KIRLOSKAR ELECTRIC COMPANY LIMITED.,

Regd Office: No. 19, 2nd Main Road, Peenya 1st stage, Phase-I, Peenya, Bengaluru – 560058
Phone No: 080 28397256; Fax No: 080 28396727
CIN: L31100KA1946PLC000415; website: www.kirloskarelectric.com

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014]

Dear Members,

The Notice is hereby given pursuant to Section 108, 110 and other applicable provisions of the Companies Act, 2013 ("the Act"), Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 ("Rules"), Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("SS-2") read with the General Circular Nos. 14/2020 dated 8 April 2020, 17/2020 dated 13 April 2020, 22/2020 dated 15 June 2020, 33/2020 dated 28 September 2020, 39/2020 dated 31 December 2020, 10/2021 dated 23 June 2021, 20/2021 dated 8 December 2021, 03/2022 dated 5 May 2022, 10/2022 dated 28 December 2022 and 11/2022 dated 28 December 2022 issued by the Ministry of Corporate Affairs ("MCA Circulars") and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations 2015") (including any statutory modifications or re-enactment thereof for the time being in force), that the Resolutions as set out in this Notice are proposed for approval by the Members of the Company through Postal Ballot by voting through electronic means only ("remote e-voting").

The explanatory statement, pursuant to Section 102 of the Act, pertaining to the said Resolutions, setting out the material facts concerning the item and the reasons thereof is annexed herewith for your consideration. You are requested to peruse the proposed resolutions along with the Explanatory Statements and thereafter accord your assent or dissent by means of remote e-voting facility provided by the Company.

SPECIAL BUSINESS:-

1. **Re-appointment of Mr. Sanjeev Kumar Shivappa (DIN:08673340) as Director (Finance) & Chief Financial Officer of the Company;**

   To consider and if deemed fit, to pass the following resolution as '**Ordinary Resolution**':

   ***"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and Schedule V of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of the Articles of Association of the Company and based on the recommendations of Nomination and Remuneration Committee of the Board of Directors and the Board of Directors, the approval of the members of the Company be and is hereby accorded to re-appoint Mr. Sanjeev Kumar*

Shivappa (DIN: 08673340) as whole-time Director of the Company for a term of two (02) years, liable to retire by rotation, for a total remuneration not exceeding Rs. 55,00,000/- (Rupees Fifty Five Lakhs only) per annum with effect from February 14, 2023 and on such terms and conditions including the remuneration as set out below, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof:

a. Salary:

Rs. 900,000/- (Rupees Nine Lakhs only) per annum with such increments each year, as may be decided by the Nomination and Remuneration Committee ('Committee') and/or the Board of Directors, based on merit and taking into account the Company's performance for the year;

b. Perquisites and Allowances:

Mr. Sanjeev Kumar Shivappa shall be entitled to perquisites and allowances like rent free accommodation (including maintenance fee) or house rent allowance in lieu thereof, special allowances, car allowance, performance incentive, re-imbursement of water expenses, gas and electricity bills at residence and medical expenses for self and his family and all other payments in the nature of perquisites and allowances subject to ceiling of Rs. 43,13,710/- (Rupees Forty Three Lakh Thirteen Thousand Seven Hundred Ten only) per annum which shall also include premium payable towards medi-claim and personal accident insurance as per the policies of the Company;

Explanation

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the provisions of the Companies Act, 2013, Rules made thereunder and as per the provisions of the Income tax Act, 1961 and Rules made thereunder. In the absence of any such rule, perquisites shall be evaluated at actual cost.

"Family" shall have the same meaning as defined under Schedule V of the Companies Act, 2013.

Use of telephone at residence and cell phone (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Apart from the re-imbursement of ordinary medical expenses, in case of hospitalization of the Mr. Sanjeev Kumar Shivappa, the Board of Directors shall have the discretion to reimburse the actual expenses incurred by him including on travel, notwithstanding that the total perquisites will exceed the limit of Rs. 43,13,710/- (Rupees Forty Three Lakhs Thirteen Thousand Seven Hundred Ten only) per annum in any financial year.

Mr. Sanjeev Kumar Shivappa shall be entitled to reimbursement of all expenses incurred by him in connection with the business of the Company.

