

POSTAL BALLOT NOTICE

Dear Member(s)

NOTICE is hereby given pursuant to the provisions of Sections 108, 110 of the Companies Act, 2013, (“**the Act**”), read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, (“**the Rules**”) and General Circular Nos. 14/2020, 17/2020, 20/2020, 22/2020, 33/2020, 39/2020, 2/2021, 10/2021, 20/2021 and 11/2022 dated 8 April 2020, 13 April 2020, 5 May 2020, 15 June 2020, 28 September 2020, 31 December 2020, 13 January 2021, 23 June 2021, 8 December 2021 and 28 December 2022, respectively, issued by Ministry of Corporate Affairs (“**MCA Circulars**”), and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**the Regulations**”), Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11, SEBI/HO/CFD/CMD/2/CIR/P/2022/62 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 12 May 2020, 15 January 2021, 13 May 2022 and 5 January 2023, (“**SEBI Circulars**”) and other applicable Regulations and Secretarial Standard on General Meetings (“**SS-2**”) issued by the Institute of Company Secretaries of India and other applicable Laws, Rules and Regulations (including any statutory modification or re-enactment thereof for the time being in force), for seeking approval of the members of the Company to the resolutions appended below, proposed to be passed by way of Postal Ballot (“**Postal Ballot**”) only through remote e-voting process i.e., voting through electronic means (“**Remote e-voting**”).

The Explanatory Statement pursuant to the provisions of Section 102 (1) of the Act and other applicable provisions, if any, of the Act, read with the Rules setting out all material facts relating to the resolutions mentioned in this Postal Ballot Notice is annexed hereto.

In compliance with the Circulars referred above issued by the MCA, Postal Ballot Notice has been sent only in electronic mode to all those members whose names appear in the Register of Members as received from Depositories as on Friday, 24 March 2023, (the Cut Off Date) who have registered their email addresses with the Depository Participant (DP) / Registrar of Share Transfer Agent viz., Link Intime India Private Limited.

Mrs. Manasi Paradkar, Practicing Company Secretary, Pune, (Membership No. FCS 5447 CP No. 4385), has been appointed as the Scrutinizer in respect of conducting the Postal Ballot through remote e-voting process in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for the said purpose. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.

Pursuant to Section 108 of the Act and other applicable provisions of the Act, read with Companies (Management and Administration) Rules, 2014, and in compliance with Regulation 44 of the Regulations, as amended from time to time, the Company has engaged the services of National Securities Depository Limited to provide e-voting facility to the members of the Company.

In accordance with the MCA Circulars, members can vote only through the remote e-voting process. Accordingly, the Company is pleased to provide remote E-voting facility to all its members to cast their votes electronically. Members are requested to read the instructions in the Notes annexed to this Postal Ballot Notice so as to cast their vote electronically not later than 5:00 p.m. IST on Sunday, 30 April 2023 (the last day to cast vote electronically) to be eligible for being considered.

If your e-mail address is not registered with the Company / Depositories, please follow the process provided in the Notes to receive this Postal Ballot Notice and login ID and password for remote E-voting. The communication of the assent or dissent of the Members would only take place through the remote E-voting system.

The Scrutinizer will submit her report, after the completion of scrutiny, to the Chairman / Managing Director / Executive Director of the Company or any person authorised by him. The results of E-voting will be announced on or before Wednesday, 3 May 2023, at the Registered Office of the Company.

The results along with the Scrutinizer's Report will be displayed on the Company's website, viz., www.kirloskarindustries.com and also on the website of National Securities Depository Limited (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.

Voting through Postal Ballot / remote E-voting shall commence from Saturday, 1 April 2023, at 9.00 a.m. and ends on Sunday, 30 April 2023 at 5.00 p.m.

The resolutions, if approved, by the requisite majority shall be deemed to have been passed on the last date of e-voting i.e., Sunday, 30 April 2023.

SPECIAL BUSINESS:

ITEM NO. 1

TO CONSIDER AND APPROVE THE INCREASE IN THE EMPLOYEES STOCK APPRECIATION RIGHTS POOL GRANT AND AMENDMENT IN THE "KIRLOSKAR INDUSTRIES LIMITED – EMPLOYEES STOCK APPRECIATION RIGHTS PLAN 2019"

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

"RESOLVED THAT further to the approval by the members for the Kirloskar Industries Limited – Employees Stock Appreciation Rights Plan 2019 (KIL ESARP 2019), contained in the Postal Ballot Notice dated 25 October 2019, in accordance with the provisions of Section 179(3)(c), Section 62(1)(b) of the Companies Act, 2013 and Rules thereunder, the provisions of the Securities and Exchange Board of India (SEBI) (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, (SEBI SBEB and SE Regulations), as amended or modified from time to time and other rules, regulations, circulars and guidelines as may be applicable, the relevant provisions of the Memorandum and Articles of Association of the Company and subject 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 as may be necessary and on the recommendations 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 to amend the 'Kirloskar Industries Limited – Employee Stock Appreciation Rights Plan 2019', (the KIL ESARP 2019), by adding 3,00,000 Employee Stock Appreciation Rights (ESARs) into the existing ESARs pool from 4,85,000 ESARs to 7,85,000 ESARs 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), to create, offer and grant from time to time, in one or more tranches, to or for the benefit of such person(s) who are in 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 7,85,000 (Seven Lakh Eighty Five Thousand) ESARs, in aggregate, 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 and SE Regulations.

