



## KIRLOSKAR OIL ENGINES LIMITED

A Kirloskar Group Company

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### NOTICE

Notice is hereby given that 10<sup>th</sup> Annual General Meeting of Kirloskar Oil Engines Limited will be held on Friday, the 9<sup>th</sup> day of August 2019 at 12.15 p.m. at Sheraton Grand Pune Bund Garden Hotel, Raja Bahadur Mill Road, 211/212, Pune – 411 001, to transact the following business:

#### ORDINARY BUSINESS

##### ITEM NO.1

To receive, consider and adopt the Audited Standalone Financial Statements and the Consolidated Financial Statements of the Company for the Financial Year ended 31 March 2019 together with the Reports of the Directors and Auditors thereon.

##### ITEM NO.2

To declare final dividend of ₹ 2.50/- per equity share (125%) and to confirm the interim dividend of ₹ 2.50/- per equity share (125%), already paid during the year, for the financial year ended 31 March 2019.

##### ITEM NO.3

To appoint a director in place of Mr. Vinesh Kumar Jairath (DIN 00391684) 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.

#### SPECIAL BUSINESS

##### 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 further to the approval of members of the Company in its meeting held on 10 August 2018, for re-appointment of Mr. Rajendra R. Deshpande (DIN 00007439) as a Whole Time Director with designation as ‘Joint Managing Director’, based on recommendation of the Board of Directors, the consent of the members of the Company be and is hereby given for re-designation of Mr. Rajendra R. Deshpande (DIN 00007439) as ‘Managing Director and Chief Executive Officer’ from ‘Joint Managing Director’ with effect from 26 October 2018 till expiry of his present term of appointment of 2 years i.e. 28 April 2020.

RESOLVED FURTHER THAT the rest of terms of his re-appointment as approved by the members of the Company in its meeting held on 10 August 2018 remains unchanged.”

##### 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 Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and Regulation 16(1)(b) and 25(8) including such other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory amendment, modification(s) or re-enactment thereof for the time being in force), Mrs. Mrunalini Deshmukh (DIN 07092728), who was appointed as an Additional Director by the Board of Directors of the Company with effect from 12 September 2018 and who holds office of Director up to the date of



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this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 read with Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years with effect from 12 September 2018."

### 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 pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and Regulation 16 (1) (b) and 25(8) including such other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory amendment, modification(s) or re-enactment thereof for the time being in force), Mr. Sunil Shah Singh (DIN 00233918), who was appointed as an Additional Director by the Board of Directors of the Company with effect from 12 September 2018 and who holds office of Director up to the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 read with Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years with effect from 12 September 2018.

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 17(1A) of amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory amendments, modification(s) or re-enactment thereof for the time being in force), approval be and is hereby also granted for the continuation of first term of Mr. Sunil Shah Singh (DIN 00233918) who will attain the age of 75 years, during a first term of his appointment as Non-Executive Independent Director."

### 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 the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and Regulation 16 (1) (b) and 25(8) including such other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory amendment, modification(s) or re-enactment thereof for the time being in force), Mr. M. Lakshminarayan (DIN 00064750) whose period of office is liable to expire on 11 August 2019 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of three consecutive years with effect from 12 August 2019."

### ITEM NO. 9

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), the remuneration upto ₹ 8,00,000/- plus applicable taxes thereon 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, for conducting the audit of the Cost records maintained by the Company for the financial year ended 31 March 2020, be and is hereby ratified and confirmed."