***RESOLVED FURTHER THAT** pursuant to Section 197 and all other applicable provisions of the Companies Act, 2013 and subject to approval of members, where in any financial year during the currency of tenure of the appointment, the company has losses or its profits are inadequate, remuneration of Rs. 55,00,000/- (Rupees Fifty Five Lakhs only) per annum or such higher remuneration, as may be permitted according to the schedule V to the Companies Act, 2013 be paid to Mr. Sanjeev Kumar Shivappa as minimum remuneration.*

***RESOLVED FURTHER THAT** Mr. Sanjeev Kumar Shivappa (DIN: 08673340) shall continue to hold the position of Chief Financial Officer of the Company in addition to the position of Director (Finance) and shall act as a Key Managerial Personal as per section 203 of the Companies Act, 2013;*

RESOLVED FURTHER THAT *any director of the Company and the Company Secretary of the Company be and hereby are severally authorised to do the such acts and deeds, necessary for filing requisite e-forms with the appropriate authority within such time and period as prescribed."*

2. Revision in the remuneration payable to Mr. Vijay R Kirloskar (DIN: 00031253), Executive Chairman.

To consider and if deemed fit, to pass the following resolution as '**Special Resolution**':

"RESOLVED THAT *pursuant to the provisions of Section 197, 198 and Schedule V of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of the Articles of Association of the Company and based on the recommendations of Nomination and Remuneration Committee of the Board of Directors and the Board of Directors, the consent of members be and is hereby given to increase the remuneration payable Mr. Vijay R Kirloskar (DIN: 00031253), Executive Chairman of the Company, from Rs. 2,61,60,000/- (Rupees Two Crore Sixty One Lakhs Sixty Thousand only) per annum to Rs. 4,00,00,000/- (Rupees Four Crores only) per annum with effect from January 25, 2023 and in accordance with the details as set out hereunder:*

a. Salary:

Rs. 1,20,00,000/- (Rupees One Crore Twenty Lakh Only) per annum with such increments each year, as may be decided by the Nomination and Remuneration Committee ('Committee') and/or the Board of Directors, based on merit and taking into account the Company's performance for the year.

b. Perquisites and Allowances

The Chairman shall be entitled to perquisites and allowances like rent free accommodation (including maintenance fee) or house rent allowance in lieu thereof, special allowances, car allowance, performance incentive, re-imbursement of water expenses, gas and electricity bills at residence and medical expenses for self and his family and all other payments in the nature of perquisites and allowances subject to ceiling of Rs. 2,79,99,996/- (Rupees Two Crore Seventy Nine Lakh Ninety Nine Thousand Nine Hundred and Ninety Six Only) per annum which shall also include premium payable towards medi-claim and personal accident insurance as per the policies of the Company.

Explanation

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the provisions of the Companies Act, 2013, Rules made thereunder and as per the provisions of the Income tax Act, 1961 and Rules made thereunder. In the absence of any such rule, perquisites shall be evaluated at actual cost.

"Family" shall have the same meaning as defined under Schedule V of the Companies Act, 2013.

Use of company's car for official purposes and telephone at residence and cell phone (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Apart from the re-imbursement of ordinary medical expenses, in case of hospitalization of the Chairman, the company shall reimburse the actual expenses incurred by him including expenses incurred by him on travel and treatment abroad, notwithstanding that the total will exceed the limit of Rs. 2,79,99,996/- (Rupees Two Crore Seventy Nine Lakh Ninety Nine Thousand Nine Hundred and Ninety Six Only) per annum in any financial year.

Contribution to Provident Fund and to Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

Gratuity payable as per the Rules of the Company and encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites to the extent the same are not taxable under the Income Tax Act.

The Chairman shall be entitled to reimbursement of all expenses incurred by him in connection with the business of the Company.

