such as Kirloskar Oil Engines Ltd. ("KOEL"), La Gajjar Machineries Pvt Ltd. ("LG") and Kirloskar Proprietary Ltd. ("KPL") to seek to resolve matters by way of mediation.

Despite all the good faith efforts of our Clients as recorded in our Letters dated 25.08.2021 and 15.09.2021, to resolve matters by way of mediation, your Clients responses have been most unfortunate, regrettable (to say the least) and lacking in good faith and *bona fides*. Your Clients have despite the aforementioned direction of the Hon'ble Supreme Court made all possible efforts and raised all possible alibis, in your letters dated 05.09.2021 and 19.10.2021, to scuttle any meaningful resolution of disputes by way of mediation. We reiterate that for any mediation to be meaningful, all signatories to the DFS and all entities/companies under the management and control of these signatories, should unconditionally submit themselves to mediation. We further reiterate that since the Hon'ble Supreme Court by its aforementioned Order had expressly directed "the parties" (and not merely the signatories to the DFS), to seek to resolve matters by way of mediation, the stance taken by your Clients, is in breach of good faith and the directions of the Hon'ble Supreme Court. The object of Mediation is to achieve a holistic and fulsome settlement in both; the letter and spirit of the Hon'ble Supreme Court's Order and not merely go through the motions resulting in a Partial or incomplete process.

Our Clients reserve their right to place your Clients' conduct before the Hon'ble Supreme Court.

1. (i) With reference to paragraph no. 1 of your letter under reference, our Clients dispute and deny that Mr. Sanjay Kirloskar, our Chairman and Managing Director, has time and again claimed in various ongoing legal proceedings between him and your Clients that he has the right to control, govern and manage the affairs of KBL as per his wishes, without any interference or opposition or implied that he is the alter ego of KBL.

(ii) In fact, this allegation was made by Mr. Rahul Kirloskar (one of your Clients) in Paragraph 29 of his Affidavit-in-Reply in Company Petition No.252 of 2021 (KBL vs. ACK & Ors.) in which Mr. Rahul Kirloskar has falsely alleged that "I reiterate that it is not surprising that Mr. Sanjay



Kirloskar has, in separate proceedings before this very Hon'ble Tribunal deposed on oath that he is the alter ego of the Petitioner that is a listed public Company.". Our Clients in their Affidavit-in-Rejoinder to Mr. Rahul Kirloskar in Company Petition No. 252 of 2021 (KBL vs. ACK & Ors.) have in Paragraph 38 thereof in fact stated that *"It is denied that Mr. Sanjay Kirloskar has, in separate proceedings before this very Hon'ble Tribunal deposed on oath that he is the alter ego of the Petitioner that is a listed public Company, as alleged or at all."*

(iii) Kirloskar Industries Limited (a company under the management and control of your Clients) have also (evidently at the instance of your Clients) in their Affidavit-in-Reply in Company Petition No. 252 of 2021 (KBL vs. ACK & Ors.) made an identical allegation in paragraphs 7 and 28 and falsely alleged in paragraph 28 that *"It is not surprising that Mr. Sanjay Kirloskar has, in separate proceedings before this very Hon'ble Tribunal deposed on oath that he is the alter ego of the Petitioner that is a publicly listed Company."* Our Clients in their Affidavit-in-Rejoinder to Kirloskar Industries Limited in Company Petition No. 252 of 2021 (KBL vs. ACK & Ors.) have in Paragraphs 11 and 33 stated that, *"It is denied that Mr. Sanjay Kirloskar has, in separate proceedings before this very Hon'ble Tribunal deposed on oath that he is the alter ego of the Petitioner that is a listed public Company, as alleged or at all."*

Hence, the allegation made by you in your letter is entirely false, to your Clients' knowledge and we call upon you to withdraw the same.

(iv) Furthermore, the manner in which KOEL, LG and KPL, have been responding (in relation to correspondence regarding mediation, pursuant to the aforesaid Order of the Hon'ble Supreme Court), clearly evidences the fact that they are not acting independently, but are acting at the behest of your Clients.

(iv.a) In this regard, it is pertinent to note that as on date, 10 of the 15 Directors of KOEL, are (i) Promotor Directors (viz. Mr. Atul Kirloskar, Mr. Rahul Kirloskar, Mr. Nihal Kulkarni, and Ms. Gauri Kolenaty), or (ii) employees or former employees of companies under the management and control of your Clients (viz. Mr. Mahesh Chhabria, Mr. Sanjeev Nimkar and (iii) common directors, being members on the board of other companies controlled by your Clients (viz. Mr. Sunil Shah Singh, Mr. Vinesh Jairath and Mr. Satish Jamdar and Ms. Mrunalini Deshmukh). Given its composition, KOEL's Board has and will act as per the behest of your Clients who have ensured their election on the boards of between 2 to 4 companies controlled by them.

(iv.b) It is furthermore relevant to note that, your Clients have, in pursuance of and in implementation of the arrangements as specified in Schedule V of the amendment to the DFS dated 12.10.2009, caused KOEL to transfer shares (as specified in the said amendment to the DFS) to Kirloskar Systems Limited, (a private limited company of Mr. Vikram Kirloskar) of a value of approximately Rs.150,00,00,000/-. Our Clients understand that none of the then Directors on the Board of KOEL objected to this transaction, which was



effected in pursuance to the amendment of the DFS. Hence, any contention to the contrary that KOEL and its Board are unaware of the DFS and not bound by the same is untenable, unsustainable and false, since KOEL and its Board have clearly acted in pursuance of the DFS (as amended) and implemented the arrangements as contemplated therein.

(v) In fact, it hardly behoves your Clients to make any allegations against Mr. Sanjay Kirloskar, our Client's Chairman and Managing Director, more so since some of your Clients have been indicted by SEBI by its Order dated 20.10.2020, for not only insider trading in shares of our Client, but also for having perpetrated a fraud on Kirloskar Industries Limited ("KIL"), a publicly listed Company owned and controlled by your Clients. Despite the losses suffered by KIL and the aforementioned SEBI Order, KIL has not adopted any proceedings against some of your Clients till date, for being restituted for this fraudulent transaction. This in fact raises grave doubts and suspicions as regards the independence of the board of directors of not only KIL, but also of other public limited companies, such as KOEL, which boards are far from independent and comprise of (i) common directors on the boards of other companies controlled by your Clients and (ii) former executives who were in the employment of companies controlled by your Clients. Hence, the boards of companies controlled by your Clients are far from independent.

(vi) We further repeat and reiterate that, your Clients (and the boards of those respective companies) have intentionally and deliberately not caused KOEL, LG and KPL, to adopt, ratify and/or disclose the DFS for *mala fide* reasons, so that KOEL and LG in particular can engage in businesses competitive with that of our Clients, notwithstanding the fact that Clauses 15 and 16 of the DFS categorically stipulates that: -

"15. No Party shall do or omit to do any act, deed or thing which will cause damage to the name and reputation of "Kirloskar" including engaging in a directly competitive business and shall strive to bring in efficiency, competence and innovation in the business run by him, so as to enhance the brand "Kirloskar". The Parties also agree to co-operate with each other to ensure smooth implementation of this settlement and agree to do such things and acts and sign such deeds and documents as may be necessary or expedient to give effect to the provisions of this DFS.

16. On the completion of all actions as envisaged in this DFS, the Parties agree that the settlement is fair and equitable to all concerned and that they or anyone claiming under or through them shall not have any claim or dispute against each other in future in this regard."

(vii) Undeniably and unquestionably each of KOEL, LG and KPL, are entities claiming under or through your Clients, are bound by the DFS and furthermore KOEL, was incorporated in 2010 consequent to a demerger, in pursuance of the DFS. Hence, our Clients dispute and deny that the DFS is not



binding on these Companies and repeat and reiterate that they are for the aforementioned reasons unequivocally bound by the DFS.

2. (i) With reference to paragraph no. 2 of your letter under reference, our Clients take strong objection to the unwarranted and uncalled for language about any "bold and arbitrary claims" as falsely alleged.

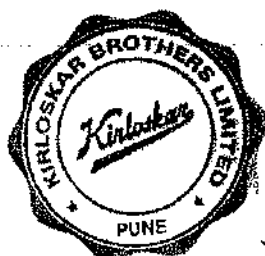
(ii) Both our letters dated 25.08.2021 and 15.09.2021, have been addressed in deference to the directions of the Hon'ble Supreme Court dated 27.07.2021, and our Clients have made all possible genuine efforts to seek to resolve matters by way of mediation, including recommending the names of three eminent Former Justices of the Hon'ble Supreme Court, all of which names for some untenable reasons are not acceptable to your Clients.

(iii) In fact, as mentioned in our letter of 25.08.2021, KOEL, LG and KPL (evidently at the instance of your Clients), had three days after the aforementioned order of the Hon'ble Supreme Court directing parties to explore the possibility of mediation, filed a substantive SLP in the Hon'ble Supreme Court without giving any indication to the Hon'ble Supreme Court, that they would be doing so, despite the indulgence accorded by the Hon'ble Supreme Court, to enable parties to explore the possibility of mediation. This corroborates the fact that neither your Clients nor companies under their management/control have any *bona fide*, genuine or good faith desire to resolve matters by way of mediation, notwithstanding the aforementioned directions of the Hon'ble Supreme Court.

(iv) We repeat and reiterate that, although KOEL, LG and KPL are not signatories to the DFS, they are all companies under the control of your Clients, who are signatories to the DFS, (and apart from the fact that the Hon'ble Supreme Court had directed "the parties" (which would include KOEL, LG and KPL) to seek to resolve matters by way of mediation), for any mediation to be meaningful all signatories to the DFS and all entities/companies under their management/control should unconditionally submit themselves to mediation.

(iv.a) Each of KOEL, LG and KPL are clearly bound by the DFS. Any contention to the contrary is wholly untenable, more so, since some of the companies under the control / management of your Clients viz. KOEL and its Board of Directors have, (for the reasons mentioned above, and which are not repeated in the interest of brevity) in fact acted upon and in pursuance of the DFS (as amended).

(v) As regards, your Clients' false alibi, that it is for the board of KOEL to take a decision, we reiterate for the aforementioned reasons, the fact that the board of KOEL is far from independent and of its 15 Directors 10 are (i) promoter directors (who are your Clients) (ii) common directors on the boards of other companies controlled by your Clients and (iii) employees of companies controlled by your Clients. The boards of other companies managed/controlled by your Clients also comprise of promoter directors, common directors or employees/former employees who act as per the behest



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of your Clients. The independent directors of KOEL, evidently on the directions of your Clients, have, in a transaction as mentioned above, caused KOEL to sell approximately Rs. 150,00,00,000/- of shares owned by KOEL, of Toyota related joint ventures to Kirloskar Systems Limited (a private limited company of Mr. Vikram Kirloskar), in pursuance of the DFS (as amended).

(vi) Hence, the board of directors of KOEL (including Independent Directors) are far from "independent" and person(s) have been appointed to the board of KOEL, who are clearly willing to act in accordance with the behest, whims and fancies of your Clients.

(vii) In view thereof, it is reiterated that, your false alibi that it is the board of KOEL who has to take a decision, is far from the truth; given the composition of the said board of KOEL and the manner in which this board has been acting at the behest and as per the whims and fancies of your Clients.

(viii) In fact, as mentioned above, even the board of KIL (another public listed company controlled by your Clients) has despite the fraud perpetrated on KIL (and for which some of your Clients have been indicted by SEBI for insider trading and fraud), till date has not taken any action against your Clients.

(ix) In the circumstances and in view of the aforementioned facts, we repeat and reiterate that boards of companies (controlled by your Clients) merely act as per your Clients behest, whims and fancies and your Clients (have proved as they implemented the DFS partly) that they are clearly in a position to ensure that all companies under their management and control can unconditionally submit themselves to mediation, if your Clients are genuine in their desire to resolve matters in good faith by way of mediation.

3. (i) With reference to paragraph no. 3 of your letter under reference, we vehemently object to your unsubstantiated and reckless allegation that the claims made in our letter are gravely misplaced, which allegation is entirely false, incorrect and unwarranted and we call upon you to withdraw the same.

(ii) We repeat and reiterate what has been stated in our letters of 25.08.2021 and 15.09.2021, both of which apart from evidencing our Clients *bona fide* willingness to resolve matters by way of mediation, in fact state and re-state the correct factual position, however unpleasant it may be for your Clients to accept and acknowledge the same. Clearly, your Clients have no *bona fide* intention of resolving matters by way of mediation and we reserve our right to place your Clients conduct and the correspondence exchanged before the Hon'ble Supreme Court.

4. With reference to paragraph no. 4 of your letter under reference, as mentioned in our letter of 15.09.2021, we believe that considering the nature of the issues and legal aspects to be resolved, the mediator, apart from being a person with an impeccable reputation, needs to have a deep understanding

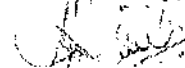


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Gagrat & Co.,
Advocates
Supreme Court of India, New Delhi

of legal issues and hence, the three mediators suggested by us in our letter of 25.08.2021, being Former Justices of the Supreme Court of India, would be eminently suitable. The three names suggested by you in your letter of 05.09.2021, may have associations/business interests with your Clients and certainly do not have the requisite legal expertise and skills.

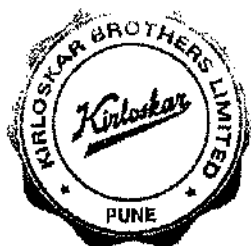
Yours faithfully,



U.A. Rana
Partner

M/s. Gagrat & Co.
Advocates for the Petitioner

236 ✓ CC: Ms. Pratiksha Sharma,
Advocate,
N-13, Green Park Extension,
2nd Floor, New Delhi -110016



Handwritten signature



SECTION: IX

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION
SPECIAL LEAVE PETITION (C) NO.8020 OF 2021

IN THE MATTER OF:**Kirloskar Brothers Limited**

...Petitioner

Versus**Atul Chandrakant Kirloskar & Ors.**


...Respondents

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Sl. No.	Particulars	Spare Copies	Court Fees
1.	Application for Urgent Reliefs in view of breaches of Clause 15 read with Clause 16 of the Deed of Family Settlement ("DFS") by KOEL with Affidavit and General Power of Attorney	1 + 3	Rs.120/-
2.	ANNEXURES-1 to 5	1 + 3	
2.	Proof of Service	1	

Dated this 14th day of February, 2022

I. Card No.5222 A.K. Srivastava
Office Phone Nos.23322311/23320912
Chambers Mob. No.9213142970
7, Lawyers Chambers, 7838353242
Supreme Court of India
New Delhi
Ph.: 23387608


Messrs Gagrat & Co.
Advocates for the Applicant/
Petitioner
Plaza Cinema Building,
Connaught Circus,
New Delhi-110001
Code No.386

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

I.A NO. _____ OF 2022

IN

**SPECIAL LEAVE PETITION (CIVIL) NO. 8020 OF 2021
IN THE MATTER OF:**

Kirloskar Brothers Limited

...Applicant/Petitioner

VERSUS

Atul Chandrakant Kirloskar & Ors.

..Respondents

**APPLICATION FOR URGENT RELIEFS IN VIEW OF
BREACHES OF CLAUSE 15 READ WITH CLAUSE 16 OF
THE DEED OF FAMILY SETTLEMENT (“DFS”) BY
KOEL**

PAPER BOOK

(For Index Please see inside)

Advocates for the Applicant/ Petitioner: M/S. GAGRAT & CO.
Filed on:14.02.2022

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**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

I.A NO. _____ OF 2022

IN

**SPECIAL LEAVE PETITION (CIVIL) NO. 8020 OF 2021
IN THE MATTER OF:**

Kirloskar Brothers Limited ...Applicant/Petitioner

VERSUS

Atul Chandrakant Kirloskar & Ors. ...Respondents

**APPLICATION FOR URGENT RELIEFS IN VIEW OF
BREACHES OF CLAUSE 15 READ WITH CLAUSE 16 OF
THE DEED OF FAMILY SETTLEMENT ("DFS") BY
KOEL**

The Petitioner abovenamed most respectfully submits as under:

1. For the sake of convenience, the present Applicant is hereinafter referred to as the Petitioner, as so described in the Present Petition, filed before this Hon'ble Court.
2. The Petitioner repeats, reiterates and reaffirms the contents of this present Petition, Additional Affidavit and the Further Additional Affidavit filed by the Petitioner as if the same is set out herein in *extenso* and denies anything that is contrary thereto and/or inconsistent therewith. The Petitioner craves leave to file a further/supplemental Affidavit, in support of this Application, if so required.
3. The Petitioner is filing the present Application to place certain relevant facts and events on record, before this Hon'ble

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Court, which have occurred/continue to occur even after the filing of the present Special Leave Petition (hereinafter referred to as the “**Present Petition**”), which facts and events clearly amount to a breach of the DFS, as a result of Respondent No 21/KOEL (at the instance of Respondent Nos. 1/ Atul Kirloskar, 3/ Rahul Kirloskar) currently manufacturing and supplying goods and products, including through its subsidiaries (such as Respondent No.22/La-Gajjar), associate companies/entities and affiliates that are in direct competition with the business, activities, goods and products of the Petitioner.