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### ITEM NO. 10

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

"RESOLVED THAT pursuant to the provisions of 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, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the Regulations), provisions of Regulation 6 of the Securities Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by the Securities and Exchange Board of India (collectively hereinafter referred to as "SEBI SBEB Regulations") and to such other applicable Regulations which may be issued and / or amended from time to time by the SEBI or any other relevant authority, from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the members' of the Company be and is hereby accorded to introduce and implement the "Kirloskar Oil Engines Limited - Employees Stock Option Plan 2019" (hereinafter referred to as "KOEL ESOP 2019") and authorise 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), to create, offer, grant, issue and allot from time to time, in one or more tranches, not exceeding 14,00,000 (Fourteen Lakhs) employee stock options to or for the benefit of such person(s) who are in permanent employment of the Company, whether working in India or out of India, including any director of the Company, whether whole time or otherwise (other than Promoters or Promoter Group of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), as may be decided under KOEL ESOP 2019, exercisable into not more than 14,00,000 (Fourteen Lakhs) equity shares of the Company, of face value of ₹ 2/- each fully paid up (0.97% of the paid-up equity share capital of the Company as on 31 March 2019), where one employee stock 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 in case of any corporate action (s) such as rights issues, bonus issues, change in capital structure, merger and sale of division / undertaking or other reorganization and others, if any additional equity shares are to be issued by the Company to the option grantees, the ceiling as aforesaid of 14,00,000 (Fourteen Lakhs) equity shares, shall be deemed to increase in proportion of such additional equity shares issued to facilitate making fair and reasonable adjustment.

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 ₹ 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 be and is hereby authorised to formulate, evolve, decide upon and implement the KOEL ESOP 2019 as per the terms approved in this resolution and at any time to modify, change, vary, alter, amend, suspend or terminate the KOEL ESOP 2019, subject to the compliance with



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the applicable laws and regulations and to do all such acts, deeds, matters and things as may be at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and / or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the KOEL ESOP 2019 and to do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum of Association and Articles of Association of the Company, SEBI SBEB Regulations and any other applicable laws in force.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take requisite steps for listing of the equity shares allotted under KOEL ESOP 2019 on the stock exchange(s) where the equity shares of the Company are listed and also to do all such acts, deeds, and things, as it may in its absolute discretion deem necessary including authorizing or directing to appoint merchant Bankers, brokers, solicitors, registrars, compliance officer, investors service centre, various intermediaries, advisors, consultants or representatives for effective implementation and administration of the KOEL ESOP 2019 as also to make applications to the appropriate authorities for obtaining their requisite approvals as also to initiate all necessary actions for and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all acts, matters, deeds and things and to take all steps and to do all things and give such directions as may be necessary, expedient, or desirable and also to settle any question or difficulties that may arise in such manner and the Board / such authorised person in its/ his absolute discretion may deem fit and take steps which are incidental and ancillary in this connection."

Place: Pune

By Order of the Board of Directors

Date: 17 May 2019

Sd/-  
**Smita Raichurkar**  
Company Secretary



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### NOTES

- i. A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

- ii. Proxies, if any, in order to be effective must be received at the Company's Registered Office not later than 48 hours before the time fixed for holding the meeting. Proxies submitted on behalf of the Companies, Societies etc., must be supported by appropriate resolution / authority, as applicable.
- iii. The statement pursuant to Section 102 of the Companies Act, 2013, relating to the special business to be transacted at the meeting is annexed hereto.
- iv. Details pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including amendments thereunder, in respect of directors seeking appointment / re-appointment at Annual General Meeting forms part of the notice.
- v. The Register of Members and Share Transfer Books of the Company will remain closed from **3 August 2019** to **9 August 2019** both days inclusive.
- vi. Dividend on shares as recommended by the Directors, if declared, at this Annual General Meeting, will be paid to those members
- a. whose names appears as beneficial owners as at the end of Business hours on **2 August 2019**, in the list of beneficial owners made available by National Securities Depository Limited and Central Depository Services (India) Limited in respect of shares held in dematerialised form; and
- b. whose names appears as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with Company / Registrar and Share Transfer Agent (R & T Agent) on or before **2 August 2019**.
- vii. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, 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 2010-11, along with 37,258 equity shares of ₹ 2/- each has been transferred to the said Fund, after following the prescribed procedure.

Shareholders 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. Shareholders are requested to encash the dividend warrants immediately on their receipt by them.



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The details of unclaimed and unpaid amount of Dividend for the years 2009-10 onwards, due to the shareholders of the Company as on 10 August 2018, are available on the Company's website viz. [www.koel.co.in](http://www.koel.co.in).

Shareholders 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.