RESOLVED FURTHER THAT the amendments to the KIL ESARP 2019 are not prejudicial to the interests of the option Grantees of the Company and are being carried out to meet the regulatory requirement in terms of the SEBI SBEB and SE 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.

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 and SE 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 and SE 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 and SE 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. 2

TO CONSIDER AND APPROVE THE AMENDMENT IN THE “KIRLOSKAR INDUSTRIES LIMITED – EMPLOYEES STOCK APPRECIATION RIGHTS PLAN 2019”

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

“RESOLVED THAT further to the approval by the members for the Kirloskar Industries Limited – Employees Stock Appreciation Rights Plan 2019 (KIL ESARP 2019), contained in the Postal Ballot Notice dated 25 October 2019 and 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 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the Memorandum of Association and Articles of Association of the company, the Securities and Exchange Board of India (SEBI) (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, (hereinafter referred to as “SEBI SBEB and SE Regulations”) and also pursuant to the such other applicable regulations which may be issued and / or amended from time to time by SEBI or any other relevant authority, from time to time, to the extent applicable and subject 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 the amendment to Clause 8.1 of the KIL ESARP 2019, the term Employees Stock Appreciation Rights (ESAR) Price by changing the percentage of discount from 40% to 50% as follows:

8.1 The ESAR price per ESAR shall be the fixed Market Price subject to the maximum discount of 50% (**Fifty percent**) as on date of the Grant at the discretion of the Committee as on the date of the Grant.

RESOLVED FURTHER THAT the amendments to the KIL ESARP 2019 are not prejudicial to the interests of the option Grantees of the Company and are being carried out to meet the regulatory requirement in terms of the SEBI SBEB and SE Regulations.

RESOLVED FURTHER THAT the Board be and is authorised to do all such acts, deeds and things, as it may, at its absolute discretion, deem necessary, or being incidental for the effective implementation of this resolution and KIL ESARP 2019, including any filing or submission with any stock exchanges, or any other authority or agency in the above connection and to settle all such questions and difficulties whatsoever which may arise and take all such steps and decisions in this regard.”

Registered Office

Kirloskar Industries Limited

Office No. 801, Cello Platina,
8th Floor, Fergusson College Road,
Shivajinagar, Pune 411005

Email ID: Investorrelations@kirloskar.com

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



A.V. Mali
ASHWINI MALI
Company Secretary

Place: Pune

Date: 10 March 2023

NOTES:

1. A Statement pursuant to the provisions of Section 102 (1) of the Act read with the Rules, setting out all material facts relating to the resolution mentioned in this Postal Ballot Notice is annexed herewith.
2. This Postal Ballot Notice will also be available on the Company's website at www.kirloskarindustries.in, websites of the Stock Exchanges, i.e., BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com and website of NSDL at www.evoting.nsdl.com.
3. In accordance with the MCA Circulars, this Postal Ballot Notice is being sent only by electronic mode to those members whose names appear on the Register of Members as on Friday, 24 March 2023 (“**Cut-Off Date**”) received from the Depositories and whose e-mail address is registered with the Company / Depositories. Physical copies of the Postal Ballot Notice along with Postal Ballot Forms and pre-paid business reply envelopes are not being sent to members for this Postal Ballot.
4. Those Members who have already registered their email addresses are requested to keep their email addresses validated with their Depository Participants / Registrar and Share Transfer Agent (RTA) / Company to enable servicing of notices / documents electronically to their email address. For members who have not received the notice due to change / non-registration of their e-mail address with the Company / RTA / Depository Participants, they are requested to contact RTA on pune@linkintime.co.in for registering their e-mail addresses. Accordingly, the communication of the assent or dissent of the Members would take place through the remote E-voting system only and services of NSDL have been engaged for the same.
5. The Members who have not received any communication regarding this Postal Ballot remote E-voting for any reason whatsoever, the Member is requested to contact the Company at investorrelations@kirloskar.com or RTA, i.e., Link Intime India Private Limited at pune@linkintime.co.in between 09:00 am to 05:00 pm IST on all working days, except Sunday.
6. Members holding shares in physical format and who have not registered their e-mail addresses with the Company / RTA can now register the same by sending an e-mail to the RTA on pune@linkintime.co.in. Members holding shares in demat form are requested to register their e-mail addresses with their Depository Participant(s) only.
7. Members, whose names appear in the Register of Members / list of Beneficial Owners received on the cut-off date, i.e., Friday, 24 March 2023 (as on close of working hours) will be considered for the purpose of voting. The member who does not hold any shares as on cut-off date may treat this Notice for information purpose only.
8. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date, i.e., Friday, 24 March 2023 (as on close of working hours).
9. A member cannot exercise his vote by proxy on Postal Ballot.

