

KIRLOSKAR ELECTRIC COMPANY LIMITED

REGISTERED OFFICE : Industrial Suburb, Rajajinagar, Bangalore 560 010

Phone No: 080 2337 4865; Fax No: 080 2337 7706

CIN: L85110KA1946PLC000415 website: www.kirloskar-electric.com



NOTICE OF THE POSTAL BALLOT

(Notice Pursuant to section 110 of The Companies Act, 2013)

To

Members,

Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management & Administration) Rules, 2014 and any other rule as may be applicable, Notice is hereby given that the following resolutions are circulated for approval of the members of Kirloskar Electric Company Limited, to be accorded by means of Postal Ballot.

To consider and if deemed fit, to pass with or without modification/s, the following resolutions as Special Resolutions:

1. Issue of Equity Shares to Promoters of the Company on preferential basis

RESOLVED THAT pursuant to the provisions of Section 62 (1) (C) of the Companies Act, 2013 read with Rule 13 of the Companies (Share Capital & Debentures) Rules, 2014 and other applicable provisions, if any, of the enactment thereof and in accordance with the provisions of the Listing Agreements entered into by the Company with the stock exchanges where the equity shares of the Company are listed and any other rules/regulations/guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India, the Securities and Exchange Board of India ("SEBI") including Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("**SEBI (ICDR) Regulations**"), the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as amended and subject to such approvals, consents, permissions and sanctions as may be necessary or required from regulatory or other appropriate authorities, including but not limited to SEBI and all such other approvals, the consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot 26,58,200 (Twenty Six Lakhs Fifty Eight Thousand Two Hundred) fully paid equity shares of Rs.10/- each ("Equity Shares") at a price of Rs.30.25 (Rupees Thirty and Twenty Five Paise) to Promoters on preferential basis, on such terms and conditions and in such manner, as the Board may, in its absolute discretion, think fit.

RESOLVED FURTHER THAT Equity Shares to be issued and allotted pursuant to this resolution shall be subject to the provisions of Memorandum and Articles of Association of the Company and shall rank pari-passu with the existing shares of the Company in all respects.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary and desirable for such purpose, including without limitation, issuing clarifications on the issue and allotment of Equity Shares, resolving any difficulties, effecting any modifications to the foregoing (including any modifications to the terms of the issue) preparing, signing and filing applications with the appropriate authorities for obtaining requisite approvals, entering into contracts, arrangements, agreements, memoranda, documents for appointment of agencies for managing listing and trading of Equity Shares, to appoint such consultants, legal advisors and all such agencies as may be required for issuance of the Equity Shares.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors/Officials of the Company.

2. Issue of Compulsorily Convertible Preference Shares (CCPS) to Promoters of the Company on preferential basis

RESOLVED THAT pursuant to the provisions of section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (the "**Act**"), the relevant provisions of the Memorandum of Association and Articles of Association of the Company and the Listing Agreements entered into by the Company with the stock exchanges where the shares of the Company are listed, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("**SEBI (ICDR) Regulations**") and the provisions of the Securities and Exchange Board of India Act, 1992, including the rules, regulations and the guidelines notified thereunder and the circulars issued thereunder, and / or Securities and Exchange Board of India (SEBI) and all other applicable laws, issued

from time to time and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall include any Committee thereof), consent, authority and approval of the members of the Company be and is hereby accorded to create, offer, issue and allot 15,95,890 (Fifteen Lakhs Ninety Five Thousand Eight Hundred Ninety) Compulsorily Convertible Preference Shares ("**CCPS**") of Rs.100/-(Rupees One Hundred) in one or more tranches, to Promoters by way of private placement for a tenor not exceeding 18 months which will carry a preferential cumulative dividend of 0.1% (zero point one per cent) per annum, payable till the date of conversion into equity shares and CCPS held by the preference share holders will get converted into 57,45,150 equity shares of Rs.10/- each for cash at a premium of Rs.20.25 (Rupees Twenty and Twenty Five Paise) in two tranches in accordance with the SEBI Regulations and such issue and allotment of equity shares resultant on conversion of the preference shares may be made at such time or times as determined by the Board in such manner as the Board may in its absolute discretion think fit at the time of conversion.