### viii. Register National Electronic Clearing Service (NECS) Mandate

Regulation 12 and Schedule I of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires all companies to use the facilities of electronic clearing services for payment of dividend. In order to get your dividend through 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, 2<sup>nd</sup> Floor, Off Dhole Patil Road, Near Ganesh Temple, Pune – 411 001. **(Ph. No. 020-26161629)**.

Shareholders 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 shareholders 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. Members who wish to avail the above facility are requested to submit required information to R & T Agent on or before the closing hours on **2 August 2019**. As per SEBI circular dated 20 April 2018, unpaid/unclaimed dividend will be processed through electronic mode only.

### ix. 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).

x. 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.

xi. In case members wish to ask for any information about accounts and operations of the Company, they are requested to send their queries in writing at least 7 days in advance of the date of the meeting so that the information can be made available at the time of the meeting.

### xii. 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.

### xiii. 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 to disallow listed companies from accepting request for transfer of securities which are held in physical form, with effect from 1 April 2019. The shareholders who continue to hold shares of listed companies in physical form



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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.

xiv. 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.

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

### xvi. **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](http://www.koel.co.in).

### xvii. **Register E-mail Address**

**To support Green Initiative, Members are requested to register their e-mail addresses with the Company / 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.**

xviii. Members may also note that the **Notice of the 10<sup>th</sup> Annual General Meeting and Annual Report for 2018-19** will also be available on the Company's website [www.koel.co.in](http://www.koel.co.in). The relevant documents referred to in the Notice will be open for inspection by the members at the Registered Office of the Company, Laxmanrao Kirloskar Road Khadki, Pune 411003 on all working days of the Company during business hours.

xix. Electronic copy of the Notice of the 10<sup>th</sup> Annual General Meeting and Annual Report for 2018-19 will be sent to all the members whose email IDs are registered with the Company / R & T Agent / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail IDs, physical copy of the Notice of the 10<sup>th</sup> Annual General Meeting and Annual Report for 2018-19 will be sent in the permitted mode.

xx. Members are requested to bring their attendance slip and copy of the annual report at the meeting.

xxi. Route Map showing directions to reach the venue of the 10<sup>th</sup> Annual General Meeting is given at the end of this Notice as per requirement of the Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India.

### xxii. **Voting through electronic means**

- 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, and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to the members the facility to exercise their right to vote on resolutions proposed to be considered at the 10<sup>th</sup> Annual General Meeting (AGM) by electronic means and the



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business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on **6 August 2019 (9:00 am) and ends on 8 August 2019 (5:00 pm)**. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **2 August 2019**, 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.
- V. The instructions for Remote e-voting through electronic means are as under:
  - 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 informing them of their User-ID and Password. 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 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

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

**Details on Step 1 are mentioned below:**

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' 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.

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

4. Your User ID details are given below :





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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. Your password details are given below:

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

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](http://www.evoting.nsdl.com).
- b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

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.



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### Details on Step 2 are given below:

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

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

#### B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company / R & T Agent / Depository Participants(s) or requesting physical copy]:

1. Initial password will be provided separately:

EVEN (E-Voting Event Number) USER ID PASSWORD/PIN

2. Please follow all steps from Sr. No. A above, to cast vote.

VI. 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 [csmsp.office@gmail.com](mailto:csmsp.office@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

VII. 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](http://www.evoting.nsdl.com) to reset the password.

VIII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for members available on the website [www.evoting.nsdl.com](http://www.evoting.nsdl.com) under the 'Downloads section'. You can also contact NSDL via email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on toll free no. **1800-222-990**.

IX. If you are already registered with NSDL for e-voting, then you can use your existing User ID and Password for casting your vote.

X. 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).



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- XI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on **2 August 2019**.
- XII. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **2 August 2019**, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto: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 your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. **1800-222-990**.
- XIII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XIV. 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. **2 August 2019** only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XV. A person who is not a member as on the cut-off date should treat this notice for information purpose only.
- XVI. Manasi Paradkar, Practicing Company Secretary, Pune, (Membership No. FCS 5447 CP No. 4385) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XVII. 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 "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XVIII. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three 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.
- XIX. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.koel.co.in](http://www.koel.co.in) and on the website of NSDL [www.evoting.nsdl.com](http://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.