4. (i) It is pertinent to note that the entity presently known as Respondent No. 21/KOEL was incorporated consequent to a demerger. Respondent No. 21/KOEL is a company limited by shares and its Corporate Identification Number is L29100PN2009PLC133351 and its registration number is 133351.

(ii) The entity presently known as KOEL is the successor of the erstwhile KOEL (now known as Kirloskar Industries Limited).

(iii) Respondent No.21/KOEL is controlled by Respondent No. 1/Atul Kirloskar and Respondent No. 3/Rahul Kirloskar and their Promoter groups holding in Respondent No.21/KOEL is around 59.44%.

(iv) Respondent No. 22/La-Gajjar is a subsidiary of Respondent No. 21/KOEL, and in June 2017, Respondent No.

21/KOEL acquired a 76% equity stake in Respondent No. 22/La-Gajjar.

(v) La-Gajjar holds a 100% equity stake in Optiqua Pipes & Electricals Pvt. Ltd. (“**OPEPL**”).

(vi) OPEPL in October, 2021, acquired a 49% equity stake in ESVA Pumps India Pvt. Ltd. (“**ESVA**”) and under the Articles of Association of ESVA, OPEPL has been accorded certain special rights.

(vii) Vahinie Engineering (“**VE**”) is a partnership firm and it appears from the corporate records of ESVA (as available in the public domain) that the two current partners of VE appear to be (i) V. Bharanitharan and (ii) Mrs. C. Shanthi. It further appears that the said two persons are also Directors and shareholders of ESVA and hold a 51% stake in ESVA. The balance 49% equity stake in ESVA was acquired in October, 2021 by OPEPL, who has been accorded special controlling rights under the Articles of Association of ESVA.

(viii) The aforesaid companies/ partnership firm are engaged in businesses competitive with that of the Petitioner, and are under common control of Respondent No. 1/ Atul Kirloskar and Respondent No. 3/ Rahul Kirloskar and/ or interconnected.

(ix) The Petitioner craves leave to refer to what it has stated in each of its Applications submitted to this Hon’ble Court in relation to each of Respondent No. 22/ La-Gajjar, OPEPL, ESVA and VE, engaging in businesses competitive with that of the

Petitioner, and the same is not repeated herein in the interest of brevity.

5. The object of Respondent No. 21/KOEL according to its Memorandum of Association is set out below:

“1. To carry on in India or elsewhere, the business as designers, researchers, developers, manufacturers, buyers, assemblers, modifiers, installers, reconditioners, sellers, hirers, sublessors, market makers, dismantlers, repairers, operators, exporters, importers, distributors and to act as agent, broker, adatia, consignor, C&F agent, indenting agent, representative, correspondent, franchiser, stockist, supplier, vendor, transporter, collaborator, export house or otherwise deal in engines of every description for the use of all kinds of engines including heat engines, internal combustion engines operated by any type of fuel and/or gases including steam, boilers, locomotives, road rollers, automobiles, trucks, tractors, agricultural implements, pumps, gensets and all kinds and varieties of filters including air filters, water filters, oil filters, gas filters, filter elements, filter papers of any other products covered in the range of filters elements, and forging, pressing, stamping and roll forming of metal; powder metallurgy.

6. It is furthermore relevant to note that the Directors of Respondent No. 21/KOEL *inter alia* include (i) Mr. Atul Kirloskar (who is a signatory to the DFS), (ii) Mr. Rahul Kirloskar (who is a signatory to the DFS), (iii) Ms. Gauri Kirloskar (who is a signatory to the DFS), and other directors who for reasons mentioned herein below are aware of the DFS and the terms therein including Clauses 15 and 16 (which have been set out herein below).

7. The Petitioner states that on 11.09.2009, a Deed of Family Settlement (“DFS”) was entered into and executed *inter alia* between Proforma Respondent/Sanjay Kirloskar (Chairman and Managing Director of the Petitioner), Respondent No. 2/Vikram Kirloskar (Promoter of

Respondent No. 21 / KOEL), Respondent No.1/Atul Kirloskar (Executive Chairman of Respondent No. 21 / KOEL), Respondent No. 3/Rahul Kirloskar (Non-Executive Director of Respondent No. 21 / KOEL) and the Late Gautam Kulkarni (former Executive Vice-Chairman of Respondent No. 21 / KOEL) *inter alia* to effect a family settlement whereby the ownership, management and control of each branch of the Kirloskar family business would be passed on to the parties specified in Schedule II of the said DFS, as regards the respective companies mentioned under or against their respective names and to the extent as mentioned therein.

8. Clause 15 and Clause 16 of the said DFS being particularly relevant for the purposes of this Application and the reliefs sought for herein, are set out hereunder, for ease of reference: -

“15. No party shall do or omit to do any act, deed or thing which will cause damage to the name and reputation of “Kirloskar” including engaging in a directly competitive business and shall strive to bring in efficiency, competence and innovation in the business run by him, so as to enhance the brand “Kirloskar”. The parties also agree to co-operate with each other to ensure smooth implementation of this settlement and agree to do such things and acts and sign such deeds and documents as may be necessary or expedient to give effect to the provisions of this DFS.

16. On the completion of all actions as envisaged in this DFS, the Parties agree that the settlement is fair and equitable to all concerned and that they or anyone claiming under or through them shall not have any claim or dispute against each other in future in this regard.”

9. On a fair reading of Clause 15 read with Clause 16 of the DFS, it is self-evident and clear that the intention of the signatories to the DFS that, “they (*viz.* signatories to the DFS) or

anyone claiming under or through them (viz. companies/entities under their management and control) shall not have any claim or dispute against each other in future, in this regard (viz. as regards the DFS and its terms)". In view thereof, it is submitted that it was the unequivocal intention of the signatories to the DFS (as recorded in Clause 15 read with Clause 16 thereof) that they and companies/entities under their management and control, would not engage in competitive businesses.

10. The Petitioner states that it is relevant to note that after the execution of the DFS in 2014, Respondent No. 21/KOEL (evidently *inter alia* at the instance of Respondent No.1/Atul Kirloskar and Respondent No.3/Rahul Kirloskar) ventured into the business of trading in electric mono-block and submersible pumps, by procuring such pumps from unknown manufacturers/third-party vendors and branding them as its own pumps. Respondent No. 21/KOEL also started advertising and marketing the said pumps *inter alia* by approaching dealers in the local market in India. Furthermore, Respondent No. 21/KOEL in breach of the DFS, has been in some form or the other, associating the tradename 'Kirloskar' with electric mono-block and submersible pump sets sold by Respondent No. 21/KOEL in order to promote the sale of pump sets procured by Respondent No. 21/KOEL, which are of the same specification as that manufactured and sold by the Petitioner. In 2015 upon Respondent No. 21/KOEL being put to notice by the Petitioner, by their letter dated 06.01.2015, Respondent No. 21/KOEL withdrew their said electric submersible and mono-block pumps from the market, since this was a gross breach of the terms and conditions of the DFS, in particular Clause 15 read with Clause

16 thereof. A true and correct copy of the letter dated 06.01.2015 from the Petitioner to Respondent No. 21/KOEL is hereto annexed and marked as **Annexure 1 (Page Nos. 26 to 29)**.

11. It is equally pertinent to note that the Board of Directors of the Petitioner had taken the DFS on record on 18.04.2016, and disclosed the same to the stock exchanges on 19.04.2016, as required under Regulation 30(2) of the Securities and Exchange Board (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI LODR"). However, the Board of Directors of Respondent No. 21/ KOEL (evidently at the instance of Respondent Nos.1/ Atul Kirloskar and 3/ Rahul Kirloskar) have deliberately not taken on record and not disclosed the DFS to the stock exchanges on specious and frivolous grounds, with a view to (i) continuing to engage in businesses competitive with that of the Petitioner (in breach of Clause 16 read with Clause 15 of the DFS); and (ii) intentionally conceal the true position to investors, thereby violating the provisions of SEBI LODR. This is corroborated by the fact that a letter dated 14.10.2017, was addressed by the Company Secretary of Respondent No. 21/ KOEL, under the directions of its Board, to Respondent No. 27/ Sanjay Kirloskar, in which letter it was *inter alia* stated that "**In view of the above and the explanations provided by Mr. Atul Kirloskar and Mr. Rahul Kirloskar and taking into consideration legal advice obtained by them... the Board has concurred with the opinion that the DFS is not binding on the Company.** Therefore the Company is not required to make disclosures in relation to the same in pursuance of the provisions of the LODR, as alleged by you."

The aforesaid letter dated 14.10.2017 clearly establishes the fact that neither Respondent No.21/KOEL nor its Board of Directors are acting independently. They are clearly acting at the behest of Respondent Nos.1/ Atul Kirloskar and 3/ Rahul Kirloskar, who are in control of Respondent No.21/KOEL. Apart from the fact that, Respondent Nos.1/ Atul Kirloskar and 3/ Rahul Kirloskar being Interested Parties ought to have refrained from advising/offering explanations to the Board of Respondent No. 21/ KOEL as regards the disclosure of the DFS to the stock exchanges, they have done so, although they are not only Interested Parties but also are not qualified to advise on such matters. It is regrettable that the partisan Board of Respondent No. 21 / KOEL, chose to without further independent validation, act in accordance with their behest. Had any independent written legal opinion been obtained by Respondent No. 21 / KOEL, the same would have been referred to in the aforesaid letter of Respondent No. 21 / KOEL dated 14.10.2017. A true and correct copy of the aforesaid letter dated 14.10.2017 of the Company Secretary of Respondent No. 21/KOEL addressed to Respondent No. 27/ Sanjay Kirloskar is hereto annexed and marked as **Annexure 2 (Page Nos. 30 to 32)**.

12. However, from 2017 onwards Respondent No. 21/KOEL has been engaging in competitive businesses with the Petitioner through various companies/entities; namely the aforementioned La-Gajjar (since 2017), OPEPL (since 2021), ESVA (since 2021) and VE (since 2021).]

13. Moreover, it is submitted that the Board of Respondent No. 21/KOEL are aware of the DFS and the terms thereof,

including Clauses 15 and 16, including for the following reasons (i) in May 2020, Mr. Sanjeev Nimkar (being the Former Managing Director of Respondent No.21/KOEL) had written, “*issued under the instructions of and on behalf of the Board of Directors of KOEL*”, a “without prejudice” letter dated 27.05.2020, on behalf of Respondent No.21/KOEL to the Petitioner, *inter alia* contending that the DFS is not binding on Respondent No.21/KOEL; and (ii) Mr. Sanjeev Nimkar in yet another “without prejudice” letter dated 02.09.2020, “*issued under the instructions of and on behalf of the Board of Directors of KOEL*” had written to the Petitioner *inter alia* contending that the DFS is not binding on Respondent No.21/KOEL. True and correct copies of the aforesaid letters dated 27.05.2020 and 02.09.2020 of Respondent No. 21/KOEL addressed to the Petitioner are hereto annexed and marked as **Annexure 3 (Page Nos. 33 to 37)** and **Annexure 4 (Page Nos. 38 to 39)**.

14. Hence, it is not possible for the Board of Respondent No. 21/KOEL to feign ignorance of the DFS and the terms thereof; and having regard to the general position in certain common law jurisdictions that knowledge of a common director would be imputable to companies on whose boards he is a director, Respondent No.21/KOEL clearly cannot deny knowledge of the DFS.

15. The Petitioner states that the present Application is being filed since Respondent No. 21/KOEL, (a company under the control of Respondent Nos. 1/ Atul Kirloskar and 3/ Rahul Kirloskar), had in 2014 and again since 2017, has been (including through La-Gajjar, OPEPL, ESVA and VE), engaging

in manufacturing and selling products viz (i) (a) Mini Pump of 0.5 HP (KOEL QUARX) and (b) Mini Pump of 1.0 HP (XL GENI), (ii) (a) V4 Pump oil filled of 1.0 HP 8 stage (VV4.5108.01.1.00), and (b) VJ submersible Pump of 7.5 HP V8 2 stage (VV8.5102.75.3.01), (iii) (a) Monobloc Pump of 1.5 HP/1PH (MB1.8080.15.1.LV), and (b) Monobloc Pump of 2.0 HP/1PH (MB1.1010.02.2.11) (hereinafter for ease of reference referred to collectively as “**KOEL Products**”) and consequently is engaged in a “directly competitive business” with that of the Petitioner, more so; since the Petitioner has prior thereto from around the 1970’s onwards been engaged in the manufacture and sale of products viz (i) Mini Pumps of 0.5 HP ((a) Chhotu and (b) Jalraaj Ultra) and Mini Pumps of 1.0 HP ((a) Chhotu Star Ultra and (b) Jalraaj-1 Ultra), (ii) V4 Pumps of 1.0 HP (KP4 JALRAAJ 1008) and submersible Pumps of 1 HP KP4 (JALRAAJ-1008), (iii) Monobloc Pumps of 1.5 HP (KAM-15 LV) and Monobloc Pumps of 2.0 HP KDS-212N, (iv) submersible pump (KS8P-0802) (“**KBL Products**”). For ease of reference set out herein below is a comparative chart of KOEL Products and KBL Products, which are of a similar category and use:-

	Mini		V4		Monoblocs		V6 & above
	0.5 HP	1.0 HP	1.0 HP		1.5 HP	2.0 HP	
KOEL (Respon dent No. 21)	KOEL QUARX	XL GENI	V4 Oil Field, 1HP/1PH/8st age 32mm(VV4. 5108.01.1.00)		Mono Pump 1.5HP/1PH /75*75MM (MB1.8080 .15.1.LV)	Mono Pump 2HP/1PH/1 00*100MM (MB1.1010 .02.2.11)	VJ SUB PUMP 7.5HP V8 2STAGE (VV8.5102.75.3.0 1)
KBL (Petition er)	Chhotu	Chhotu Star Ultra	KP4 JALRAAJ 1008		KAM-15 LV	KDS-212N	KS8P-0802
	Jalraaj Ultra	Jalraaj- 1 Ultra					

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16. The Petitioner through its Sales Representative in Delhi (*viz.* one Mr. Sanjay Srivastava) had on 21st January, 2022, purchased in Delhi, some KOEL Products (whose application and product specification are the same / similar to the KBL Products and hence, directly competitive with the KBL Products) from, Competent Engineers a dealer/seller in KOEL Products, who is based in Delhi. A true and correct copy of the tax invoice issued by Competent Engineers, dated 21st January, 2022 to the Petitioner is hereto annexed and marked as **Annexure 5 (Page Nos. 40 to 42)**.

17. The Petitioner craves leave to place these aforementioned KOEL Products and the aforementioned KBL Products, before this Hon'ble Court, if so required, by this Hon'ble Court.

18. The Petitioner submits that the aforesaid KOEL Products are of a similar category and use, to that of the KBL Products, which the Petitioner has been manufacturing and selling much prior thereto. This clearly amounts to a breach of Clause 15 read with Clause 16 of the DFS by Respondent Nos. 1/ Atul Kirloskar, 3/ Rahul Kirloskar, 21/ KOEL, 22/ La-Gajjar, OPEPL, ESVA and VE.

19. The Petitioner repeats and reiterates that Respondent No. 21/KOEL (at the instance of Respondent Nos. 1/ Atul Kirloskar and 3/ Rahul Kirloskar) including through La-Gajjar, OPEPL, ESVA and VE is manufacturing and selling KOEL Products since 2017; which are similar to the KBL Products (which are being manufactured and sold much prior thereto); notwithstanding the express provisions contained in Clause 15

read with Clause 16 of the DFS, and notwithstanding the pendency of the present proceedings before this Hon'ble Court and the Order of this Hon'ble Court dated 27.07.2021.

20. The Petitioner further repeats and reiterates that each of Respondent Nos. 1/ Atul Kirloskar, 3/ Rahul Kirloskar, 21/ KOEL, 22/ La-Gajjar, OPEPL, ESVA and VE, and each of them are in clear breach of contractual non-compete obligations as contained in Clause 15 read with Clause 16 of the DFS.

21. The Petitioner further submits that even during the pendency of the proceedings before this Hon'ble Court, and despite the Order of this Hon'ble Court dated 27.07.2021, wherein this Hon'ble Court had urged parties to resolve disputes through Mediation; Respondent Nos. 1/ Atul Kirloskar, 3/ Rahul Kirloskar, 21/ KOEL and 22/ La-Gajjar, are attempting to overreach the Orders of and proceedings before this Hon'ble Court, by their deceptive actions of manufacturing and selling KOEL Products, including through companies/entities, which they directly/indirectly control/ are inter-connected with for the aforesaid reasons, viz. OPEPL, ESVA and VE. It is reiterated that the KOEL Products are similar to and directly competitive with KBL Products (which the Petitioner has been manufacturing much prior thereto).