***RESOLVED FURTHER THAT** pursuant to Section 197 and all other applicable provisions of the Companies Act, 2013, where in any financial year during the currency of tenure of the appointment, the company has losses or its profits are inadequate, remuneration of Rs. 4,00,00,000/- (Rupees Four Crores only) per annum or such higher remuneration, as may be permitted according to the schedule V to the Companies Act, 2013 be paid to Mr. Vijay R Kirloskar as minimum remuneration.*

***RESOLVED FURTHER THAT** any director of the Company and the Company Secretary of the Company be and hereby are severally authorised to do the such acts and deeds, necessary for filing requisite e-forms with the appropriate authority within such time and period as prescribed."*

3. Revision in the remuneration payable to Mr. Anand B Hunnur (DIN: 06650798), Managing Director.

To consider and if deemed fit, to pass the following resolution as '**Special Resolution**':

***"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and Schedule V of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of the Articles of Association of the Company, based on the recommendations of Nomination and Remuneration Committee of the Board of Directors and the Board of Directors, the consent of members be and is hereby given to increase the remuneration payable to Mr. Anand B Hunnur (DIN: 06650798), Managing Director of the Company, from Rs. 1,02,00,000/- (Rupees One Crore Two Lakhs only) per annum to Rs. 1,50,00,000/- (Rupees One Crore Fifty Lakhs only) per annum with effect from January 25, 2023 and in accordance with the details as set out hereunder:*

***a. Salary**:*
Rs. 36,00,000/- (Rupees Thirty Six Lakh Only) per annum with such increments each year, as may be decided by the Nomination and Remuneration Committee ('Committee') and/or the Board of Directors, based on merit and taking into account the Company's performance for the year.

b. Perquisites and Allowances
Managing Director shall be entitled to perquisites and allowances like rent free accommodation (including maintenance fee) or house rent allowance in lieu thereof, special allowances, car allowance, performance incentive, re-imbursement of water expenses, gas and electricity bills at residence and medical expenses for self and his family and all other payments in the nature of perquisites and allowances subject to ceiling of Rs. 1,02,54,836/- (Rupees One Crore Two Lakh Fifty Four Thousand Eight Hundred Thirty Six Only) per annum which shall also include premium payable towards medi-claim and personal accident insurance as per the policies of the company.

Explanation

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the provisions of the Companies Act, 2013, Rules made thereunder and as per the provisions of the Income tax Act, 1961 and Rules made thereunder. In the absence of any such rule, perquisites shall be evaluated at actual cost.

"Family" shall have the same meaning as defined under Schedule V of the Companies Act, 2013.

Use of company's car for official purposes and telephone at residence and cell phone (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Apart from the re-imbursement of ordinary medical expenses, in case of hospitalization of the Managing Director, the Board of directors shall have the discretion to reimburse the actual expenses incurred by him including on travel, notwithstanding that the total perquisites will exceed the limit of Rs. 1,02,54,836/- (Rupees One Crore Two Lakh Fifty Four Thousand Eight Hundred Thirty Six Only) per annum in any financial year.

The Managing Director shall be entitled to reimbursement of all expenses incurred by him in connection with the business of the Company.

***RESOLVED FURTHER THAT** pursuant to Section 197 and other applicable provisions of the Companies Act, 2013 read with schedule V to the Companies Act, 2013, where in any financial year during the tenure of the appointment, Company has losses or its profits are inadequate, the remuneration of Rs. 1,50,00,000/- (Rupees One Crore Fifty Lakhs Only) be paid to Mr. Anand B Hunnur as the minimum remuneration.*

***RESOLVED FURTHER THAT** any director of the Company and the Company Secretary of the Company be and hereby are severally authorised to do the such acts and deeds, necessary for filing requisite e-forms with the appropriate authority within such time and period as prescribed."*

By the order of the Board of directors
For and on behalf of **Kirloskar Electric Company Limited**

Date: 25.01.2023
Place: Bangalore

Mahabaleshwar Bhat
General Manager – Corporate Affairs & Company Secretary
(Membership no. A21919)

Notes:

1. The Explanatory Statement and reasons for the proposed Special Business pursuant to Section 102(1) of the Companies Act, 2013 read with Section 110 of the Companies Act, 2013 setting out material facts are appended herein below.
2. The details required under Regulation 36(3) of the SEBI Listing Regulations 2015, SS-2 and Schedule V of the Companies Act, 2013 in respect of reappointment of a Director forms part of this Notice.
3. In compliance with the MCA Circulars, the Notice is being sent only by electronic mode to those Members whose names appear in the Register of Members / List of Beneficial Owners and whose email ids are registered with the Company as on the cut-off date, i.e., on close of business hours on Friday, February 10, 2023. For Members who have not registered their e-mail IDs, please follow the instructions given under Note No. 15
4. The Members, whose names appear in the Register of Members / List of Beneficial Owners as on Friday, February 10, 2023 being the cut-off date, are entitled to vote on the Resolution(s) set forth in this Notice. A person who is not a member on the cut-off date should treat this notice for information purposes only.
5. In compliance with provisions of Section 108, Section 110 and other applicable provisions of the Act read with the Rules, the Company has provided facility for Members to exercise their votes electronically through remote e-voting facility provided by Central Depository Services (India) Limited (CDSL).

6. The voting rights of Members shall be in proportion to their shareholding of the paid-up equity share capital of the Company as on the cut-off date i.e., Friday, February 10 2023.
7. The remote e-voting period commences on Wednesday, February 15, 2023 at 9:00 A.M IST and ends on Thursday, March 16, 2023 at 5:00 P.M IST. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
8. Notice of Postal Ballot will also be available on the Company's website at www.kirloskarelectric.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on website of CDSL i.e., www.evotingindia.com.
9. All the documents referred to in the Explanatory Statements, shall be available for inspection through electronic mode from Wednesday, February 15, 2023 to Thursday, March 16, 2023 on request being sent to investors@kirloskarelectric.com by members mentioning the name, Folio no. / Client ID and DP ID and the document which they wish to inspect.
10. The Board of directors (the "Board") of the company has appointed Mr. Sudheendra P Ghali, Practicing Company Secretary (ACS No. 7037 / PCS No. 7537), as Scrutinizer for conducting the Postal Ballot process through remote e-voting, in a fair and transparent manner.
11. The Scrutinizer shall unblock the votes after conclusion of voting through remote e-voting and submit his report to the Chairman or a Director authorized.
12. The results of the e-voting along with the scrutinizer's report shall be placed on the Company's website www.kirloskarelectric.com and on the website of CDSL within forty eight hours of the date of declaration of the results of postal ballot. The results will also be communicated to the stock exchanges where the shares of the Company are listed.
13. The Scrutinizer's decision on the validity or otherwise of the Postal Ballot will be final.

14. **THE INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING ARE AS UNDER:**

i. The voting period begins on Wednesday, February 15, 2023 at 9:00 A.M IST and ends on Thursday, March 16, 2023 at 5:00 P.M IST. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form as on the cut-off date i.e., Friday, February 10, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders**, **by way of a single login credential, through their demat accounts / websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

iii. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular**,** Login method for e-Voting **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at : https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL**	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

iv. **Login method for e-Voting for Physical shareholders and shareholders other than individual holding in Demat form:**

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

	For Physical shareholders and shareholders other than individual holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

v. After entering these details appropriately, click on "SUBMIT" tab.

vi. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 other 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.

vii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

viii. Click on the EVSN of KIRLOSKAR ELECTRIC COMPANY LIMITED on which you choose to vote.

ix. 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.

x. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xi. 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.

xii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xiii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xiv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xv. **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.,) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 linked in the login should be mailed to 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@kirloskarelectric.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

15. **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

i. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhaar Card) by email to **Company/RTA email id**.

ii. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP);

iii. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting through Depository.

If you have any queries or issues regarding e-voting from the CDSL e-voting system, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

By the order of the Board of Directors
For and on behalf of **Kirloskar Electric Company Limited**

Date: 25.01.2023
Place: Bangalore

Mahabaleshwar Bhat
General Manager – Corporate Affairs & Company Secretary
(Membership no. A21919)

THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, RELATING TO SPECIAL BUSINESS IS ANNEXED HERETO.

Item no. 1:

The Board of Directors ('the Board') on the recommendation of the Nomination and Remuneration committee has, subject to the approval of members, at its meeting on January 25, 2023, re-appointed Mr. Sanjeev Kumar Shivappa (DIN: 08673340) in capacity of Director (Finance) & Chief Financial Officer of the Company for a period of two (02) years effective from February 14, 2023. Hence, it is proposed to seek member's approval to the reappointment and payment of remuneration to Mr. Sanjeev Kumar Shivappa as Director (Finance) & Chief Financial Officer.

