



KIRLOSKAR BROTHERS INVESTMENTS LIMITED

A Kirloskar Group Company

Enriching Lives

Dear Shareholder,

Sub: Cost of Acquisition after the Composite scheme

The Hon'ble High Court of judicature at Bombay has by its order dated 30th April 2015 sanctioned the Composite Scheme of Arrangement and Amalgamation between Kirloskar Brothers Investments Limited (the Transferor Company), Pneumatic Holdings Limited (the Resulting Company) and Kirloskar Oil Engines Limited (the Transferee Company) and their respective Shareholders and Creditors (The Composite Scheme).

In terms of the said Composite Scheme, certain assets and liabilities (as detailed in the Composite scheme) have been transferred at their book value by the transferor company to the transferee company and to the resulting company.

This is to inform the shareholders the method of calculation of the cost of acquisition of shares of both the Companies for the purpose of Income Tax Act 1961. This is based on expert's opinion obtained by the Company.

The Company has been advised and also on its own interpretation of the Income Tax Act, 1961, feels that the cost of acquisition of the shares of the companies for the purpose of the Income Tax Act, will be as follows:

Name of Company	Cost of Acquisition
Pneumatic Holdings Ltd (Resulting Company)*	Cost of shares shall be equal to 45% of cost of acquisition of shares of Kirloskar Brothers Investments Ltd. (Transferor Company)
Kirloskar Oil Engines Limited (Transferee Company)*	Cost of shares shall be equal to 55% of cost of acquisition of shares of Kirloskar Brothers Investments Ltd (Transferor Company)

*For the benefit of shareholders, it is further informed that the date of acquisition of shares of "Pneumatic Holdings Limited" and "Kirloskar Oil Engines Limited" will be the date of acquisition of shares of Kirloskar Brothers Investments Ltd - Transferor Company. This communication is solely for the benefit of the shareholders and reasonable care has been taken by the Company to check the accuracy of the information. However, the Company does not take any express or implied liability in providing this guidance.

The shareholders are advised to seek legal opinion, should they feel necessary.

Thanking You,
Yours Faithfully,
For Kirloskar Brothers Investments Limited,

Sd/-
A.C.Kulkarni
Executive Director

Pune: 30th June 2015