



KIRLOSKAR INDUSTRIES LIMITED

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POSTAL BALLOT NOTICE

Dear Member(s)

NOTICE is hereby given that pursuant to the provisions of Section 110 of the Companies Act, 2013, (the Act), read with Rule 22 of the Companies (Management and Administration) Rules, 2014, (the Rules) and read with Regulation 44(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR), including any statutory modification(s) or re-enactment thereof, for the time being in force, for obtaining assent of the members of the Company by means of Postal Ballot and voting through electronic means (remote e-voting) on the resolutions set out in this Notice.

Pursuant to the provisions of Section 102 of the Act, the explanatory statement pertaining to the resolutions, stating the material facts and the reasons thereof is set out below for your consideration and the Postal Ballot Form is annexed with this Notice.

Mrs. Manasi Paradkar, Practicing Company Secretary, (Membership No. FCS 5447 CP No. 4385), Pune, has been appointed as the Scrutinizer to scrutinize the Postal Ballot / remote e-voting process in a fair and transparent manner.

Voting through Postal Ballot / remote e-voting shall commence from Saturday, 30 November 2019, at 9.00 a.m. and ends on Sunday, 29 December 2019, at 5.00 p.m. The Scrutinizer's decision on the validity of votes shall be final. If a member votes via both modes, votes given via remote e-voting shall be finally considered by the Scrutinizer.

Members desiring to exercise their vote by Postal Ballot:

- Read carefully instructions given on the back side of the Postal Ballot Form.
- Send duly filled Form to the Scrutinizer not later than 5.00 p.m. on Sunday, 29 December 2019.

Members desiring to exercise their vote by remote e-voting:

- Read carefully instructions given on the back side of the Postal Ballot Form.
- Remote e-voting shall be closed by NSDL on Sunday, 29 December 2019, at 5.00 p.m.

The Scrutinizer will submit her Report to the Chairman or the Managing Director or the Executive Director of the Company after completion of the scrutiny of the Postal Ballot (including remote e-voting). The result of the Postal Ballot shall be declared on or before 4 January 2020, at the Registered Office of the Company before the close of the working hours.

The results together with the Scrutinizer's Report will be posted on the Company's website, viz., www.kil.net.in and also on the website of NSDL, viz., www.evoting.nsdl.com besides being communicated to the BSE Limited and the National Stock Exchange of India Limited where the Company's shares are listed. The results shall also be intimated to the general public through press release in newspapers.

The resolutions passed through the Postal Ballot shall be deemed to have been passed at a general meeting of members convened on that behalf.

SPECIAL BUSINESS:

ITEM NO. 1

To consider and, if thought fit, to pass, with or without modification(s), the following Resolutions as Special Resolutions

APPROVAL OF AMENDMENTS / MODIFICATIONS IN THE "KIRLOSKAR INDUSTRIES LIMITED - EMPLOYEE STOCK OPTION PLAN 2017".

"RESOLVED THAT on the recommendation of the Nomination and Remuneration Committee of the Board of Directors and approval of the Board of Directors of the Company, in partial modification of earlier resolution passed by the members in the 23rd Annual General Meeting of the Company, which was held on 28 August 2017, approving the "Kirloskar Industries Limited – Employee Stock Option Plan 2017" ("KIL ESOP 2017"), pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, (the Act), Regulation 7 of the Securities and Exchange Board of India (SEBI) (Share Based Employee Benefits) Regulations, 2014, read with Circular No. CIR/CFD/POLICY CELL/2/2015 issued by SEBI dated June 16, 2015, (Collectively referred to as "SEBI SBEB Regulations"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any statutory modifications or re-enactment thereof, the



