



KIRLOSKAR PNEUMATIC COMPANY LIMITED

A Kirloskar Group Company

Enriching Lives

Dear Member(s),

NOTICE OF POSTAL BALLOT

[Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013, (Act) read with Rule 22 of Companies (Management and Administration) Rules, 2014, to transact the following Special Business by the Members of Kirloskar Pneumatic Company Limited by passing the Ordinary / Special Resolution(s) through Postal Ballot.

The Members' consideration and approval is sought for the Ordinary / Special Resolution(s) annexed hereto. The Statement to be annexed to Notice under Section 102 (1) of the Act, setting out the material facts and reasons for the Resolution(s) is also appended herewith and is being sent to the Members along with a Postal Ballot Form for consideration.

Accordingly, the proposed Resolution(s) and the Explanatory Statement thereto is sent to you along with a Postal Ballot Form for your consideration. Mr. S. V. Deulkar, Partner of SVD & Associates, Practicing Company Secretaries has been appointed by the Board as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

The Ordinary Resolution(s) shall be declared as passed in Postal Ballot if votes cast in favour are exceeding the votes cast against the resolution(s) whereas the Special Resolution(s) shall be declared as passed in Postal Ballot if votes cast in favour are exceeding three times the votes cast against the resolution(s).

You are requested to read the Notes to this Notice and instructions printed on accompanying Postal Ballot Form and return the same along with assent (**FOR**) or dissent (**AGAINST**), in the attached self addressed business reply envelope so as to reach the Scrutinizer **before the close of working hours (5:00 p.m.) on 6th September, 2018**. Please note that any Postal Ballot Form(s) received after the said date will be treated as not having been received. No other form or photocopy thereof is permitted. The Scrutinizer will submit his report to the Chairman / any other Director of the Company after completion of the scrutiny. Results of the Postal Ballot will be declared by the Chairman / any other Director of the Company on Monday, 10th September, 2018 at the Registered Office of the Company, viz. Hadapsar Industrial Estate, Pune 411013. The declaration of the results of the Postal Ballot by the Chairman / Director as stated above shall be treated as declaration of results at a meeting of the members as per the provisions of the Companies Act, 2013 and applicable rules thereunder. The results of the Postal Ballot will be posted on the Company's website viz., www.kirloskarpcl.com and also communicated to the Stock Exchange (BSE Limited), where the Company's shares are listed and website of National Securities Depository Limited.

Members may note that as required under Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and provisions of Section 108 and 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, the Company is offering e-voting facility to all its Members as an alternate mode to exercise their right to vote. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facility to members of the Company. Accordingly, the Company is providing e-voting facility through Postal Ballot as an alternate, which would enable them to cast votes electronically, instead of dispatching Postal Ballot. Please read and follow the instructions on e-voting enumerated in the Notes to this Notice. Only Members entitled to vote are entitled to fill in the Postal Ballot Form and send it to the Scrutinizer or vote under the e-voting facility offered by the Company, and any other recipient of the Notice who has no voting rights should treat the Notice as an intimation only. Detailed instructions to use the facility are given separately.

PROPOSED RESOLUTIONS:

Item No. 1: Sub-Division of Equity Shares from the Face Value of Rs. 10/- (Rupees Ten) per share to Rs. 2/- (Rupees Two) per share:

To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Section 61(1)(d) read with Section 64 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 provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary from the concerned authorities or bodies, the consent of the Members of the Company be and is hereby accorded for sub-dividing each of the Equity Share of the Company having a face value of Rs. 10/- (Rupees Ten) each into 5 (Five) Equity Shares of the face value of Rs. 2/- (Rupees Two) each.

RESOLVED FURTHER that pursuant to the sub-division of the Equity Shares of the Company, the authorised, issued, subscribed and paid-up equity share capital of nominal value of Rs. 10/- (Rupees Ten) each shall stand sub-divided into 5 (Five) Equity Shares of the face value of Rs. 2/- (Rupees Two) each from the record date and shall rank *paripassu* in all respects with and carry the same rights as the existing fully paid Equity Shares of Rs. 10/- each of the Company.

Regd. Office: Hadapsar Industrial Estate, Pune - 411 013 INDIA.

