



# KIRLOSKAR ELECTRIC COMPANY LIMITED

Reg Office : Industrial Suburb, Rajajinagar, Bangalore 560 010  
Ph : 080 2337 4865; Fax : 080 2337 7706 , CIN: L85110KA1946PLC000415 website: www.kirloskar-electric.com

## NOTICE OF EXTRA ORDINARY GENERAL MEETING

NOTICE is hereby given that the Extra ordinary General Meeting of the Company will be held on Tuesday the 30<sup>th</sup> June, 2015 at 10.00 A.M. at G.M.Rejoyz #158, 8<sup>th</sup> main, 8<sup>th</sup> Cross, Malleswaram, Bangalore-560003 to transact the following business:

### AGENDA

#### SPECIAL BUSINESS:

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

#### Item 1: Approval for Related Party Transactions:

- (i) "RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and pursuant to the provisions of the Listing Agreement entered into with the Stock Exchanges, including any amendment, modification, variation or re-enactment thereof, the transfer of following assets valued at Rs.55.18 crores, as certified by an independent valuer to SLPKG Estate Holdings Private Limited, a wholly owned subsidiary of the Company in consideration of SLPKG Estate Holdings Private Limited taking over the liabilities (devolved Letter of Credit of the Company) as set out below be and is hereby approved.

Assets		Liabilities (Rs. in Crores)	
		Name of Bank	Amount
1.	Property situated at Belavadi Industrial Area, Belavadi, Mysore Taluk, Mysore admeasuring 4.93 hectares	Bank of India(BOI)	23.01
2.	Property situated at 3rd Floor, Kundan House, Plot No.16, Nehru Place, New Delhi admeasuring 4935 Sq.ft (approximately)	ICICI Bank	3.83
3.	Flat No.1, 1 <sup>st</sup> Floor, Plot No.87, Dr.Annie Besant Road, Worli Naka, Worli, Mumbai admeasuring 2481.90 Sq.ft (approximately)	State Bank of Hyderabad (SBH)	4.46
		State Bank of Travancore (SBT)	6.98
		State Bank of Mysore (SBM)	3.88

RESOLVED FURTHER THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and pursuant to the provisions of the Listing Agreement entered into with the Stock Exchanges, including any amendment, modification, variation or re-enactment thereof, the Transfer of Sundry Receivables, amounting to Rs.43.00 crores for consideration to SLPKG Estate Holdings Private Limited be and is hereby approved

- (ii) RESOLVED FURTHER THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and pursuant to the provisions of the Listing Agreement entered into with the Stock Exchanges, including any amendment, modification, variation or re-enactment thereof, the transfer of following assets valued at Rs.43.88 crores as certified by an independent valuer to KELBUZZ Trading Private Limited, a wholly owned subsidiary of the Company, in consideration of KELBUZZ Trading Private Limited taking over the liabilities (devolved Letter of Credit of the Company) as set out below, be and is hereby approved.

Assets		Liabilities (Rs. in Crores)	
		Name of Bank	Amount
1.	Property situated at Belavadi Industrial Area, Belavadi, Mysore Taluk, Mysore admeasuring 5.13 hectares	Axis Bank	48.00

RESOLVED FURTHER THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and pursuant to the provisions of the Listing Agreement entered into with the Stock Exchanges, including any amendment, modification, variation or re-enactment thereof, the Transfer of Inventory and Sundry Receivables, amounting to Rs.48.05 crores for consideration to KELBUZZ Trading Private Limited be and is hereby approved

RESOLVED FURTHER THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and pursuant to the provisions of the Listing Agreement entered into with the Stock Exchanges, including any amendment, modification, variation or re-enactment thereof, the transfer of property of the Company bearing Apartment No's. 6 and 7 situated on first floor in the building 'The Reverie' Apartment at F.P No.143, City Survey No.805 and F.P No.186 (Part) or City Survey No.825 (Part) from T. P. Scheme No. 1 Bhandarkar Institute Road, Shivajinagar Pune to KELBUZZ Trading Private Limited, a wholly owned subsidiary of the Company against consideration in the form of securities to be allotted by KELBUZZ Trading Private Limited at face value amounting to Rs.7,00,00,000 (Rupees Seven Crores) be and is hereby approved.