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provisions of the Memorandum and Articles of Association of the Company and subject further to such other approvals, permissions and sanctions as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, subject to the approval of 'Kirloskar Industries Limited – Employees Stock Appreciation Rights Plan 2019' (KIL ESARP 2019) by the members of the Company, the consent of the members of the Company, be and is hereby accorded to amend, by way of reduction, the total number of employee stock options and total number of equity shares of the Company under the KIL ESOP 2017, from 4,85,000 (Four Lakhs Eighty Five Thousand), to nil without any retrospective effect on existing employee stock options granted under the KIL ESOP 2017.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include the Nomination and Remuneration Committee or any authorised committee, which the Board may constitute or has constituted to exercise its powers, including the powers, conferred by this resolution), be and is hereby authorised on behalf of the Company, to make any / further modifications, changes, variations, alterations or revisions in the KIL ESOP 2017, from time to time, as permitted under and in due compliance with the provisions of the Act and SEBI SBEB Regulations and to do all such acts, deeds, matters and things and sign deeds, documents, letters and such other papers as may be necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable for such purpose including giving effect to the aforesaid amendments in the KIL ESOP 2017 and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

ITEM NO. 2

APPROVAL OF ‘KIRLOSKAR INDUSTRIES LIMITED - EMPLOYEES STOCK APPRECIATION RIGHTS PLAN - 2019’ OF THE COMPANY

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, (the Act), the provisions of Regulation 6 of the Securities and Exchange Board of India (SEBI) (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015, issued by SEBI (collectively referred to as “SEBI SBEB Regulations”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant provisions of the Memorandum and Articles of Association of the Company and subject further to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and on the recommendation of the Nomination and Remuneration Committee of the Board of Directors and approval of the Board of Directors of the Company, the consent of the members of the Company, be and is hereby accorded respectively to the introduction and implementation of “Kirloskar Industries Limited – Employees Stock Appreciation Rights Plan 2019” (“KIL ESARP 2019”/ “Plan”) and authorising the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include the Nomination and Remuneration Committee or any authorised committee, which the Board may constitute or has constituted to exercise its powers, including the powers, conferred by this resolution), to create, offer and grant from time to time, in one or more tranches, such number of Equity Settled Stock Appreciation Rights (“ESARs”) to or for the benefit of such person(s) who are in permanent employment of the Company and its subsidiary company(ies) within the meaning of the KIL ESARP 2019, including any director, whether whole time or otherwise (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), as may be decided under the KIL ESARP 2019, exercisable into not more than 5% of the issued capital of the Company, i.e., 4,85,000 (Four Lakhs Eighty Five Thousand) equity shares of face value of ₹ 10 (Rupees Ten) each fully paid-up, where one ESAR upon exercise shall entitle for lesser than one equity share of the Company to be issued on such terms and conditions, as may be determined in accordance with the provisions of the KIL ESARP 2019 and in due compliance with the applicable laws and regulations including SEBI SBEB Regulations.

RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank *pari passu* with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any, additional equity shares are issued by the Company to the ESAR Grantees for the purpose of making a fair and reasonable adjustment to the ESAR granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the ESAR grantees under the KIL ESARP 2019 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 10 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said Grantees.



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RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the securities allotted under the KIL ESARP 2019 on the stock exchanges, where the equity shares of the Company are listed in due compliance with SEBI SBEB Regulations and other applicable laws.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the KIL ESARP 2019.

RESOLVED FURTHER THAT the Board be and is hereby authorised at any time to modify, change, vary, alter, amend, suspend or terminate the KIL ESARP 2019, subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and / or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the KIL ESARP 2019 and do all other things incidental and ancillary thereof in conformity with the provisions of the Act, the Memorandum and Articles of Association of the Company, SEBI SBEB Regulations and any other applicable laws in force.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, and things, as it may, at its absolute discretion, deems necessary including authorising or directing to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of the KIL ESARP 2019 as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard."

