



KIRLOSKAR OIL ENGINES LIMITED

Enriching Lives

2 September 2014

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange plaza, C-1, Block G,
Bandra – Kurla Complex,
Bandra (E), Mumbai 400051

Ref: Stock Code KIRLOSENG

Dear Sir/Madam,

Subject: Outcome of Board Meeting

This is to inform you that at the meeting of the Board of Directors held on 2 September 2014, the Board has approved the Composite Scheme of Arrangement and Amalgamation between Kirloskar Brothers Investments Limited (KBIL - proposed Demerged Company/Transferor Company), the Company (proposed Transferee Company) and a new Company (Pneumatic Holdings Limited or such other name as may be approved by the Registrar of Companies, Pune, Maharashtra) (proposed Resulting Company) (Under incorporation) under Section 391 to 394 and other relevant Sections of the Companies Act, 1956, and relevant Section of the Companies Act, 2013, to the extent applicable subject to approval of Stock Exchanges, the Company's Shareholders and Hon'ble High Court of Bombay and the necessary approvals under various statutes.

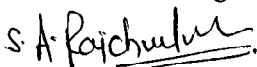
The Valuation Report provided by Independent Chartered Accountant, Haresh Upendra & Co., Chartered Accountants, Pune, and fairness opinion provided by Axis Capital Limited, Mumbai, were placed before the Audit Committee of the Company and the Committee had furnished its report recommending the said Scheme to the Board of Directors.

Upon the Scheme becoming effective, the Shareholders of KBIL will get 1 (One) Equity share of face value Rs. 10/- each of the Resulting Company against 1 (One) Equity Share of KBIL and 76 (Seventy Six) Equity Shares of face value Rs. 2/- each of the Company against 5 (Five) Equity Shares of KBIL as fully paid up.

You are requested to take note of the same.

Thanking you,

Yours faithfully,
For Kirloskar Oil Engines Limited


Smita Raichurkar
Asst. Company Secretary