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KIRLOSKAR OIL ENGINES LIMITED

A Kirloskar Group Company

NOTICE

Notice is hereby given that the 12th Annual General Meeting (“AGM”) of the Members of Kirloskar Oil Engines Limited (‘the Company’) will be held on Thursday, the 12th day of August 2021 at 11.30 a.m. (IST) through Video Conferencing (‘VC’) or Other Audio Visual Means (‘OAVM’) facility, in compliance with the provisions of the Companies Act, 2013 (‘the Act’) and Rules thereof read with the General Circular No. 14/2020 dated 8th April 2020; the General Circular No. 17/2020 dated 13th April 2020, the General Circular No. 20/2020 dated 5th May 2020 and the General Circular No. 02/2021 dated 13th January 2021 issued by the Ministry of Corporate Affairs (herein after referred as “Circulars”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021, to transact the businesses as mentioned below:

ORDINARY BUSINESS

ITEM NO.1

To receive, consider and adopt:

- (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March 2021, together with the Reports of the Board of Directors and the Auditors’ thereon; and
- (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2021 and the Report of the Auditors thereon.

ITEM NO.2

To declare final dividend of Rs. 2.50/- per equity share (125%) and to confirm the Interim Dividend of Rs. 1.50/- per equity share (75%) already paid during the year for the Financial Year ended 31st March 2021.

ITEM NO.3

To appoint a Director in place of Mr. Mahesh R. Chhabria (DIN 00166049) who retires by rotation and being eligible, offers himself for re-appointment.

ITEM NO.4

To appoint a Director in place of Ms. Gauri Kirloskar (DIN 03366274) who retires by rotation and being eligible, offers herself for re-appointment.

ITEM NO.5

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 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 and read with Companies (Audit and Auditors) Rules 2014 (including any statutory amendment, modification(s) or re-enactment thereof, for the time being in force), G. D. Apte & Co., Chartered Accountants, (Firm Registration No. 100515W) be and are hereby appointed as the Statutory Auditors of the

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Company, for a first term of 5 consecutive years with effect from the conclusion of this Annual General Meeting of the Company till the conclusion of the Annual General Meeting of the Company to be held in the year 2026, based on the recommendation of the Audit Committee and Board of Directors of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of section 142(1) of the Companies Act, 2013 and rules thereof and Regulation 36(5) of SEBI Listing Regulations, 2015 (including any statutory amendment, modification(s) or re-enactment thereof, for the time being in force), and based on the recommendation of the Audit Committee and Board of Directors, the consent of the members be and is hereby accorded to fix the remuneration at Rs. 34 Lacs p.a. (Rupees Thirty Four Lacs Only) of as the Statutory Audit fees and other certification charges plus applicable taxes thereon and reimbursement of out of pocket expenses on actual basis in connection with the statutory audit of the Company for the Financial Year 2021-22 and the Board of Directors of the Company be and are hereby authorized to decide such statutory audit fees as recommended by the Audit Committee and as they may deem fit for the entire tenure of their appointment.”

SPECIAL BUSINESS

ITEM NO.6

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 148 and other applicable provisions if any of the Companies Act, 2013, and the rules made thereunder (including any statutory amendment, modification(s) or re-enactment thereof, for the time being in force) and based on the recommendation of the Audit Committee, the remuneration of Rs. 8,00,000/- p.a. (Rupees Eight Lacs only) plus applicable taxes thereon, other certification charges and the reimbursement of out of pocket expenses on actual basis as approved by the Board of Directors of the Company, payable to M/s. Parkhi Limaye and Co., Cost Accountants, (Firm Registration No. 191) for conducting the audit of the Cost records maintained by the Company for the Financial Year ended 31st March 2022, be and is hereby ratified and confirmed.”

ITEM NO. 7

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

“RESOLVED THAT in partial modification of earlier special resolution passed by the members of the Company in the Annual General Meeting (AGM) held on 9th August, 2019 approving the “**Kirloskar Oil Engines Limited - Employees Stock Option Plan 2019**” (hereinafter referred to as “KOEL ESOP 2019”), pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, (including any statutory modification(s) or any substitution 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, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, provisions of Regulation 6 and 7 of the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16th June 2015 issued by the Securities and Exchange Board of India (collectively hereinafter referred to

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as “SEBI SBEB Regulations”) and to such other applicable Regulations which may be issued and / or amended from time to time by the Securities and Exchange Board of India 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, consent of the members’ of the Company be and is hereby accorded to amended KOEL ESOP 2019 being revised with the variation to includes and authorizing the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution and under Regulation 5 of the SEBI SBEB Regulations) to grant employee stock options (“Options”), from time to time, in one or more tranches, such number of Options under the “Kirloskar Oil Engines Limited - Employees Stock Option Plan 2019” (hereinafter referred to as “KOEL ESOP 2019”) within the limit prescribed therein to or for the benefit of the permanent employees including directors, whether whole-time director or not (other than employees who are promoter(s) or belonging to the promoter group, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), of any subsidiary Company(ies) of the Company in or out of India except such Subsidiary Company(ies) formed and engaged in financial service business including without limitation to the Arka Fincap Limited, as may be decided under the KOEL ESOP 2019, exercisable into equivalent number of equity shares of the Company, of face value of Rs. 2/- each fully paid up, where one Option would convert in to one equity share upon exercise, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the KOEL ESOP 2019 and in due compliance with the applicable laws and regulations or guidelines issued by the relevant Authority.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot equity shares upon exercise of Options from time to time in accordance with the KOEL ESOP 2019 and such equity shares shall rank pari passu in all respects with the then existing equity shares of the Company.