Tel.: +91 (20) 2672 7000 Fax : +91 (20) 2687 0297 Email : sec@kpcl.net Website : www.kirloskarpcl.com

CIN No.: L29120PN1974PLC110307

RESOLVED FURTHER that upon sub-division of the Equity Shares as aforesaid, the existing Share Certificate(s) in relation to the existing Equity Share of the face value of Rs. 10/- (Rupees Ten) each held in the physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date of the sub-division and the Company may, without requiring the surrender of the existing Share Certificate(s), directly issue and dispatch the new Share Certificate(s) of the Company, in lieu of such existing issued Share Certificate(s) subject to the provisions of the Companies (Share Capital and Debenture) Rules, 2014 and in the case of the Equity Shares held in the dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the Shareholders with the Depository Participants, in lieu of the existing credits representing the Equity Shares of the Company before sub-division.

RESOLVED FURTHER that the Board of Directors of the Company (which expression shall also include a committee thereof) be and is hereby authorised to fix the record date and to take all the necessary steps as may be necessary in relation to the above and to delegate all or any of the power(s) conferred hereinabove as it may in its absolute discretion deem fit, to the Managing Director or any Director(s) or any other Key Managerial Personnel or any other officer(s) of the Company in order to give effect to the aforesaid Resolution(s) including but not limited to fixing record date, implementation of the proposal of sub-division of equity shares of the Company, as it may be required, in relation thereto.

RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board of Directors of the Company (which expression shall also include a committee thereof) and/or the Managing Director and / or any other key managerial personnel be and are hereby severally authorised to accept and make any alteration(s), modification(s) to the terms and conditions as they may deem necessary, concerning any aspect of the sub-division of equity shares, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any question, difficulty or doubt that may arise in this regard and generally, to do all acts, deeds, matters and things as they may, in their absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters in relation / consequential to the sub-division of Equity Shares including execution and filing of all the relevant applications, writings, deeds and documents with the Stock Exchange, Depositories and other appropriate authorities, in due compliance of the applicable rules and regulations, without seeking any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

Item No. 2: Alteration of the Capital Clause in the Memorandum of Association

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Sections 13, 61 and all 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), Clause V of the Memorandum of Association of the Company be and is hereby amended and substituted by the following Clause V:

"The Authorized Share Capital of the Company is Rs. 37,50,00,000 (Rupees Thirty Seven Crores Fifty Lacs Only) divided into 18,75,00,000 (Eighteen Crores Seventy Five Lacs) equity shares of Rs. 2 (Rupees Two) each."

RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and give such directions as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and also to delegate to the extent permitted by law, all or any of the powers herein conferred to any committee of Directors or the Managing Director or any Director(s) or any other Key Managerial Personnel or any other officer(s) of the Company."

Item No 3: Alteration of the Capital Clause of the Articles of Association

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

"RESOLVED that pursuant to the provisions of Sections 14, 61 and all 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), Article 3A of the Articles of Association of the Company be and is hereby amended and substituted by the following:

"The Capital of the Company is as reflected in Clause V of the Memorandum of Association, from time to time."

RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and give such directions as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and also to delegate to the extent permitted by law, all or any of the powers herein conferred to any committee of Directors or the Managing Director or any Director(s) or any other Key Managerial Personnel or any other officer(s) of the Company."

Item No 4: Appointment of Mrs. Nalini Venkatesh as an Independent Director

To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of the Sections 149, 152 and any other applicable provisions 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) read with Schedule IV to the Companies Act, 2013, Mrs. Nalini Venkatesh, (DIN 06891397), who was appointed as an Additional and Independent Director of the Company by the Board of Directors with effect from 25th July ,2018, be and is hereby appointed as an Independent Director of the Company with effect from 25th July, 2018 to hold office for a term of 2 consecutive years upto 24th July, 2020, and whose office shall not be liable to retirement by rotation.

RESOLVED FURTHER that pursuant to the provisions of Sections 149, 197 and any other applicable provisions 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), Mrs.

Nalini Venkatesh be paid such fees and remuneration and profit related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

Item No 5: Continuation of Appointment of Mr. D. R. Swar as Non-Executive Director of the Company

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

"RESOLVED THAT pursuant to Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Mr. D. R. Swar (DIN 00007495), whose re-appointment is being considered as a Non-Executive Director liable to retire by rotation in the Annual General Meeting to be held on 24th July, 2018 and will attain the age of 75 years on 31st January, 2019, continue to hold his directorship as Non-Executive Director even after he attains the age of 75 years till the expiry of his current term be and is hereby approved."

