



KIRLOSKAR PNEUMATIC COMPANY LIMITED

A Kirloskar Group Company

Enriching Lives

sec/330

October 24, 2016

Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai 400 001
BSE Scrip Code: 505283

Dear Sir/ Madam,

Sub: Application under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") for the proposed Scheme of Arrangement and Amalgamation between Kirloskar RoadRailer Limited ("Transferor Company I" / "KRL") and Pneumatic Holdings Limited ("Transferor Company II" / "PHL") and Kirloskar Pneumatic Company Limited ("Transferee Company" / "KPCL") and their respective shareholders ("Scheme")

1. We refer to our letter dated October 20, 2016, intimating about our Board of Directors having approved Scheme of Arrangement and Amalgamation between Kirloskar RoadRailer Limited and Pneumatic Holdings Limited and Kirloskar Pneumatic Company Limited and their respective shareholders ("Scheme") subject to requisite statutory approvals.
2. Pursuant to Regulation 37, we herewith submit, for your approval, the Scheme, under sections 391 to 394 read with section 100 to 105 of the Companies Act, 1956 and other provisions of the Companies Act, 2013 as applicable ("the Act"). The Scheme has been approved by the Board of Directors of KPCL, KRL and PHL at their respective meetings. Copy of the resolutions passed by the Board of Directors of KPCL, KRL and PHL at their meeting held on October 20, 2016 for approving the Scheme are attached herewith and marked as Annexure '1A', Annexure '1B' and Annexure '1C' respectively.
3. In terms of the SEBI Circular No CIR/CFD/CMD/16/2015 dated November 30, 2015, KPCL has decided BSE Limited as the designated stock exchange for the purpose of coordinating with SEBI. The resolution passed by the Board of Directors of KPCL in this regard can be referred to in Annexure '1A' enclosed.
4. Brief details of the Scheme:
 - a. The Scheme is presented under Sections 391 to 394 of the Companies Act, 1956 read with section 100 to 105 of the Companies Act, 1956 and to the extent applicable, provisions of the Companies Act, 2013 and provides for the amalgamation of KRL and PHL with KPCL





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- b. Appointed Date for the purpose of the amalgamation of KRL and PHL with KPCL means April 1, 2016;
 - c. The Scheme also provides for various other matters consequential or otherwise integrally connected therewith. The effective date of scheme is the last of the dates on which the certified or authenticated copy of the orders of the High Court sanctioning the Scheme are filed with the Registrar of Companies by the Transferor Companies and by the Transferee Company.
5. In terms of provisions of Regulation 37, KPCL would be required to file the draft Scheme with the stock exchange and obtain Observation Letter / No Objection letter before filing it with any Court / Tribunal. Accordingly, the draft copy of the Scheme proposed to be filed by KPCL with the Hon'ble High Court of Judicature at Bombay is enclosed as and marked as Annexure '2'
6. Listing status of KPCL, KRL and PHL
- a. Equity shares of KPCL are listed on the BSE Limited ("BSE");
 - b. Equity shares of KRL are not listed on any stock exchanges;
 - c. Equity shares of PHL are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE")

7. **Audit Committee Report**

Report from the Audit Committee of KPCL recommending the scheme is enclosed and marked as Annexure '3'

8. **Share Exchange Ratio**

For the amalgamation of KRL with KPCL; KPCL will not issue and allot any equity shares to the shareholders of KRL as it is a wholly-owned subsidiary of KPCL.

The Share Exchange Ratio for amalgamation of PHL with KPCL is as under:

"53 (Fifty Three) fully paid-up equity shares of the face value of Rs.10/- each in the KPCL, for every 40 (Forty) fully paid-up equity shares of the face value of Rs. 10/- each held in PHL"

The Report on recommendation on Share Exchange Ratio obtained from SSPA & Co., Chartered Accountants, Mumbai and Fairness Opinion from Inga Capital Pvt Ltd, a Category-I Merchant Banker on the fairness of the share exchange ratio





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determined by SSPA & Co. are enclosed and marked as Annexure '4' and Annexure '5' respectively.