10. The resolutions, if approved, shall be deemed to have been passed on the last date of E-voting, i.e., Sunday, 30 April 2023.
11. As required by Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014, read with the MCA Circulars and the Regulations, the details pertaining to this Postal Ballot will be published in one English and one Marathi Newspaper each with wide circulation in the district, where the Registered Office of the Company is situated.
12. All documents referred to in this Postal Ballot Notice will be available for inspection electronically until the last date of E-voting. Members seeking to inspect such documents can send an email to investorrelations@kirloskar.com.
13. Voting rights shall be reckoned on the paid-up value of share registered in the name of the members as on Friday, 24 March 2023. The Postal Ballot period commences on Saturday, 1 April 2023, at 9.00 a.m. and ends on Sunday, 30 April 2023, at 5.00 p.m.
14. Voting through electronic means:

In compliance with the provisions of Section 108 of 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 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 NSDL.

I. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:

The remote E-voting period begins on Saturday, 1 April 2023 (9.00 a.m.) (IST) and ends on Sunday, 30 April 2023 (5.00 p.m.) (IST). During this period members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, i.e., Friday, 24 March 2023, may cast their vote by remote E-voting. The remote E-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is casted by the member, the member shall not be allowed to change it subsequently.

A Member whose e-mail IDs are registered with the Company / R & T Agent / DPs will receive an e-mail from NSDL. Once the members receive the e-mail, he / she will need to go through the following steps to complete the remote e-voting process:

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




Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="596 680 1453 1115">1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e., NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. <li data-bbox="596 1155 1453 1301">2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp. <li data-bbox="596 1341 1453 1816">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

Type of shareholders	Login Method
	<p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.

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***

4. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

5. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
6. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 7. Now, you will have to click on “Login” button.
 8. After you click on the “Login” button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options, i.e., assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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 <csmsp.office@gmail.com > with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) can

also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.

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 : 022 – 4886 7000 and 022 – 2499 7000 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to (investorrelations@kirloskar.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (investorrelations@kirloskar.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e., **Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

The remote e-voting period commences on Saturday, 1 April 2023 (9.00 a.m.) and ends on Sunday, 30 April 2023 (5.00 p.m.). During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e., Friday, 24 March 2023, 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.

Registered Office

Kirloskar Industries Limited

Office No. 801, Cello Platina,
8th Floor, Fergusson College Road,
Shivajinagar, Pune 411005
Email ID: Investorrelations@kirloskar.com

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



A.V. Mali

ASHWINI MALI
Company Secretary

Place: Pune
Date: 10 March 2023

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

ITEM NO. 1

On the recommendation of the Nomination and Remuneration Committee (the Committee) and the approval of the Board of Directors, the members of the Company approved the Kirloskar Industries Limited – Employees Stock Appreciation Rights Plan 2019 (KIL ESARP 2019) which lays down the terms and conditions with respect to granting, vesting, exercise, etc. of the Employees Stock Appreciation Rights (ESARs) to the employees of the Company, contained in the Postal Ballot Notice dated 25 October 2019, by the majority.

KIL ESARP 2019 was implemented to cover eligible employees of the Company and its subsidiary company(ies) to motivate the key workforce 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.

Till date, the Company has granted 4,84,498 ESARs out of 4,85,000 ESARs at an exercise price of ₹ 500 per ESAR to the eligible employees and a Non-Executive Director of the Company and employees of Avante Spaces Limited (Avante), a Wholly Owned Subsidiary of the Company under the KIL ESARP 2019.

The Company proposes to increase in ESARs pool grant by 3,00,000 ESARs thereby increasing the current ESARs pool from 4,85,000 ESARs to 7,85,000 ESARs to create, offer and grant from time to time, in one or more tranches, to or for the benefit of such person(s) who are in employment of the Company and its subsidiary company(ies) within the meaning of the KIL ESARP 2019, including 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 decided under the KIL ESARP 2019, exercisable into not more than 7,85,000 ESARs in aggregate, where one ESAR upon exercise shall be entitled 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 (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, (SEBI SBEB and SE Regulations).