ITEM NO. 3

APPROVAL OF GRANT OF EQUITY SETTLED STOCK APPRECIATION RIGHTS TO THE EMPLOYEES / DIRECTORS OF THE SUBSIDIARY COMPANY(IES) OF THE COMPANY UNDER THE ' KIRLOSKAR INDUSTRIES LIMITED - EMPLOYEES STOCK APPRECIATION RIGHTS PLAN 2019'

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, (the Act), the provisions of Regulation 6 of the Securities and Exchange Board of India (SEBI) (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015, issued by SEBI (collectively referred to as "SEBI SBEB Regulations"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant provisions of the Memorandum and Articles of Association of the Company and subject further to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and on the recommendation of the Nomination and Remuneration Committee of the Board of Directors of the Company and approval of the Board of Directors of the Company, the consent of the members of the Company, be and is hereby accorded for authorising the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include the Nomination and Remuneration Committee or any authorised committee, which the Board may constitute or has constituted to exercise its powers, including the powers, conferred by this resolution), to create, offer and grant from time to time, in one or more tranches, such number of Equity Settled Stock Appreciation Rights ("ESARs") under the "Kirloskar Industries Limited – Employees Stock Appreciation Rights Plan 2019" ("KIL ESARP 2019"/ "Plan"), within the limit prescribed therein to or for the benefit of the permanent employees including Directors (other than Promoter(s), Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), of any subsidiary company(ies) of the Company, whether in or outside India, as may be decided under the KIL ESARP 2019, exercisable into corresponding number of equity shares of face value of ₹ 10 (Rupees Ten) each fully paid-up, where one ESAR upon exercise shall entitle for lesser than one equity share of the Company to be issued, on such terms and conditions, as may be determined in accordance with the provisions of the KIL ESARP 2019 and in due compliance with the applicable laws and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all acts, matters, deeds and things and to take all steps and to do all things and give such directions as may be necessary, expedient or desirable and also to settle any question or difficulties that may arise in such manner and the Board / such authorised person in its / his absolute discretion may deem fit and take steps which are incidental and ancillary in this connection."



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ITEM NO. 4

APPROVAL OF GRANT OF EQUITY SETTLED STOCK APPRECIATION RIGHTS EQUAL TO OR MORE THAN 1% OF THE ISSUED CAPITAL OF THE COMPANY TO THE IDENTIFIED EMPLOYEES

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, (the Act), the provisions of Regulation 6 of the Securities and Exchange Board of India (SEBI) (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015, issued by SEBI (collectively hereinafter referred to as “SEBI SBEB Regulations”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant provisions of the Memorandum and Articles of Association of the Company and subject further to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, and on the recommendation of the Nomination and Remuneration Committee of the Board of Directors and approval of the Board of Directors of the Company, the consent of the members of the Company, be and is hereby accorded for authorising the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include the Nomination and Remuneration Committee or any authorised committee, which the Board may constitute or has constituted to exercise its powers, including the powers, conferred by this resolution), to create, offer and grant from time to time such number of Equity Settled Stock Appreciation Rights (“ESARs”) to Mr. Mahesh Chhabria, Managing Director of the Company, under the “Kirloskar Industries Limited – Employees Stock Appreciation Rights Plan 2019” (“KIL ESARP 2019” / “Plan”) exercisable into such number of equity shares in the Company in aggregate of face value of ₹ 10 each fully paid up, which may be equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all acts, matters, deeds and things and to take all steps and to do all things and give such directions as may be necessary, expedient or desirable and also to settle any question or difficulties that may arise in such manner and the Board / such authorised person in its / his absolute discretion may deem fit and take steps which are incidental and ancillary in this connection.”

ITEM NO. 5:

APPROVAL OF GRANT OF EQUITY SETTLED STOCK APPRECIATION RIGHTS TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of Regulation 17(6) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”), SEBI (Share Based Employee Benefits) Regulations, 2014, Sections 197, 198 and others applicable provisions of the Companies Act, 2013, read with Rules made thereunder, (the Act), other applicable laws / statutory provisions, if any, (including any statutory modification(s) or amendments or re-enactment(s) thereof for the time being in force), applicable provisions of the Memorandum and Articles of Association of the Company, provisions of the “Kirloskar Industries Limited – Employees Stock Appreciation Rights Plan 2019” (“KIL ESARP 2019” / “Plan”), subject to such other approval(s), permission(s) and sanction(s) as may be necessary from time to time and subject to such condition(s) and modification(s) as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s) and on the recommendation of the Nomination and Remuneration Committee of the Board of Directors and approval of the Board of Directors of the Company, the consent of the members of the Company, be and is hereby accorded for authorising the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include the Nomination and Remuneration Committee or any authorised committee, which the Board may constitute or has constituted to exercise its powers, including the powers, conferred by this resolution), to grant such number of Equity Settled Stock Appreciation Rights (“ESARs”) to the Non-Executive Directors of the Company within the overall limit of ESARs prescribed, under the KIL ESARP 2019 not exceeding in any financial year and in aggregate exercisable into not more than 97,000 (Ninety Seven Thousand) equity shares of face value of ₹ 10 each fully paid up of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including to seek all necessary approvals to give effect to this resolution, to sign and execute all deeds, applications, documents, papers, forms, and writings that may be required, for and on behalf of the Company, to settle all such issues, questions, difficulties or doubts whatsoever that



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may arise and take all such steps and decisions in this regard and to delegate all or any of its powers conferred this resolution(s) to any Director(s) or to any Committee of Directors and/or any Key Managerial Personnel or officer(s) of the Company as it may consider appropriate to give effect to this resolution and for the matters connected therewith or incidental thereto.”

By Order of the Board of Directors
For **KIRLOSKAR INDUSTRIES LIMITED**

Sd/-
ASHWINI MALI
Company Secretary

Place: Pune
Date: 25 October 2019

NOTES:

1. The Statement setting out material facts and reasons for the proposed Special Resolutions pursuant to the provisions of Section 102, read with Section 110 of the Companies Act, 2013, (the Act), is annexed to this Notice.
2. The Notice is being sent to all the members whose names appear in the Register of Members / Register of Beneficial Owners, maintained by the depositories as on Friday, 1 November 2019. The Notice is being sent to members who have registered their email IDs for receipt of documents in electronic form to their email addresses registered with their Depository Participants / the Company's Registrar and Share Transfer Agent, i.e., Link Intime India Private Limited. For members whose email IDs are not registered, physical copies of the Notice and Postal Ballot Forms are being sent by permitted mode along with a postage-prepaid self-addressed Business Reply Envelope.
3. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on Friday, 1 November 2019. The right of voting by the Postal Ballot Form shall not be exercised by a proxy.
4. The Members of the Company, holding shares either in physical form or in dematerialised form as on the cut-off date, i.e., Friday, 1 November 2019, are entitled to exercise his / her vote through Postal Ballot Form or through remote e-voting. The Member who does not hold any shares as on cut-off date may treat this Notice for information purpose only.
5. Resolutions passed by members with requisite majority through Postal Ballot and remote e-voting are deemed to have been passed at a general meeting of the members of the Company.
6. Members can opt for only one mode of voting, i.e., either by physical ballot or remote e-voting. In case members cast their votes through both the modes, votes casted through remote e-voting shall be treated as valid and votes casted through physical Postal Ballot Forms will be treated as invalid.
7. Voting through Postal Ballot Form:
 - a. Members wishing to exercise their vote by physical Postal Ballot are requested to carefully read the instructions printed on the back side of Postal Ballot Form and return the Form duly completed and signed, in the enclosed self-addressed Business Reply Envelope to the Scrutinizer, so that it reaches the Scrutinizer on or before 5.00 p.m. Sunday, 29 December 2019. Postal Ballot Form(s) received after this date will be strictly treated as if the reply from such member has not been received. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Form(s), if deposited in person or sent by Courier or Registered / Speed Post at the expense of the member will also be accepted.
 - b. A member may request for a duplicate Postal Ballot Form, if so required. All such requests should be addressed to the Company (investorrelations@kirloskarm.com) / the Registrar and Share Transfer Agents, viz., Link Intime India Private Limited, (Unit: Kirloskar Industries Limited), Block No. 202, Akshay Complex, 2nd Floor, Off. Dhole Patil Road, Near Ganesh Temple, Pune 411 001.
8. Voting rights shall be reckoned on the paid-up value of share registered in the name of the members as on Friday, 1 November 2019. The Postal Ballot period commences on Saturday, 30 November 2019, at 9.00 a.m. and ends on Sunday, 29 December 2019, at 5.00 p.m.