By order of the Board of Directors
For Kirloskar Pneumatic Co. Ltd.

Jitendra R. Shah
Company Secretary

Place : Pune
Dated this 24th July, 2018

Registered Office
Hadapsar Industrial Estate,
Pune 411013

NOTES

1. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 read with Section 110 of the Companies Act, 2013 is annexed hereto. The said resolution(s) and explanatory statement alongwith Postal Ballot Form are being sent to you for your consideration.
2. The Postal Ballot Notice is being sent to all the Members whose names appear in the Register of Members / list of Beneficial Owners received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on the cut-off date i.e. 27th July, 2018, (as on close of working hours). The Postal Ballot Notice is being sent to the Members in electronic form to the email addresses registered with their Depository Participant (in case of electronic shareholding) / the Company's Registrar and Share Transfer Agent (in case of physical shareholding). In case of Members whose email IDs are not registered, physical copy of Postal Ballot Notice is being sent by permitted mode along with a self-addressed Business Reply Envelope.
3. Members, whose names appear in the Register of Members / list of Beneficial Owners received on the cut-off date i.e. 27th July, 2018, (as on the close of working hours) will be considered for the purpose of voting.
4. 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. 27th July, 2018, (as on the close of working hours).
5. Resolutions passed by the Members through Postal Ballot are deemed to have been passed as if they have been passed at a General Meeting of Members.
6. The Members can opt for only one mode of voting i.e. either by physical postal ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot Forms will be treated as invalid.
7. The Members are requested to exercise their voting rights by using the attached original Postal Ballot Form only.
8. In case a Member desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send their email to sec@kpcl.net
9. A copy of the Memorandum and Articles of Association of the Company along with the proposed amendments and draft letter of appointment of Independent Director and other related documents shall be open for inspection at the Registered Office of the Company during 11.00 a.m. to 1.00 p.m. on all working days except Saturday, Sunday and Public Holidays upto the date of declaration of the results.

10. Voting through electronic means

- I. The process and manner for remote e-voting are as under:

How do I vote electronically using NSDL remote e-voting system?

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

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

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

Details on Step 1 is mentioned below:

How to Log-in to NSDL remote e-voting website?

- i. Visit the remote 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.
- ii. Once the home page of e-voting system is launched, click on the icon “Login” which is available under 'Shareholders' section.
- iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://www.evoting.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.

- iv. 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***

- v. Your User ID details are given below :

- a. If you are already registered for remote e-voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL remote e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

- vi. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:

- a) Click on 'Forget 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 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.

- vii. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- viii. Now, you will have to click on “Login” button.
- ix. After you click on the “Login” button, Home page of e-voting will open.

Details on Step 2 is given below:

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

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

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 deulkarcs@gmail.com with a copy marked to evoting@nsdl.co.in
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forget User Details / Password?” or “Physical user Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

In case of Shareholders' receiving Postal Ballot Form by Post:

- (i) Initial password is provided as below / at the bottom of the Postal Ballot Form.

EVEN	USER ID	PASSWORD / PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (ix) above, to cast vote.

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 Downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

Shareholders who forgot the User Details / Password can use “Forgot User Details / Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com

11. For members who wish to vote through Postal Ballot Forms

- i. The postal ballot form is provided for the benefit of members, who do not have access to e-voting facility.
 - ii. Members desirous to exercise their vote by physical postal ballot are requested to carefully read the instructions printed in the physical Postal Ballot Form.
 - iii. Mr S V Deulkar, Partner of M/s SVD & Associates, Practising Company Secretaries, (Membership No. FCS 1321 CP 965) has been appointed as the Scrutinizer for Postal Ballot to conduct Postal Ballot in a fair and transparent manner.
 - iv. Members may communicate their assent or dissent by returning duly filled in and signed enclosed Postal Ballot Form in attached self-addressed business reply envelope, so as to reach the Scrutinizer (c/o. LINK INTIME INDIA PVT. LTD. (Unit : Kirloskar Pneumatic Company Limited) on or before 5.00 p.m. on Thursday, 6th September, 2018. The Postal Ballot Form received thereafter will be strictly treated as not received.
 - v. Please follow the instructions as mentioned in the Postal Ballot Form.
12. Upon completion of scrutiny of the postal ballot voting, the Scrutinizer will submit his report to the Chairman / any Director of the Company.
 13. The Results shall be declared on Monday, 10th September, 2018. The date of declaration of the results by the Chairman / such other Director shall be deemed to be the date of General Meeting convened in that behalf. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.kirloskarkpcl.com and communicated to the Stock Exchange and will be placed on the website of NSDL.

EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") to the accompanying Notice dated 24th July, 2018:

Item Nos. 1, 2 and 3

The Equity Shares of your company are listed and actively traded on BSE Limited. With a view to encourage the participation of small investors by making equity shares of the company affordable, the Board at its meeting held on 24th July, 2018 considered and approved the sub-division of 1 (One) Equity Share of the Company having a face value of Rs.10 (Rupees Ten) each into 5 (Five) Equity Shares of face value of Rs. 2/- (Rupees Two) each subject to approval of the members and any other statutory and regulatory approvals as applicable. The Record date for the aforesaid sub-division of the equity shares will be fixed after approval of the members is obtained.

Presently, the authorised share capital of your company is Rs. 37,50,00,000 (Rupees Thirty Seven Crores Fifty Lacs only) divided into 3,75,00,000 (Three Crores Seventy Five Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each and the paid up share capital of the Company is Rs.12,84,43,380 (Twelve Crores Eighty Four Lacs Forty Three Thousand and Three Hundred Eighty only) divided into 1,28,44,338 (One Crore Twenty Eight Lacs Forty Four Thousand Three Hundred and Thirty Eight) Equity Shares of Rs.10/- (Rupees Ten) each fully paid up. There will not be any change in the amount of authorized, issued, subscribed and paid up share capital but the number of shares will change to 18,75,00,000 (Eighteen Crores and Seventy Five Lacs) and 6,42,21,690 (Six Crores Forty Two Lacs Twenty One Thousand and Six Hundred Ninety) Equity Shares in the authorised and paid up share capital of the Company respectively.

The sub-division as aforesaid would require consequential amendment to the existing Clause V of the Memorandum of Association of the Company on the terms set out in item no. 2 of the notice to reflect the change in face value of each equity share of the company from existing Rs.10 each to proposed Rs. 2 each and Article 3A of the Articles of Association. As per the provisions of the Sections 13 and 14 of the Companies Act, 2013, any alteration in the Memorandum of Association of the Company shall be effected only after the approval of the members by passing an ordinary resolution and alteration in Articles of Association by way of Special Resolution.

Accordingly, the approval of shareholders is required by way of ordinary resolution for sub-division of Equity Shares of the Company and consequential amendment to the capital clause of the Memorandum of Association and by way of Special Resolution for amendment to Article 3A of the Articles of Association in pursuance of the provisions of the Companies Act, 2013 and the applicable Rules, Regulations and laws.

Accordingly, your Directors recommend the Resolutions as set out in Item Nos. 1, 2 and 3 of the Notice for approval of the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested financial or otherwise in the Resolution(s) as set out at Item Nos. 1, 2 and 3 of the Notice except to the extent of their shareholding.

Item No. 4

Mrs. Nalini Venkatesh (DIN 06891397) was appointed as an Additional and Independent Director by the Board with effect from 25th July, 2018 to hold office for a term of 2 consecutive years upto 24th July, 2020 subject to approval of Members.

In view of the above, it is proposed to appoint Mrs. Nalini Venkatesh as an Independent Director under Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactments thereof for the time being in force) not liable to retire by rotation, and to hold office upto the respective date as mentioned herein.

The Company has received from Mrs. Nalini Venkatesh (i) consent in writing to act as director in Form DIR 2 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, (iii) a declaration to the effect that she is not debarred from holding the office of director by virtue of any SEBI order or any other such authority, and (iv) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and other related documents.

Profile of the Director

Mrs. Nalini Venkatesh, aged 68 years, is a lawyer by profession and legal consultant since 1987. She has experience in handling both civil and criminal cases in the High Court of Karnataka and other Courts, including Labour and Company Courts. She has represented various corporations, ONGC, Urban Development Authorities, universities and other statutory institutions in matters with respect to the Factories Act, Workmen's Compensation Act, Negotiable Instrument's Act, labour disputes, etc. She was also appointed by the Honorable High Court of Karnataka as the Chairperson to conduct the statutory meetings of shareholders and creditors of Maharashtra Apex Corporation Limited, Canara Nidhi Limited and Manipal Home Finance Limited.