In terms of the provisions of Section 62 (1) (b) of the Companies Act, 2013 (“**the Act**”) read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, any alteration in the terms of the ESOP Scheme shall be approved by the Shareholders by passing of Special Resolution in the General Meeting. The Board of Directors on the recommendation of the Committee in its meeting held on 10 March 2023, had accorded its approval in relation to the amendment of the KIL ESARP 2019 and increase in ESARs Pool of the Company, subject to the approval of the members of the Company.

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 and SE

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 Nomination and Remuneration Committee (the Committee) shall be authorised 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 pool consists of the existing 4,85,000 (Four Lakhs Eighty Five Thousand) ESARs enhanced by 3,00,000 now proposed, thereby taking the total ESARs pool to 7,85,000 (Seven Lakhs Eighty Five Thousand) ESARs.

The total number of ESARs to be granted shall be such which upon exercise shall not exceed 7,85,000 (Seven Lakhs Eighty Five Thousand) equity shares in aggregate in the Company of the face value of ₹ 10 (Rupees Ten) each fully paid up, 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 and SE 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 adjustments, the ceiling of 7,85,000 (Seven 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 and SE 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) an employee as designated by the Company, who is exclusively working in India or outside India;
- b) a director of the Company, whether a whole-time director or not, including a non-executive director who is not a Promoter or member of the Promoter Group; or
- c) an employee as defined in clause (a) or (b) of subsidiary company(ies) of the Company, whether present or future, in India or outside India, of the Company

but excludes –

- a) an employee who is a Promoter and persons belonging to the Promoter Group;

- b) any such 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; and
- c) an Independent Director within the meaning of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

4. Requirement 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 and SE 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 of pricing formula:

The ESAR price per ESAR shall be the market price subject to the maximum discount of 50% (Fifty percent) on the market price as on date of the Grant at the discretion of the Committee, subject to the approval of the members of the Company for the Item No. 2, accompanying in this Postal Ballot Notice.

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 shares 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 warrants and conversion) 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.

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 KIL ESARP 2019:

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 payment 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 Standards 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 and SE Regulations.

16. Method of ESARs valuation:

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

17. Lock in period:

The shares arising out of the exercise of vested ESARs would not be subject to any lock-in period after such exercise except such restriction as prescribed under the applicable laws.

18. 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 Earnings Per Share (EPS) of the Company shall also be disclosed in the Board's Report.

Accordingly, the consent of the members of the Company is sought. The draft copy of the amended KIL ESARP 2019 shall be available for inspection at the Registered Office of the Company on all working days (excluding Saturdays and Sundays) during 10.00 a.m. to 5.00 p.m. up to the last date of remote e-voting period.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at Item No. 1 of the Postal Ballot Notice, except to the extent of their shareholding interests, if any.

In light above, the Board of Directors recommends the resolution as a Special Resolution, as specified under Item No. 1 of the accompanying Postal Ballot Notice for the approval of the members of the Company.

ITEM NO. 2

The members of the Company accorded their approval for the introduction and implementation of the Kirloskar Industries Limited – Employees Stock Appreciation Rights Plan 2019 (KIL ESARP 2019). In KIL ESARP 2019, pursuant to Clause 8.1, 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.

The Company proposes the amendment of the term 'ESAR price' subject to the approval of the members, by changing the percentage of discount from 40% to 50%, as follows:

8.1 The ESAR price per ESAR shall be the fixed Market Price subject to the maximum discount of 50% (**Sixty percent**) as on date of the Grant at the discretion of the Committee as on the date of the Grant.

In terms of the provisions of Section 62 (1) (b) of the Companies Act, 2013 (“**the Act**”) read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, any alteration in the terms of the ESOP Scheme shall be approved by the Shareholders by passing of Special Resolution in the General Meeting. The Board of Directors on the recommendation of the Committee in its meeting held on 10 March 2023, had accorded its approval for the amendment in KIL ESARP 2019, subject to the approval of the members of the Company.

Accordingly, the consent of the members of the Company is sought. The draft copy of the amended KIL ESARP 2019 shall be available for inspection at the Registered Office of the Company on all working days (excluding Saturdays and Sundays) during 10.00 a.m. to 5.00 p.m. up to the last date of remote E-voting period.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at Item No. 2 of the Postal Ballot Notice, except to the extent of their shareholding interests, if any.

In light above, the Board of Directors recommends the resolution as a Special Resolution, as specified under Item No. 2 of the accompanying Postal Ballot Notice for the approval of the members of the Company.

Registered Office

Kirloskar Industries Limited

Office No. 801, Cello Platina,
8th Floor, Fergusson College Road,
Shivajinagar, Pune 411005
Email ID: Investorrelations@kirloskar.com

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



A.V. Mali

ASHWINI MALI
Company Secretary

Place: Pune
Date: 10 March 2023