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9. In compliance with the provisions of Sections 108 and 110 of the Act and the Rules made thereunder, the Company has provided the facility to members to exercise their votes electronically and to vote on resolutions through the remote e-voting facility arranged by NSDL. The instructions for remote e-voting are annexed to this Notice.
10. Members cannot exercise votes by proxy.
11. The resolutions, if passed by the requisite majority, shall be deemed to have been passed on Sunday, 29 December 2019, i.e., the last date specified for receipt of duly completed Postal Ballot Forms or remote e-voting. All the material documents referred to in the Statement setting out material facts annexed thereto will be available for inspection at the Registered Office of the Company during office hours on all working days from the date of dispatch until the last date for receipt of votes by Postal Ballot / remote e-voting.
12. Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013, (the Act), read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Rules, 2015, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the Regulations) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to the members the facility to exercise their right to vote by electronic means instead of dispatching the physical Postal Ballot Form by permitted mode and the businesses may be transacted through remote e-voting services. The facility of casting the votes by the members using an electronic voting system is provided by National Securities Depository Limited (NSDL).

The process and manner for remote e-voting is as under:

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

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

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

Details on Step 1 is mentioned below:

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 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password 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***



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5. Your password details 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.
 - 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, your 'initial password' is communicated to you on your postal address.
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.
 - 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.

Details on Step 2 is given below:

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.



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General Guidelines for shareholders

1. Institutional 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 csmssp.office@gmail.com with a copy marked to evoting@nsdl.co.in.
 2. 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.
 3. 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.: 1800-222-990 or send a request at evoting@nsdl.co.in.
13. The remote e-voting period commences on Saturday, 30 November 2019, (9.00 a.m.) and ends on Sunday, 29 December 2019, (5.00 p.m.). During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the relevant date, i.e., Friday, 1 November 2019, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a member, he or she will not be allowed to change it.

STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO SECTION 102(1) AND 110 OF THE COMPANIES ACT, 2013

ITEM NO. 1

The Company had implemented the "Kirloskar Industries Limited – Employee Stock Option Plan 2017" ("KIL ESOP 2017") being approved by the members of the Company, by way of a Special Resolution on 28 August 2017, to attract, retain, motivate and reward the key talents working with the Company.

Over the course of its operation, the Company had granted 2,81,898 (Two Lakhs Eighty-One Thousand Eight Hundred Ninety-Eight) employee stock Options ("Options") under the KIL ESOP 2017. The Options Grantees have voluntarily surrendered the Options granted due to the Options being underwater and the Nomination and Remuneration Committee has approved the cancellation of the same.

A variation is now sought by reduction in total number of Options and shares available for grant under the KIL ESOP 2017.

There are still 2,03,102 (Two Lakhs Three Thousand One Hundred Two) Options left which are un-granted under the KIL ESOP 2017, which is a substantial portion of the total Options approved.

It is now proposed to reduce the total number of Options and an equal number of shares under the KIL ESOP 2017 by way of amendment. The KIL ESOP 2017 prior to this amendment, had a total number of 4,85,000 (Four Lakhs Eighty-Five Thousand) shares available through exercise of equal number of Options. The Board of Directors is of the view that the objective of the Company being the greater benefit of the employees, is met under the proposed "Kirloskar Industries Limited- Employees Stock Appreciation Rights Plan 2019" ("KIL ESARP 2019"). Hence, it is sought to have the consent for reduction of total number of Options and total number of shares under the KIL ESOP 2017, from 4,85,000 to nil without any retrospective effect on existing employee stock options granted under the KIL ESOP 2017. The number of equity shares reduced under the KIL ESOP 2017 shall be adjusted in grants to employees under the KIL ESARP 2019. No change is sought in terms of existing Options granted to employees and such amendment shall only be brought into effect for Options, and equal number of shares, not granted as on date.