22. Though the matter remained *sub judice* before this Hon'ble Court, the aforementioned Respondents had acquired the aforementioned companies/ entities, which are in direct or indirect competition with that of the Petitioner, against the intent of the DFS entered between the Parties. This is clearly violative

of the DFS. Clause 15 read with Clause 16 of the DFS, makes it self-evident and clear that the intention of the signatories to the DFS was that the Respondents and companies/entities under their management and control, would not engage in competitive businesses.

23. The matter was listed on 25.11.2021 when the Hon'ble Court adjourned the matter to 02.12.2021 at the request of the Respondents for obtaining further instructions, when the Petitioners had reiterated the grievance in that behalf.

24. The matter was *sub judice* and on 02.12.2021, when the Petitioners had again flagged this issue, when the above matters were referred to the Mediator, The Hon'ble Ms. Justice Indu Malhotra- a Former Judge of the Supreme Court of India, for resolving the conflict between the parties. While the proceedings and the reference clearly show that there was a clear intent to freeze the acts of the parties, the Respondents did not even consider the need to bring this to the notice of this Hon'ble Court and/ or seek the permission of this Hon'ble Court – even when the Petitioner had already made a grievance in that behalf.

25. The matter was again *sub judice* when the matter was placed before the Learned Mediator on 04.12.2021 and Mediation Proceedings continued and these failed on 09.12.2021.

26. It is submitted that the above would show that during the pendency of the present Petition, the Respondents, without giving any deference to the pendency of the matter before this Hon'ble Court took advantage of the pendency of the matters before this Hon'ble Supreme Court and has acquired stakes in

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companies/ entities, which are directly in competition with Petitioner herein. It is submitted that the Respondents ought to have held their hands from engaging in direct or indirect competition with that of the Petitioner as the same is violative of the provisions of the DFS. At the most, if they intended to acquire new companies / entities, this could only have been done with the permission of this Hon'ble Court.

27. The Petitioner further submits that notwithstanding the pendency of the present proceedings and even during the mediation, Respondent Nos. 1/ Atul Kirloskar, 3/ Rahul Kirloskar, 21/ KOEL and 22/ La-Gajjar had/are becoming increasingly more emboldened and manufacturing competing products (viz. the KOEL Products), including through the aforementioned OPEPL, ESVA and VE and this is now self-evident from their *mala fide* conduct and the recent facts set out herein above.

28. The Petitioner submits that consequently, the Petitioner has been suffering losses of about Rs. 1,00,00,000 (Rupees One Crore) per day, in sales, during the last four financial years (viz. F.Y. 2017-18, 2018-19, 2019-20 and 2020-21) as a result of the sale of KOEL Products (at the instance of Respondent Nos. 1/ Atul Kirloskar, 3/ Rahul Kirloskar, 21/ KOEL, 22/ La-Gajjar, OPEPL, ESVA and VE). This has caused and continues to cause grave harm and prejudice to all the stakeholders of the Petitioner, including its public shareholders.

29. The Petitioner further submits that KOEL/ Respondent No. 21/ La-Gajjar, to increase their market share (vis-à-vis the

Petitioner), have also deliberately been selling KOEL Products below their market value and this has also impacted the losses which the Petitioner has been suffering since 2017.

30. In these circumstances it is submitted and prayed that this Hon'ble Court be pleased to direct Respondent Nos. 1/ Atul Kirloskar, 3/ Rahul Kirloskar and 21/ KOEL to render true and faithful accounts of all profits earned by each of them, as a result of the sale of KOEL Products in breach of Clause 15 read with Clause 16 of the DFS. It is further submitted and prayed that each of Respondent Nos. 1/ Atul Kirloskar, 3/ Rahul Kirloskar and 21/ KOEL be further ordered and decreed to pay over such profits to the Petitioner. In this regard, the Petitioner craves leave to refer to the recent Annual Reports of Respondent No. 21/ KOEL and/or Respondent No. 22/ La-Gajjar, which have been reporting revenues and profits from the sale of KOEL Products which since 2017 aggregate to Rs.1652,00,00,000 (Rupees One Thousand Six Hundred and Fifty Two Crores). Respondent No.21/ KOEL (including its subsidiaries, *i.e.* La- Gajjar, OPEPL, etc) has consequently derived a Profit before Tax (**PBT**) of Rs.63,00,00,000 (Rupees Sixty Three Crores) in the last four financial years, as per the segment result of Respondent No.21/KOEL's consolidated financial statements for the F.Y. 2017-18, 2018-19, 2019-20 and 2020-21, from the sale of KOEL Products. From this disclosure it is self-evident and now undeniable that KOEL Products are being manufactured and sold by KOEL/ Respondent No.21.

31. It is repeated and re-iterated that each of Respondent Nos. 1/ Atul Kirloskar, 3/ Rahul Kirloskar and 21/ KOEL (including

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through La-Gajjar, OPEPL, ESVA and VE) are directly / indirectly engaged in competitive businesses with that of the Petitioner. The Petitioner also reserves its right to independently adopt proceedings against each of Respondent Nos. 1/ Atul Kirloskar, 3/ Rahul Kirloskar and 21/ KOEL in this regard and seek recovery of the losses suffered by the Petitioner from each of the aforementioned persons / companies / entities; both jointly and severally.

32. Respondent No. 21/KOEL by manufacturing and selling KOEL Products in 2014 and again from 2017 (including through La-Gajjar, OPEPL, ESVA and VE), (which are competitive with KBL Products, and which KBL Products have been manufactured by the Petitioner prior thereto), Respondent Nos. 1/ Atul Kirloskar, 3/ Rahul Kirloskar and 21/ KOEL are in total and gross violation and breach of the provisions contained in Clause 15 read with Clause 16 of the DFS; notwithstanding the pendency of these proceedings before this Hon'ble Court and notwithstanding the Order of this Hon'ble Court dated 27.07.2021.

33. It is further submitted that by manufacturing and selling KOEL Products in 2014 and again from 2017 (including through La-Gajjar, OPEPL, ESVA and VE), (which are competitive with KBL Products and which KBL Products have been manufactured by the Petitioner prior thereto)), the conduct of Respondent Nos. 1/ Atul Kirloskar, 3/ Rahul Kirloskar and 21/ KOEL is clearly *mala fide* and patently dishonest and deceptive, and they are not entitled to raise any plea in equity to deny or defeat the grant of

ad-interim reliefs as prayed for by the Petitioner in the present Application.

34. The Petitioner further submits that it is just, necessary and equitable and in the interests of justice to protect the business of the Petitioner that *ad-interim* reliefs, as prayed for in the present Application be granted expeditiously, more so in the light of the recent facts as stated hereinabove.

35. The Petitioner has a very strong *prima facie* case on merits. The Petitioner submits that grave and irreparable loss, harm and injury is and will be caused to the Petitioner which cannot be compensated only in terms of money, if the *ad-interim* reliefs as prayed for in the present Application are not granted.

36. The Petitioner respectfully submits and prays that, in view of the recent aforementioned events and continuing breaches, (despite the pendency of the present proceedings and the Order of this Hon'ble Court dated 27.07.2021) this Hon'ble Court be pleased to pass necessary and appropriate Orders injuncting Respondent Nos. 1/ Atul Kirloskar, 3/ Rahul Kirloskar, 21/ KOEL and their representatives, agents, servants, subsidiaries, associate companies/entities and affiliates from competing with the Petitioner's business, directly or indirectly, failing which the Petitioner will continue to suffer grave and irreparable harm and damage and losses of about Rs. 1,00,00,000 (Rupees One Crore) per day, in sales, apart from the other continuing irreparable harm and injury being caused to the Petitioner, which cannot be compensated in terms of money and hence the need for the Petitioner to be accorded injunctive reliefs, as prayed for.

THE PETITIONER THEREFORE RESPECTFULLY PRAYS:

- a. For a perpetual order and injunction of this Hon'ble Court restraining Respondent Nos. 1/ Atul Kirloskar, 3/ Rahul Kirloskar, 21/ KOEL, and their representatives, agents, servants, subsidiaries (including La-Gajjar) and associate companies/entities and affiliates from carrying on and engaging in any businesses competitive with that of the Petitioner directly or indirectly, including manufacturing and selling KOEL Products, till the final disposal of the present proceedings;
- b. That Respondent Nos. 1/ Atul Kirloskar, 3/ Rahul Kirloskar and 21/ KOEL be jointly and severally ordered and decreed to pay a sum of atleast Rs. 1460,00,00,000/- (Rupees One Thousand Four Hundred and Sixty Crores only) as and by way of damages to the Petitioner along with interest at the rate of 18 % *per annum* till payment and/or realisation of the same or such other amount by way of damages as this Hon'ble Court deems fit and proper;
- c. In the alternative to prayer (b), Respondent Nos. 1/ Atul Kirloskar, 3/ Rahul Kirloskar and 21/ KOEL be ordered and decreed to render a true and faithful account of all profits earned by Respondent Nos. 1/ Atul Kirloskar, 3/ Rahul Kirloskar and 21/ KOEL, from the manufacture and sale of KOEL Products and upon the drawing up of accounts by an Independent person and/or Commissioner appointed by this Hon'ble Court, Respondent Nos. 1/ Atul

Kirloskar, 3/ Rahul Kirloskar and 21/ KOEL be further ordered and decreed to pay the Petitioner such amounts as may be found due on such account being taken;

- d. Pending hearing and final disposal of the present Petition, a temporary Order and injunction of this Hon'ble Court restraining Respondent Nos. 1/ Atul Kirloskar, 3/ Rahul Kirloskar, 21/ KOEL, and their representatives, agents, servants, subsidiaries (including La-Gajjar) and associate companies/entities and affiliates from carrying on and engaging in any businesses competitive with that of the Petitioner including manufacturing and selling KOEL Products, till the final disposal of the present proceedings;
- e. Pending hearing and final disposal of the present Petition, a temporary Order and injunction appointing the Court Receiver or any other fit and proper person as a Receiver with all powers under Order 40 Rule 1 of the Code of Civil Procedure, 1908 and with police assistance to visit the premises and/or facilities of Respondent Nos. 1/ Atul Kirloskar, 3/ Rahul Kirloskar, 21/ KOEL and that of their representatives, agents, servants and subsidiaries and associate companies/entities and affiliates, and to search, seize, take possession and control of KOEL Products and all other products which are competitive with the KBL Products;
- f. Pending hearing and final disposal of the present Petition, a temporary Order, Respondent Nos. 1/ Atul Kirloskar, 3/ Rahul Kirloskar and 21/ KOEL be ordered and directed to

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render a true and faithful account of all profits earned by Respondent Nos. 1/ Atul Kirloskar, 3/ Rahul Kirloskar and 21/ KOEL, from the manufacture and sale of KOEL Products and upon the drawing up of accounts by an Independent person and/or Commissioner appointed by this Hon'ble Court, Respondent Nos. 1/ Atul Kirloskar, 3/ Rahul Kirloskar and 21/ KOEL be further ordered and directed to pay the Petitioner such amounts as may be found due on such account being taken.

- g. *Ad-interim* relief in terms of prayer clauses (a) to (f);
- h. Costs;
- i. Such further and other reliefs that this Hon'ble Court may deem fit and proper.

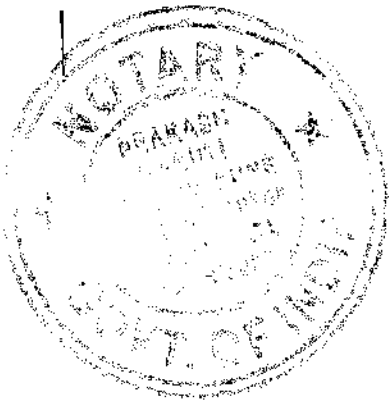
Filed by:



M/S. GAGRAT & CO.,

Filed on: 14.02.2022

Advocates for the Applicant/Petitioner



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IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

I.A NO. _____ OF 2022

IN

SPECIAL LEAVE PETITION (CIVIL) NO. 8020 OF 2021

IN THE MATTER OF:

Kirloskar Brothers Limited

...Applicant/Petitioner

VERSUS

Atul Chandrakant Kirloskar & Ors.

...Respondents

AFFIDAVIT

I, Umesh Gosavi, aged about 58 years, having my Office at Yamuna, Survey No. 98/(327), Plot No. 3, Baner, Pune, 411045, Maharashtra, do hereby solemnly affirm and state as follows:

1. I am the Associate Vice President and Head -Legal of the Petitioner Company. I am conversant with the relevant facts relating to the present case derived from the record. I am competent to depose to and file this Affidavit on behalf of the Petitioner Company.

2. I am authorised to file the present Affidavit under a Power of Attorney by the Petitioner dated 5th April, 2017, in my favour.

3. I have read and understood the contents of the accompanying Application for Urgent Reliefs, which has been drafted by our Advocate under my instructions and found to be true and correct to my knowledge and belief derived from the

Umesh Gosavi

record maintained by the Petitioner in the usual and ordinary course of business.

4. I further state that the Annexures annexed to the instant Application are the true copies of their respective originals.

FOR KIRLOSKAR BROTHERS LTD.

Umesh Gosavi
UMESH GOSAVI
ASSOCIATE VICE PRESIDENT
AND HEAD CORPORATE LEGAL
DEPONENT

VERIFICATION:

Verified at Pune on ____ day of February, 2022 that the contents of my above Affidavit are true and correct to my knowledge and belief derived from the record maintained by the Petitioner in the usual and ordinary course of business and no part of it is false and nothing material has been concealed therefrom.

FOR KIRLOSKAR BROTHERS LTD.

Umesh Gosavi
UMESH GOSAVI
ASSOCIATE VICE PRESIDENT
AND HEAD CORPORATE LEGAL
DEPONENT



[Signature]

NOTED AND RECORDED
AT SR. NO. 597/2022
DATE 17 FEB 2022

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महाराष्ट्र MAHARASHTRA

2017

अनु.क्र. 131958 दि. - 9 MAR 2017 मु. शु. रकम. 500/-
 दस्तावेज प्रकार Agreement

दस्त नोंदणी करणार आहेत का ? होय/नाही.

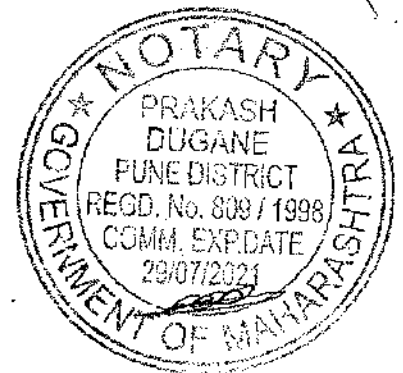
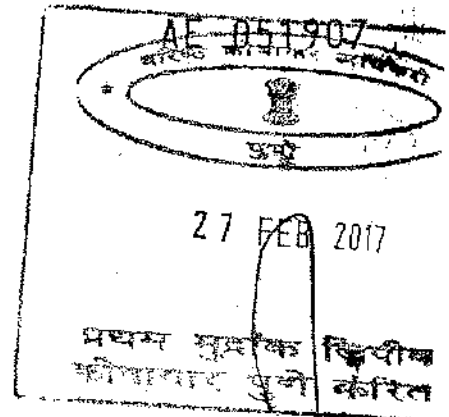
मिलकतीचे दर्जा

KIRLOSKAR BROTHERS LIMITED
 उद्योग भवन येथे नांव UDYOG BHAVAN, TILAK ROAD,
 पत्ता PUNE-411 002.

दुसऱ्या पक्षकाराचे नांव श्री. व्ही. व्ही. नई
 हस्ते व्यक्तीचे नांव य प्रमोदकावडी, पुणे-४३.

मुद्रांक विकत घेणाऱ्याची सही

सौ. आर. एच. लिमये
 पत्तना सं. २२०१०९९
 १, शुक्रवार पेठ, पुणे-४११००२.



GENERAL POWER OF ATTORNEY

TO ALL TO WHOM these presents shall come, Kirloskar Brothers Limited, a company incorporated under the Indian Companies Act, 1913 having its Registered Office at Udyog Bhavan, Tilak Road- Pune - 411002 in the State of Maharashtra, India and Corporate Office at "Yamuna", Plot No. 98/3-7 Baner, Pune 411 045, Maharashtra (hereinafter referred to as "the Company") SEND GREETINGS.