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 exercise price payable by the option grantees under the KOEL ESOP 2019, shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 2/- 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 of Directors and/or the Company Secretary be and are hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to the above resolutions and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

ITEM NO. 8

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

“RESOLVED THAT pursuant to Section 180(1)(a) and Section 110 of the Companies Act, 2013, including rules made thereunder read with Regulation 24(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions, and subject to such



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consents, sanctions, permissions and approvals, if any required, the consent of the members be and is hereby given to the Board of Directors of the Company (hereinafter referred as "Board", which term shall include any committee constituted by the Board) to transfer all equity shares (including existing and proposed investment if any) having face value of Rs. 10/- each held by the Company in Arka Fincap Limited ("AFL" - a wholly owned subsidiary company – earlier known as Kirloskar Capital Limited) to the proposed wholly owned subsidiary company of Kirloskar Oil Engines Limited (which will be incorporated with the name as may be approved by the Ministry of Corporate Affairs, New Delhi, India, and registered as a Core Investment Company under applicable laws and regulations) in one or more tranches as the Board may decide and at a price which shall not be less than the fair market value of equity shares of AFL calculated as per provisions of Income Tax Act, 1961 including rules thereunder and amendment(s) thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be necessary from time to time to give effect to the above resolution."

By Order of the Board of Directors

Sd/-

Place: Pune

Smita Raichurkar

Date: 13th May 2021

Company Secretary

NOTES

1. In view of massive outbreak of the COVID 19 pandemic, social distancing is a norm to be followed, the Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed personal presence of the members at the meeting.

Pursuant to the General Circular No. 14/2020 dated 8th April 2020, Circular No. 17/2020 dated 13th April 2020, Circular No. 20/2020 dated 5th May 2020 and Circular No. 02/2021 dated 13th January 2021 issued by Ministry of Corporate Affairs and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 and Circular number SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021 issued by the Securities and Exchange Board of India (SEBI) (herein after referred as "Circulars") prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. In terms of the said Circulars, the 12th Annual General Meeting (AGM) of the members of the Company will be held through VC/OAVM only.

For detailed procedure for participating in the AGM through VC/OAVM please refer point no. 27 below.

2. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

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Only a member of the Company will be entitled to attend and vote at the Annual General Meeting of the Company which will be held through VC or OAVM and no member will be entitled to appoint a proxy to attend and vote instead of himself/herself.

3. Corporate Member(s) intending to appoint their authorized representative(s) to attend the Annual General Meeting (AGM) through VC/OAVM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM, pursuant to Section 113 of the Companies Act, 2013 and rules thereof including amendments thereunder, to the Scrutinizer by e-mail at csmosp.office@gmail.com with a copy marked to evoting@nsdl.co.in.
4. The facility for participation at the AGM through VC/OAVM is limited and on first come first serve basis. The same shall open 15 minutes before the time scheduled for the AGM and closed after 15 minutes from scheduled time for AGM. However, the participation of members holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM is not restricted on account of first come first serve basis.
5. The attendance of the Members attending the AGM through VC / OVAM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 and Rules thereunder, including amendments thereof.
6. The statement pursuant to Section 102 of the Companies Act, 2013 and rules thereof, including amendments thereunder relating to the special business to be transacted at the meeting is annexed hereto.
7. Details pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including amendments thereunder, in respect of directors seeking re-appointment at Annual General Meeting forms part of this Notice.
8. The Register of Members and Share Transfer Books of the Company will remain closed from **6th August 2021, Friday to 12th August 2021, Thursday** (both days inclusive) for the purpose of AGM and declaration of final dividend, if any.
9. The dividend, if declared at the AGM, will be paid to those members:
 - a. whose name appear as Beneficial Owners as at the end of the business hours on 5th August 2021, in the list of Beneficial Owners to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of equity shares held in electronic form; and
 - b. whose name appear as Members in the Register of Members of the Company after giving effect to valid share transmissions / deletion of names in physical form lodged with the Company / its Registrar and Share Transfer Agent on or before 5th August 2021.
10. In case members wish to ask for any information about accounts and operations of the Company, they are requested to send their queries by providing full name, DP ID and Client ID / Folio Number and contact number at email address viz. investors@kirloskar.com at least 7 days in advance of the date of this meeting so that the information can be made available at the time of this meeting.

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11. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 and rules thereunder, including amendments thereof, any money transferred to the unpaid dividend account, which remains unpaid or unclaimed for a period of 7 years from the date of such transfer is required to be transferred to the 'Investor Education and Protection Fund (IEPF)'.

Pursuant to the provisions of IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 and its amendments thereon, all shares in respect of which the dividend has not been paid or claimed for 7 consecutive years or more, are required to be transferred to IEPF.

Accordingly, the unpaid / unclaimed dividend for the years 2009–10, 2010-11, 2011-12 and 2012-13 along with equity shares has been transferred to the said Fund, after following the prescribed procedure.

Members are requested to send their claims to the Company/ R & T Agent, if any, before the amount becomes due for transfer to the above Fund. Members are requested to encash the dividend warrants immediately on their receipt by them.

The details of unclaimed and unpaid amount of Dividend are available on the Company's website viz. www.koel.co.in.

Members can claim the unclaimed dividend and the shares transferred to the IEPF including all benefits accruing on such shares, if any, from IEPF Authority after following the procedure prescribed by the Rules.

12. Register National Electronic Clearing Service (NECS) Mandate

Regulation 12 and Schedule I of SEBI Listing Regulation, 2015, including amendments thereunder requires all companies to use the facilities of electronic clearing services for payment of dividend. In order to get your dividend through electronic mode or NECS, members who are holding shares in physical form are requested to inform their Bank account details such as the name of the Bank, branch, its address, account number, 9 digit MICR code, IFSC code and type of account i.e. Savings or Current or Cash Credit etc. to **Link Intime India Private Limited, R & T Agent** of the Company having its office at 'Akshay' Complex, Block No. 202, 2nd Floor, Off Dhole Patil Road, Near Ganesh Temple, Pune – 411 001. **(Ph. No. 020-26161629)**.

Members holding shares in dematerialised form are requested to inform their bank account particulars to their respective Depository Participant (DP) and not to the R & T Agent of the Company. Those Members who do not opt for NECS facility may inform only bank account number and bank name for printing the same on the dividend warrant to ensure safety.

As per SEBI vide circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April 2018, unpaid/unclaimed dividend will be processed through electronic mode only.