RESOLVED FURTHER THAT the equity shares to be issued on conversion of the CCPS shall rank pari-passu in all respects including entitlement to dividend with the existing equity shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps and do all such acts, deeds and things as may be considered necessary, expedient, usual, proper or incidental in relation to the said matter and take such actions and give such directions as they may consider necessary or desirable and to obtain any approvals, permissions, sanctions, consents from SEBI, Stock Exchanges and such other authorities which may be necessary or desirable and to settle all questions, difficulties or doubts that may arise in relation to the issue of CCPS on preferential basis to give effect to this resolution.

RESOLVED FURTHER THAT:

- a. the Board be and is hereby authorised to decide and approve the other terms and conditions of the issue subject to agreement with the proposed allottees and also shall be entitled to vary, modify or alter any of the terms and conditions, as it may deem expedient, subject however to the compliance with the applicable guidelines, notifications, rules and regulations;
- b. the Board be and is hereby authorised to accept any amendments, modifications, variations and alterations as the Government of India / SEBI or any other regulatory authority may stipulate in that behalf and
- c. the Board be and is hereby authorised to delegate all or any of its powers to a committee of directors or executives (as it may consider appropriate) to give effect to the aforesaid resolutions including to execute any documents on behalf of the Company before any governmental authority/ies and to appoint any professional advisers / consultants / lawyers in that regard.

3. Sale of 100% stake of the Company held in its subsidiary Kirsons B.V.

RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013, and the Rules made thereunder, as amended from time to time (including any amendment thereto or re-enactment thereof for the time being in force) and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, the provisions of the Listing Agreement and subject to the consents, approvals and/or permissions being obtained from appropriate authorities to the extent applicable and necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors to sell the 100% stake (upto 2550 shares of Euro 100 each) of the Company in its wholly owned subsidiary, Kirsons B.V. to Luxquisite Parkland Private Limited, subsidiary of the Company, in one or more tranches for a consideration of Euro 7.923 million or rupee equivalent payable as mutually agreed.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company or a Committee thereof, be and is hereby authorised to finalise all the terms and conditions and to take such actions and give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the aforesaid proposed sale including but not limited to executing all the required documents as may be necessary from time to time and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient with respect to the sale by the Company of its entire stake i.e. 2550 (Two Thousand Five Hundred and Fifty) shares of Euro 100 (One Hundred) each in Kirsons B.V.

By order of the Board
For Kirloskar Electric Company Limited

K.S.Swapna Latha
General Manager (Legal) & Company Secretary

Bangalore
January 24, 2015

NOTES:

1. The Explanatory Statement and reasons for the proposed Special Business pursuant to Section 102(1) of the Companies Act, 2013 read with Section 110 of the Companies Act, 2013 setting out material facts are appended herein below.
2. The Notice is being sent to all the Members, whose names appear on the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) on 23rd January 2015.
3. The Board of Directors of the Company (the "Board") has appointed Mr. V Sreedharan, Company Secretary in Practice as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
4. Shareholders are requested to carefully read the instructions printed at the end of the Notice and return the same duly completed in the attached self-addressed postage pre-paid Business Reply Envelope. An unsigned Postal Ballot Form will be rejected. Postage will be borne and paid by the Company. However, Postal Ballot(s), if sent by courier or by registered post at the expense of the Member(s) will also be accepted. The Postal Ballot(s) may also be deposited personally. The Postal Ballot(s) should reach the Scrutinizer not later than the close of working hours i.e. 6.00 PM on 27th February, 2015 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.
5. In case, shares are jointly held, this form should be completed and signed (as per the specimen signature registered with the company) by the first named Member and in his/her absence, by the next named Member.
6. In case of shares held by companies, trusts, societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/ Authority Letter together with attested specimen signature(s) of the duly authorized signatory/ies, giving requisite authority to the person voting on the Postal Ballot Form.
7. The shareholders are requested to exercise their voting rights by either using the attached postal ballot form (not other form or photocopy of the postal ballot form is permitted) or through e-voting.
8. In compliance with provisions of Clause 35B of the Listing Agreement entered into with the Stock Exchange(s), the Company is pleased to offer e-voting facility to enable members to cast their votes electronically. The Company has agreement with Central Depository Services India Limited ("CDSL") for facilitating e-voting to enable the shareholders to cast their votes electronically. E-voting is optional.
9. Kindly note that members can opt only one mode of voting i.e. either by Postal Ballot form or e-voting. In case of receipt of vote by both the modes, voting casted through e-voting shall prevail and voting casted by Postal Ballot shall be treated as invalid.
10. Members who have registered their e-mail IDs for receipt of documents in electronic mode are being sent by e-mail and others are sent by post along with Ballot Form. Members have option to vote either through e-voting or through Postal Ballot Form. Members who have received Postal Ballot Notice by e-mail and who wish to vote through Postal Ballot Form can download Postal Ballot Form from the link www.kirloskar-electric.com, fill in the details and send the same to the Scrutinizer.
11. The Scrutinizer will submit his report to the Executive Chairman of the Company after scrutiny of the Postal Ballot forms and the result of the Postal Ballot shall be declared by the Executive Chairman, or in their absence, by any other person authorized by the Executive Chairman, on 28th February, 2015 at the Registered Office of the Company at Industrial Suburb, Rajajinagar, Bangalore - 560010. The day on which results of the Postal Ballot is announced by the Company would be the date on which Special Resolutions are passed. The result of the Postal Ballot shall also be announced through newspaper advertisement and shall be hosted on the website of the Company www.kirloskar-electric.com.
12. All relevant documents referred in the Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days between 11.00 AM to 1.00 PM up to the date of declaration of the result of Postal Ballot.
13. Members are requested to fill in the postal ballot form in indelible ink and not in any erasable writing mode.
14. The voting rights of Members shall be in proportion to their shares of the Paid up Equity Share Capital of the Company.
15. The Scrutinizer's decision on the validity or otherwise of the Postal Ballot will be final.