ACK

Page 1 of 2



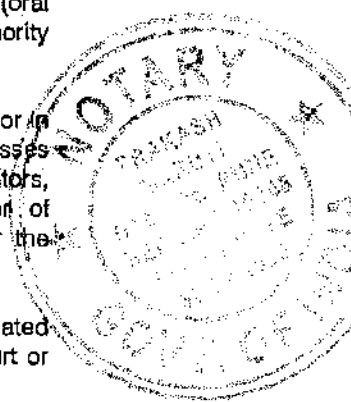
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WHEREAS, the Company carries on the business of manufacture and sale of Power driven Pumps, Valves and also carries on trading in engineering goods and execution of projects involving supply of the Company's products and other equipments, etc.

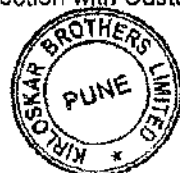
AND WHEREAS, in the course of and for the purpose of its aforesaid business, the Company is desirous of appointing Mr. Umesh Gosavi, designated as Associate Vice-President & Head Legal (Employee No.13856), as its true and lawful Attorney to do, execute and perform all or any of the acts, matters, deeds or things as hereinafter mentioned.

NOW KNOW YOU ALL AND THESE PRESENTS WITNESS THAT the Company hereby constitutes and appoints Mr. Umesh Gosavi designated as Associate Vice-President & Head Legal (hereinafter referred to as the "Attorney") as its true and lawful attorney, in fact and in law, for and in the name of and on behalf of the Company, to do, execute and perform all or any of acts, functions and activities as mentioned herein below:

1. To comply with all statutory requirements pertaining to the operations under his control and for this purpose to sign all applications, documents and also to represent the Company before such statutory authorities in connection with the matters relating to such compliance on behalf of the Company.
2. To negotiate, enter into and execute various agreements in the ordinary course of business of the Company subject to prior approval of the Company.
3. To accept service of any writ, summons or other legal processes and appear before the designated officers, Judicial and Quasi-Judicial Authorities or commissioners of prothonotary or registry of the Hon'ble Supreme Court of India, High Courts located in States and /or any District Courts and/or Courts of subordinate jurisdiction in India, as well as with various Government Authorities established by the Central, State Government or local bodies within the territory of India and to sign & execute various documents as may be required from time to time, on behalf of the Company.
4. To institute, prosecute, defend, oppose, appear in all civil (including property related matters of the Company) and criminal matters, file appeal, writs, or other connected and incidental proceedings on behalf of Company and/ or refer matters to arbitration, verify all pleadings and /or to file execution in matters relating to the business of the Company including commercial and revenue related matters in India and/or outside India.
5. To execute, declare, sign, verify, swear, affirm all plaints, written statements, applications, petitions, replications, rejoinders, affidavits, criminal complaints, replies to criminal courts and other related documents and to appear and depose evidence (oral and documentary) before any Judge, Magistrate or other Officer or authority empowered by law in India and/or outside India.
6. To attend to any suit or proceedings or any other inquiry relating to the Company or in which the Company may be interested and to accept service of notice or processes and also to appoint, retain Advocates, Attorneys, Pleaders, Counsels, Solicitors, Advisors, Consultants etc. and to sign Vakalatnamas and necessary Letters of Authorities as may be needed from time to time and to revoke the same for the Company.
7. To execute and sign, compromise agreements, consent petitions and other related documents in connection with resolving any business dispute pending in the court or for mediation / arbitration or otherwise subject to prior approval of the Company.
8. To sign and execute business related contracts, agreements; conveyances deeds, mortgage deeds, charges, deeds of hypothecation, pledges, documents of titles, Indemnities and Guarantees in favour of Bankers or other lending institutions for facilities extended by them to any other Company which is a subsidiary or an associate Company, Indemnities, Bonds, Guarantees, Counter Guarantees, Advance Payment Guarantees, Indemnities Bonds, Guarantees in connection with Customs, Excise, Octroi,



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...merchandise, Contracts, Agreements in the ordinary course of Business of the Company and shall be responsible for all legal functions on the Company subject to prior approval of the Company.

9. To sign, execute and register the Lease Deeds, Leave and Licence Agreements for residential or commercial premises and/or other agreements like facility agreement, business centre services agreements, etc. for rent, compensation or service fees for the Company and for similar arrangements for the premises belonging to the Company subject to prior approval of the Company.

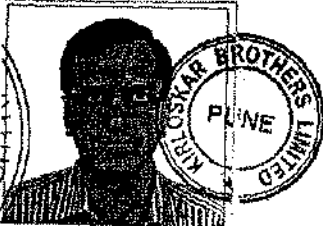
AND GENERALLY for the aforesaid purpose, without any restriction or reservation, to execute all such instruments, letters, deeds and do acts, matters and things as the said Attorney shall be advised or think proper and as sufficiently and effectually to all intents and purposes as the Company itself could do or would have done if these presents had not been made.

AND the Company hereby ratifies and confirms and agrees to ratify and confirm all and whatsoever the Attorney shall lawfully do or cause to be done by virtue of these presents.

Notwithstanding any change or modification in the designation or position or places of service of the aforesaid Attorney, the Attorney shall nevertheless continue to exercise the powers conferred on him as herein in these presents.

This Power of Attorney is being issued specifically by virtue of the Attorney being in the employment of the Company on the date of signing of the present Power of Attorney and shall automatically cease upon the said Attorney ceasing to be in the employment of the Company for any reason whatsoever.

The specimen signature of Mr. Umesh Gosavi designated as Associate Vice-President-Legal is affixed hereinafter:



Umesh
Mr. Umesh Gosavi
Associate Vice-President & Head Legal

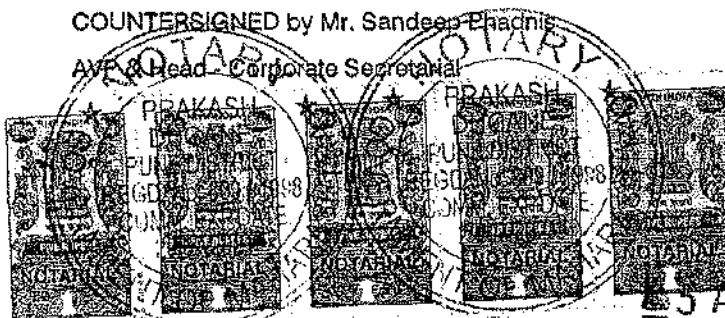
IN WITNESS WHEREOF the Common Seal of the above named Kirloskar Brothers Limited has been hereunto affixed on this 15 day of APR, 2017.

THE COMMON SEAL OF KIRLOSKAR BROTHERS LIMITED is hereunto affixed pursuant to a Board Resolution dated 18 July, 2012 in presence of Mr. Sanjay C. Kirloskar, Chairman and Managing Director of the Company.

SIGNED, SEALED AND DELIVERED by the above named Chairman & Managing Director.



COUNTERSIGNED by Mr. Sandeep Phadnis
AVP & Head - Corporate Secretariat



Sanjay C. Kirloskar
SANJAY C. KIRLOSKAR

Sandeep Phadnis
SANDEEP PHADNIS

BEECHER Art 3
PRAKASH DUGANE
ADVOCATE & NOTARY
GOVT. OF MAHARASHTRA
FLAT NO. C-104, MOHITE TOWNSHIP,
S.NO. 15/1, HINGNE KHURD,
PUNE-411061 MOB. NO. : 9850038968

NOTED AND REGISTERED
AT. SR. NO. 11.3/5.4/2017

15 APR 2017

Annexure - 1

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ANNEXURE -

O/c For acknowledgement



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KIRLOSKAR BROTHERS LIMITED
A Kirloskar Group Company

Enriching Lives

January 6, 2015

Kirloskar Oil Engines Limited
Laxmanrao Kirloskar Road,
Khadki, Pune - 411 003.

Dear Sir,

Re.: Passing off of goods by misusing the 'Kirloskar' trademark and tradename.

It has recently come to our attention misuse of the tradename 'Kirloskar' by you and in which regard we wish to address you as follows:

1. Both of us are a part of what is commonly known as the Kirloskar group of companies. All Kirloskar Group Companies have been incorporated to carry on diverse business. As you are aware, since the year 1886 the Kirloskar Group of Companies and its torch bearers have strived rigorously to build their reputation and goodwill in the market. The word 'Kirloskar' has attained such goodwill and reputation in the market that whenever the word 'Kirloskar', whether in the trade name or as a trademark or as a corporate name is used with a product, such product is construed to be a product manufactured by Kirloskar group of Companies. The word 'Kirloskar' has been adopted as a trademark and has been extensively used in respect of the products manufactured by the companies belonging to Kirloskar group of companies. Kirloskar Proprietary Limited is the registered proprietor of various trademarks containing the mark 'Kirloskar'.
2. As you are aware, since the year 1926, Kirloskar Brothers Limited ("KBL") is in the business of manufacturing and selling of kerosene, petrol, diesel, electric mono-block and submersible, pump sets. You are fully aware that KBL is one of the largest manufacturers and exporters of centrifugal pump sets and valves in India. In relation to both diesel and electrical pump sets, over a period of approximately 88 years KBL has built significant goodwill and market reputation. In the market by selling these pump sets manufactured and sold by us under the tradename 'Kirloskar' and the associated trademark. One of our contributions to the trademark and tradename 'Kirloskar' is by manufacturing and selling pump sets of superior quality, durability, and which are of distinctive character and distinctive engineering. In order to promote the tradename 'Kirloskar' and to ensure that the pump sets which get associated with the tradename 'Kirloskar' are of superior quality, we have been investing in expensive capital assets and research and development activities for upgrading technology. As you are aware (i) over a period of 94 years KBL has achieved pan India presence and also across the world, and (ii) the demand and reputation of the pump sets manufactured by KBL has been ever increasing. In order to build such a demand and to meet this



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Enriching Lives

demand, KBL has incurred significant expenditure over the years. KBL has also developed a robust marketing and distribution network for our pump sets. Such is KBL's, continuous and extensive use of the tradename 'Kilroskar' in relation to pump sets.

3. KBL's goodwill and market reputation built in relation to pump sets including diesel, electric and submersible pump sets is such that whenever the word "Kilroskar" or the registered trademark "Kilroskar Enriching Lives" is associated with pump sets, such pump sets are considered to be engineered, manufactured by KBL and are considered to be of superior quality and are perceived to be more reliable and bearing its own distinctive characteristics in terms of quality. KBL's goodwill and reputation built is such that in the local market, these pump sets manufactured and sold by us are popularly also referred to as 'Kilroskar Pumps' or 'Pumps by Kilroskar'.
4. Prior to a few months ago you were engaged in the business of diesel engines, gensets and diesel pumpsets, where pumps for the agriculture sector which were first manufactured by KBL, were allowed to be manufactured by your vendor for you under a license agreement with KBL to couple with your diesel engines. It has recently come to our attention that in direct competition with us, you have started a new business activity of trading in electric mono-block and submersible pump sets and evidently and unauthorizedly are associating such pump sets with the tradename 'Kilroskar'. The agreement signed between you and KBL, dated October 20th 1947 stipulates that you will not use the name "Kilroskar" in connection with any products (not being Oil Engines) which we have been manufacturing or may manufacture subsequently.
5. We have learnt that the electric mono-block and submersible pump sets sold by you are merely being procured by you from unknown manufacturers and sold in the same market as that for pump sets manufactured and sold by KBL. We have also learnt that you have been contacting KBL's marketing and distribution network with the ulterior motive and mala fide intention to adversely affect KBL's business, reputation and goodwill. In fact, we have a good reason to believe that, inspite of there being a family arrangement entered into between the members of KBL and your members sometime in the year 2009, you have been in some form or the other, associating the tradename 'Kilroskar' with the electric mono-block and submersible pump sets sold by you, in order to promote the sale of pump sets procured by you.
6. The marketing materials used by you to promote the sale of these pump sets procured and traded by you are of the same specification as that of manufactured and sold by KBL. Whilst selling or branding or marketing your pump sets, you seem to have been making a very prominent use of the trade name 'Kilroskar'. Such use clearly shows some connection and association of your product with our product. In fact, due to the goodwill and market reputation that KBL has built over the years,



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Enriching Lives

the use of the tradename 'Kiroskar' only shows that origin of the pump sets sold by you is the same as the origin of the other products which have gained reputation and goodwill in the market. Such use of the tradename 'Kiroskar' has caused/is likely to cause confusion in the mind of the general public which could make the consumers believe that the pump sets procured from unknown manufacturers and sold by you using the tradename 'Kiroskar' is KBL's product, which in turn shall make them believe that the pump sets sold by you are the same as the ones which are manufactured, engineered and sold by KBL. Therefore, such use of the tradename 'Kiroskar' may be construed as deceptive use of such tradename, which not only jeopardizes its distinctiveness or the distinctive character especially when it is used in relation to pump sets as it makes a person believe that the origin of the goods (i.e. pump sets) is the same as that of the pump sets manufactured and sold by KBL, but also fails to connote distinctiveness, reputation, quality and goodwill. Further, your intention to pass off the goods of KOEL as that of KBL and to make use of the goodwill of KBL is evident from the fact that you have now on your website www.koel.kiroskar.com specifically mentioned that you have been delivering high quality pumpsets across the globe for over a century when the fact of the matter is (i) you have not been in business for one hundred years; and (ii) the goodwill in relation to pumpsets is of KBL.

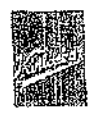
7. The unauthorized, unlawful and deceptive use of the tradename 'Kiroskar' by you for trading in your pump sets is causing or will cause immense harm to the distinctive character and reputation of KBL's products and business. In view of the above, we can think of no other reason for you using the tradename 'Kiroskar' for marketing and selling your pump sets, other than to derive illegal benefits from the invaluable reputation and goodwill built by KBL in the business of manufacturing and selling of pump sets for close to a hundred years.
8. Such unauthorized, misleading, deceptive use of the tradename 'Kiroskar', is in violation of KBL's statutory and common law rights and the protection granted to KBL, tantamounting to the common law offence of passing off and also unfair trade practice.

In view of the above, we call upon you to:

- a. Forthwith cease and desist from using the tradename 'Kiroskar' in any of the electric mono-block and submersible pump sets, its packaging, labelling;
- b. To forthwith unconditionally undertake that you will never use and/or advertise the tradename 'Kiroskar', in any manner whatsoever, in relation to the electric mono-block and submersible pump sets sold by you;
- c. To forthwith destroy/remove all the labels / packaging, electric mono-block and submersible pump sets, advertising material, marketing material, etc. in relation to the product which bears the mark 'Kiroskar';
- d. To forthwith stop contacting any suppliers or distributors associated with KBL in relation to the sale of your electric mono-block and submersible pump sets;



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Enriching Lives

- e. To issue a public notice in at least 1 national daily in English language, Hindi language, and 1 regional daily for all states in regional language, declaring that the origin of the electric mono-block and submersible pump sets sold by you is not the same as that of any of the Kirtoskar Group Companies;
- f. Disclose to us in writing the details of all suppliers, distributors, customers and marketing entities to whom you have contacted or who have placed any purchase orders on you for the electric mono-block and submersible pump sets.
- g. To forthwith stop claiming on your website, www.koel.kirtoskar.com, that you have been delivering high quality pumpsets across the globe for over a century.

Kindly note that our above minimum demands are without prejudice to the other available rights and remedies under law, including initiating appropriate legal proceedings. In the event you fail to comply with the above within a period of 15 days from the date hereof, we will be constrained to adopt necessary legal proceedings against you and your officers and such other concerned parties as it may be deemed, which shall be solely at your own risk as to the costs and consequences thereof which you may please note.

Yours faithfully,
For Kirtoskar Brothers Limited

[Signature]
Sandeep Phadnis
(Associate Vice President and Head
Corporate Secretarial & Legal)



CC. To:
Board of Directors
Kirtoskar Oil Engines Limited

(By Email)

[Signature]
Gurunand

Sundar Dhanale

[Signature]
KIRTOSKAR OIL ENGINES LTD
Kharaki, Pune - 411 003

2050
7/11/2015

**KIRLOSKAR OIL ENGINES LIMITED**

A Kirloskar Group Company

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October 14, 2017

Mr. Sanjay Kirloskar

✓ Survey No. 270, Plot 22 & 23, Palfod Farms, Opp. BPCL Petrol Pump,
Near Ratnakar Bank, Baner Road, Pune - 411 045

Without Prejudice

Re: Your letters dated July 21, 2017 and July 31, 2017, read with your letters dated October 10, 2017
("Letters")

Dear Sir,

This communication is being sent on the directions of the Board of Directors ("Board") of Kirloskar Oil Engines Limited ("KOEL/Company").

The Board refers to your captioned Letters.


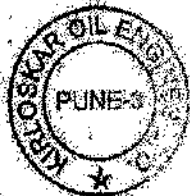
The Board has carefully examined your Letters and at the outset states that KOEL was never a party to the Deed of Family Settlement dated September 11, 2009 ("DFS") (which was an inter se agreement between 5 individual members of your family) and is therefore not bound by it. Nonetheless, the Board has sought suitable explanations from the individuals concerned in relation to the allegations made by you in your Letters.