# KIRLOSKAR OIL ENGINES LIMITED

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## ANNEXURE TO THE NOTICE

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

#### ITEM NO. 3 OF THE NOTICE

Mr. Vinesh Kumar Jairath retires by rotation and being eligible offers himself for re-appointment.

He does not hold any equity shares in the Company.

Mr. Vinesh Kumar Jairath joined the Indian Administrative Service in 1982 and worked in various positions in the Government of Maharashtra and Government of India. Some of the positions he held during his career in the IAS are Secretary to the Governor of Maharashtra, MD SICOM and Principal Secretary Industries Maharashtra. He took voluntary retirement in March 2008 and since then has been working as an independent consultant in areas of infrastructure, industry and real estate development. He holds a Master's Degree in Development Economics from the University of Manchester, U.K. He holds Bachelor of Arts Degree in Public Administration and Bachelor of Laws Degree, both, from the Punjab University, Chandigarh. He is an independent director on the Boards of Tata Motors Limited, Bombay Dyeing & Manufacturing Company Ltd, Go Air Ltd and Wockhardt Ltd. He has over 35 years of experience in public administration, infrastructure planning and development and infrastructure financing, finance, industry, urban development, environmental management, while occupying various important positions in the Government and post voluntary retirement on boards of various companies.

He is a member of the Audit Committee of the Company.

He is a director in the following other companies:

Tata Motors Limited*	TML Distribution Company Limited@
Tata Motors Finance Solutions Limited@	The Bombay Dyeing & Manufacturing Co. Ltd.*
Wockhardt Limited*\$	Kirloskar Industries Limited*
Go Airlines (India) Limited*	The Bombay Burmah Trading Corporation Limited*

\*Audit Committee – Member

@ Audit Committee – Chairman

\$ Stakeholder Relationship Committee - Chairman

Except Mr. Vinesh Kumar Jairath and his relatives, 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 retires by rotation and being eligible offers herself for re-appointment.

She does not hold any equity shares in the Company.

Ms. Gauri Kirloskar 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, spin-offs 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.



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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 Kirloskar Capital 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.

She is a director in the following other companies:

Kirloskar Integrated Technologies Private Limited	GreenTek Systems (India) Private Limited
Navsai Investments Private Limited	Indo Global Hinjewadi Software Park Private Limited
The Bombay Burmah Trading Corporation Limited*	The Bombay Dyeing and Manufacturing Company Limited*
Beluga Whale Capital Management Pte. Ltd.	

\*Audit Committee – Member

Mr. Atul C. Kirloskar, Director 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.

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 in its meeting held on 10 August 2018 re-appointed Mr. Rajendra R. Deshpande as 'Whole-time Director' with designation as 'Joint Managing Director' of the Company with effect from 29 April 2018 for a term of 2 years.

Considering significant contribution by Mr. Rajendra R. Deshpande towards directing the Company on various strategic, financial and business issues, the Board of Directors in its meeting held on 26 October 2018, based on recommendation of Nomination and Remuneration Committee, re-designated Mr. Rajendra R. Deshpande from 'Joint Managing Director' to 'Managing Director & CEO' with effect from 26 October 2018 till expiry of his present term of appointment for 2 years i.e. 28 April 2020, subject to the approval of the members of the Company.

Rajendra R. Deshpande (age 65), who is a Graduate in Mechanical Engineering, joined erstwhile Kirloskar Oil Engines Limited in July 1977. He has worked for the Small, Medium and Large Engines Business Groups of the Company. He started the Ancillary Development Department in the Company. During his tenure as a Business Unit Head, Medium Engines Business Group became the largest Strategic Business Unit amongst the Kirloskar Group. He has also played a vital role in commencement of plant at Kagal.



## KIRLOSKAR OIL ENGINES LIMITED

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He holds 11,250 (0.01%) equity shares in the Company.