Broad particulars of terms of appointment and remuneration payable to Mr. Sanjeev Kumar Shivappa are mentioned in the resolution. The total remuneration proposed to Mr. Sanjeev Kumar Shivappa is Rs. 55,00,000/- per annum (Rupees Fifty Five Lakhs Only) (including all salary, perquisites and other statutory benefits) which is within the limits specified in schedule V to the Companies Act, 2013.

Brief resume, nature of his expertise in specific functional areas, names of companies in which Mr. Sanjeev Kumar Shivappa holds directorships, memberships, chairmanships of Board Committees, his shareholding in the company and relationships amongst directors' inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided below in the notice under Annexure – I .

The terms of the re-appointment are contained in the agreement dated February 14, 2023 executed between the Company and the Director. The same is available for inspection at the registered office of the Company.

Except Mr. Sanjeev Kumar Shivappa, none of the directors or key managerial personnel (KMP) or relatives of directors and KMP is concerned or interested in the resolution at item no. 1 of the notice.

The Board recommends the resolution no. 1 for approval by the members.

Disclosures as per schedule V of the Companies Act, 2013

I. General information:

1) Nature of industry:

Kirloskar Electric Company Limited (Kirloskar Electric) was incorporated on 26th July, 1946. Kirloskar Electric, the Company, is engaged in the manufacture of various electrical equipments such as motors, alternators and generators, transformers, DG sets etc.,

The Company has different product groups such as transformer and distribution group, large machine group, low voltage machine group, power generation group. Each product group is having different products within its broad range. The Company supplies to the core economic sectors such as power generation, transmission and distribution, transportation, sugar, cement, renewable energy and many key sectors. The Company is having manufacturing facilities across India with wide net work of Dealers, Sales offices across India and abroad having authorised service providers and subsidiaries across India and abroad. Thus the Company has business operations spread across and at multiple locations.

The Company is having a large network of spare parts dealers and service centres. This enables the Company to provide premium products, exemplary systems and timely services at competitive rates to the customers. Products are known for their high quality, durability and reliability. The Company adheres to international standards by acquiring and adopting latest technologies along with in-house R&D.

The Company's products are having good demand in domestic and overseas markets. As a renowned Company, it provides elite products and strives to fulfil the expectations of industries and clients spread across the world.

Kirloskar Electric Company Limited is one of the leading Companies in India which manufactures and supplies motors which are used in electric vehicles. The Company provides tailor made customized electrical equipments to its customers. The major Companies PSUS and EPCS are valued customers. The Company has overseas customers also.

2) Date of commencement of commercial production: July 26, 1946

3) Financial performance based on given indicators as on March 31, 2022:

(Rs. In Lakhs)

	Standalone	
PARTICULARS	**2021-22**	2020-21
Revenue from operations	**33,467**	27,758
Other income (Net)	**10,772**	361
Total Revenue	**44,239**	**28,119**
Total Expense	**38,423**	38,906
Profit before Exceptional items	**5,816**	(10,787)
Exceptional Items	**-**	-
Profit / (Loss) before tax	**5,816**	(10,787)
Tax Expense	**-**	-
Profit / (Loss) after tax	**5,816**	(10,787)
Total other comprehensive income	**(2,491)**	12,901
Total comprehensive income for the period	**3,325**	2,114

4) Foreign investments or collaborations, if any:

The Company has investments in the following companies abroad:

a. Kirloskar (Malaysia) SDN BHD Rs. 5.29 lakhs for 300,000 shares
b. Kirsons Trading Pte Ltd Rs. 11.20 lakhs for 56,250 shares

II. <u>Information about the appointee:</u>

(1) Background details

Mr. Sanjeev Kumar Shivappa is a graduate in Commerce and Masters in Business Administration (MBA) in finance from Bangalore University. He has about 37 years of post qualification experience and has worked extensively in the areas of finance. He has rich experience of more than 28 years in the finance department of the Company. He was promoted to Assistant Vice President - Finance and Chief Financial

Officer of the Company with effect from August 12, 2017. Prior to his joining in the Company, he had worked with Companies like Karnataka Oil Seeds Growers Federation Limited, Bengaluru, ROGCSU Limited etc.,

(2) Past remuneration:

The compensation package, which the company has proposed is lower compared to the salaries offered to managerial personnel within the comparable industries.