13. The payment of Interim Dividend for FY 2020-21, as declared by the Board of Directors of the Company in its meeting held on 5th March 2021, is processed on 31st March 2021 for the members of the Company (holding equity shares as on 18th March 2021, the Record Date fixed for the purpose of said Interim Dividend) through National Electronic Clearing System (NECS) or any other electronic mode or by dividend warrant, as the case may be.

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The aforesaid interim dividend was paid after deducting the TDS at the applicable tax rate.

14. In terms of the provisions of the Income-tax Act, 1961, ("the Act") as amended by the Finance Act, 2020, dividend paid or distributed by a Company on or after 1st April 2020 shall be taxable in the hands of the shareholders. Therefore, the Company shall be required to deduct tax at source ("TDS") at the time of payment of dividend at the applicable tax rates.

Tax rate applicable to a shareholder depends upon residential status and classification as per the provisions of the Act. All shareholders are thereby requested to update any change in residential status and/or category with depository participants (in case of shares held in electronic form) or with the RTA, i.e. Link Intime India Private Limited (in case of shares held in physical form).

For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

Further pursuant to the Finance Act, 2021 section 206AB of the Act w.e.f. 1st July 2021, whereby tax would be required to be deducted at twice the applicable rate in respect of any sum or amount or income paid or payable or credited to a 'specified person'.

Further, the Act defined 'specified person' to mean:

1. A person who has not filed returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted and the time for filing tax return under section 139(1) of the Act has expired for both these assessment years; and
2. Aggregate of tax deducted at source and tax collected at source in his/her case is INR 50,000 or more in each of these two previous years.

Accordingly, company will check the compliance of section 206AB on the Income tax portal and will apply higher rate, if any, in case shareholder falls in the category of Specified person.

However, the aforementioned withholding at higher rate shall not apply to a Non-Resident who does not have a Permanent Establishment / fixed base in India. Accordingly, a Non-Resident should submit a No Permanent Establishment declaration.

In this regard, the Company has availed the facility for online submission of Tax Exemption forms from RTA, Link Intime India Private Limited wherein the shareholders can submit their tax-exemption forms along with other required documents.

The requisite form for claiming tax exemption can be downloaded from RTA's website at web link <https://www.linkintime.co.in/client-downloads.html> under the General Tab. All the forms are available under the head "Form 15G/15H/10F".

The aforementioned documents duly completed and signed are required to be uploaded on the URL <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> by selecting the Company Name - Kirloskar Oil Engines Limited and following the process as guided therein.

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In case tax on dividend is deducted at a higher rate in the absence of receipt of the specified details/ documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return. No claim shall lie against the Company for such taxes deducted.

Please note that the uploading of documents (duly completed and signed) on the website of Link Intime India Private Limited should be done in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax.

Incomplete and/or unsigned forms and declarations will not be considered by the Company.

15. Permanent Account Number (PAN)

Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in securities market. Members are requested to submit their PAN to their DPs (in case of shares held in dematerialised form) or to the Company / R & T Agent (in case of shares held in physical form).

16. Members are requested to immediately notify the R & T Agent (DP in case of shares held in dematerialised form) of any change in their correspondence address or email address.

17. Dematerialisation of Shares

Trading in the shares of the Company can be done in dematerialized form only. Members are requested to avail the facility of dematerialisation by opening Depository accounts with the DPs of either National Securities Depository Limited or Central Depository Services (India) Limited and get the equity share certificates held by them dematerialised to ensure safe and speedy transaction in securities.

18. Share Transfer permitted only in Demat

Securities and Exchange Board of India has amended relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including amendments thereunder, to disallow listed companies from accepting request for transfer of securities which are held in physical form, with effect from 1st April 2019. The Members who continue to hold shares of listed companies in physical form even after this date, will not be able to lodge the shares with Company / its R & T Agent for further transfer. They will need to convert them to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the Company / its R & T Agent.

19. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

20. Members having multiple folios are requested to intimate to the Company / R & T Agent such folios, to consolidate all shareholdings into one folio.

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21. Nomination

Members are requested to submit Nominations in prescribed Form SH-13 to R & T Agent in case of holding of shares in physical form and with their respective DPs, in case of shares held in dematerialised form. The Nomination Form SH-13 is available with R & T Agent of the Company and also on the website of the Company www.koel.co.in.

22. Register E-mail Address

To support Green Initiative, Members are requested to register their e-mail addresses with R & T Agent viz. Link Intime India Private Limited in case of holding of shares in physical form and with concerned DPs in case of shares held in dematerialised form.

In order to receive the correspondence / dividend, if any from the Company in a timely manner, Members are requested to register their e-mail addresses / Bank Account details, the details of which as under:

For shares held in Physical Form	<p>Visit the link https://linkintime.co.in/emailreg/email_register.html > select the Company Name - Kirloskar Oil Engines Limited and follow the registration process as guided therein.</p> <p>Members are requested to provide details such as Name, Folio Number, Share Certificate Number, PAN, Mobile Number and Email ID and also upload the image of Share Certificate / Aadhaar / valid Passport in PDF or JPEG format (up to 1MB) alongwith supporting documents. In case of any query, Member can contact the R&T Agent at telephone numbers +91 (020) 26160084 / 26161629 or send email to pune@linkintime.co.in.</p> <p>On submission of details, an One Time Password (OTP) will be received by the Member, which needs to be entered in the link for verification.</p>
For shares held in Dematerialized Form	Kindly contact your Depository Participant (DP) for registration of updation of email address (es).

The Members (in case of holding shares in physical form) who have not updated their bank account details for receiving the dividend, if any, directly in their bank accounts through electronic mode, may update their bank account details through the aforesaid link by uploading the necessary documents. The Members (in case of holding shares in dematerialized form) are requested to contact DPs for updating bank account details.

23. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May 2020 and 15th January 2021, Notice of the AGM along with the Annual Report for Financial Year 2020-21, is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories.

Members may note that the Notice and Annual Report for Financial Year 2020-21 will also be available on the Company's website www.koel.co.in, on the websites of Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.

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24. Inspection Documents:

Electronic copy of relevant documents referred to in the Notice and Explanatory Statement will be made available through email for inspection by the Members. A Member is requested to send an email to investors@kirloskar.com for the same.