9. Equity Shareholding pattern of KPCL, KRL and PHL pre and post scheme
The pre and post scheme shareholding pattern of KPCL is enclosed and marked as Annexure '6A'

The pre scheme shareholding pattern of KRL is enclosed and marked as Annexure '6B'.

The pre shareholding pattern of PHL is enclosed and marked as Annexure '6C'

10. Financial details of KPCL, KRL and PHL

A synopsis of financials of KPCL and KRL for the last three years is enclosed as Annexure '7A' and Annexure '7B' respectively;

A synopsis of financials of PHL for the last two years is enclosed as Annexure '7C'

11. Compliance report on Corporate Governance

Compliance report on Corporate Governance of KPCL as per Regulation 27 (2)(a) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 is enclosed and marked as Annexure '8'

12. Compliance report

Compliance report from the Company Secretary is enclosed and marked as Annexure '9'

13. Brief details of KPCL, KRL and PHL

Brief details of KPCL, KRL and PHL are enclosed and marked as Annexure '10'.

14. The provisional pre and post scheme net worth certificate

The provisional pre and post amalgamation net worth certificate of KPCL is marked as Annexure '11A'.

The provisional pre amalgamation net worth certificate of KRL and PHL is marked as Annexure '11B' and Annexure '11C' respectively





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15. Capital evolution details

The capital evolution details of KPCL, KRL and PHL are enclosed and marked as Annexure '12A', Annexure '12B' and Annexure '12C'.

16. An undertaking from the Company Secretary of KPCL on the various matters is enclosed and marked as Annexure '13'.

17. Certificate issued by the Statutory Auditors of KPCL, KRL & PHL with respect to accounting treatment are enclosed and marked as Annexure '14A', Annexure '14B' and Annexure '14C'. respectively.

18. Annual Reports of KPCL, KRL and PHL:

The annual accounts of KPCL for the year ended 31 March 2016, 31 March 2015 and 31 March 2014 are enclosed and marked as Annexure '15A', Annexure '15B' and Annexure '15C' respectively;

The annual accounts of KRL for the year ended 31 March 2016, 31 March 2015 and 31 March 2014 are enclosed and marked as Annexure '15D', Annexure '15E' and Annexure '15F' respectively.

The annual accounts of PHL for the year ended 31 March 2016 and 31 March 2015 are enclosed and marked as Annexure '15G' and Annexure '15H' respectively;

19. The category-wise list of shareholders holding more than 0.5% shares in KPCL, KRL and PHL

The same is enclosed and marked as Annexure '16A', Annexure '16B' and Annexure '16C' respectively

20. Details of capital issued but not listed in the listed company, if any, with reasons for the same

None

21. Details about the cross holdings between the companies

a. PHL holds 69,94,176 equity shares of KPCL, constituting 54.45% equity stake.

b. KPCL holds 100,000 equity shares of Rs. 10/- each fully paid-up, and 14,900,000 equity shares of Rs 10/- each Rs 5/- paid equity shares of KRL, constituting 100% equity stake.





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22. Details of Directors of the companies
- a. List of directors of KPCL is enclosed and marked as Annexure '17A'; and
 - b. List of directors of KRL is enclosed and marked as Annexure '17B'; and
 - c. List of directors of PHL is enclosed and marked as Annexure '17C'
23. There will be no change in the management control of KPCL post giving effect to the scheme of amalgamation.

Enclosed herewith is the Cheque drawn on ICICI Bank Ltd. amounting to Rs. 2,10,000/- bearing reference No. 784468 dated October 24, 2016 payable at par at all branches of ICICI Bank in relation to processing of application.

We request you to take the above on record and provide necessary "No Objection" at the earliest possible so that the Scheme can be filed with the Hon'ble Bombay High Court.

If further clarifications / information in this regard is required, the undersigned can be contacted on
Tel no. 020-26727020
Mobile No. 9881252903

Thanking you.

Yours faithfully,
For Kirloskar Pneumatic Company Limited

A handwritten signature in blue ink, appearing to read "Jitendra R. Shah".

Jitendra R. Shah
Company Secretary

Enclosures: As above