She is presently on the panel of Advocates of Employees Provident Fund Organization, The Institute of Cost Accountants of India and Davangere Urban Development Authority. She was also Honorary Professor of Law at Dayanand Law College, Solapur.

Currently, she is on the Board of Kirloskar Ferrous Industries Limited. She is also a member of the Audit Committee of Kirloskar Ferrous Industries Limited.

In the opinion of the Board, Mrs. Nalini Venkatesh fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management and also possesses appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively. Copy of the draft letter of appointment of Mrs. Nalini Venkatesh as an Independent Director setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company during normal business hours on all working days except Saturday, Sunday & Public Holidays upto the date of declaration of the results.

The Board considers that her association would be of an immense benefit to the Company and it is desirable to avail services of Mrs. Nalini Venkatesh as an Independent Director. The Board recommends the resolution in relation to the appointment of Mrs. Nalini Venkatesh as an Independent Director, for the approval of the Members of the Company.

Under the Companies Act, 2013, Independent Directors can only receive fees under the provisions of the Section 197(5) and profit related commission as may be approved by the Members. Accordingly, approval of Members is also being sought for purposes of payment of fees and profit related commission, which amounts may be decided by the Board / Nomination and Remuneration Committee, from time to time subject to the limit prescribed under the Companies Act, 2013 and as may be prescribed under the rules that are passed or may be passed from time to time.

Currently, Mrs. Nalini Venkatesh holds in aggregate 46 Equity Shares of Rs.10 each (singly & jointly) of the Company.

Mrs. Nalini Venkatesh is not related to any other director on the Board of the Company.

None of the Directors or Key Managerial Personnel or their relatives other than Mrs. Nalini Venkatesh are concerned or interested, financial or otherwise, in the resolution set out at an Item No. 4. This explanatory statement may also be regarded as disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 5

Mr. D. R. Swar (DIN 00007495), whose re-appointment is being considered as a Non-Executive Director liable to retire by rotation in the Annual General Meeting to be held on 24th July, 2018.

Securities Exchange Board of India (SEBI) has notified SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 vide Notification No. SEBI/LAD-NRO/GN/2018/10 on 9th May, 2018 (hereinafter referred to as "SEBI LODR Amended Regulations, 2018"). As per Regulation 17 (1A) of SEBI LODR Amended Regulations, 2018 no listed entity shall continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless a special resolution is passed to that effect. The Regulation 17 (1A) will come into effect with effect from 1st April, 2019.

Mr. D. R. Swar will attain the age of 75 years as on 31st January, 2019.

Mr. D. R. Swar was appointed as a Director on the Board of the Company with effect from 25th April, 2009. He is a graduate in Mechanical Engineering. Besides being a qualified Engineer, he holds Diploma in Purchasing Management from American Society and Diploma in Material Management and Production Management, both from Jamanalal Bajaj Institute of Management.

He started his career with Mahindra & Mahindra, and then worked with Greaves Cotton Co. Ltd, where he predominantly worked in Vendor Development / Purchase and Materials Management.

He joined Kirloskar Oil Engines Limited (KOEL) in 1987 and worked for 20 years in various senior positions, out of which last seven years as Executive Director. He has in KOEL, implemented cost reduction programs vigorously. His efforts in productivity improvement, cost reduction, introductions of new concepts in manufacturing paid rich dividends to KOEL.

He is also well versed with the industry in which the Company operates and having a expertise in areas such as purchase, vendor developments, materials management, manufacturing and overall business operations. As a result of this, continuation of his appointment will be of immense benefit to the Company.

He is also on the Board of Kirloskar Integrated Technologies Pvt. Ltd.

The Board recommends the resolution in relation to the continuation of directorship of Mr. D. R. Swar as a Non-Executive Director even after he attains the age of 75 years till the expiry of the current term, for the approval of the Members of the Company.

Currently, Mr. D. R. Swar does not hold any share in the Company.

Mr. D. R. Swar is not related to any other director on the Board of the Company.

None of the Directors or Key Managerial Personnel or their relatives other than Mr. D. R. Swar are concerned or interested, financial or otherwise, in the resolution set out at an Item No. 5.

By order of the Board of Directors
For Kirloskar Pneumatic Co. Ltd.

Jitendra R. Shah
Company Secretary

Place : Pune
Dated this 24th July, 2018

Registered Office
Hadapsar Industrial Estate,
Pune 411013