- (iii) RESOLVED FURTHER THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and pursuant to the provisions of the Listing Agreement entered into with the Stock Exchanges, including any amendment, modification, variation or re-enactment thereof, the transfer of following assets valued at Rs.34.50 crores as certified by an independent valuer to SKG Terra Promenade Private Limited, a wholly owned subsidiary of the Company, for an agreed consideration of Rs 34.50 crores to be paid either upon realisation of the sale proceeds on disposal of the property or otherwise , be and is hereby approved.

Assets		Liabilities (Rs. in Crores)	
		Name of Bank	Amount
1.	Flat No.2, 6 and 10, MR 31 to 59 SFHS situated at Nandini Layout, Bangalore each admeasuring 978 Sq.Ft	Corporation Bank	27.15
2.	Property bearing No.77/9, Nandidurga Road, Division No.83, Bangalore admeasuring 3480 Sq. Ft.		
3.	Sites bearing Nos.435, 436, 441, 442 and 443 each admeasuring 1066.66 sq yards situated at J S Puram Extension, Chamaraj Mohala, Mysore		

- (iv) RESOLVED FURTHER THAT the Board of Directors and/ or any of the Key Managerial Personnel of the Company be and is/ are hereby authorized jointly and/or severally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolutions, including execution of sale deeds, admitting the execution of the same before the Sub-registrar of Assurances and filing the necessary forms."

Date : 29.05.2015  
Place : Bangalore

By the order of the Board  
For Kirloskar Electric Company Limited  
**K.S.Swapna Latha**  
General Manager (Legal) & Company Secretary

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE EXTRA ORDINARY GENERAL MEETING (MEETING) IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. For proxies to be effective, the instrument appointing the proxy(ies) should be deposited at the Registered Office of the Company not later than 48 (Forty eight) hours before the commencement of the meeting.  
A Person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the company carrying voting rights. A member holding more than 10%(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
  2. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a Certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
  3. A statement pursuant to section 102 of the Companies Act, 2013 ("the Act") relating to the business to be transacted at the meeting is annexed hereunder and forms part of the Notice.
  4. The business as set out in the Notice may be transacted through electronic voting system and the Company is providing facility of voting by electronic means. Pursuant to the provision of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternate to its members to cast their votes electronically on the resolution set forth in the Notice. The Company has engaged the services of Central Depository Services of India Limited (CDSL) to provide the e-voting facility.
  5. Members are requested to bring their attendance slip to the Meeting.
  6. The instructions for e-voting are as under:
    - (i) Evoting will commence on June 27, 2015 at 9.00 a.m. and will end on June 29, 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Members will not be able to cast their votes electronically beyond the date & time mentioned above.
    - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
    - (iii) Click on Shareholders.
    - (iv) Now Enter your User ID
      - a. For CDSL: 16 digits beneficiary ID,
      - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
      - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
    - (v) Next enter the Image Verification as displayed and Click on Login.
    - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
    - (vii) If you are a first time user follow the steps given below:
- | For Members holding shares in Demat Form and Physical Form |   |
|--|---|
| PAN  | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)-<br>* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.<br>* In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| DOB  | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.   |
| Dividend Bank Details                                      | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.<br>* Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).  |
- (viii) After entering these details appropriately, click on "SUBMIT" tab.
  - (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (xi) Click on the EVSN for the relevant Kirloskar Electric Company Limited on which you choose to vote.
  - (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - (xviii) Note for Non - Individual Shareholders and Custodians
    - \* Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
    - \* A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - \* After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
    - \* The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - \* A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  7. The right of voting of the Members shall be reckoned as on 23/06/2015 (the cut-off date), A person who is not a Member as cut-off date should treated this Notice for information purpose only.
  8. The person who have acquired shares and become members of the company after the dispatch of notice may write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or refer to the e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section to obtain the login ID and password.
  9. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.
  10. The Members who have cast their vote by remote e-voting prior to meeting may also attend the meeting but shall not be entitled to cast their vote again.

11. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on Cut-off Date. Members can opt for only one mode of voting i.e either physical poll or e-voting. In case member cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical will be treated as invalid.
12. Mr.V.Sreedharan, Practicing Company Secretary (FCS No.2347/PCS No.833) of M/s. V.Sreedharan & Associates, Company Secretaries, has consented to act as the Scrutinizer and is available for the purpose of ascertaining the requisite majority, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
13. The Scrutinizer shall, immediately after the conclusion of the meeting unblock the votes in the presence of at least two witnesses not in the employment of the Company and within a period not exceeding three working days from the conclusion of the Extraordinary General Meeting make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman of the Company or any other person authorized by him in writing.
14. The results declared along with the Scrutinizer's report shall be placed on the Company's website, immediately after the results are declared by the Chairman.
15. As per Rule 20(4)(v) of the Companies (Management and Administration) Rules, inter-alia details of dispatch of notice to the shareholders will be published in at least one English language and one vernacular language newspaper.

Date : 29.05.2015  
Place : Bangalore

By the order of the Board  
For Kirloskar Electric Company Limited  
**K.S.Swapna Latha**  
General Manager (Legal) & Company Secretary

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM 1 - Approval for the Related Party Transactions**

Lloyd Dynamowerke GmbH & Co.KG (LDW), is a step down subsidiary of your Company set up in Germany. LDW was facing serious financial and operational challenges since the financial year 2011-12 after the economic slowdown in Europe. Your Company infused capital from time to time and in the process its Balance Sheet exposure in the form of investment in LDW increased substantially upto Rs.224.47 crores. LDW recorded huge losses in the year 2012-13 and 2013-14.

Due to economic slowdown in India and overall weak sentiment in the manufacturing sector, the Company has recorded its lowest annual turnover in FY 2013-14, and incurred substantial losses. Further the Company was facing several challenges on working capital front and as such any more support in the form of funds infusion in LDW by the Company was ruled out. Meanwhile, by the beginning of the second quarter of financial year 2014-15, LDW needed substantial funds but due to the above reasons, the Company could not infuse needed funds in LDW. As per the local applicable laws in Germany, the Managing Directors of a company had to file an application for insolvency if tests of going concern and adequacy of liquidity are not fulfilled, without seeking the approval of the shareholders/promoters/owners. The Managing Directors of LDW filed insolvency petition on 8th September, 2014. The insolvency court admitted the application and immediately appointed preliminary administrator for LDW. Thereafter on 1st December, 2014 regular insolvency proceedings were started.

Thus, after the administrator was admitted, the shareholder of LDW, namely, your Company lost total control over LDW. The Administrator runs the operations of LDW and he takes all the decisions.

**Proposal for reorganization of working capital facilities by banks.**

Accumulation of operating losses, continued weak business environment and funding of LDW together affected your Company's operation. In order to address the whole issue, the Company drew up a restructuring package in consultation with financial lenders (lenders). The lenders formed a Joint Lenders Forum (JLF) and Corrective action plan was drawn up in mutual consultation with JLF members and Company. The Company is in the process of implementing . The promoters have already infused funds to shore up its working capital. As per the proposal the banks will reorganize the repayment of liabilities with concession in the interest rate and release working capital limits to support the operations.

In order to strengthen its Balance sheet and as part of proposal, the Company is required to transfer some of its non-core, non-manufacturing business properties to Special Purpose Vehicles (SPVs) along with certain liabilities. The SPVs will dispose off these properties over a period of 36 months and the proceeds will be used to repay liabilities of the banks which will be monitored by the banks.

The Company has identified non-core, non-manufacturing business properties which were purchased in the past and have been carried in the Balance Sheet at their historical cost. These assets are not used in the production and are not used to generate any income for the Company.

As per the proposal, the Company has transferred these properties at the prevailing market price as certified by an independent valuer, to its wholly owned subsidiaries which are Special Purpose Vehicles (SPVs) created for the purpose. As a consideration for transfer of the properties, the SPVs have taken over/will take over certain liabilities of the Company and balance consideration is paid as and when the realization of assets happen in SPVs.

The Company has also transferred certain portion of Inventory and Sundry Receivables to certain SPVs against consideration paid or payable upto the value of the Inventory and Sundry Receivables transferred and assumption of liabilities.