ANNEXURE TO NOTICE**Explanatory Statement pursuant to section 102 of the Companies Act, 2013 ["Act"]****Item Nos. 1 to 2:**

Due to industrial slow down in India, inadequate capacity utilization, the Company has recently incurred substantial operating losses. The Company believes that it has strong market presence and has been taking certain structural measures to strengthen its operating performance, in order to shore-up its working capital, the promoters of the Company has agreed to infuse funds into Company around Rs.24,00,00,000 (Rupees Twenty Four Crores) by way of subscription to the capital of the Company as under:

1. 2,658,200 Equity Shares of company having face value of Rs.10/- each at price of Rs. 30.25 per equity share.

(Rs.30.25 is calculated as highest price of average of the weekly high and low of the closing prices of the equity shares upto to 23rd January, 2015, however the relevant date shall be 30 days prior to date of meeting, which in this case shall be 28th January 2015. The company will recalculate the price and equity shares shall be issued to the proposed allottee at the price of Rs. 30.25 or price as per relevant date i.e. 28th January 2015, whichever is higher).

2. 1,595,890 Compulsorily Convertible Preference Shares of Company having face value of Rs.100/- each (the "CCPS") at price of Rs.100/- per share, for a tenor not exceeding 18 months, carrying a preferential cumulative dividend of 0.1% per annum and with each CCPS being convertible into 57,45,150 equity shares of Rs. 10/- each at a premium of Rs.20.25 determined by the Board as per ICDR Regulations.

(Premium of Rs.20.25 is calculated as highest price of average of the weekly high and low of the closing prices of the equity shares upto to 23rd January, 2015, however the relevant date shall be 30 days prior to date of meeting, which in this case shall be 28th January 2015. The company will recalculate the price and appropriate adjustment shall be made in the conversion price of CCPS by taking the premium as Rs. 20.25 or price as per relevant date i.e.28th January 2015, whichever is higher).

- a) Object of the preferential issue of Equity Shares and issue of Compulsorily Convertible Preference Shares:
The proceeds of the preferential issue of the equity shares and Compulsorily Convertible Preference Shares will be used for working capital requirements of the Company.
- b) Intention of the promoters / directors / key management personnel to subscribe to the proposed preferential issue:
Except Promoter/Director who will be subscribing to Equity shares and CCPS in the preferential issue, none of the other promoters and directors or key management personnel of the Company intends to apply /subscribe to any of the Equity Shares and CCPS.
- c) The shareholding pattern of the Company before and after the preferential issue of Equity Shares and CCPS as follows:

Shareholding Pattern										
	Pre issue Equity Shares		Post issue Equity Shares on or before 31st March 2015*		After issue of CCPS		CCPS 1st Conversion in financial year 2015-16*#		CCPS 2nd Conversion in financial year 2016-17*#	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Promoter and Promoter Group										
Indian										
Individual/HUF	4097783	8.11	6755983	12.70	1595890	100	9554903	17.07	12501133	21.22
Bodies Corporate	20788360	41.15	20788360	39.09			20788360	37.14	20788360	35.28
Others	0	0.00	0	0.00			0	0.00	0	0.00
Foreign	0	0.00	0	0.00			0	0.00	0	0.00
Sub Total (A)	24886143	49.26	27544343	51.79			30343263	54.21	33289493	56.50
Public Shareholding										
Financial Institutions/Banks	802525	1.59	802525	1.51			802525	1.43	802525	1.36
Insurance Companies	3240824	6.41	3240824	6.10			3240824	5.79	3240824	5.50
Foreign Institutional Investors	450	0.00	450	0.00			450	0.00	450	0.00
Bodies Corporate	4025548	7.97	4025548	7.57			4025548	7.19	4025548	6.83
Individuals	8924611	17.67	8924611	16.78			8924611	15.94	8924611	15.15
Others	8641266	17.10	8641266	16.25			8641266	15.44	8641266	14.66
Sub Total (B)	25635224	50.74	25635224	48.21			25635224	45.79	25635224	43.50
Total (A+B)	50521367	100.00	53179567	100.00			55978487	100.00	58924717	100.00

* subject to necessary approvals

as per SEBI (ICDR) Regulations, 2011

The above table shows the expected shareholding pattern of the Company upon consummation of the allotment, and assume that holdings of all other shareholders shall remain the same post-issue as they were on the date of which the pre-issue shareholding pattern was prepared.

- d) The time within which the preferential issue shall be completed:

Under regulation 74(1) of the ICDR Regulations, the Equity Shares and CCPS are required to be allotted within a period of 15 days from the date of passing of the Special resolution. If any approval or permissions by any regulatory authority or the Central Government for allotment is pending, the period of 15 days shall be counted from the date of such approval or permission.

- e) The identity of the proposed allottees and the percentage of Post preferential issue capital that may held by them and change in control, if any of the issuer consequent to the preferential allotment:

Pre issue of equity shares			post issue of equity shares before 31st March, 2015 *		Issue of CCPS		1st conversation of CCPS in financial year 2015-16*#		2nd conversation of CCPS in financial year 2016-17*#	
Name of the Promoter	No. of Equity Shares	%	No. of Equity Shares	%	No. of Preference Shares	%	No. of Equity Shares	%	No. of Equity Shares	%
Mr. Vijay R Kirloskar	3913269	7.75	6,571,469	12.36	1,595,890	100	9,370,389	16.74	12,316,619	20.90

* Subject to necessary approvals

as per SEBI(ICDR) Regulations, 2011

- f) Undertaking as to re-computation of price and lock-in of specified securities:

Since the equity shares of the Company has been listed on the recognized stock exchanges for a period of more than 6 months prior to the relevant date, the Company is not required to re-compute the price of equity shares and therefore the Company is not required to submit the undertaking specified under Regulations 73(1)(f) and (g) of the ICDR Regulations.

- g) Certificate from statutory auditors:

A certificate from M/s. B.K. Ramadhyani & Co., Statutory auditors of the Company, certifying that the issue of equity shares and Preference shares is being made in accordance with the requirements of SEBI (ICDR) Regulations will be made available for inspection on any working day between 11.00 a.m. to 1.00 p.m. upto the last date of voting under Postal ballot.

- h) Lock-in period:

The Equity Shares allotted to the promoters shall be locked-in as per the provisions of the SEBI (ICDR) Regulations.

- i) Relevant date:

The price at which the Equity Shares proposed to be issued has been determined in accordance with Chapter VII of the SEBI (ICDR) Regulations, based on the higher of:

- The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty six weeks preceding the relevant date;
- or
- The average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.

The Relevant Date for the purpose of pricing of the Equity Shares and Equity shares to be issued on conversion of CCPS shall be 30 days prior to date of meeting of the shareholders which in this case is 28th January, 2015.