He is a Member of Stakeholders Relationship Committee of the Company.

He is a director in the following other companies:

Swaraj Engines Limited	KOEL Americas Corp. USA
Kirloskar Kenya Limited	

He is neither a Member nor a Chairman of the Committees in the other Public Limited Companies.

Except Mr. Rajendra R. Deshpande and his relatives, 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.

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

### ITEM NO. 6 OF THE NOTICE

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013, and the Articles of Association of the Company, the Board of Directors of the Company appointed, Mrs. Mrunalini Deshmukh as an Additional Director of the Company with effect from 12 September 2018.

In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mrs. Mrunalini Deshmukh would hold office up to the date of this Annual General Meeting. She is also proposed to be appointed as an Independent Director for a term of 5 (Five) consecutive years with effect from 12 September 2018, pursuant to Section 149 (including other applicable provisions if any) of the Companies Act, 2013 and rules made thereunder. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing the candidature of Mrs. Mrunalini Deshmukh for the office of Director of the Company.

Mrs. Mrunalini Deshmukh (age 61) is an alumna of the St. Xavier's College and the Government Law College, Mumbai, and holds an LLM from the University of Mumbai in Commercial Law and Matrimonial Law. She is a renowned lawyer with over 15 years of experience and a special expertise in Family Law. A dedicated advocate of gender equality, Mrs. Mrunalini Deshmukh often participates and addresses domestic and international conferences on issues relating to family law, structuring of wealth and alimony issues, and the laws governing women. She addressed an International Conference on Wealth Planning for Global Indian Families in Dubai, U.A.E.

She does not hold any equity shares in the Company.

She is neither a member nor a chairman of any committee of the Company.

She is a director in the following other companies:

Kirloskar Industries Limited	Talwalkars Better Value Fitness Limited
Forbes Facility Services Private Limited	

She is neither a Member nor a Chairman of the Committees in the other Public Limited Companies.

She is not disqualified from being appointed as director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as director.

The Company has also received declaration from Mrs. Mrunalini Deshmukh that she meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and rules made thereunder and Regulation 16 (1)(b) and 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



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The Board is of the opinion that Mrs. Mrunalini Deshmukh fulfills the conditions specified in the said Act and the rules made thereunder and also possess appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively and she is independent of the management.

The Board considers that her experience and expertise would be of immense benefit to the Company and it is desirable to avail services of Mrs. Mrunalini Deshmukh as an Independent Director for a term of 5 (Five) consecutive years with effect from 12 September 2018.

The draft letter for the appointment of Mrs. Mrunalini Deshmukh as an Independent Director setting out the terms and conditions is available for inspection by the members at the Registered Office of the Company on all working days of the Company during business hours.

Except Mrs. Mrunalini Deshmukh and her relatives, 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.

The Board recommends resolution set out at Item no. 6 of the notice for approval of members of the Company.

### **ITEM NO. 7 OF THE NOTICE**

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013, and the Articles of Association of the Company, the Board of Directors of the Company appointed, Mr. Sunil Shah Singh as an Additional Director of the Company with effect from 12 September 2018.

In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mr. Sunil Shah Singh would hold office up to the date of this Annual General Meeting. He is also proposed to be appointed as an Independent Director for a term of 5 (Five) consecutive years with effect from 12 September 2018, pursuant to Section 149 (including other applicable provisions if any) of the Companies Act, 2013 and rules made thereunder. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Sunil Shah Singh for the office of Director of the Company.

The Board of Directors based on recommendation of Nomination and Remuneration Committee, considered waiver of upper age limit of 75 years as specified in the Nomination and Remuneration Policy of the Company for appointment of Mr. Sunil Shah Singh as an Independent Director for a term of 5 (Five) consecutive years with effect from 12 September 2018.

Pursuant to Regulation 17(1A) of amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board also recommends the resolution in relation to the continuation of directorship of Mr. Sunil Shah Singh as Non-Executive Independent Director, even after he attains the age of 75 years, till the expiry of his term of appointment.

