



KIRLOSKAR ELECTRIC COMPANY LTD.,

Sect/141(2)/ 150
November 2, 2012

The Secretary
National Stock Exchange of India Ltd
Exchange Plaza
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051

Dear Sir

Symbol – KECL,
Series – EQ

This is to inform you that at the Board Meeting held today, the Board has decided to issue Employee Stock Options. The important features of the Scheme are given below :-

1. The COMPANY has agreed to create and set aside such number of Options which would entitle the Option Holders to subscribe to EQUITY SHARES not exceeding five per cent (5%), in the aggregate, of the existing number of paid-up Equity Shares of the COMPANY.

The maximum number of OPTIONS to be issued to any one ELIGIBLE EMPLOYEE shall not in any case exceed such number which would entitle such ELIGIBLE EMPLOYEE to subscribe to more than one per cent (1%) of the existing number of paid-up Equity Shares of the COMPANY.

2. The exercise price shall be the guideline closing price with a discount of 5% to the closing price.
3. The Options granted would vest into the ELIGIBLE EMPLOYEE in three (3) installments as follows :-
 - (i) 1/3rd of the total number of OPTIONS granted after 12 months, from the date of grant of OPTIONS.
 - (ii) 1/3rd of the total number of OPTIONS granted after 24 months, from the date of grant of OPTIONS.
 - (iii) 1/3rd of the total number of OPTIONS granted after 36 months, from the date of grant of OPTIONS.

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Regd. Office : Industrial Suburb, Rajajinagar, Bangalore - 560 010.



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4. The minimum vesting period will be one year.
5. The Maximum Exercise Period for exercise of the OPTION would be 5(five) years from the date of vesting of each tranche of the OPTION and the OPTION granted to an ELIGIBLE EMPLOYEE would lapse if it is not exercised by him / her within the maximum period of 5(five) years from the date of its vesting in him / her.

There will be increase in the paid up Capital of the Company to the extent of shares to be allotted, as and when allotted.

Thanking you,

Yours faithfully,
For KIRLOSKAR ELECTRIC COMPANY LIMITED,

A handwritten signature in black ink, appearing to read "P.Y. MAHAJAN", is positioned above the printed name.

P.Y. MAHAJAN,
Vice President (Legal) &
Company Secretary