Electronic copies of necessary statutory registers and auditors' reports / certificates will be available for inspection by the Members at the time of AGM.

25. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
26. National Securities Depositories Limited (NSDL) will be providing facility for voting through remote e-Voting, for participation in this AGM through VC / OAVM facility and e-Voting during this AGM.
27. Instructions for e-voting and procedure for joining the AGM through VC/OAVM

A. Voting through electronic means (Remote e-voting / e- voting on the date of AGM)

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and as amended from time to time, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including amendments thereunder and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, including amendments thereunder and the circulars issued by the Ministry of Corporate Affairs viz. Circular No. 14/2020 dated 8th April 2020, Circular No. 17/2020 dated 13th April 2020, Circular No. 20/2020 dated 5th May 2020 and Circular No. 02/2021 dated 13th January 2021, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 12th Annual General Meeting.

For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as voting on the date of the AGM will be provided by NSDL.

- II. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM through VC/OAVM but shall not be entitled to cast their vote again.
- III. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:**

The remote e-voting period commences on **9th August 2021 (9:00 am) (IST) and ends on 11th August 2021 (5:00 pm) (IST)**. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 5th August 2021, 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 cast by the member, the member shall not be allowed to change it subsequently.

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Email: investors@kirloskar.com **Website:** www.koel.co.in

CIN No.: L29100PN2009PLC133351



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A Kirloskar Group Company

- A. Member whose email IDs are registered with the Company/ R & T Agent viz. Link Intime India Private Limited / Depository Participant(s) will receive an email from NSDL. Once the Members receive the email, he or 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 and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December 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.	1. If you are already registered for NSDL IDeAS facility , please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “ Beneficial Owner ” icon under “Login” which is available under “ IDeAS ” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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Type of shareholders	Login Method
	<p>2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p>
	<p>3. 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. 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 held 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 options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.</p> <p>2. After successful login of Easi/Easiest the user will be also able to see the E-Voting Menu. The Menu will have links of E-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in 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 provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>

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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. Once login, you will be able to see e-Voting option. Once you 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 options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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.

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 toll free no.: 1800 1020 990 and 1800 22 44 30
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 022- 23058738 or 022-23058542-43

B. Login Method for e-voting and joining the virtual meeting 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?
<ol style="list-style-type: none"> 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 'Shareholders/Members' section. 3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. <p>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</p>

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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.

4. 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***

5. 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'.

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- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. 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.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 8. Now, you will have to click on “Login” button.
 9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting 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 and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
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.

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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.

Process for those shareholders whose email IDs are not registered with the Company / R & T Agent / Depository Participants(s) and 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 investors@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 investors@kirloskar.com. If you are an Individual shareholders 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 and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.
4. Please follow all steps from Sr. No. III (A) above, to cast vote.
5. In terms of SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December 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.

General Guidelines for shareholders

- a) 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 at csmssp.office@gmail.com with a copy marked to evoting@nsdl.co.in

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- b) 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.
- c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members who need assistance before or during the AGM and remote e-voting user manual for members available on the website www.evoting.nsdl.com under the ‘Downloads section’. You can also contact Ms. Sarita Mote, Assistant Manager via e-mail at evoting@nsdl.co.in or call on toll free no. 1800 1020 990 and 1800 22 44 30

IV. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
5. In case any Member casts the vote through e-voting to be conducted at the time of AGM in addition to the remote e-voting, the voting through remote e-voting shall be considered as final and vote casted through e-voting at the time of the AGM shall be considered as invalid.

V. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join General meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN

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of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and closed after 15 minutes from scheduled time for AGM (except for the members holding more than 2%).

5. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in or contact Ms. Sarita Mote, Assistant Manager – NSDL or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at sagar.ghosalkar@nsdl.co.in or call on toll free no. 1800 1020 990 and 1800 22 44 30.
6. Members who would like to express their views/ask questions during the AGM may register themselves as a speaker and may send their request mentioning their name, demat account number/folio number, email id, mobile number at email address viz. investors@kirloskar.com at least 4 days before date of the meeting. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.

For smooth conduct of proceedings of the AGM, Members may note that the Company reserves the right to restrict number of questions and speakers during the AGM depending upon availability of time.

28. You can also update your mobile number and e-mail ID in the user profile details of the Folio, which may be used for sending future communication(s).
29. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on **5th August 2021**.
30. Any person, holding shares in physical form and non-individual shareholders who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. **5th August 2021**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot

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your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" or option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 5th August 2021 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system"

31. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. **5th August 2021** only shall be entitled to avail the facility of remote e-voting as well as e- voting at the AGM.
32. A person who is not a member as on the cut-off date should treat this notice for information purpose only.
33. Manasi Paradkar, Practicing Company Secretary, Pune, (Membership No. FCS 5447 CP No. 4385) has been appointed as the Scrutinizer to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.
34. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "e-voting facility availed from NSDL" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
35. The Scrutinizer shall after the conclusion of e-voting at the Annual general meeting, will unblock the votes cast through remote e-voting/e-voting at the time of AGM, not later than 2 working days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
36. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.koel.co.in and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited.

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ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 & RULES THEREOF INCLUDING AMENDMENTS THEREUNDER AND REGULATION 36 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 INCLUDING AMENDMENTS THEREUNDER AND REGULATION 6 & 7 OF THE SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014.

ITEM NO. 3 OF THE NOTICE

Mr. Mahesh R. Chhabria (DIN 00166049) retires by rotation and being eligible offers himself for re-appointment.

He holds 11,552 (0.01%) equity shares in the Company.

Mahesh R. Chhabria (Age 56) is a dedicated, focused and accomplished professional with over 30 years of experience in the financial services industry. In these 30 years, he worked with investment banks, private equity funds and also has been an independent director of several companies.

He has been the Managing Director of Kirloskar Industries Limited since July 2017. Prior to this he worked as a Partner with Actis, where he was responsible for advising Actis Global LLP, a leading private equity fund in the emerging market space, to invest their money in growth capital and buy out businesses in India.