Details of remuneration drawn by Mr. Sanjeev Kumar Shivappa for past three years:

(Amount in Rs)

Year	Salary	Perquisites & Allowances	Total Remuneration
2019-20	24,77,881	59,090	25,36,971
2020-21	30,88,494	24,900	31,13,394
2021-22	37,37,130	19,900	37,57,030

(3) Remuneration proposed:

Annual remuneration to the Director (Finance) & Chief Financial Officer of the Company is proposed in the resolution under item no. 1 in the notice of the Postal Ballot:

(4) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

The details of the turnover and the remuneration paid in other comparable similar Industries are as shown in the table given below:

(Rs. in Lakhs)

SI No.	Name of the company	Turnover	Remuneration
1	TD Power Systems Limited (2021-22)	71,880.55	95.47
2	Voltamp Transformers Limited (2021-22)	1,12,720.90	48.12
3	Crompton Greaves Consumer Electricals Ltd (2021-22)	5,37,320.00	798.66
4	Kirloskar Oil Engines Ltd (2021-22)	3,29,966.00	192.59

(Note: The above details have been considered from the public domain. The details may vary.)

(5) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Except Mr. Sanjeev Kumar Shivappa, none of the directors or key managerial personnel (KMP) or relatives of directors and KMP is concerned or interested in the resolution at item no. 1 of the notice.

III. Other information:

(1) Reasons of loss or inadequate profits:

As the members are aware that the Lloyd Dynamowerke Gmbh & Co.KG (LDW) is a step down subsidiary of the 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. The 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 and ultimately filed for insolvency in a German court of law. As a result of the investment in LDW, KEC experienced gradually incremental severe shortage of working capital, which led to low capacity utilization and thereby resulting into losses for the last two financial years.

After the administrator was appointed to liquidate LDW, KEC lost total control over LDW and hence the investment was substantially impaired in the year 2014-15. Accumulation of operating losses continued to weaken business environment and funding of LDW together affected Company's operation. In order to address the whole issue, during the year 2014-15 the company drew up a financial reorganization planning 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.

Since then the Company has taken several initiatives to increase its profitability and to explore new opportunities of achieving cost reduction and price competitiveness.

(2) Steps taken or proposed to be taken for improvement:

As mentioned earlier, the Company has already taken measures for improving its working, such as cutting costs at all levels, reduction in manpower, product development, improving working capital management etc., and the performance is getting improved. On the other hand, the Company has disposed off those assets of the Company and other vacant lands available which had no value to the operations of the Company. The Company has repaid its term loans and working capital loans borrowed under Joint Lenders Forum (JLF) from consortium banks / financial institutions.

(3) Expected increase in productivity and profit in measurable terms:

With the suggestions above, the Company expects to improve the productivity and margin also.

Further, the effective capital of the Company is negative and as required under Section II of part II, schedule V to the Companies Act, 2013, the approval of members of the company is sought by way of Ordinary resolution.

The Board recommends the resolution set forth under item no. 1 of the notice for approval of the members.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

Item no. 2:

Mr. Vijay Ravindra Kirloskar was appointed as Executive Chairman of the Company for a period of three (3) years effective from August 12, 2020 at a remuneration of Rs. 2,61,60,000/- (Rupees Two Crores Sixty One Lakhs Sixty Thousand only) per annum. Considering the performance of the Company, the Board of Directors at its meeting on January 25, 2023 has, subject to the approval of the members of the Company, revised the remuneration payable to the Executive Chairman to Rs. 4,00,00,000/- (Rupees Four Crores only) per annum with effect from January 25, 2023.

Except Mr. Vijay R Kirloskar and Mrs. Meena Kirloskar, none of the other directors or key managerial personnel (KMP) or relatives of directors and KMP is concerned or interested in the resolution at item no. 2.