There will not be any change of control due to issue of such equity shares and CCPS by company to proposed allottee and company has not issued or allotted any securities on preferential basis during the financial 2014-2015 except this offer.

Mr. Vijay R Kirloskar, director of the Company, is deemed to be interested in the passing of this Resolution as set out in the accompanying Notice pursuant to Section 110 of the Companies Act, 2013.

The Board believes that the issue of equity and preference shares to the promoters of the Company to facilitate infusion of capital into the Company is in the interest of the Company and, therefore, recommends the resolution for your approval.

Item No.3

Kirsons B.V., Netherlands, a wholly owned subsidiary of Kirloskar Electric Company Limited acquired 94.9% partnership interest in LDW, Bremen, Germany from its erstwhile owners CMP fonds I GmbH, Berlin, Germany in August 2008. The total investment into LDW as at the end of last audited balance sheet i.e. 31.03.2014 is Euro 30.115 million. Due to industrial slow down in India and inadequate capacity utilization, your company has recently incurred substantial operating losses. The Company believes that it has strong market presence and has been taking certain structural measures to strengthen its operating performance. The Company is perusing re-organization of its active assets on balance sheet. In order to streamline the operations of its immediate subsidiary Kirsons B.V., it is proposed to transfer its holding in Kirsons B.V. to its subsidiary Luxquisite Parkland Private Limited registered under Companies Act, 2013.

The valuation of the Kirsons B.V. has been done by one of the leading Chartered Accountant firm and is determined at Euro 7.923 million or rupee equivalent (rupee equivalent as on date is approx. 60,63,00,000).

Kirsons B.V. being related party and a material subsidiary, the sale of shares of the Company in Kirsons B.V. would require the approval of the shareholders by special resolution.

None of the directors, KMP and their relatives of the Company are deemed to be interested in the passing of this Resolution as set out in the accompanying Notice pursuant to Section 110 of the Companies Act, 2013.

The sale of the investment in Kirsons B.V. is in the interest of the Company and, therefore, the Board recommends the resolution for your approval.

By Order of the Board of Directors
for Kirloskar Electric Company Limited

K.S.Swapna Latha
General Manager (Legal) & Company Secretary

Place : Bangalore

Date : January 24, 2015

INSTRUCTIONS

1. GENERAL INFORMATION

- a) There will be one Postal Ballot Form / e-voting for every Client ID No. / Folio No., irrespective of the number of joint holders.
- b) Members can opt for only one mode of voting i.e. either by Postal Ballot or through e-voting. In case you are opting for voting by Postal Ballot, then please do not cast your vote by e-voting and vice versa. In case Members cast their votes both by Postal Ballot and e-voting, the votes cast through e-voting shall prevail and the votes cast through postal ballot form shall be considered invalid.
- c) Voting rights in the Postal Ballot / e-voting cannot be exercised by a proxy.

2. PROCESS FOR MEMBERS OPTING FOR VOTING BY POSTAL BALLOT

- a) Members desiring to cast their vote by Postal Ballot should complete and sign this Postal Ballot Form and send it to the Scrutinizer, Mr. V Sreedharan, Company Secretary in Practice, c/o Integrated Enterprises (India) Ltd., 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003, in the enclosed postage prepaid self-addressed envelope. Postal Ballot Forms deposited in person or sent by post or courier at the expense of the Member will also be accepted.
- b) In case of joint holding, this Postal Ballot Form should be completed and signed by the first named Member and in his absence by the next named Member.
- c) In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.), the completed Postal Ballot Form should be accompanied by a certified copy of the relevant board resolution / appropriate authorisation, with the specimen signature(s) of the authorised signatory (ies) duly attested.
- d) The signature of the Member on this Postal Ballot Form should be as per the specimen signature furnished by National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) or registered with the Company, in respect of shares held in dematerialised form or in physical form, respectively.
- e) Completed Postal Ballot Forms should reach the Scrutinizer not later than the close of working hours i.e at 6.00 PM on Friday 27th day of February, 2015. Postal Ballot Forms received after this date will be considered invalid.
- f) Postal Ballot Forms which are incomplete or unsigned or defective in any manner are liable to be rejected. The Scrutinizer's decision in this regard shall be final and binding.