In view of the above and the explanations provided by Mr. Atul Kirloskar and Mr. Rahul Kirloskar and taking into consideration legal advice obtained by them and the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), the Board has concurred with the opinion that the DFS is not binding on the Company. Therefore the Company is not required to make disclosures in relation to the same in pursuance of the provisions of the LODR, as alleged by you.

In view of the aforesaid, the Board calls upon you to withdraw the baseless allegations made by you in your Letters and desist from continuing the same in the future. Nothing contained in your Letters shall be deemed to be admitted by the Board by reason of non-traverse.

Yours faithfully,

For Kirloskar Oil Engines Limited


Smita Rajchurkar
Company Secretary

Cc: All Members of Board of Directors of Kirloskar Oil Engines Limited



KIRLOSKAR OIL ENGINES LIMITED

A Kirloskar Group Company

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1. Mr. Atul C. Kirloskar, "Radha", 453 Gokhale Road, Off Ganeshkhind Road, Model Colony, Pune - 411 016	7. Mr. R. Srinivasan, "Dhanya" 126, Nandidurg Road, Bangalore - 560 046
2. Mr. Mihir G. Kulkarni, "Yona" 1 Adwait Nagar, Paud Road, Erandwane, Pune - 411 038	8. Mr. M. Lakshminarayan C/o. Dr. E. V. Raman #98, Temple Road, Sadanand Nagar, Bangalore - 560 038
3. Mr. Rajendra R. Deshpande, Flat No. 704, Tulip Housing Co-Op. Society, Mahaganesh Colony, Pl. 22, Paud Road, Kothrud, Pune - 411 029	9. Mr. Pratap G. Pawar S. No. 73(P), Baner near Shroff Suyash Bldg., Near Pancard Club Road, Baner, Pune - 411 045
4. Mr. Rahul C. Kirloskar Lakaki Compound, Shivaji Nagar, Model Colony, Pune - 411 016	10. Mr. Pradeep B. Rath 2, Boat club Road, Pune - 411 001
5. Ms. Gauri Kirloskar 445, The Sind Co-op Housing Society Limited, Ganesh Khind Road, 548, Sadhu Vaswani Nagar, Aundh, Pune - 411 007	11. Mr. Vinesh Kumar Jairath 194-B, Kalpataru Horizon, S.K. Ahire Marg, Worli, Mumbai - 400 018
6. Mr. Mahesh Chhabria 11 Golden Beach Bungalows Scheme, Ruia Park, Juhu, Mumbai - 400 049	12. Mr. Satish Jamdar 32 Orchids, 73-G Nargis Dutt Road, Bandra West, Mumbai - 400 050

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KIR



RM2227139841N

To,

Mr. Sanjay Kirloskar
Survey No. 270, Plot 22 & 23, Palled Farms,
Opp. BPCL Petrol Pump, Near Patnagar
Bank, Baner Road, Pune - 411045.



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Smita Patilkar - Company Secretary

KIRLOSKAR OIL ENGINES LIMITED

A Kirloskar Group Company

Regd. Office: Laxmanrao Kirloskar Road, Khadli, Pune-411 003 India

Tel: +91 20 2581 0341, 6606 4000 Fax: +91 20 2581 3206, 2581 0209

Toll Free: 1800 233 3344 email: info@kirlol.com Website: www.kirlol.co.in

Annexure - 3

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KIRLOSKAR OIL ENGINES LIMITED

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27 May 2020

KIRLOSKAR BROTHERS LIMITED

Yamuna, Survey No. 98 (3 to 7)

Plot No.3, Baner, Pune – 411 045

Subject: Your letter dated April 17, 2020 (received vide email dated April 18, 2020)

Without Prejudice

Dear Sir,

We refer to the abovementioned letter that has been placed by Kirloskar Oil Engines Limited (“**Company/KOEL**”) before its Board of Directors and accordingly, this communication is issued under the instructions of and on behalf of the Board of Directors of KOEL.

Our response to your captioned letter to the extent that the same pertains to KOEL, is as follows:

At the outset, we deny all allegations raised in your letter *in toto* and put you to strict proof thereof.

1. In relation to paragraph 1 of your letter, we state that the same merits no response.
2. In relation to paragraph 2 of your letter, we state that your objections to the trademark application no. 4408723 in class 7 (“**Trademark Application**”) filed by Kirloskar Proprietary Limited (“**KPL**”) are baseless and denied *in toto*.
3. In relation to paragraph 3 of your letter, we state that the Renouncing Agreement dated October 20, 1947 (“**Renouncing Agreement**”) is not binding on KOEL. Further, the Deed of Family Settlement dated September 11, 2009 (“**DFS**”) is a private document entered into between certain individuals of the Kirloskar family in their individual capacities and not as shareholders of any company (including KBL nor KOEL). The DFS has no binding effect on KOEL since it is not even a party to it. Neither the Renouncing Agreement or the DFS have been adopted by KOEL by incorporating the contents of the same in its charter documents nor have the same ever been placed before the Board of Directors of KOEL. In view of the aforesaid, we reiterate that the Renouncing Agreement or the DFS are not binding on KOEL, as alleged or at all. Without prejudice to the aforesaid, we would like to submit that the allegations raised in respect of the DFS and the Renouncing Agreement are already subject matter of the suit filed by you vide Special Civil Suit number 798/2018 before the Hon’ble Civil Judge Senior Division, Pune and currently the matter is *sub judice*. It appears that since no reliefs have been granted to KBL in respect thereof, KBL is making malicious attempts to create correspondence to show that the

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KIRLOSKAR OIL ENGINES LIMITED

A Kirloskar Group Company

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aforesaid documents are valid and binding on KOEL. We state that till the time the matter is *sub judice* KBL should desist from making allegations in respect of the same on other fronts.

4. In relation to paragraph 4 of your letter, it is incorrect and baseless to state that KOEL is engaged in the business of oil engines consequent to the renouncement by KBL upon terms and conditions as mentioned in the Renouncing Agreement and that KBL has been the flagship company / parent concern to adopt and use 'KIRLOSKAR' as a trademark, as is also reflected in the Renouncing Agreement.
5. In relation to paragraph 5 of your letter, we reiterate that the Renouncing Agreement is not binding on KOEL. Your allegations in the paragraph under reply are denied *in toto*. We deny that KOEL under the Renouncing Agreement had unequivocally agreed to use the mark 'Kirloskar' only with respect to oil engines and further specifically agreed not to enter any business which KBL was carrying on or would be carrying on in the future, including in particular, the pump business. We deny that this alleged arrangement and agreement has been a part of the core principle on the basis of which the Kirloskar Group of Companies have operated. We once again reiterate that the DFS and the Renouncing Agreement are not binding on KOEL and therefore the directors of the Company have no statutory and fiduciary obligation in respect of ensuring compliance with the aforesaid documents that are not binding on KOEL. Without prejudice to the foregoing, we state that examination of the Renouncing Agreement itself would conclusively establish that the same being in absolute restraint of a company's right to carry out business activities, is an agreement in restraint of trade and is not enforceable under applicable laws.
6. In relation to paragraph 6 of your letter, we state that since these pertain to KPL and since your letter is addressed to them too, they should be responding to the same. However without prejudice to KPL's response thereto, we state that KPL does not hold any marks as a repository in trust / trustee on behalf and for the benefit of its shareholders/ the respective Kirloskar Group Companies and is not a quasi-partnership, as is tried to made out to be in your letter. All your allegations and contentions in this regard are once again denied *in toto*.
7. In relation to paragraph 7 of your letter, we once again state that the DFS is a private arrangement entered into between the members of the Kirloskar family in their individual capacities and KOEL is neither a party to the same nor the said DFS is binding on KOEL in any other manner. In view of the same, KOEL is not in a position to comment on the reasons for entering into the DFS.
8. In relation to paragraphs 8 and 9 of your letter, we reiterate that since these pertain to KPL and since your letter is addressed to them too, they should be responding to the same. However without prejudice to KPL's response thereto, we state that KPL is not a quasi-partnership, as is tried to be made out to be in your letter. We further reiterate that the DFS has been entered into between the members of the Kirloskar family in their individual capacities and not as shareholders of any company (including KBL nor KOEL). KOEL is neither a party to the DFS nor has the same been adopted by KOEL in any manner.

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KIRLOSKAR OIL ENGINES LIMITED

A Kirloskar Group Company

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Further, we would like to correct the record and state that the DFS has been mischievously placed before statutory/regulatory authorities by KBL itself, at the behest of its Chairman and Managing Director Mr. Sanjay Kirloskar, for his own ulterior motives. In this regard, we would like to correct the record and highlight that both KBL and Mr. Sanjay Kirloskar have time and again suggested that the DFS has been taken on record by KBL. However, vide its corporate announcement dated April 19, 2016, KBL has disclosed the following to the stock exchange as an outcome of the Board meeting dated April 18, 2016 stating that the Board of Directors of KBL recognized the contents of the DFS under Section 58(2) of the Companies Act, 2013 ("Companies Act"):

Quote

Kirloskar Brothers Ltd has informed BSE that the Board of Directors of the Company at its meeting held on April 18, 2016, have taken on record "Deed of Family Settlement" dated September 11, 2009, entered into between the promoter group shareholders of the Company and each of their family members.

The said arrangement, inter alia, deals with the ownership, control and management by the said promoter / promoter group members of the Kirloskar Group of Companies and consequent transfer of or dealing with the securities of the Companies mentioned therein. The arrangement provides for restriction on competition between the parties to the said deed. The Board decided to recognize the contents of the said Deed under the provisions of Section 58(2) of the Companies Act, 2013, to take into account the said terms in exercise of the powers vested in the Board while granting or refusing consent to any such proposal for acquisition, transfer or disposal of the securities of the Company by the said Promoters (Which includes their respective family members and also companies under the control of each of them; jointly or severally with others).

Unquote

However, it is surprising to note that while the DFS was signed way back in 2009, the same was purportedly taken on record by KBL 6 (six) years after its execution and interestingly only after disputes arose between Mr. Sanjay Kirloskar and the rest of his family members of the Kirloskar family. Further, vide its letter dated June 9, 2018 addressed to the Chairman, Whole Time Members and Executive Directors of SEBI, KBL informed that:

Quote

4. The Board of Directors of our company has taken on record the DFS and has informed the same to the stock exchanges as required under Regulation 30 of the SEBI Listing Obligations and Disclosure) Regulations. (hereinafter SEBI LODR)



KIRLOSKAR OIL ENGINES LIMITED

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Unquote

From the above, it can be seen that KBL has deliberately tried to mislead SEBI and stock exchanges by making wrongful and false declarations, since it has specifically under Section 58(2) of the Companies Act, 2013 taken on record the DFS to restrict transferability of shares of KBL, and no disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 made by KBL is available. We submit that till date neither has KBL recognized the remaining provisions of the DFS, nor has KBL taken any steps to incorporate provisions of the DFS in its articles of association. This itself shows that neither KBL nor Mr. Sanjay Kirloskar is interested in actually binding KBL to the provisions of the DFS.

Notwithstanding the above, we deny that the DFS is binding upon KOEL independently and/or in conjunction with the Renouncing Agreement and therefore we are unable to address any claims made by you in your letter in respect of the same. We deny that KOEL and its shareholders have breached the provisions of the DFS in any manner.

9. In relation to paragraph 10 of your letter, we state that the same pertains to your dispute with KPL and since your letter is addressed to them too, we understand that they have separately responded to the same.
10. In relation to paragraphs 11, 12, 13 and 14 of your letter to the extent that the same pertain to KOEL, we state that we deny the contents of the same *in toto* and reiterate our submissions made in the above mentioned paragraphs. It is denied that the act of including pumps and other KBL Products (as defined in your letter) in the Trademark Application, is in gross violation of the Renouncing Agreement and also the DFS, as both these documents are not binding on KOEL, for reasons more particularly set out in the above paragraphs. It is further denied that the Trademark Application lacks bonafides and has been dishonestly applied and is an abuse of the process of law. We reiterate that principal shareholders / directors including independent or professional directors of KOEL including those who are involved in day to day management and affairs of KOEL do not have any statutory and contractual obligations under the Renouncing Agreement and DFS that are required to be complied by KOEL considering that the aforesaid documents are not binding on KOEL, for reasons elaborated above and cannot be enforced against it.



KIRLOSKAR OIL ENGINES LIMITED

11. In the circumstances, we submit that your letter contains false and baseless allegations against the Trademark Application and KOEL and we call upon you to withdraw the same.

This letter is without prejudice to our rights and remedies under law. Nothing contained in your captioned letter shall be deemed to be admitted for want of specific traverse or otherwise.

For **KIRLOSKAR OIL ENGINES LIMITED**

Sd/-

Sanjeev Nimkar
Managing Director

Annexure - 4



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KIRLOSKAR OIL ENGINES LIMITED
A Kirloskar Group Company

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September 2, 2020

KIRLOSKAR BROTHERS LIMITED

Yamuna, Survey No. 98 (3 to 7)
Plot No.3, Baner, Pune - 411 045

Subject: Your letter dated April 17, 2020, our reply thereto dated May 27, 2020 and your letter dated June 29, 2020 ("KBL Letter")

Without Prejudice

Dear Sir,

We refer to the abovementioned correspondence that has been placed by Kirloskar Oil Engines Limited ("Company/KOEL") before its Board of Directors and accordingly, this communication is issued under the instructions of and on behalf of the Board of Directors of KOEL, as follows:

At the outset, we are disappointed to receive the KBL Letter and appalled to see the manner in which KBL continues to repeat the same false and baseless claims made by it, despite us providing appropriate responses to each of such claims. Under the circumstances, we reiterate the contents of our letter dated May 27, 2020 ("Our Letter") and state as follows:

1. We state that we have neither admitted nor denied any facts that Kirloskar Proprietary Limited ("KPL") has allegedly admitted in litigations or at all. Under Our Letter, we have addressed allegations which pertain to KOEL only. Therefore, any allegations made by you under the KBL Letter that suggest otherwise are completely false, baseless and without any merit and we deny the same *in toto*.
2. We reiterate that the Renouncing Agreement dated October 20, 1947 ("Renouncing Agreement") is not binding on KOEL. Without prejudice to the same and without admitting that it is binding on us, we reiterate that a plain reading of the Renouncing Agreement itself makes it clear that it is unenforceable.
3. We reiterate that the Deed of Family Settlement dated September 11, 2009 ("DFS") has no binding effect on KOEL since it is not even a party to it. In fact, when the Renouncing Agreement and the DFS were executed, KOEL was not even in existence and there is no document to suggest that KOEL either authorized or ratified the execution of the DFS or the Renouncing Agreement on its behalf. Neither the Renouncing Agreement or the DFS have been adopted by KOEL by incorporating the contents of the same in its charter documents nor have the same ever been placed before the Board of Directors of KOEL. In view of the aforesaid, we reiterate that the Renouncing Agreement or the DFS are not binding on KOEL, as alleged or at all. We would also once again state that without prejudice to the aforesaid, the allegations raised in respect of the DFS and the Renouncing Agreement are already subject matter of the suit filed by KBL along with its Chairman

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KIRLOSKAR OIL ENGINES LIMITED
A Kirloskar Group Company

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and Managing Director, Mr. Sanjay Kirloskar vide Special Civil Suit number 798/2018 before the Hon'ble Civil Judge Senior Division, Pune and currently the matter is *sub judice*. In the circumstances, we are unable to understand the rationale behind KBL repeatedly engaging in parallel correspondence in respect of the same subject matter when the same is already pending and *sub judice* before the Hon'ble Civil Judge Senior Division, Pune. It appears that since no reliefs have been granted to KBL in respect thereof, KBL is making desperate and malicious attempts to create correspondence to show that the aforesaid documents are valid and binding on KOEL. We once again state that till the time the matter is *sub judice* KBL should desist from making allegations in respect of the same on other fronts.

4. In respect of the rest of the allegations and baseless claims made by KBL under the KBL Letter, we reiterate that we have already provided appropriate replies to all the frivolous allegations raised by KBL under the KBL Letter and yet, KBL continues to engage in baseless and repetitive correspondence with us, merely to create a false record in the matter, harass our Company and cause grave prejudice to our Company's legitimate business operations. The KBL Letter entirely contains either bald and unsubstantiated denials or baseless and frivolous allegations befret of any particulars and lack merit. In light of the various ongoing disputes between certain members of the Kirloskar family, it appears to us that the aforesaid actions are malicious and are being taken at the behest of certain individuals in the control and management of KBL who are trying to settle their personal scores with certain other members of the Kirloskar family (who are also directors on the Board of KOEL). It is unfortunate to note that a public listed company is being used to make attempts to enforce the personal agendas and rants of certain individuals, and we strongly condemn the same.