Mr. Sunil Shah Singh (age 72) did his graduation B. Tech from Indian Institute of Technology, Delhi. He has experience in varied fields such as purchase, materials management, manufacturing, marketing and overall business operations. He has held many key positions like, Managing Director of ITD Cementation India Ltd., President of Tetra Pak processing, Country Head of Energy works India, Board member of Mather Platt India Ltd. He was also a member of Construction Federation of India, Construction Industry Development Council, National Institute of Construction Management and Research.

He does not hold any equity shares in the Company.

He is neither a member nor a chairman of any committee of the Company.



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He is a director in the following other companies:

Kirloskar Industries Limited@#	Kirloskar Pneumatic Company Limited@#
ITD Cementation (India) Limited@	Kirloskar Chillers Private Limited
La-Gajjar Machinerries Private Limited*	

@ Audit Committee – Chairman

\*Audit Committee - Member

#Stakeholder Relationship Committee – Member

He is not disqualified from being appointed as director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as director.

The Company has also received declaration from Mr. Sunil Shah Singh that he meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and rules made thereunder and Regulation 16 (1)(b) and 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board is of the opinion that Mr. Sunil Shah Singh fulfills the conditions specified in the said Companies Act and the rules made thereunder and also possess appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively and he is independent of the management.

The Board considers that his experience and expertise would be of immense benefit to the Company and it is desirable to avail services of Mr. Sunil Shah Singh as an Independent Director for a term of 5 (Five) consecutive years with effect from 12 September 2018.

The draft letter for the appointment of Mr. Sunil Shah Singh as an Independent Director setting out the terms and conditions is available for inspection by the members at the Registered Office of the Company on all working days of the Company during business hours.

Except Mr. Sunil Shah Singh and his relatives, 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.

In terms of Section 149 of the Companies Act, 2013, including rules thereof and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, 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

The members of the Company in its meeting held on 12 August 2014, appointed Mr. M. Lakshminarayan as an Independent Director for a term of 5 years by the members of the Company. His term is valid upto 11 August 2019.

Mr. M. Lakshminarayan is associated with Kirloskar Oil Engines Limited for over 10 years (including pre and post demerger period) as a Board Member, he made significant contribution towards guiding the Company on various strategic, financial and business issues and that the Company benefited immensely because of his vast experience.

The Board of Directors based on recommendation of Nomination and Remuneration Committee, considered reappointment of Mr. M. Lakshminarayan as an Independent Director for a second term of 3 (three) consecutive years with effect from 12 August 2019, pursuant to Section 149 of the Companies Act, 2013 (including other applicable provisions if any) and rules made thereunder.





## KIRLOSKAR OIL ENGINES LIMITED

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Mr. M. Lakshminarayan (age 72) holds a Masters degree in Technology from the Indian Institute of Technology, Mumbai. After working in Tata Motors for 16 Years in the Pune plant, he moved to Bosch Ltd (MICO). He has served in various capacities before joining the Board as Joint Managing Director in 2000. He was the Managing Director of Harman International India Private Limited, a 100% subsidiary of Harman International USA from 2009 till 2017. He is deeply connected with the activities of CII and was the past Chairman, CII Southern Region. He is a Director in Kirloskar Oil Engines Limited, Carborumdum Universal Limited, Rane (Madras) Limited, apart from being the Chairman of WABCO India.

He does not hold any equity shares in the Company.

He is Chairman of the Nomination and Remuneration Committee and Chairman of Risk Management Committee of the Company.

He is a director in the following other companies:

Rane (Madras) Limited@	WABCO India Limited*
TVS Automobile Solutions Private Ltd.	TVS Electronics Limited@
Jannadhar (India) Private Limited	Dickinson Fowler Private Limited
ASM Technologies Ltd*	Invest Karnataka Forum
Kostal India Private Limited	Wendt (India) Ltd
Sansera Engineering Limited	Suprajit Engineering Limited

@ Audit Committee – Chairman

\* Audit Committee – Member

He is not disqualified from being appointed as director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as director.