- g) A Member seeking duplicate Postal Ballot Form or having any grievance pertaining to the Postal Ballot process can write to the Company's Registrars- Integrated Enterprises (India) Ltd. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003. or to the e-mail ID - irg@integratedindia.in
- h) Members are requested not to send any paper (other than the resolution/authority as mentioned under "Process for Members opting for voting by Postal Ballot" point 2c above) along with the Postal Ballot Form in the enclosed self addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.

3. PROCESS FOR MEMBERS OPTING FOR E-VOTING :

Members opting for e-voting may follow the procedure as recommended by CDSL, the e-voting agency appointed by us, as stated in the postal ballot notice.

The instructions for shareholders voting electronically are as under:

Pursuant to the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to members to exercise their votes electronically on all resolutions set forth in the postal ballot notice. The Company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility.

The Company has appointed Mr.V Sreedharan Company Secretary in practice as the scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The e-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on 23rd January, 2015

The instructions for e-voting are as under:

- (i) The voting period begins on Thursday 29th January, 2015 (9.00 AM Indian Standard Time) and ends on Friday 27th February, 2015 (6.00 PM Indian Standard Time). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd January, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders tab to cast your votes
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) *Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. *In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Kirloskar Electric Company Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Other instructions:

- i. The e-voting period commences on Thursday 29th January 2015 (9:00 AM Indian Standard Time) and ends on Friday 27th February 2015 (6:00 PM Indian Standard Time). During this period, the members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of 23rd January, 2015 may cast their vote electronically.
- ii. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently.
- iii. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date (record date) of 23rd January, 2015.
- iv. The scrutiniser shall after the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a scrutiniser's report of the votes cast in favour or against, if any, forthwith to the chairman of the Company.
- v. The results shall be declared on 28th February, 2015 at 5.00 PM at the registered office at Industrial Suburb, Rajajinagar, Bangalore - 560 010. The results declared along with the scrutiniser's report shall be placed on the Company's website www.kirloskar-electric.com and on the website of CDSL within two (2) days of passing of the resolutions and communicated to BSE Limited and National Stock Exchange of India Limited. The date of declaration of the results will be treated as the date of passing of the said resolution.
- vi. Voting will be provided to the members through e-voting / postal ballot. A member can opt for only one mode of voting i.e. either through e-voting or through postal ballot. If a member casts votes by both modes, then voting done through e-voting shall prevail and the voting through postal ballot mode shall be treated as invalid.

KIRLOSKAR ELECTRIC COMPANY LIMITED

REGISTERED OFFICE : Industrial Suburb, Rajajinagar, Bangalore 560 010

Phone No: 080 2337 4865; Fax No: 080 2337 7706

CIN: L85110KA1946PLC000415 website: www.kirloskar-electric.com



POSTAL BALLOT FORM

Sl. No.

1. Name (s) of Member (s) & Registered Address of the sole / first named Member (including joint holders, if any) :

2. Registered Folio No./ DP ID No.*/
Client ID No.* :
(*Applicable to Investors holding
Shares in dematerialized form)

3. Number of Equity Share(s) Held :

- 4 e- Voting Event Number :

- 5 User ID :

- 6 Password :

7. I/We hereby exercise my/our vote in respect of the following Special Resolutions to be passed through Postal Ballot /e-voting, by conveying my /our assent or dissent to the said Resolutions by placing tick (✓) mark in the appropriate box below:

Sl. No.	Description of Resolution	No.of Ordinary Shares for which votes cast	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	Approval for issue of 26,58,200 Equity Shares of Rs.10/- each to Mr.Vijay R Kirloskar, Promoter on preferential basis			
2	Approval for issue of 15,95,890 Compulsorily Convertible Preference Shares ("CCPS") of Rs.100/- each in one or more tranches, to Mr.Vijay R Kirloskar, Promoter by way of preferential basis			
3	Approval for sale of the 100% stake (2550 shares of Euro 100 each) of the Company in its wholly owned subsidiary, Kirsons BV to Luxquisite Parkland Private Limited, subsidiary of the Company, in one or more tranches			

Place:

Date:

(SIGNATURE OF THE MEMBER)

Email Id:

To be provided by the Members holding equity shares in physical form

Please send the postal ballot form in the Envelope enclosed herewith

E-voting Sequence No.*