Given the nature of the proposed amendment, it is not detrimental to the interests of existing grantee-employees and the implementation of the KIL ESARP 2019 will give greater benefit to employees of the Company. Given the details of variation, rationale thereof and beneficiaries of such variation, as per Regulation 7 of SEBI (Share Based Employee Benefits) Regulations, 2014, your approval is sought for the proposed variations /amendments to the KIL ESOP 2017 on the lines stated above.

Therefore, the resolution is being sent to seek your consent, by way of Postal Ballot as per the requirements of the Act.

None of the Directors, Key Managerial Personnel of the Company including their relatives, are in any way concerned or interested, financially or otherwise, in the proposed resolution, except to the extent of their shareholding interest, if any.



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In light of above, the Board recommends the resolution as a Special Resolution as set out at Agenda Item 1 of the accompanying Notice for the members' consideration and approval.

ITEM NO. 2 AND 3

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organisational objectives by participating in the ownership of the Company through stock-based compensation scheme. Your Company believes that equity-based compensation plans are an effective tool to reward the talents working with the Company and its subsidiary company(ies). With a view to motivate the key work force seeking their contribution to the corporate growth, to create an employee ownership culture, to attract new talents, and to retain them for ensuring sustained growth, your Company intends to implement an Equity Settled Stock Appreciation Rights ("ESARs") plan namely "Kirloskar Industries Limited – Employee Stock Appreciation Rights Plan 2019" ("KIL ESARP 2019"/ "Plan") seeking to cover eligible employees of the Company and its subsidiary company(ies).

Accordingly, the Nomination and Remuneration Committee of the Board of Directors (the Committee) and the Board of Directors of the Company at their respective meetings held on 25 October 2019, had approved the introduction of the KIL ESARP 2019, subject to your approval.

In terms of the provisions of Section 62(1)(b) of the Companies Act, 2013, read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, ("SEBI SBEB Regulations"), the Company seeks your approval for approval of the KIL ESARP 2019 and its implementation and the grant of ESARs thereunder to the eligible employees of the Company and its subsidiary company(ies) as decided from time to time as per the provisions of the KIL ESARP 2019 read with the provisions of SEBI SBEB Regulations.

The main features of the KIL ESARP 2019 are as under:

1. Brief Description of the KIL ESARP 2019:

Keeping in view the aforesaid objectives, the KIL ESARP 2019 contemplates grant of ESARs to the eligible employees of the Company and of its subsidiary company(ies). The SEBI SBEB Regulations permit granting ESARs to employees which entitle them to receive appreciation in the value of shares of the Company at a future date and in a pre-determined manner, where such appreciation is settled by way of allotment of shares of the Company.

The Committee shall act as Compensation Committee for the administration of the KIL ESARP 2019. All questions of interpretation of the KIL ESARP 2019 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the KIL ESARP 2019.

2. Total number of ESARs to be granted / equity shares to be issued:

The total number of ESARs to be granted shall be such which upon exercise shall not exceed 4,85,000 (Four Lakhs Eighty Five Thousand) equity shares in aggregate in the Company of face value of ₹10 (Rupees Ten) each fully paid-up unless otherwise intended to be settled by way of cash at the discretion of the Board, as may be determined in accordance with the provisions of the KIL ESARP 2019 and in due compliance with the applicable laws and regulations.

Further, SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division, etc., a fair and reasonable adjustment needs to be made to the ESARs granted. In this regard, the Committee shall adjust the number and price of the ESARs granted in such a manner that the total value of the ESARs granted under the KIL ESARP 2019 remain the same after any such corporate action. Accordingly, if any additional ESARs are issued by the Company to the ESARs Grantees for making such fair and reasonable adjustment, the ceiling of 4,85,000 (Four Lakhs Eighty Five Thousand) equity shares, shall be deemed to be increased to the extent of such additional ESARs issued.

If the settlement results in fraction of an equity share, then the consideration for such fraction of a share shall be settled in cash as per the requirements of SEBI SBEB Regulations.