The Company has also received declaration from Mr. M. Lakshminarayan that he meet with the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and rules made thereunder and Regulation 16(1)(b) and 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including amendments thereunder. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. M. Lakshminarayan for the office of Director of the Company.

The Board is of the opinion that Mr. M. Lakshminarayan fulfills the conditions specified in the said Act and the rules made thereunder and also possess appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively and he is independent of the management.

The Board considers that his experience and expertise would be of immense benefit to the Company and it is desirable to avail services of Mr. M. Lakshminarayan as an Independent Director for a second term of 3 (three) consecutive years with effect from 12 August 2019.

The draft letter for the re-appointment of Mr. M. Lakshminarayan as an Independent Director setting out the terms and conditions is available for inspection by the members at the Registered Office of the Company on all working days of the Company during business hours.

Except Mr. M. Lakshminarayan and his relatives, 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.



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In terms of Section 149 of the Companies Act, 2013, including rules thereof and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the resolution set out at Item no. 8 of the Notice requires approval of the members of the Company by passing special resolution.

### ITEM NO. 9 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 to conduct the audit of the cost records of the Company for Financial Year ended 31 March 2020, at the remuneration upto ₹ 8,00,000/- plus applicable taxes thereon 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 amendment, modification(s) or re-enactment thereof for the time being in force), the remuneration payable to the Cost Auditor has to be ratified by the members of the Company.

The Board recommends resolution set out at Item no. 9 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. 10 OF THE NOTICE

Employee stock options (ESOP's) are considered as an effective tool to attract and retain the best talent and also serve to attract, incentivize and motivate professionals and reward exceptional performance.

Stock options in the hands of the employees have long been recognized as an effective instrument to align the interests of the employees with that of the Company and its shareholders, providing an opportunity to the employees to share in the growth of the Company and to create wealth in the hands of the employees.

Accordingly, the Company intends to reward, attract, motivate and retain employees and directors of the Company for their high level of individual performance and for their efforts to improve the financial performance of the Company. The Board of Directors in its meeting held on 17 May 2019, based on the recommendation of the Nomination and Remuneration Committee in its meeting held on 17 May 2019 considered and approved "Kirloskar Oil Engines Limited – Employee Stock Option Plan 2019" ("KOEL ESOP 2019") and proposed the same to the members for their approval.

In terms of Section 62(1)(b) of the Companies Act, 2013 read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), the Company seeks your approval as regards implementation of the KOEL ESOP 2019 and grant of options thereunder to the eligible employees of the Company as decided from time to time as per provisions of the KOEL ESOP 2019 read with provisions of SEBI SBEB Regulations.

The main features of the KOEL ESOP 2019 are as under:

#### 1. Brief description of the KOEL ESOP 2019:

The Company recognizes and appreciates the critical role played by the employees of the Company in bringing about growth of the organization. It strongly feels that the value created by them should be shared with them. To promote the culture of employee ownership in the Company, approval of the shareholders is being sought for issue of stock options under the "Kirloskar Oil Engines Limited - Employee Stock Option Plan 2019" ("KOEL ESOP 2019") to the employees of the Company.

After vesting of options, the eligible employees 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.



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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 ₹ 2 each fully paid equity share capital of the Company. (0.97% of paid-up equity share capital of the Company as on 31 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:

Persons who are permanent employees of the Company, working in or out of India, including managing or whole-time directors of the Company, will be entitled to participate in the KOEL ESOP 2019, subject to fulfilment of the eligibility criteria as may be decided by the Nomination and Remuneration Committee, from time to time, in terms of the SEBI SBEB Regulations.

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

- a. a promoter or a person belonging to the promoter group;
- 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;
- c. an Independent Director within the meaning of the Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR Regulations").

### 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. 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.



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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, prior to the date of the meeting of the Nomination and Remuneration Committee, in which options are granted on the stock exchange on which the shares of the Company are listed. 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 Employee Stock Options or such other period as may be determined by the Board or Nomination and Remuneration Committee as the case may be.

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 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.



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### **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.

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

The Scheme 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 Scheme 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 scheme 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 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.