In light of the above, we state that the rest of the contents of the KBL Letter being completely frivolous, repetitive and devoid of any merit are denied *in toto* and require no further response as the same have already been appropriately addressed by us under Our Letter, as applicable. Further, we call upon you to desist from engaging in such malicious correspondence containing such false and baseless allegations against our Company, causing nuisance to our Company.

This letter is without prejudice to our rights and remedies under law. Nothing contained in the KBL Letter shall be deemed to be admitted for want of specific traverse or otherwise unless specifically admitted herein.

For KIRLOSKAR OIL ENGINES LIMITED

SANJEEV Digitally signed
by SANJEEV
MARUTI NIMKAR
Date: 2020.05.02
13:05:54 +05'30'
MARUTI
NIMKAR

Sanjeev Nimkar
Managing Director

GSTIN : 07AHVPK2125Q1ZP

TAX INVOICE

Annexure - 5

Original Copy

**COMPETENT ENGINEERS**

B.O. 257, ANARKALI COMPLEX, JHANDEWALAN EXTN., NEW DELHI-110055

Regd.Off.: E-173, TAGORE GARDEN EXTN., NEW DELHI-110027

Tel.: 01143581077 email : competent.engineers@yahoo.co.in

AUTHORISED DEALERS : KIRLOSKAR PUMPS AND VALVES

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Party Details :**KIRLOSKAR BROTHERS LTD**

YAMUNA SURVEY NO.- 98 (3 TO 7)

PLOT NO.- 3, BANER, PUNE-411045

GSTIN : 27AAACK7300E1ZZ

CONSIGNEE : KIRLOSKAR BROTHERS LTD

ADDRESS : YAMUNA SURVEY NO.- 98 (3 TO 7)

PLOT NO.- 3, BANER, PUNE-411045

Invoice No. : 919

Dated : 21-01-2022

Place of Supply : PUNE

GR/RR No. :

Transport : NITCO TRANSPORT

P.O. No. : TELEPHONIC

Station : PUNE

Eway Bill No. :

GSTIN : 27AAACK7300E1ZZ

S.N.	Description of Goods	HSN	Qty.	Unit	Price	Amount(₹)
1.	LA-GAJJAR MACHINERIES PVT. LTD. MAKE VARUNA MINI MONOBLOCK 25X25 0.5 HP MODEL: HIRA SERIAL NO: MG1171000244	84137010	1.00	NOS	1,975.00	1,975.00
2.	LA-GAJJAR MACHINERIES PVT. LTD. MAKE VARUNA MINI MONOBLOCK 25X25 1.0 HP MODEL: IVORY SERIAL NO: HH1172015139	84137010	1.00	NOS	2,868.00	2,868.00
3.	LA-GAJJAR MACHINERIES PVT. LTD. MAKE VARUNA SUB PUMP 1HP 8 STAGE (NEW HYDRA) MODEL: WO2LN SERIAL NO: EP16397	84137010	1.00	NOS	6,996.00	6,996.00
4.	LA-GAJJAR MACHINERIES PVT. LTD. MAKE VARUNA SUB PUMP 1.5HP 14 STAGE WITH CP (NEW HYDRA) MODEL: WO3LN SERIAL NO: DO71374	84137010	1.00	NOS	8,246.00	8,246.00
5.	LA-GAJJAR MACHINERIES PVT. LTD. MAKE VARUNA CENTRIFUGAL MONO PUMP 2HP 75X75 MODEL: VNA30BLK SERIAL NO: CE26474	84137010	1.00	NOS	9,000.00	9,000.00

Totals c/o

29,085.00

Terms & Conditions

E & O.E.

1. Goods once sold will not be taken back.
 2. Interest @ 18% p.a. will be charged if the payment is not made with in the stipulated time.
 3. Subject to 'Delhi' Jurisdiction only.
- KBL TOLL FREE NO.:- 18001034443

Receiver's Signature :

for **COMPETENT ENGINEERS**

Authorised Signatory

GSTIN : 07AHVPK2125Q1ZP

Original Copy



TAX INVOICE

COMPETENT ENGINEERS

B.O. 257, ANARKALI COMPLEX, JHANDEWALAN EXTN., NEW DELHI-110055

Regd. Off.: E-173, TAGORE GARDEN EXTN., NEW DELHI-110027

Tel.: 01143581077 email : competent.engineers@yahoo.co.in

AUTHORISED DEALERS : KIRLOSKAR PUMPS AND VALVES

Party Details :

KIRLOSKAR BROTHERS LTD

YAMUNA SURVEY NO.- 98 (3 TO 7)

PLOT NO.- 3, BANER, PUNE-411045

GSTIN : 27AAACK7300E1ZZ

CONSIGNEE : KIRLOSKAR BROTHERS LTD

ADDRESS : YAMUNA SURVEY NO.- 98 (3 TO 7)

PLOT NO.- 3, BANER, PUNE-411045

GSTIN : 27AAACK7300E1ZZ

Invoice No. : 919

Dated : 21-01-2022

Place of Supply : PUNE

GR/RR No. :

Transport : NITCO TRANSPORT

P.O. No. : TELEPHONIC

Station : PUNE

Eway Bill No. :

S.N.	Description of Goods	HSN	Qty.	Unit	Price	Amount(₹)
6.	LA-GAJJAR MACHINERIES PVT. LTD. MAKE VARUNA SUB PUMP 7.5HP 2 STAGE V8 MODEL: VJHH88 35/2 SERIAL NO: B513074	84137010	1.00	NOS	b/d 27,978.00	29,085.00 27,978.00
7.	KOEL MAKE QUARX 0.5HP MODEL: MM1.2525.05.1.21 SERIAL NO: DL21150027747	84137010	1.00	NOS	1,975.00	1,975.00
8.	KOEL MAKE XL GENI 1.0HP MODEL: MM1.2525.01.1.20 SERIAL NO: DI219231244	84137010	1.00	NOS	2,957.00	2,957.00
9.	KOEL MAKE V4 OIL FILLED, 1HP/1PH/8 STAGE 32MM MODEL: VV4.5108.01.1.00 SERIAL NO: V4J21502524(DP29953)	84137010	1.00	NOS	6,014.00	6,014.00
10.	KOEL MAKE MONO PUMP 1.5HP/1PH/75X75mm MODEL: MB1.8080.15.1.LV SERIAL NO: MBK21501288(CE93300)	84137010	1.00	NOS	7,700.00	7,700.00
Totals c/o						75,709.00

Terms & Conditions

E. & O.E.

1. Goods once sold will not be taken back.
2. Interest @ 18% p.a. will be charged if the payment is not made within the stipulated time.
3. Subject to 'Delhi' Jurisdiction only.

KSL TOLL FREE NO.: 18001034443

Receiver's Signature :

for COMPETENT ENGINEERS

Authorised Signatory

GSTIN : 07AHVPK2125Q1ZP

Original Copy



TAX INVOICE

COMPETENT ENGINEERS

B.O. 257, ANARKALI COMPLEX, JHANDEWALAN EXTN., NEW DELHI-110055

Regd. Off.: E-173, TAGORE GARDEN EXTN., NEW DELHI-110027

Tel.: 01143581077 email : competent.engineers@yahoo.co.in

AUTHORISED DEALERS : KIRLOSKAR PUMPS AND VALVES

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Party Details :

KIRLOSKAR BROTHERS LTD

YAMUNA SURVEY NO.- 98 (3 TO 7)

PLOT NO.- 3, BANER, PUNE-411045

GSTIN : 27AAACK7300E1ZZ

CONSIGNEE : KIRLOSKAR BROTHERS LTD

ADDRESS : YAMUNA SURVEY NO.- 98 (3 TO 7)

PLOT NO.- 3, BANER, PUNE-411045

GSTIN : 27AAACK7300E1ZZ

Invoice No. : 919

Dated : 21-01-2022

Place of Supply : PUNE

GR/RR No. :

Transport : NITCO TRANSPORT

P.O. No. : TELEPHONIC

Station : PUNE

Eway Bill No. :

S.N.	Description of Goods	HSN	Qty.	Unit	Price	Amount(₹)
11.	KOEL MAKE MONO PUMP 2HP/1PH/100X100mm MODEL: MB1.1010.02.2.11 SERIAL NO: MB121501155(CE75089)	84137010	1.00	NOS	b/d 9,575.00	75,709.00 9,575.00
12.	KOEL MAKE VJ SUB PUMP 7.5HP V8 2 STAGE MODE: VV8.5102.75.3.01 SERIAL NO: VJH21500084	84137010	1.00	NOS	25,747.00	25,747.00
Add : Freight & Forwardin						5,000.00
Add : IGST @ 12.00 %						13,923.72
Add : Rounded Off (+)						0.28
Grand Total ₹						1,29,955.00

Supply@12%=1,16,031.00 IGST=13,923.72 Total Supply=1,16,031.00 IGST=13923.72

TAX INVOICE

Rupees One Lakh Twenty Nine Thousand Nine Hundred Fifty Five Only

Terms & Conditions

E & O.E.

1. Goods once sold will not be taken back.
2. Interest @ 18% p.a. will be charged if the payment is not made with in the stipulated time.
3. Subject to 'Delhi' Jurisdiction only.

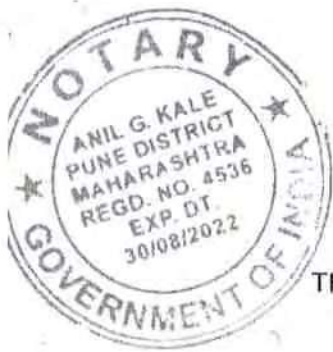
KEL TOLL FREE NO.- 19001034443

Receiver's Signature :

for COMPETENT ENGINEERS

Authorised Signatory

True copy -



THE HON'BLE HIGH COURT OF JUDICATURE AT BOMBAY

CIVIL APPELLATE JURISDICTION

ARBITRATION APPEAL (STAMP) NO. 1661 OF 2021

DIST: PUNE

In the matter between:

Atul Chandrakant Kirloskar & Ors.

...Appellants

Versus

Sanjay Chandrakant Kirloskar & Ors

...Respondents

Affidavit in Reply on behalf of Respondent No.2

I, Umesh Gosavi, the AVP & Head- Corporate Legal of Respondent No.2, having its registered office at Yamuna, Survey No. 98 (3 to 7), Plot No.1, Pune 411038, Maharashtra, India, do hereby solemnly affirm and state as under:

1. I have perused a copy of the captioned Appeal and Exhibits annexed thereto ("**Appeal**"). I am aware of the facts of the present matter and am competent to depose to the same. I am authorized to file the present Affidavit in Reply of Respondent No. 2 under a Power of Attorney by Respondent No. 2 dated 5th April, 2017, in my favour. I crave leave to file a further detailed affidavit, if necessary. I deny all the allegations, averments, statements, and contentions in the present Appeal. No part of the present Appeal is to be deemed to be admitted for want of specific traverse, except to the extent specifically set out and admitted herein. Each of the statements and averments herein contained are in the alternative and without prejudice to one another.
2. At the outset, I repeat and reiterate all that has been stated by Respondent No. 2 in (i) Civil Suit No. 798 of 2018 ("**Suit**") filed before the Hon'ble Civil Judge Senior Division, Pune ("**the Trial Court**"); (ii) the Common Say filed on behalf of Respondent Nos.1 and 2 [pg.108, *Exhibit E to the present Appeal*] in reply to the applications under Section 8 filed by the Appellants ("**Common Say**"); and (iii) Written Notes of Arguments filed on behalf of Respondent Nos.1 and 2 (the Plaintiffs in the said Suit) [pg.124, *Exhibit G (Colly) to the present Appeal*] ("**Notes of Arguments**"). The contents of the same are not being reproduced herein for the sake of brevity, but Respondent No. 2 prays that the same be deemed and treated

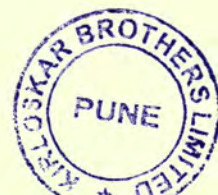
[Signature]





as part and parcel of the present Affidavit-in-Reply. Anything inconsistent with and/or contrary to the foregoing is disputed and denied.

3. At the outset it is submitted that both the Appellants' Section 8 Applications and the present Appeal *inter alia* seeking reference of the Suit and the parties thereto to arbitration are legally misconceived; wholly unmeritorious; and deserve to be dismissed. This is principally because the Suit comprises of parties who are not parties / signatories to the DFS dated 11th September, 2009 and the arbitration agreement and for reasons set out hereinbelow.
4. The DFS was entered into and executed *inter alia* by Respondent No. 1 [Plaintiff No 1], Respondent No. 3 [Defendant No 2], Appellant No. 1 [Defendant No. 1], Appellant No. 2 [Defendant No. 3], and the late Gautam Kulkarni as more particularly stated in the Suit, to formally record the understanding under which companies of the Kirloskar Group were to be managed, and to broadly separate and compartmentalize the ownership, management, and control of different Kirloskar group companies. On account of various disputes that arose between the Appellants and the Respondents, Respondent Nos. 1 and 2 were constrained to file the said Suit in 2018.
5. In this regard, it is pertinent to mention that the Suit has been filed by Respondent Nos. 1 and 2, of which only Respondent No. 1 was a party / signatory to the DFS. The Respondent No 2 / Plaintiff No 2 company is not a party / signatory to the DFS.
6. The said Suit filed by Respondent Nos. 1 and 2, was filed for the following reliefs:
 - a) The Defendants Nos. 1 to **21 and 23** may kindly be directed to perform specifically the Deed of Family Settlement dated September 11, 2009.
 - b) The Defendant Nos. 1 to 6 and **10 to 26 may kindly be directed to pay either jointly or severally an amount of Rs. 750,00,00,000/- (Rupees Seven Fifty Crores only) to the Plaintiffs towards damages in addition to the claim for specific performance of the Deed of Family Settlement dated September 11, 2009.**
 - c) It be declared that the removal from and non-reappointment/non-renomination of the Plaintiff No. 1 on the board of directors of the **Defendant No. 23** is illegal, null and void.
 - d) The Plaintiff No. 1 be reappointed and/or directed to be reappointed on the board of the **Defendant No. 23.**





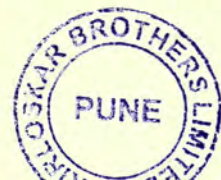
- e) It be declared that the directorship of the **Defendant Nos. 24 to 26 on the board of Defendant No. 23** company is against the Deed of Family Settlement dated September 11, 2009.
- f) In the alternative to the prayer clause (e) above, the Plaintiff No.1 and his branch be given equal representation on the board of directors of the Defendant No. 23 company as that of the other parties to the Deed of Family Settlement holding directorship of the Defendant No. 23.
- g) The Defendant Nos. 1 to 6 and **10 to 22** may kindly be restrained by decree of permanent injunction from doing any competing business with the Plaintiff No. 2 in defiance of the Deed of Family Settlement dated September 11, 2009 including manufacturing, trading, distributing or selling any product which competes directly or indirectly with that of the Plaintiff No.2 including but not limited to the business of sale, distribution or trading in electric mono-block and/or submersible pumps, either themselves or through their servants, agents, representatives, assigns, successor-in-interest or persons claiming through or under any of them and/or entities owned and/or managed and/or controlled by any of them (including by way of acquisition of shares/businesses or entering into a joint venture, partnership or association with any entity or otherwise) in any manner whatsoever.
- h) The Defendant Nos. 1 to 3, 16 and **24 to 26** may kindly be restrained by decree of permanent injunction from taking any steps in performing their functions as director in respect of the Defendant No. 23 company that adversely affect the rights of the Plaintiff No. 1 or companies which have come to the Plaintiff No.1 and his branch either directly or indirectly either themselves or through their representatives, proxies or assigns, etc.”
[Emphasis supplied]
7. Defendant Nos. 21 to 26 to the said Suit (being Respondent Nos. 9 to 14 in the present Appeal), nor Kirloskar Industries Ltd. (proposed Defendant No. 27) are signatories to the DFS, and consequently not signatories to the arbitration agreement contained therein in Clauses 13 and 20, thereof, which are reproduced hereinbelow for ease of reference:

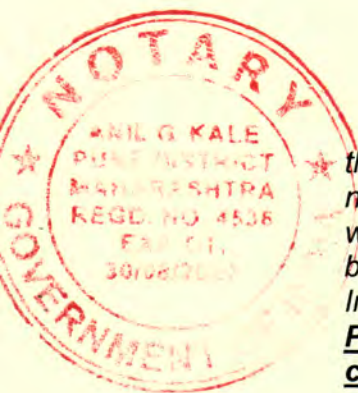
“13. The Parties agree that the control and management of Kirloskar Institute of Advance Management Studies (KIAMS) and Kirloskar Foundation (KF), which are promoted, managed and run by the Parties, shall continue to be managed and run jointly by the Parties. The Parties shall ensure smooth functioning and running of KIAMS and KF at all times. The Parties further agree that the provisions of Clause 12(ii) to the extent applicable shall apply mutatis mutandis. The Parties will jointly ensure that amendments required, if any, shall be made to the relevant byelaws / articles / deeds / documents, etc. **In the event of any difference of opinion in regard to the matters set out in this Clause, the same shall be resolved by arbitration only and none of the Parties shall resort to any court or other litigation.**

...