Mahesh previously worked at 3i India, where he was a partner in the firm's Growth Capital Group and the lead partner globally for the Healthcare sector, heading up and contributing to 3i investments in India and international markets. Before moving to private equity in 2006, Mahesh was co-head of investment banking at Enam, one of the leading domestic investment banks in India.

He is a regular Speaker at various industry forums and occasionally contributes to some Indian business publications. Mahesh holds a Bachelor of Commerce from the University of Mumbai and is an Associate Member of the Institute of Chartered Accountants of India.

He is a relationship builder with strong communication and interpersonal skills, with an extensive network of contacts, associates and friends at all levels in the financial services sectors, corporates, professional, legal and accounting firms, media and select regulatory bodies. Serves as an Independent Director of Enam Asset Management Co. Pvt. Ltd., Wabco India Limited and Tube Investment of India Limited.

He is a member of the Audit Committee and Nomination & Remuneration Committee of the Company.

He is also director in the following other companies:

Kirloskar Industries Limited	Arka Fincap Limited (earlier known as Kirloskar Capital Limited)@
Kirloskar Proprietary Limited	Tube Investment of India Limited@
Kirloskar Ferrous Industries Limited	Kirloskar Pneumatic Company Limited
Enam Asset Management Company Private Limited	Wabco India Limited@

@Audit Committee – Chairman

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He has attended 6 meetings of the Board of Directors of the Company during the Financial Year 2020-21.

Mr. Mahesh R. Chhabria is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 read with rules thereunder including amendments thereof and has given his consent to act as a Director.

Except Mr. Mahesh R. Chhabria and his relatives to the extent of their shareholding, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise in this resolution.

ITEM NO. 4 OF THE NOTICE

Ms. Gauri Kirloskar (DIN 03366274) retires by rotation and being eligible offers herself for re-appointment.

She holds 57,53,580 (3.98%) equity shares in the Company.

Ms. Gauri Kirloskar (Age 38), attended Carnegie Mellon's Tepper School of Business, where she received a BSc. in Business Administration with a concentration in Finance. Previously she attended Phillips Academy, Andover, near Boston.

After graduation, Gauri worked as an investment banking analyst at Merrill Lynch in their Mergers and Acquisitions group where she analyzed the impact of proposed mergers, acquisitions, spinoffs and various restructuring alternatives on earnings, credit profile and value creation of various clients across the technology, real estate and retail industries. She then moved on to Pearson's Corporate Finance and Strategy group where she looked at bolt on acquisitions for their education business.

Since moving back to India in 2010, Gauri has been focusing her efforts on strategic initiatives for the Kirloskar Group into infrastructure and investments as well as functioning as a director and observer at several Kirloskar Group companies.

Her primary role is establishment of the Group's real estate business in Pune. This involves strategic alternatives analysis of value creation opportunities around the sale and development of the group's land banks. She has been involved in title clearance and land approvals, building up of the design brief and working closely with the IPCs.

She is also strategically involved in the team hiring and overall business plan of Arka Fincap Limited, the Group's foray into the financial services business. She was an active participant in the process of filing for the RBI license for this business.

She leads the Group's efforts on branding, corporate communications and shared services. As a board member on Kirloskar Oil Engines Limited since 2014, she is involved in regular compliance and performance reviews. She is also an active member of the committee that looks at new investments initiatives in the energy space.

She is a member of the Stakeholders Relationship Committee of the Company.

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She is also director in the following other companies:

La-Gajjar Machineries Private Limited	Kirloskar Integrated Technologies Private Limited
Navsai Investments Private Limited	GreenTek Systems (India) Private Limited
The Bombay Burmah Trading Corporation Limited#	Indo Global Hinjewadi Software Park Private Limited
Beluga Whale Capital Management Pte. Ltd.	The Bombay Dyeing and Manufacturing Company Limited#
Arka Fincap Limited	Wellness Space Developers Limited
Optiqua Pipes and Electricals Private Limited	

#Audit Committee – Member

She has attended 6 meetings of the Board of Directors of the Company during the Financial Year 2020-21.

Mr. Atul C. Kirloskar, Executive Chairman of the Company, being father and other relatives of Ms. Gauri Kirloskar, to the extent of their shareholding in the Company, may be deemed to be concerned or interested in this resolution.

Ms. Gauri Kirloskar is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 read with rules thereunder including amendments thereof and has given her consent to act as a Director.

Except above, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise in this resolution.

ITEM NO. 5 OF THE NOTICE

The members of the Company re-appointed P. G. Bhagwat LLP, Chartered Accountants (having LLPIN is AAT-9949), as the Statutory Auditors of the Company, (Firm Registration Number 101118W/W100682) for the second consecutive term of 5 years in the Annual General Meeting of the Company held on 5th August 2016.

The re-appointment was made from the conclusion of Annual General Meeting held on 5th August 2016 till the conclusion of the Annual General Meeting of the Company to be held in year 2021.

Pursuant to provisions of Section 139(2)(b)(ii) of the Companies Act, 2013 including amendments thereunder, an audit firm which has completed its two terms of five consecutive years, shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term.

Further the Members of the Company are authorized to fix remuneration of the Auditors of the Company at the time of appointment/re-appointment, pursuant to provisions of Section 142(1) of the Companies Act, 2013, including rules made thereunder and Regulation 36(5) of SEBI Listing Regulations, 2015 including amendment made thereunder.

Based on the recommendation of the Audit Committee, but subject to approval of shareholders of the Company, the Board of Directors in its meeting held on 13th May 2021 considered and recommended the appointment of G. D. Apte & Co., Chartered Accountants, (Firm Registration No. 100515W) as Statutory Auditors, for a first term of 5 consecutive years with effect from the conclusion of this Annual General Meeting of the Company till the

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conclusion of the Annual General Meeting of the Company to be held in the year 2026, including remuneration payable to them taking into account their credentials.

The Audit Committee and Board of Directors considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found G. D. Apte & Co., Chartered Accountants, to be best suited to handle the audit of the financial statements of the Company.

G. D. Apte & Co., Chartered Accountants is an old and reputed Audit and Advisory firms in India, having been set up in the year 1930. The firm is well established in India with offices in Mumbai, Pune and Chennai with its operations adequately supported by qualified professionals and staff.