## **KIRLOSKAR OIL ENGINES LIMITED**

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Consent of the members is being sought pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, and as per Regulation 6 of the SEBI SBEB Regulations.

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.

The Board recommends special resolution set out at Item no. 10 of the notice for approval of members of the Company.

By Order of the Board of Directors

Sd/-

**Smita Raichurkar**

Company Secretary

Place: Pune

Date: 17 May 2019

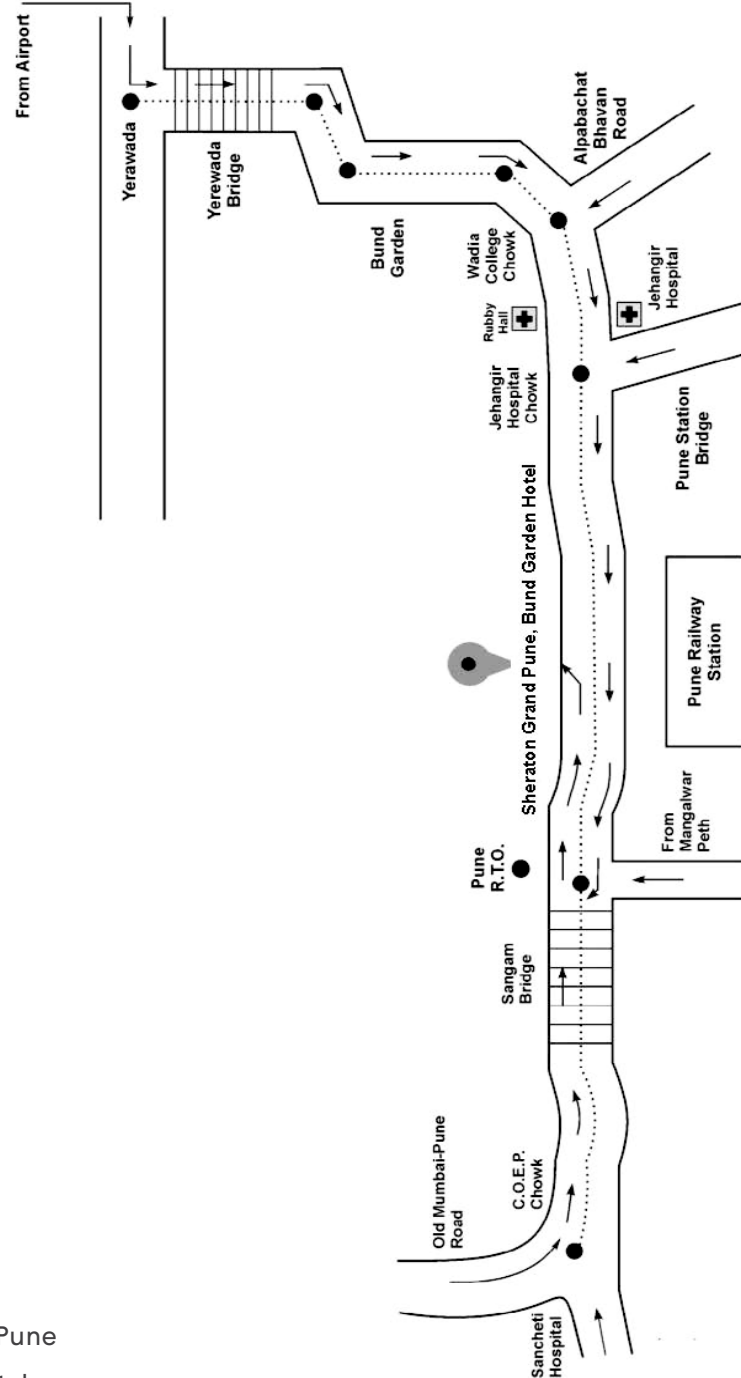


# KIRLOSKAR OIL ENGINES LIMITED

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## ROUTE MAP OF VENUE OF ANNUAL GENERAL MEETING



### Venue Address:

Sheraton Grand Pune  
Bund Garden Hotel,  
Raja Bahadur Mill Road,  
211/212, Pune – 411 001