3. Identification of classes of employees entitled to participate in the KIL ESARP 2019

Following classes of employees are entitled to participate in the KIL ESARP 2019:

- a) Permanent employees of the Company working in India or out of India;



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- b) a Director of the Company, whether a whole-time director or not but excluding an Independent Director;
- c) an employee as defined in clause (a) or (b) of subsidiary company(ies) of the Company, in India or outside India.

but does not include –

- a) an employee who is a Promoter or belongs to the Promoter Group;
- b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.

4. Requirements of vesting and period of vesting:

All the ESARs granted on any date shall vest not earlier than minimum of 1 (One) year and not later than a maximum of 4 (Four) years from the date of grant of ESARs as may be determined by the Committee. The Committee may extend, shorten or otherwise vary the vesting period from time to time subject to this minimum and maximum vesting period.

The vesting dates in respect of the ESARs granted under the KIL ESARP 2019 shall be determined by the Committee and may vary from an employee to employee or any class thereof and / or in respect of the number or percentage of ESARs to be vested.

ESARs shall vest essentially based on continuation of employment / service as per requirements of SEBI SBEB Regulations. Apart from that the Committee may prescribe achievement of any performance condition(s) for vesting.

5. Maximum period within which the ESARs shall be vested:

All the ESARs granted on any date shall vest not later than a maximum of 4 (Four) years from the date of grant of ESARs as stated above.

6. ESAR price or pricing formula:

The ESAR price per ESAR shall be the market price subject to the maximum discount of 40% (Forty percent) on the market price as on date of the Grant at the discretion of the Committee.

7. Exercise period and the process of Exercise:

The exercise period would commence from the date of vesting and will expire on completion of 5 (Five) years from the date of respective vesting or such other shorter period as may be decided by the Committee from time to time.

The ESARs shall be deemed to have been exercised when an ESAR Grantee makes an application in writing to the Company or by any other means as decided by the Committee, for the issuance of shares against the ESARs vested in him, subject to payment of face value per share allotted and compliance of other requisite conditions of exercise.

8. Appraisal process for determining the eligibility of employees under the KIL ESARP 2019:

The appraisal process for determining the eligibility of the employees will be decided by the Committee from time to time. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous year(s), contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, etc.

9. Maximum number of ESARs to be issued per employee and in aggregate:

The maximum number of ESARs that may be granted to any specific employee of the Company per employee and in aggregate under the KIL ESARP 2019 shall not exceed 1% of the issued capital (excluding outstanding warrant and conversions) of the Company at the time of the grant of such ESARs.

10. Maximum Quantum of benefits to be provided per employee under the KIL ESARP 2019

Apart from grant of ESARs as stated above, no monetary benefits are contemplated under the KIL ESARP 2019.

11. Route of the KIL ESARP 2019:

The KIL ESARP 2019 shall be implemented and administered directly by the Company.



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12. Source of acquisition of shares under the KIL ESARP 2019:

The KIL ESARP 2019 contemplates issue of new fresh / primary shares by the Company and not involves any secondary acquisition.

13. The amount of loan to be provided for implementation of the KIL ESARP 2019 by the Company to the Trust, its tenure, utilisation, repayment terms, etc.:

This is currently not contemplated under the present KIL ESARP 2019.

14. Maximum percentage of Secondary Acquisition that can be made by the Trust for the purchase of the scheme:

This is not relevant under the present KIL ESARP 2019, as administration through a Trust is not present.

15. Accounting and Disclosure Policies:

The Company shall follow the IND AS 102 on Share based Payments and / or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein. In case, the existing rules, Guidance Note or Accounting Standards do not prescribe accounting treatment or disclosure requirements, any other Accounting Standard that may be issued by ICAI or any other competent authority shall be adhered to in due compliance with the requirements of Regulation 15 of SEBI SBEB Regulations.

16. Method of ESARs Valuation:

The Company shall adopt 'fair value method' for valuation of ESARs as prescribed under Guidance Note or under the Accounting Standard, as applicable, notified by appropriate authorities from time to time.

