



Enriching Lives

## KIRLOSKAR OIL ENGINES LIMITED

A Kirloskar Group Company  
8 July 2015

BSE Limited,  
Listing Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Bombay – 400 001

Ref: 533293

Dear Sir/Madam,

**Subject:** Documents pursuant to the Record Date as fixed by Kirloskar Brothers Investments Limited pursuant to the Composite Scheme of Arrangement and Amalgamation (the Composite Scheme) between Kirloskar Brothers Investments Limited (KBIL - Transferor Company) and Pneumatic Holdings Limited (PHL - Resulting Company) and Kirloskar Oil Engines Limited (KOEL - Transferee Company) and their respective shareholders and creditors under Section 391 to 394 of Companies Act, 1956 and other applicable provisions of the Companies Act, 1956, and Companies Act, 2013, ('the Act') if any, duly approved by Hon'ble High Court of Judicature at Bombay vide its order dated 30 April 2015.

With reference to the captioned subject and further to our letter dated 1 July 2015, please find enclosed herewith the Summarized synopsis of the Composite Scheme of Arrangement and Amalgamation giving details of Demerger, treatment of fractional entitlements, etc.

You are requested to take note of the same.

Thanking you,

Yours faithfully,  
For Kirloskar Oil Engines Limited

Smita Raichurkar  
Asst. Company Secretary

Encl.: As Above.

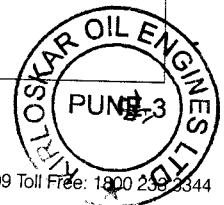


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**A detailed note on Composite Scheme of Arrangement and Amalgamation**

Brief particulars of the Composite scheme	The Composite Scheme of Arrangement and Amalgamation inter alia envisages for Demerger of "Undertaking consisting mainly of travel services business done by Kirloskar Brothers Investments Limited (KBIL) in its own name and silk business and Compression Systems and Transmission Products business done through its subsidiaries," into Pneumatic Holdings Limited (PHL) and Amalgamation of residual undertaking of KBIL with Kirloskar Oil Engines Limited (KOEL).
Rationale for the scheme	As a result of this Scheme the shareholders of KBIL shall directly hold shares in PHL and KOEL and the following benefits shall, <i>inter-alia</i> , accrue to shareholders and stakeholders of KBIL: <ol style="list-style-type: none"><li>1. As KBIL has several commercial activities/businesses (held through its various investments) which are distinct and diverse from each other, the demerger will ensure focused management attention and resources and skill set allocation.</li><li>2. Pursuant to the Scheme, all the shareholders of KBIL will get shares in PHL and KOEL and there would be no change in economic interest for any of the shareholder of KBIL pre and post the Scheme.</li><li>3. The Scheme will provide greater flexibility to the shareholders of KBIL.</li></ol>
Exchange ratio	<ol style="list-style-type: none"><li>1. 76 (Seventy Six) equity shares of Rs.2/- (Rupees Two Only) each of Kirloskar Oil Engines Limited for every 5 (Five) equity shares of Rs.10/- (Rupees Ten Only) each held in Kirloskar Brothers Investment Limited.</li><li>2. 1 (One) equity share of Rs.10/- (Rupees Ten Only) each of Pneumatic Holdings Limited for every 1 (One) equity share of Rs.10/- (Rupees Ten Only) each held in Kirloskar Brothers Investment Limited.</li></ol>





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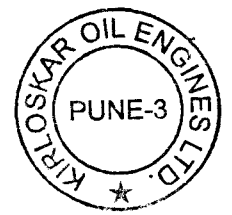
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Fractional Entitlement	Pursuant to Clause 23.3 of the Composite Scheme, no fractional certificates will be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the equity shareholders of the Transferor Company may be entitled. The Board of Directors of the Transferee Company will instead consolidate all such fractional entitlements to which the shareholders of the Transferor Company may be entitled to, and will without any further application, act, instrument or deed, issue and allot equity shares in lieu thereof to an individual trustee, board of trustees, or a corporate trustee (Trustee) who will hold the same, with all additions or accretions thereto in trust for those entitled to the fractions and sell the same in the market at such price and at such time as the Trustee may deem fit at its sole discretion decide and distribute the net sale proceed to all the equity shareholders of the Transferor Company entitled to the same in proportion to their fractional entitlements.
Listing of equity Shares of PHL	PHL may admit its Equity Shares issued on Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited for trading pursuant to clause 11.7 of the said Composite Scheme.

For Kirloskar Oil Engines Limited

*S. A. Raichurkar*

Smita Raichurkar  
Asst. Company Secretary



Date: 8 July 2015