G. D. Apte & Co., Chartered Accountants represented in committees set up by regulators such as the Institute of Chartered Accountants of India (ICAI) and Reserve Bank of India (RBI).

The terms and conditions of appointment of the G. D. Apte & Co., Chartered Accountants statutory auditors and the proposed fees are as follows:

- a) **Term of Appointment:** First term of 5 consecutive years with effect from the conclusion of this Annual General Meeting of the Company till the conclusion of the Annual General Meeting of the Company to be held in the year 2026
- b) **Proposed Fees:** Remuneration for Statutory Audit of Rs. 34 Lacs p.a. (Rupees Thirty Four Lacs Only) as the Statutory Audit fees and other certification charges plus applicable taxes thereon and reimbursement of out of pocket expenses on actual basis in connection with the statutory audit of the Company for the Financial Year 2021-22. The remuneration payable to the statutory auditors for the entire tenure of the proposed appointment will be subsequently determined by the Board as per the recommendations of the Audit Committee.

The proposed fees is based on knowledge, expertise, industry experience, time and efforts required to be put in by them, which is in line with the industry benchmarks. The fees for services in the nature of limited review, statutory certifications and other professional work will be in addition to the audit fee as above and will be determined by the Board in consultation with the Auditors and as per the recommendations of the Audit Committee.

There is no material change in the fees payable to G. D. Apte & Co., Chartered Accountants statutory auditors of the Company as compared to the fees payable to the existing statutory auditors of the Company.

The Board recommends resolution set out in Item no. 5 of the notice for approval by the members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in this resolution.



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ITEM NO. 6 OF THE NOTICE

The Board of Directors on the recommendation of Audit Committee has approved the appointment of M/s. Parkhi Limaye and Co., Cost Accountants (Firm Registration No. 191) to conduct the audit of the cost records of the Company for Financial Year ended 31st March 2022, at the remuneration of Rs. 8,00,000/- p.a. (Rupees Eight Lacs only) plus applicable taxes thereon, other certification charges and reimbursement of out of pocket expenses on actual basis.

Pursuant to provisions of Section 148 and all 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), the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company.

M/s. Parkhi Limaye and Co, Cost Accountants have furnished certificate regarding their eligibility for appointment as Cost Auditors of the Company.

The Board recommends resolution set out in Item no. 6 of the notice for approval and ratification by the members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in this resolution.

ITEM NO. 7 OF THE NOTICE

The Company had implemented the “Kirloskar Oil Engines Limited – Employee Stock Option Plan 2019” (KOEL ESOP 2019) with a view to attract and retain the best talent and serve to attract, incentivize and motivate professionals and reward exceptional performance and to align the interests of the employees with that of the Company and its shareholders by providing an opportunity to the employees to share in the growth of the Company and to create wealth in the hands of the employees.

The KOEL ESOP 2019 was originally approved by the members of the Company by way of a special resolution in the Annual General Meeting (AGM) held on 9th August 2019 in due compliance of the applicable provisions of the Companies Act, 2013 read with relevant rules and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with relevant circular issued thereunder (“SEBI SBEB Regulations”) and also authorized the Board of Directors of the Company to create, offer, grant, issue and allot from time to time, in one or more tranches, not exceeding 14,00,000 (Fourteen Lacs) equity shares of the Company, of face value of Rs. 2/- each as an Employee Stock Options.

The Nomination and Remuneration Committee of the Board of Directors of the Company in its meeting held on 5th March 2021 has approved the grant of 9,40,000 employee stock options with exercise price of Rs. 103.14 per Option (“Options”) to 132 employees of the Company, in terms of ‘Kirloskar Oil Engines Limited – Employee Stock Option Plan 2019 (“KOEL ESOP 2019”)’. The vested Options shall be exercisable within a period of 2 (Two) years from the date of vesting. Pursuant to the Scheme, Options shall vest after the minimum period of 1 (One) year but not later than the maximum period of 4 (four) years from the date of grant of Options.

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The Company now intends to extend the coverage and benefit of the KOEL ESOP 2019 to the eligible employees of its subsidiary Company(ies), in or out of India except such subsidiary Company(ies) which are formed and engaged in financial service business including without limitation to the Arka Fincap Limited.

Employee stock options (“Options”) are known to be effective alternatives of cash compensation and could be instrumental in conserving cash in times of need. Given the imperative that these key talents of the Subsidiary Company should have stake in the Company as a co-owner.

In this background, it is thought expedient to amend the KOEL ESOP 2019 in terms of coverage of the employees of the Subsidiary Company(ies), in or out of India except such subsidiary Company(ies) which are formed and engaged in financial service business including without limitation to the Arka Fincap Limited and extend the benefit of the KOEL ESOP 2019 by grant of Options to such employees of the Subsidiary Company(ies), in or out of India except such subsidiary Company(ies) which are formed and engaged in financial service business including without limitation to the Arka Fincap Limited at the discretion of the Board of Directors of the Company.

None of the aforesaid proposed amendments is detrimental to the interests of any existing option grantees as the amendments are intended to be prospective. The beneficiaries of such variation shall be such eligible employees of the Subsidiary Company(ies), in or out of India except such subsidiary Company(ies) which are formed and engaged in financial service business including without limitation to the Arka Fincap Limited whom fresh grant will be made under the KOEL ESOP 2019.

In terms of Regulation 6 and 7 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”), the Board of Directors in its meeting held on 13th May 2021, based on the recommendation of the Nomination and Remuneration Committee in its meeting held on 13th May 2021 considered and approved the proposal of amendment in the KOEL ESOP 2019 in terms to cover and grant of Options to such eligible employees of the Subsidiary Company(ies) in or out of India except such subsidiary Company(ies) which are formed and engaged in financial service business including without limitation to the Arka Fincap Limited subject to shareholders’ approval by passing special resolution.

Given the details of amendments, rationale thereof and beneficiaries of such variation, as per the SEBI SBEB Regulations, the shareholders’ approval is sought for the amendment in the KOEL ESOP 2019 in line stated above.