20. **Any issue arising out of interpretation of this DFS including schedules thereto shall be** resolved, as far as possible, unanimously. If

J.





there is no unanimity, the issue will be referred to two arbitrators, namely, Shri Anil N. Alawani and Shri Chandrashekhar H. Naniwadekar, whose decision will be final and binding. If there is a difference of opinion between the two, the matter will be referred to Shri. Shrikrishna N. Inamdar, whose decision shall be final and binding.

Provided that the said arbitrators shall not entertain any disputes or claims under this DFS, save and except under Clause 13 hereof, after expiry of 3 years from the date of this DFS or dissolution of BVH [Better Value Holdings Ltd.] and Asara [Asara Sales & Investment P. Ltd.], whichever is later.” [Emphasis supplied]

8. A plain reading of the said Suit and the DFS makes it apparent that Respondent No. 1 and Respondent No. 2 (who is not a signatory to the DFS) are seeking reliefs against various parties who are not parties / signatories to the DFS, and consequently are not parties to the arbitration agreement (as contained in Clauses 13 and 20 thereof). In fact, the Appellants have even admitted in Ground N of the Appeal that Respondent Nos. 9 to 14 are not signatories to the DFS, but have falsely and *malafidely* contended that they “*have no role to play*” and that “*no cause of action against the said Respondents*” has been made out in the said Suit. This is ex facie incorrect, disputed and denied. For a meaningful and complete enforcement of the DFS, it is necessary that these parties to the Suit are arrayed and proceeded against. Respondent Nos. 1 and 2 (as Plaintiffs) are *dominus litis* and entitled to seek reliefs in the most appropriate manner so as to get complete and efficacious reliefs on their cause of action.
9. Similarly, Respondent Nos. 1 and 2 have also filed an amendment application to implead Kirloskar Industries Ltd (“KIL”) (who is also a non-party to the DFS). as proposed Defendant No. 27 in the said Suit. The Respondent Nos. 1 and 2 crave leave to refer to and rely upon the said Amendment Application, if required. The Appellants are wrongfully using these corporate entities namely Respondent Nos. 9 to 14 and KIL to violate the DFS. As such it was and is necessary to join non-parties to the DFS as parties to the Suit and seek reliefs against them. Their joinder is lawful, necessary and proper.
10. Accordingly, a reference to arbitration (in a Section 8 Application) would entail bifurcating parties, the subject-matter and/or the cause of action in the Suit, which it is respectfully submitted is not permissible in law. Equally, where a suit is commenced in respect of a matter which at best falls only partly within the scope of an arbitration agreement and/or comprises of parties who are not signatories/ parties to the arbitration agreement, the provisions of Section 8 of the Arbitration



Act cannot be applied to stay the Suit. The present Appeal therefore lacks merit and must be dismissed with costs.

11. Without prejudice to the above, it is submitted that in any event, the subject matter of the Suit is neither arbitrable, nor covered by the arbitration agreement as contained in Clauses 13 and 20 of the DFS.

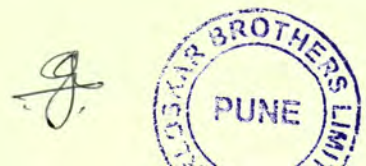
12. **Dilatory Tactics:**

- 12.1. The present Appeal not only lacks merit, must be dismissed with costs but has been instituted with the wrongful and dishonest intent of delaying proceedings in the pending Suit, including delaying Respondent No. 1 and 2's application for interim reliefs. Respondent Nos. 1 and 2 apart from prayer (g) (as set out herein above) in the Suit have also in their application seeking interim reliefs in Prayer (a) prayed as under: -



*"During pendency of the present Suit the defendant Nos. 1 to 6 and **10 to 22** may kindly be restrained by order of temporary injunction from doing any competing business with the plaintiff No. 2 in defiance of the Deed of Family Settlement dated September 11, 2009 including manufacturing, trading, distributing or selling any product which competes directly or indirectly with that of the plaintiff No.2 including but not limited to the business of sale, distribution or trading in electric mono-block and/or submersible pumps, either themselves or through their servants, agents, representatives, assigns, successor-in-interest or persons claiming through or under any of them and/or entities owned and/or managed and/or controlled by any of them (including by way of acquisition of shares/businesses or entering into a joint venture, partnership or association with any entity or otherwise) in any manner whatsoever."*

13. Respondent No.9 (which is substantially owned and controlled by Appellant Nos. 1 and 2) has from 2017 onwards, been trading, manufacturing and selling products, (under the name "KIRLOSKAR") which are similar to, what has been manufactured and sold by Respondent No.2 over the last several decades. Hence, Respondent No. 9 (at the instance of Appellant Nos. 1 and 2) has notwithstanding what is contained in Clause 15 read with Clause 16 of the DFS, been wrongfully, illegally and dishonestly competing with Respondent No. 2.
14. As a result of the dilatory tactics of the Appellants, including the Section 8 Applications and the present Appeal as filed by the Appellants, Respondent Nos. 1 and 2 have been unable to seek and obtain reliefs from the Hon'ble Court in Pune,



in terms of the aforementioned Prayer (g) to the Suit and/or the aforementioned Prayer (a) to the Interim Application. Consequently, Respondent No. 2 has been suffering a loss of around Rs. 1,00,00,000/- (Rupees One Crore only) per day; whereas on the other hand Respondent No. 9 (and Appellant Nos. 1 and 2) have been unjustly enriching themselves at the cost of Respondent No. 2, by continuing to engage in such competitive business.

PARA-WISE REPLY

15. I now deal with the Appeal in a paragraph-wise manner:

16. With reference to paragraph nos. 1 to 11 of the Appeal, I deny all that is contrary to or inconsistent with what is stated in the said Suit, Common Say, and Notes of Arguments. I crave leave to refer to the Suit, the DFS, the Common Say, the Notes of Argument, and the Impugned Order for its true meaning and purpose. The contents of the said paragraphs are a matter of record, and therefore, require no further response.

17. With reference to paragraph 11 A of the Appeal, I deny that the Ld. Judge has failed to understand that the scope of judicial intervention under Section 8 of the Act.

18. With reference to paragraph 11B of the Appeal, I repeat and reiterate all that is stated hereinabove and what is stated in the Suit, the Common Say, and Notes of Arguments, and deny all that is contrary to or inconsistent therewith. I deny that the matter ought to be referred to arbitration.

19. With reference to paragraph 11C of the Appeal, I repeat and reiterate all that is stated hereinabove and what is stated in the Suit, the Common Say, and Notes of Arguments, and deny all that is contrary to or inconsistent therewith. I deny that the matter ought to be referred to arbitration. I deny that all the disputes raised in the Suit are arbitrable in nature. I deny that that the Ld. Judge ought to have referred the matter to Arbitration.

20. With reference to paragraph 11D of the Appeal, the contents of the paragraph under reference are a matter of record, and therefore, merit no response. Anything inconsistent with or contrary to the record is disputed and denied.



J.



21. With reference to paragraphs 11E and 11F of the Appeal, I repeat and reiterate all that is stated hereinabove and what is stated in the Suit, the Common Say, and Notes of Arguments, and deny all that is contrary to or inconsistent therewith. I deny that the Hon'ble Court has erred in reading and interpreting the proviso of Clause 20, as claimed or at all. I deny that the Hon'ble Court ought to have referred the matter to arbitration. I deny the interpretation of Clause 20 as sought to be contended by the Appellants, and crave leave to refer to and rely upon the same for its true meaning and purpose.
22. With reference to paragraph 11G of the Appeal, I repeat and reiterate all that is stated hereinabove and what is stated in the Suit, the Common Say, and Notes of Arguments, and deny all that is contrary to or inconsistent therewith. I deny that the Impugned Order is vague or has erred in giving credence to the fact that neither BVH nor Asara are parties to the Suit. The Appellants on the one hand claim in paragraph 11G that it is for the Plaintiffs to decide the parties to the Suit, but on the other contend in paragraph 11N that Respondent Nos. 9 to 14 "*have no role to play*" and that "*no cause of action against the said Respondents*". I deny that the said Respondent Nos. 9 to 14 have no role to play or that Respondent Nos. 1 and 2 have no cause of action against them. I deny the interpretation of Clause 20 as sought to be contended by the Appellants, and crave leave to refer to and rely upon the same for its true meaning and purpose.
23. With reference to paragraph 11H of the Appeal, I repeat and reiterate all that is stated hereinabove and what is stated in the Suit, the Common Say, and Notes of Arguments, and deny all that is contrary to or inconsistent therewith. I deny that the Impugned Order has erred in holding that Clause 20 would have no applicability in the matter, as alleged or at all. I deny that that the Impugned Order has erred in holding that the Appellants had not placed before the Hon'ble Court the relevant material and information.
24. With reference to paragraph 11I of the Appeal, I deny that the Impugned Order erred in holding that the Appellants had not succeeded in establishing that only the arbitrators could consider the disputes, as alleged or at all. I repeat and reiterate all that is stated hereinabove and what is stated in the Suit, the Common Say, and Notes of Arguments, and deny all that is contrary to or inconsistent therewith.



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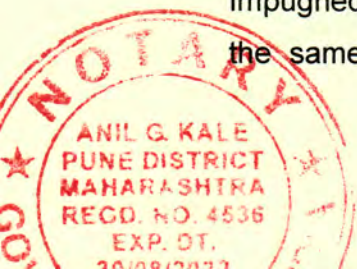


25. With reference to paragraph 11J of the Appeal, I repeat and reiterate all that is stated hereinabove and what is stated in the Suit, the Common Say, and Notes of Arguments, and deny all that is contrary to or inconsistent therewith. I deny that the Impugned Order has erred in holding that the applications were not fit to consider. I deny that Impugned Order gives no reasons or that the same are unfit or cannot be considered, as alleged or at all. I deny that the findings of the Impugned Order are vague, as alleged or at all. I deny the interpretation of Clause 20 as sought to be contended by the Appellants, and crave leave to refer to and rely upon the same for its true meaning and purpose. I deny that the Impugned Order has erred in holding that the Appellants had failed to point out certain issues or make clear their position. I deny that the Impugned Order ought to be quashed and set aside on the basis that the findings in the Impugned Order are purportedly contrary to the contemporaneous record.

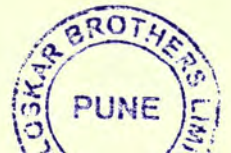
26. With reference to paragraph 11K of the Appeal, I repeat and reiterate all that is stated hereinabove and what is stated in the Suit, the Common Say, and Notes of Arguments, and deny all that is contrary to or inconsistent therewith. I deny that the Impugned Order has erred in holding that the matter could not be referred to arbitration, as alleged or at all. I deny that the disputes raised in the Suit are capable of being referred to arbitration under Clause 20 of the DFS. I deny that the Hon'ble Court ought to have referred the Suit to arbitration in accordance with Clause 20 of the DFS. I deny that the Impugned Order is based upon perverse reasoning and is liable to be quashed and set aside. I deny the interpretation of Clause 20 as sought to be contended by the Appellants, and crave leave to refer to and rely upon the same for its true meaning and purpose.

27. With reference to paragraph 11L of the Appeal, I repeat and reiterate all that is stated hereinabove and what is stated in the Suit, the Common Say, and Notes of Arguments, and deny all that is contrary to or inconsistent therewith. I deny that the Impugned Order has erred in distinguishing the cases cited by the Appellants, as alleged or at all. I deny that the Impugned Order has failed to appreciate the scope of enquiry under Section 8 of the Arbitration Act. I deny that the Impugned Order has failed to consider valid and binding judgments, as alleged or at all.

28. With reference to paragraph 11M of the Appeal, I deny that the direction of the Impugned Order is vague. I deny that the same is incomprehensible. I deny that the same clearly demonstrates that the Impugned Order suffers from lack of



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application of mind. Without prejudice, in absence of a case on merits being made out by the Appellants, the Impugned Order is not liable to be interfered with, in appeal.

29. With reference to paragraph 11N of the Appeal, I repeat and reiterate all that is stated hereinabove and what is stated in the Suit, the Common Say, and Notes of Arguments, and deny all that is contrary to or inconsistent therewith. The Appellants have expressly admitted that Respondent Nos. 9 to 14 are not parties/signatories to the DFS, and as such the present Appeal ought to be dismissed. I deny that Respondent Nos. 9 to 14 have no role to play and that no cause of action has been made out against them. I deny that the matter ought to be referred to arbitration.

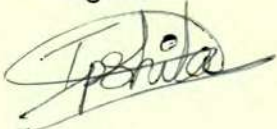
30. With reference to paragraph 11O of the Appeal, I deny that the Impugned Order is based upon an erroneous application of facts and wrongful assumptions and is perverse. I deny that the Impugned Order is baseless, capricious, and fails to follow binding decisions of courts. I deny that the Impugned Order has been passed on the basis of irrelevant facts and an incorrect application of law. I deny that the Impugned Order is liable to be quashed and set aside.

31. With reference to paragraph 12 of the Appeal, I deny that the Appellants are entitled to an order quashing and setting aside the Impugned Order. I deny that the Appellants are entitled to the disputes being referred to arbitration. The rest of the paragraphs of the Appeal do not merit a response.

32. In view of what is stated hereinabove, I submit that the Appellants are not entitled to any reliefs from this Hon'ble Court as prayed for and submit that the present Appeal deserves to be dismissed with costs.

Solemnly affirmed at Pune)
This day of 8th, February 2021)

Gagrats



Partner

Advocate for Respondent No.2

Before me,

UMESH GOSANI

ANP & HEAD CORPORATE LEGAL



BEFORE ME



ANIL G. KALE
ADVOCATE & NOTARY
GOVT. OF INDIA





महाराष्ट्र MAHARASHTRA

0 2017

अनु.क्र. 131958 दि. 9 MAR 2017 मु. शु. रकम 500/-
 दस्तावेज प्रकार Agreement

दस्त नोंदणी करणार आहेत का ? होय/नाही.

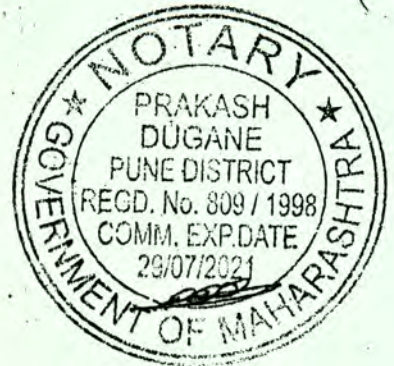
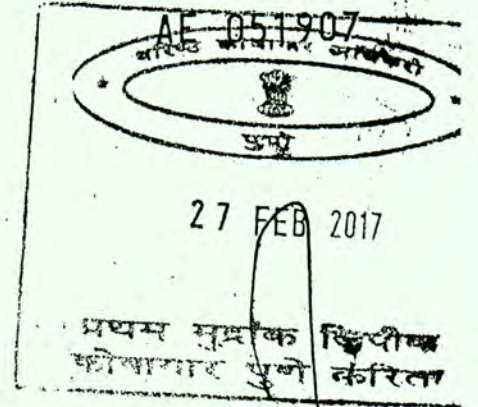
मिलकतीचे वर्णन

KIRLOSKAR BROTHERS LIMITED
 मुद्रांक विकत घेणाऱ्याचे नांव UDYOG BHAVAN, TILAK ROAD,
 PUNE-411 002.
 पत्ता

इसच्या पक्षाकाराचे नांव श्री. व्ही. व्ही. नड
 हस्ते व्यक्तीचे नांव व पक्षनकवडी, पुणे-४३.

मुद्रांक विकत घेणाऱ्याची सही

सौ. आर. एच. शिंदे
 परवाना क्र. २२०१०१६
 १, सुकवार पेठ, पुणे-४११००२.

GENERAL POWER OF ATTORNEY

TO ALL TO WHOM these presents shall come, Kirloskar Brothers Limited, a company incorporated under the Indian Companies Act, 1913 having its Registered Office at Udyog Bhavan, Tilak Road- Pune - 411002 in the State of Maharashtra, India and Corporate Office at "Yamuna", Plot No. 98/3-7 Baner, Pune 411 045, Maharashtra (hereinafter referred to as "the Company") SEND GREETINGS.