Under Section 188 of the Companies Act, 2013 and the provisions of the Listing Agreement, the aforesaid transaction of the Company is with related parties, being wholly owned subsidiaries and therefore would require the approval of the shareholders by way of special resolution. The disclosures required to be provided under the provisions of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 are given herein below for perusal of the members:

1. **Name of the related party and nature of relationship:** Wholly owned subsidiaries of the Company as disclosed in the resolutions above.
2. **Name of the director or key managerial personnel who is related, if any:** None of the Directors are related. However the Company Secretary of the Company being Key Managerial Personnel is the director in all the subsidiaries.
3. **Nature of relationship:** Wholly owned subsidiaries of the Company
4. **Nature, material terms, monetary value and particulars of the contract or arrangement:** As set out in the resolutions may be decided by the Board of Directors at relevant time within the overall limits approved by the members.
5. **Any other information relevant or important for the members to take a decision on the proposed resolution:** NIL

The valuation certificate issued by the independent valuer in respect of the assets of the Company will be open for inspection by members at the registered office of the Company during normal business hours on any working day.

The Board of Directors have approved the above proposals at their meeting held on 26<sup>th</sup> March, 2015 and subsequently, the above proposals have been / are been given effect to. Your company recommends the approval of the resolutions as set out in the accompanying Notice by way of Special Resolutions in the best interest of the company.

None of the Directors of the Company and their relatives is concerned or interested in the resolution. However the Company Secretary of the Company being Key Managerial Personnel is the director in all the subsidiaries is deemed to be interested.

Date : 29.05.2015  
Place : Bangalore

By the order of the Board  
For Kirloskar Electric Company Limited  
**K.S.Swapna Latha**  
General Manager (Legal) & Company Secretary



### KIRLOSKAR ELECTRIC COMPANY LIMITED

REGISTERED OFFICE : Industrial Suburb, Rajajinagar, Bangalore 560 010  
Phone No: 080 2337 4865; Fax No: 080 2337 7706 / CIN: L85110KA1946PLC000415 website: www.kirloskar-electric.com

#### ATTENDANCE SLIP

(To be presented at the entrance)

EXTRA-ORDINARY GENERAL MEETING ON TUESDAY, JUNE 30, 2015 at 10.00 A.M. at G.M. Rejoyz #158, 8th Main, 8th Cross, Malleswaram, Bangalore - 560003  
Folio No. \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_  
Name of the Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

I hereby record my presence at the Extra-Ordinary General Meeting of the company to be held on June 30, 2015 at 10.00 AM at G.M. Rejoyz #158, 8th Cross, Malleswaram, Bangalore - 560003

Signature of the Member / Proxy \_\_\_\_\_

#### Notes:

- Members/proxy holders are requested to produce the attendance slip duly signed for admission to the meeting hall.
- Members are requested to bring the copy of the notice of Extra-Ordinary General Meeting.

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#### FORM NO.MGT -11

[Pursuant to section 109(5) of the Companies Act, 2015 and Rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company	: Kirloskar Electric Company Limited	Registered Address	:
Registered Office	: Industrial Suburb, Rajajinagar, Bangalore-560010	Email ID	:
Name of the Member	:	Folio No /Client ID- DP ID	:

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_ of falling him
- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_ of falling him.
- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_ of falling him

As my/our proxy to attend and vote (on a poll) for me/us and on y/our behalf at the Extra-ordinary General Meeting of the Company to be held on Tuesday the 30th June, 2015 at 10.00 A.M. at G.M.Rejoyz #158, 8th main, 8th Cross, Malleswaram, Bangalore-560003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No:.....

#### SPECIAL BUSINESS

- To Approve related party transactions:  
Signed this \_\_\_\_\_ day of June, 2015



Signature of shareholder

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before commencement of the Meeting.

Signature of proxy holder(s)

### KIRLOSKAR ELECTRIC COMPANY LIMITED

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#### FORM NO.MGT -12 - Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2015 and Rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

#### BALLOT PAPER

Sl.No.	Particulars	Details
1	Name of the First Named Shareholder (In Block Letters)	
2	Postal Address	
3	Registered Folio No./Client ID No. (*Applicable to investor holding shares in dematerialized form)	
4	Class of Share	

I hereby exercise my vote in respect of Special Resolution, enumerated below by recording my assent or dissent to the said resolution in the following manner:

Sl.No	Agenda Item	No of Shares held by me	I Assent to the Resolution	I Dissent from the Resolution
1	To approve the related party transaction(s)			

Place:  
Date:

(Signature of Shareholder)