Features of the KOEL ESOP 2019 after amendment shall remain the same as originally approved except as stated above. However, the features are reproduced in terms of SEBI SBEB Regulations, as under:

1. Brief description of the KOEL ESOP 2019:

“Kirloskar Oil Engines Limited - Employee Stock Option Plan 2019” (“KOEL ESOP 2019”) was approved by the shareholders of the company in the 10th AGM of the company held on 9th August 2019 for granting options to the eligible employees of the Company and its subsidiary Company(ies) in or out of India except such subsidiary Company(ies) which are formed and engaged in financial service business including without limitation to the Arka Fincap Limited under KOEL ESOP 2019.

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After vesting of Options, the eligible employees of the Company and its subsidiary Company(ies) in or out of India except such subsidiary Company(ies) which are formed and engaged in financial service business including without limitation to the Arka Fincap Limited, earn a right, but not obligation, to exercise the vested Options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Nomination and Remuneration Committee ('Committee') shall act as Compensation Committee for the administration of KOEL ESOP 2019. All questions of interpretation of the KOEL ESOP 2019 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in KOEL ESOP 2019.

2. Total number of options to be granted:

The total number of Options granted under the KOEL ESOP 2019 shall not exceed 14,00,000 (Fourteen Lakhs) number of Options convertible into equivalent number of equity shares of the Company, of face value of Rs. 2 each fully paid equity share capital of the Company. (0.97% of paid-up equity share capital of the Company as on 31st March 2019)

Further, SEBI SBEB 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 options granted. In this regard, the Committee shall adjust the number and price of the options granted in such a manner that the total value of the options granted under the KOEL ESOP 2019 remain the same after any such corporate action. Accordingly, if any additional options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of 14,00,000 (Fourteen Lakhs), shall be deemed to be increased to the extent of such additional options issued.

Options lapsed or cancelled due to any reason including the reason of lapse of exercise period or due to resignation of the employees/ Director(s), whether whole time or otherwise, would be available for being re-granted at a future date. The Committee is authorized to re-grant such lapsed / cancelled options as per the KOEL ESOP 2019.

3. Identification of classes of employees entitled to participate in the KOEL ESOP 2019:

All permanent employees and Directors (hereinafter referred to as "employees") of the Company including that of its subsidiary Company(ies) in or out of India except such subsidiary Company(ies) which are formed and engaged in financial service business including without limitation to the Arka Fincap Limited, shall be eligible subject to determination or selection by the Committee. Following classes of employees/ Directors are eligible being:

- a) a permanent employee of the Company who has been working in India or outside India;
- b) a director of the Company, whether a whole time director or not but excluding an independent director or
- c) an employee as defined in clause (i) or (ii) of a subsidiary company.

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Provided that employees of the Subsidiary Company(ies) which have formed and engaged in financial service business including Arka Fincap Limited shall be specifically excluded from the classification and definition of the employees under the KOEL ESOP 2019.

The following category of employees/directors shall not be eligible to participate in the KOEL ESOP 2019:

- a) an employee who is a promoter or a person belonging to the promoter group; and
- b) a director who either by himself/ herself or through his / her relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company;

4. Requirements of vesting and period of vesting:

The options granted shall vest so long as the employee continues to be in the employment of the Company and its Subsidiary Company. The Board or Nomination and Remuneration Committee may at its discretion, lay down criteria including, but not limited to, the performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting and the proportion in which options granted would vest (subject to the maximum vesting period as specified below).

The options have a minimum vesting period of not earlier than 1 (one) year and not later than 4 (four) years from the date of Grant of option or such other period as may be determined by the Board or Nomination and Remuneration Committee. The Options granted under the KOEL ESOP 2019 may vest in one or more tranches.

5. Maximum Period within which the option shall be vested:

Option granted on any date shall vest not later than a maximum of 4 (four) years from the date of grant of options as may be determined by the committee.

6. Exercise Price or pricing formula:

The options will be granted at a discount of up to a maximum of 40% as decided by the Nomination and Remuneration Committee, to the latest available closing price on the stock exchange on which the shares of the Company are listed, prior to the date of the meeting of the Nomination and Remuneration Committee, in which options are granted. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered.

7. Exercise Period and the process of Exercise:

The Exercise period would commence from the date of vesting of Options and would expire not more than 3 (three) years from the date of Vesting of the respective Options or such other period as may be determined by the Board or Nomination and Remuneration Committee as the case may be.

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The vesting options will be exercisable by the employees by a written application to the Company to exercise the options in such manner and on execution of such documents, as may be prescribed by the Nomination and Remuneration Committee or Board of the Company from time to time. The options will lapse if not exercised within the specified exercise period.

8. Appraisal Process for determining the eligibility of the employees under KOEL ESOP 2019:

The appraisal process for determining the eligibility of the employees will be specified by the Board or the Nomination and Remuneration Committee and will be based on criteria, such as role / criticality of the employee, length of service with the Company, work performance, technical knowledge, managerial level, future potential and such other criteria that may be determined by the Board or the Nomination and Remuneration Committee at its sole discretion as applicable.

The Board or the Nomination and Remuneration Committee may decide to extend the benefits of the KOEL ESOP 2019 to new entrants or to existing employees of the subsidiary company (ies) in or out of India except such subsidiary Company(ies) which are formed and engaged in financial service business including without limitation to the Arka Fincap Limited on such basis as it may deem fit, in accordance with applicable law.

9. Maximum number of options to be issued per employee and in aggregate:

The quantum of employees stock options to be granted per employee under the KOEL ESOP 2019 in any financial year and in aggregate shall not exceed 3,00,000 (Three Lakhs) options.

10. Maximum quantum of benefits to be provided per employee under the KOEL ESOP 2019:

Apart from grant of options as stated above, no monetary benefits are contemplated under the KOEL ESOP 2019.

11. Whether the scheme is to be implemented and administered directly by the Company or through a Trust:

The KOEL ESOP 2019 shall be implemented and administered directly by the Company without forming or involving any trust.