17. Declaration:

In case, the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the ESARs and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

Consent of the members is being sought pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB Regulations.

A draft copy of the KIL ESARP 2019 is available for inspection at the Company's Registered Office during official hours on all working days.

None of the Directors, Key Managerial Personnel of the Company including their relatives, are in any way concerned or interested, financially or otherwise, in the proposed resolution, except to the extent of their shareholding interest, if any.

In light of above, the Board recommends the resolutions as Special Resolutions as set out at Agenda Items 2 and 3 of the accompanying Notice for the members' consideration and approval.

ITEM NO. 4

The Board has sought your approval to implement "Kirloskar Industries Limited – Employees Stock Appreciation Rights Plan 2019" (KIL ESARP 2019). The Company consistently believes in the philosophy of creating entrepreneurial teams to operate its businesses and create superior shareholder return. It would be implemented keeping in view performance related equity based compensation to key employees.

Considering the responsibilities, contribution and on-going efforts of Mr. Mahesh Chhabria, Managing Director of the Company, in improving corporate growth and profitability, the Board proposed to grant him such Equity Settled Stock Appreciation Rights ("ESARs") in one or more tranches, exercisable into equity shares of the Company which may be equal to or more than 1% of the issued capital (excluding outstanding warrants and conversions) of the Company.

In the background above, approval of the members is being sought for the issue of so much of the ESARs to the aforesaid personnel, in one or more tranches, exercisable into equity shares of the Company being equal to or more than 1% of the issued capital of the Company.



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None of the Directors, Key Managerial Personnel of the Company including their relatives, are in any way concerned or interested, financially or otherwise, in the proposed resolution, except to the extent of their shareholding interest, if any.

In light of above, the Board recommends the resolution as a Special Resolution as set out at Agenda Item 4 of the accompanying Notice for the members' consideration and approval.

ITEM NO. 5

Pursuant to the provisions of Regulation 17(6)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI LODR Regulations"), the Board of Directors of the Company ("Board") shall recommend all fees or compensation, if any, paid to Non-Executive Directors and shall require approval of members of the Company in a general meeting.

Further, pursuant to Regulation 17(6)(c) of the SEBI LODR Regulations, the approval sought under Regulation 17(6)(a) shall specify the limits for the maximum number of Equity Settled Stock Appreciation Rights ("ESARs") that may be granted to Non-Executive Directors, in any financial year and in aggregate.

Further, pursuant to Regulation 17(6)(d) of the SEBI LODR Regulations, Independent Directors shall not be entitled to any stock option.

Considering the rich experience and expertise brought to the Board by the Non-Executive Directors and to reward the Non-Executive Directors of the Company for the significant contributions made by them in the growth story of the Company and keeping in mind their increased roles, responsibilities and obligations, considerable time devoted by them and contribution made by them in shaping and directing the future strategy of the Company and motivate them to enhance the Company's long-term stakeholders value, the Board of your Company, at its meeting held on 25 October 2019, on the basis of the recommendation of the Nomination and Remuneration Committee (the Committee), approved grant of such number of ESARs in terms of the KIL ESARP 2019, to the Non-Executive Directors of the Company, within the overall limit of ESAR prescribed under the KIL ESARP 2019, not exceeding in any financial year and in aggregate exercisable into not more than 97,000 (Nintety Seven Thousand) equity shares of face value of ₹ 10 each fully paid up of the Company.

Therefore, the resolution is being sent to seek your consent, by way of Postal Ballot as per the requirements of the Act.

None of the Directors, Key Managerial Personnel of the Company including their relatives, are in any way concerned or interested, financially or otherwise, in the proposed resolution, except to the extent of their shareholding interest, if any.

In light of above, the Board recommends the resolution as a Special Resolution as set out at Agenda Item 5 of the accompanying Notice for the members' consideration and approval.

By Order of the Board of Directors
For KIRLOSKAR INDUSTRIES LIMITED

Sd/-
ASHWINI MALI
Company Secretary

Place: Pune
Date: 25 October 2019