ACK

Page 1 of 3



WHEREAS, the Company carries on the business of manufacture and sale of Power driven Pumps, Valves and also carries on trading in engineering goods and execution of projects involving supply of the Company's products and other equipments, etc.

AND WHEREAS, in the course of and for the purpose of its aforesaid business, the Company is desirous of appointing Mr. Umesh Gosavi, designated as Associate Vice-President & Head Legal (Employee No.13856), as its true and lawful Attorney to do, execute and perform all or any of the acts, matters, deeds or things as hereinafter mentioned.

NOW KNOW YOU ALL AND THESE PRESENTS WITNESS THAT the Company hereby constitutes and appoints Mr. Umesh Gosavi designated as Associate Vice-President & Head Legal (hereinafter referred to as the "Attorney") as its true and lawful attorney, in fact and in law, for and in the name of and on behalf of the Company, to do, execute and perform all or any of acts, functions and activities as mentioned herein below:

1. To comply with all statutory requirements pertaining to the operations under his control and for this purpose to sign all applications, documents and also to represent the Company before such statutory authorities in connection with the matters relating to such compliance on behalf of the Company.
2. To negotiate, enter into and execute various agreements in the ordinary course of business of the Company subject to prior approval of the Company.
3. To accept service of any writ, summons or other legal processes and appear before the designated officers, Judicial and Quasi-Judicial Authorities or commissioners of prothonotary or registry of the Hon'ble Supreme Court of India, High Courts located in States and /or any District Courts and/or Courts of subordinate jurisdiction in India, as well as with various Government Authorities established by the Central, State Government or local bodies within the territory of India and to sign & execute various documents as may be required from time to time, on behalf of the Company.
4. To institute, prosecute, defend, oppose, appear in all civil (including property related matters of the Company) and criminal matters, file appeal, writs, or other connected and incidental proceedings on behalf of Company and/ or refer matters to arbitration, verify all pleadings and /or to file execution in matters relating to the business of the Company including commercial and revenue related matters in India and/or outside India.
5. To execute, declare, sign, verify, swear, affirm all complaints, written statements, applications, petitions, replications, rejoinders, affidavits, criminal complaints, replies to criminal courts and other related documents and to appear and depose evidence (oral and documentary) before any Judge, Magistrate or other Officer or authority empowered by law in India and/or outside India.
6. To attend to any suit or proceedings or any other inquiry relating to the Company or in which the Company may be interested and to accept service of notice or processes and also to appoint, retain Advocates, Attorneys, Pleaders, Counsels, Solicitors, Advisors, Consultants etc. and to sign Vakalatnamas and necessary Letter of Authorities as may be needed from time to time and to revoke the same for the Company.
7. To execute and sign, compromise agreements, consent petitions and other related documents in connection with resolving any business dispute pending in the court or for mediation / arbitration or otherwise subject to prior approval of the Company.
8. To sign and execute business related contracts, agreements; conveyances deeds, mortgage deeds, charges, deeds of hypothecation, pledges, documents of titles, Indemnities and Guarantees in favour of Bankers or other lending institutions for facilities extended by them to any other Company which is a subsidiary or an associate Company, Indemnities, Bonds, Guarantees, Counter Guarantees, Advance Payment Guarantees, Indemnities Bonds, Guarantees in connection with Customs, Excise, Octroi,



ACK



Income Tax, Sales Tax, GST and other revenue related matters in connection with merchandise, Contracts, Agreements in the ordinary course of Business of the Company and shall be responsible for all legal functions on the Company subject to prior approval of the Company.

9. To sign, execute and register the Lease Deeds, Leave and Licence Agreements for residential or commercial premises and/or other agreements like facility agreement, business centre services agreements, etc. for rent, compensation or service fees for the Company and for similar arrangements for the premises belonging to the Company subject to prior approval of the Company.

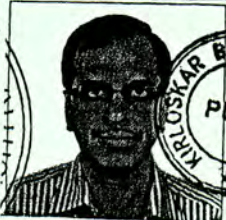
AND GENERALLY for the aforesaid purpose, without any restriction or reservation, to execute all such Instruments, letters, deeds and do acts, matters and things as the said Attorney shall be advised or think proper and as sufficiently and effectually to all intents and purposes as the Company itself could do or would have done if these presents had not been made.

AND the Company hereby ratifies and confirms and agrees to ratify and confirm all and whatsoever the Attorney shall lawfully do or cause to be done by virtue of these presents.

Notwithstanding any change or modification in the designation or position or places of service of the aforesaid Attorney, the Attorney shall nevertheless continue to exercise the powers conferred on him as herein in these presents.

This Power of Attorney is being issued specifically by virtue of the Attorney being in the employment of the Company on the date of signing of the present Power of Attorney and shall automatically cease upon the said Attorney ceasing to be in the employment of the Company for any reason whatsoever.

The specimen signature of Mr. Umesh Gosavi designated as Associate Vice-President-Legal is affixed hereinafter:



Umesh
Mr. Umesh Gosavi
Associate Vice-President & Head Legal

IN WITNESS WHEREOF the Common Seal of the above named Kirloskar Brothers Limited has been hereunto affixed on this 15 day of APR, 2017.

THE COMMON SEAL OF KIRLOSKAR BROTHERS LIMITED is hereunto affixed pursuant to a Board Resolution dated 18 July, 2012 in presence of Mr. Sanjay C. Kirloskar, Chairman and Managing Director of the Company.

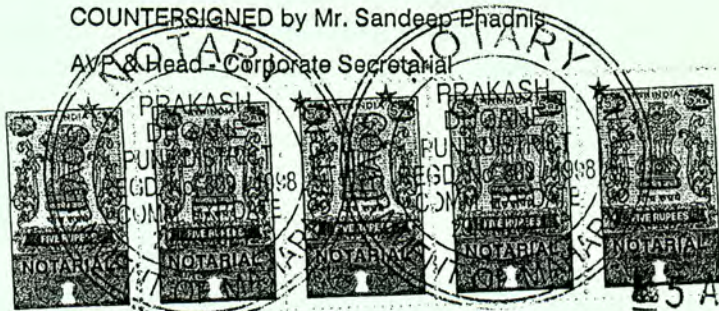
SIGNED, SEALED AND DELIVERED by the above named Chairman & Managing Director.



Sanjay C. Kirloskar
SANJAY C. KIRLOSKAR

Sandeep Phadnis
SANDEEP PHADNIS

COUNTERSIGNED by Mr. Sandeep Phadnis
AVP & Head - Corporate Secretarial



BEECH 3 of 3
PRAKASH DUGANE
ADVOCATE & NOTARY
GOVT. OF MAHARASHTRA
FLAT NO. C-104, MOHITE TOWNSHIP,
S.NO. 15/1, HINGNE KHURD,
PUNE-411051 MOB. NO. : 9850038968

NOTED AND REGISTERED
AT SR. NO. 113/5/217

True Copy
Gagrats

Partner
Advocate High Court

THE HON'BLE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
ARBITRATION APPEAL (St.) No.1661 of 2021
DIST: PUNE

Atul Chandrakant Kirloskar & Ors.

...Appellants

Versus

Sanjay Chandrakant Kirloskar & Ors.

....Respondents

Affidavit in Reply on behalf of Respondent No. 2

Dated this 8th day of February, 2021

Gagrats, Advocates & Solicitors
Advocates for Respondent No.2
12th Floor, Nirmal,
Nariman Point,
Mumbai 400 021.
Regn. No. 8806

From: Ashwini Mali (KIL) <ashwini.mali@kirloskar.com>

Sent: Monday, November 14, 2022 9:53 PM

To: secretarial <secretarial@kbl.co.in>

Cc: Devang Trivedi <Devang.Trivedi@kbl.co.in>; Atul Kirloskar <atul.kirloskar@kirloskar.com>; Rahul Kirloskar <rahul.kirloskar@kirloskar.com>; contactus@sharp-tannan.com <contactus@sharp-tannan.com>; Roc.Pune@mca.gov.in <Roc.Pune@mca.gov.in>

Subject: Convening of the extra-ordinary general meeting of the shareholders of Kirloskar Brothers Limited on December 8, 2022.

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The Board of Directors
Kirloskar Brothers Limited
Yamuna, Survey No. 98 / 3 to 7,
Plot No. 3, Baner,
Pune – 411045, Maharashtra, India.

Dear All,

Please see attached, our letter dated November 14, 2022 in relation to the captioned matter, the contents of which are self-explanatory.

Regards,
Ashwini Mali
Company Secretary
Phone: +91 20 2970 4374
Mobile: +91 88 8886 6122



Address: 801, 8th Floor, Cello Platina, F.C. Road, Pune 411005
Website: www.kirloskarindustries.com



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November 14, 2022

The Board of Directors
Kirloskar Brothers Limited
Yamuna, Survey No. 98 / 3 to 7,
Plot No. 3, Baner,
Pune – 411045, Maharashtra, India.

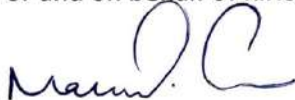
Subject: Requisition for convening of the Extra Ordinary General Meeting ("EGM") of the shareholders of Kirloskar Brothers Limited ("KBL") on December 8, 2022.

Dear All,

1. We, Kirloskar Industries Limited ("KIL") refer to our special notice and requisition dated October 21, 2022 thereby requisitioning an EGM of the shareholders of KBL under Section 100(2)(a) and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder ("EGM Requisition Notice") pursuant to which you have proposed to hold the EGM of the shareholders of KBL on December 8, 2022.
2. We believe that it is important for the shareholders of KBL to have the benefit of perusing the complete EGM Requisition Notice along with its annexures so as to assist the shareholders of KBL understand the exact circumstances that led to the making of such requisition and make an informed decision at the time of casting their vote at the EGM. We therefore call upon the Board of Directors of KBL to ensure that the complete EGM Requisition Notice (along with the annexures) issued by KIL be annexed to the EGM notice which will be issued by KBL to all its shareholders in calling and convening the EGM on December 8, 2022.
3. KIL attaches herewith as **Annexure A**, a draft of the resolution that may be considered by the shareholders of KBL at the said EGM, which is in line with the EGM Requisition Notice, that KIL calls upon you to place before the shareholders of KBL at the scheduled EGM.

Yours faithfully

For and on behalf of Kirloskar Industries Limited



Mahesh Chhabria
Managing Director

Enclosed: As above.

Kirloskar Industries Limited
A Kirloskar Group Company

Mumbai Corporate Office: C-1, 1st floor, Wadia International Center,
Near Deepak Cinema, Worli, Mumbai- 400025
Tel: +91 9987060426

Regd. Office: Cello Platina, Office No. 801, Fergusson College Road, Shivajinagar, Pune- 411005
Tel: +91 (20) 29704374 | Fax: +91 (20) 29704374
Website: www.kirloskarindustries.com | CIN: L70100PN1978PLC088972

CC:

1. **Mr. Devang Trivedi, Company Secretary**
Kirloskar Brothers Limited
Yamuna, Survey No. 98 / 3 to 7,
Plot No. 3, Baner,
Pune – 411045, Maharashtra, India.
Email: secretarial@kbl.co.in
2. **Mr. Atul Kirloskar**
'Radha', 453, Gokhale Road,
Pune 411 016.
Email: atul.kirloskar@kirloskar.com
3. **Mr. Rahul Kirloskar**
Lakaki Compound, Model Colony,
Pune 411 016.
Email: rahul.kirloskar@kirloskar.com
4. **Sharp and Tannan,**
Statutory Auditor, Kirloskar Brothers Limited
Ravindra Annexe, 194, Churchgate Reclamation,
Dinshaw Vachha Road, Mumbai – 400 020.
Email: contactus@sharp-tannan.com
5. **Ministry of Corporate Affairs**
Registrar of Companies, PCNTDA Green Building,
BLOCK A, 1st & 2nd Floor, Near Akurdi Railway Station,
Akurdi, Pune – 411044, Maharashtra.
Email: roc.pune@mca.gov.in

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Annexure A

Draft resolution to be placed at the EGM of KBL scheduled on December 8, 2022

1. **Appointment of an independent and reputed external entity as an independent forensic auditor for conducting a forensic audit to investigate and (i) verify the expenses incurred by Kirloskar Brothers Limited on legal, professional and consultancy charges over the past 6 (six) years, and the affairs of Kirloskar Brothers Limited; (ii) verify all records, books of accounts, minutes books, other documents of Kirloskar Brothers Limited; and (iii) examine the conduct of the Board of Directors of Kirloskar Brothers Limited including independent directors.**

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 read with rules made thereunder ("the Act") (including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force), the consent of the members of Kirloskar Brothers Limited ("KBL") be and is hereby granted to appoint M/s. [•], as an independent forensic auditor for conducting a forensic audit in the affairs of KBL for investigation and verification of all records, books of accounts, minutes books, other documents of KBL and the conduct of the Board of Directors of KBL including independent directors. The scope of the forensic audit would include but shall not be limited to investigation and verification of the following matters:

- 1.1. Has the KBL Board especially the independent directors of KBL verified the claims made by Mr. Sanjay Kirloskar in relation to the Deed of Family Settlement dated September 11, 2009 ("DFS"), in order to ensure that they have not been misled by the claims made by Mr. Sanjay Kirloskar? Has the KBL Board including independent directors sought any independent legal advice pertaining to the same especially in view of the pending personal disputes amongst the promoter family?
- 1.2. While Mr. Sanjay Kirloskar has been repeatedly claiming that KBL has taken the DFS on record, what steps have been taken by KBL to actually bind KBL with the DFS, in accordance with the provisions of applicable law?
- 1.3. Have the independent directors acted and approved filing of cases by KBL solely on the basis of claims made by Mr. Sanjay Kirloskar without actually verifying the locus or the benefit to KBL for initiating these cases? Have the independent directors analyzed the locus, benefits or reasons for initiation of cases by KBL? If yes, whether the same has been recorded in the minutes of KBL Board meetings?
- 1.4. KBL and Mr. Sanjay Kirloskar have filed various pleadings / affidavits before different fora wherein they have claimed that KBL has suffered losses of dramatically different but large

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amounts, all arising out of the same cause of action, arising out of an alleged breach of the DFS. Have the independent directors verified the veracity of such claims?

- 1.5. KBL has sworn on Affidavit that KBL is suffering a loss of INR 1 crore per day due to the alleged breach of the DFS. It appears that KBL may have been making such large profits prior to the occurrence of such alleged breaches and only then it could have claimed to suffer the loss as a consequence of the alleged breach. However, the audited financial statements of KBL do not even appear to reflect such high profits of KBL. Has this claim of KBL been verified by the independent directors of KBL prior to the statement being made on oath?

The pleadings / affidavits filed by KBL and Mr. Sanjay Kirloskar as attached to the notice and agenda of this extra-ordinary general meeting are noted by the members and shall be shared with the independent forensic auditor along with other annexures to the said notice and agenda.

- 1.6. Is there a status report in relation to the cases setting out the expenses, merits, justifying the benefits to KBL, and subsequent legal strategy, prepared by the management and circulated to the independent directors for their approval and appraisal?
- 1.7. Are the independent directors aware of KBL funding cases/litigations by third parties? If so, KBL should provide the details?
- 1.8. As per the recent news publications quoted above, KBL has admittedly spent an amount of INR 70 Crores towards tax matters, labour matters, arbitration pertaining to project business, cases related to domestic and international projects, patents, property documents and for overseas business. However, none of the abovementioned matters appear or have been referred to in the said expenses. Therefore, how much money out of the said INR 70 crores has been expended towards such cases?

RESOLVED FURTHER THAT the consent of the members be and is hereby accorded to authorise M/s. [•], an independent forensic auditor to seek appropriate explanations from the Board of Directors of Kirloskar Brothers Limited on the abovementioned questions and forensically verify the explanations so provided and upon the completion of the audit, the independent forensic auditor shall submit its report in writing directly to the shareholders of Kirloskar Brothers Limited while ensuring that the same is not tampered with, within a period of 60 (sixty) days from the date of the EGM.

RESOLVED FURTHER THAT the consent of the members be and is hereby accorded to pay INR [•] to M/s. [•], the independent forensic auditor, as fee for the conduct of the forensic audit.

RESOLVED FURTHER THAT any of the Directors of Kirloskar Brothers Limited be and are hereby severally authorised to make available the necessary information, resources and documentation to the independent forensic auditor so appointed to ensure timely completion of the audit and the issuance of the forensic audit report, and to take all such actions and steps as required under the provisions of the Companies Act, 2013 and the rules framed thereunder and any other applicable provisions of law, to give effect to the aforesaid resolution including but not limited to making appropriate filings with the Registrar of Companies and disclosures with the stock exchanges under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to do all such other acts, deeds and things as may be necessary or incidental to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of Kirloskar Brothers Limited, be and are hereby severally authorized to issue a certified true copy of the aforesaid resolution to such authorities and / or persons as may be necessary to give effect to this resolution."