12. Whether the scheme involves new issue of shares by the company or secondary acquisition by the trust or both:

The KOEL ESOP 2019 involves new issue of shares against exercise of options. There is no involvement of trust and therefore, there will not be any secondary acquisition.

13. Accounting and Disclosure Policies:

The Company shall comply with the IND AS 102 on Share based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, applicable disclosure and the accounting policies as prescribed under Regulation 15 of the SEBI SBEB Regulations and those prescribed by the concerned authorities from time to time.

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14. Source of acquisition of shares under the KOEL ESOP 2019:

The KOEL ESOP 2019 involves issue of new shares against exercise of options. There is no involvement of trust and therefore, there will not be any secondary acquisition.

15. Amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc:

The KOEL ESOP 2019 is to be implemented and administered directly by the Company without forming or involving any Trust. Therefore, provision of any loan to a Trust under the KOEL ESOP 2019 does not arise.

16. Maximum percentage of secondary acquisition:

The KOEL ESOP 2019 is to be implemented and administered directly by the Company without forming or involving any Trust. Therefore, the KOEL ESOP 2019 does not envisage any secondary acquisition.

17. Lock-in:

The shares arising out of exercise of Vested Option shall not be subject to any lock-in period from the date of allotment of such shares under the KOEL ESOP 2019.

Provided that the Shares allotted on such Exercise cannot be sold for such further period or intermittently as required under the terms of Code of Conduct for Prevention of Insider Trading of the Company framed under Securities and Exchange Board of India (Prohibition of Insider Trading), Regulation, 2015, including amendment thereunder.

18. Method of Stock Option's Valuation:

To calculate the employee compensation cost, the Company shall use the Fair Value Method for valuation of the Options granted or such valuation method as may be prescribed from time to time in accordance with applicable laws.

19. Statement:

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 recognized if it had used the fair value of the options and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

A draft scheme of amended KOEL ESOP 2019 is available for inspection by the members at the registered office of the Company on all working days of the Company during business hours.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in this resolution, except to the extent of their entitlements, if any, under KOEL ESOP 2019 and to the extent of their shareholding, if any.

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In terms of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with rules thereunder including amendments thereof and as per Regulation 6 and 7 of the SEBI SBEB Regulations the resolution set out at Item no. 7 of the Notice requires approval of the members of the Company by passing special resolution.

ITEM NO. 8 OF THE NOTICE

Kirloskar Oil Engines Limited (KOEL or the Company) had obtained the approval of shareholders on 30th January 2018 for amendment to Main Object Clause of Memorandum of Association to include Financial Service business.

Pursuant to the approval of the Board of Directors of KOEL dated 19th January 2018, a wholly owned subsidiary company viz. Arka Fincap Limited (earlier known as Kirloskar Capital Limited) was incorporated on 20th April 2018 to carry on the Financial Services business.

Arka Fincap Limited received registration certificate dated 29th October 2018 from the Reserve Bank of India for commencing the business of non-deposit accepting non-banking financial company. Arka Fincap Limited commenced the financial services business from 25th April 2019.

Arka Fincap Limited is a material subsidiary of KOEL pursuant to Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 based on audited consolidated annual accounts of KOEL as on 31st March 2021.

The Board of Directors of the Company in its meeting held on 13th May 2021 based on recommendation of the Audit Committee, considered the incorporation of a wholly owned subsidiary company to be registered as Core Investment Company (CIC) as per RBI Regulations, in order to expand its financial service business activities. The CIC will facilitate diversification of financial business in separate verticals such as Housing Finance, Vehicle Finance, Alternative Investment Funds (AIFs), Infrastructure Debt Finance and other financial services businesses which shall be housed in separate legal entities. This will be facilitated through one or more subsidiary companies of CIC which approach will help in effective monitoring, efficient use of capital and meeting regulatory compliances for financial services. Currently, the Board of Directors has decided to keep the total investment in AFL and/or CIC, directly or indirectly, at Rs. 1000 Crores including the investment made in AFL so far.

The Board of Directors based on recommendation of the Audit Committee, has further recommended to the members of the Company to transfer all equity shares (including existing and proposed investment if any) having face value of Rs. 10/- each held by the Company in Arka Fincap Limited to the proposed afore-mentioned wholly owned subsidiary company of the Company with the name as may be approved by the Ministry of Corporate Affairs, New Delhi, India, and thereafter registered as "Core Investment Company" ["CIC"] under the applicable regulations), in one or more tranches as the Board may decide and at a price which shall not be less than the fair market value of equity shares of AFL calculated as per provisions of Income Tax Act, 1961 including rules thereunder and amendment(s) thereto.

The fair market value of equity shares shall be calculated as per provisions of Income Tax Act, 1961 including rules thereunder and amendment thereto.

Regulation 24(5) of SEBI (LODR) Regulations, 2015 ("Listing Regulations") provides that a listed entity shall not dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with

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other subsidiaries) equal to or less than 50% (fifty percent) or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting, except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code.

Material subsidiary for the purpose of Regulation 24 of the Listing Regulations shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Considering the fact that AFL is a material subsidiary of the Company, the proposed transaction will require shareholders' approval by way of special resolution in terms of Regulation 24 of the Listing Regulations.

As per the provisions of Sections 180(1)(a) and 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the resolution set out in the Notice for disposal of undertaking requires approval of the members of the Company by passing special resolution through Postal Ballot.

Pursuant to the General Circular No. 14/2020 dated 8th April 2020, General Circular No. 17/2020 dated 13th April 2020 and General Circular No. 20/2020 dated 5th May 2020, issued by Ministry of Corporate Affairs the approval of members of the Company is sought in view of the uncertainty of the timeframe for which the pandemic would last, by passing special resolution in the forthcoming Annual General Meeting (instead of Postal Ballot) sought in the resolution set out in Item No. 8 of this Notice.

None of the Directors, Key Managerial Personnel of the Company including their relatives are in any way concerned or interested, financially or otherwise, in the proposed resolution, except to the extent of their shareholding interest, if any.

By Order of the Board of Directors

Sd/-

Place: Pune

Date: 13th May 2021

Smita Raichurkar
Company Secretary



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