Disclosures as per schedule V to the Companies Act, 2013:

I. General information: [Please refer to the disclosure under Item no. 1]

II. Information about Mr. Vijay R Kirloskar:

(1) Background details:

Mr. Vijay Ravindra Kirloskar has completed MS in Management Science and Engineering from Worcester Polytechnic Institute, Worcester, MA, USA. He joined the services of the Company in the year 1978 as Manager-Production. Later on in the year 1982 he was appointed as President. He was appointed as Managing Director of the Company w.e.f 17th August, 1985. He was the Chairman of the Kirloskar Group during the period 1994 to 1998. The Group and the Company showed considerable growth under his

stewardship. He has held various important positions in the industry. He was the Vice President of CII for the year 1998.

His education and experience makes him suitable to the office. He is in-charge of the overall management of the Company. Mr. Vijay Ravindra Kirloskar is having a wide contact with the industries peers, which is resulting in availing ample number of opportunities like new customers, significant order booking, new contacts and new technology agreements.

Mr. Vijay Ravindra Kirloskar, being the promoter and experienced senior managerial personnel of the Company is playing a major role in the conduct of the overall business operations of the Company. The compensation package, which the Company has proposed is lower compared to the salaries offered to managerial personnel within the comparable industries.

(2) Past remuneration: Details of remuneration drawn by Mr. Vijay Ravindra Kirloskar for past three years:

(Amount in Rs)

Year	Total Remuneration
2019-20	1,68,00,000
2020-21	2,18,31,605
2021-22	2,61,60,000

(3) Remuneration proposed

Annual remuneration to the Executive Chairman is proposed in the resolution under item no. 2 in the notice of the Postal Ballot:

(4) Comparative remuneration profile with respect to industry, size of the Company and profile of the position.

The details of the turnover and the remuneration paid in other comparable similar Industries are as shown in the table given below:

(Rs. in Lakhs)

SI No.	Name of the company	Turnover	Remuneration
1	TD Power Systems Limited (2021-22)	71,880.55	307.91
2	Voltamp Transformers Limited (2021-22)	1,12,720.90	511.11
3	Crompton Greaves Consumer Electricals Ltd (2021-22)	5,37,320.00	1,124.03
4	Kirloskar Oil Engines Ltd (2021-22)	3,29,966.00	532.00

(Note: The above details have been considered from the public domain. The details may vary.)

(5) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Except for Mr. Vijay Ravindra Kirloskar and Mrs. Meena Kirloskar, none of the directors or key managerial personnel (KMP) or relatives of directors and KMP is concerned or interested in the resolution set forth under item no. 2 of the accompanying notice.

III. Other information: [Please refer to the disclosure under Item no. 1]

Further, the effective capital of the Company is negative and as required under Section II of part II, schedule V to the Companies Act, 2013, the approval of members of the Company is sought by way of special resolution.

The Board recommends the resolution set forth under item no. 2 of the accompanying notice for approval of the members.

Item no. 3:

Mr. Anand Balaramacharya Hunnur (DIN: 06650798) was appointed as Managing Director of the Company for a term of three (3) years effective from July 12, 2022 at a remuneration of Rs. 1,02,00,000/- (Rupees One Crore Two Lakhs only) per annum. Considering the performance of the Company, the Board of Directors at its meeting on January 25, 2023 has, subject to the approval of the members of the Company, revised the remuneration payable to the Managing Director to Rs. 1,50,00,000/- (Rupees One Crore Fifty Lakhs Only) per annum with effect from January 25, 2023.

Except Mr. Anand B Hunnur, none of the other directors or key managerial personnel (KMP) or relatives of directors and KMP is concerned or interested in the resolution at item no. 3.

Disclosures as per schedule V to the Companies Act, 2013

I. General information: [Please refer to the disclosure under Item no. 1]

II. Information about Mr. Anand B Hunnur:

(1) Background details:

Mr. Anand B Hunnur, aged 61 years, holds a Bachelor's degree in Engineering from Karnataka University and has a diploma in Marketing & Sales Management from Bharatiya Vidya Bhavan, Mumbai. He was Regional Manager for western India from 2002 to 2005. Later he worked as an Associate Vice President– Marketing from 2006 to 2009. He worked in Emerson Electric Power Generation of India, Pune as Vice President – Marketing from 2009-2011 also worked as Head - Sales from April 2011 to October 2011 in WEG Electric India. He joined Kirloskar Electric Company Limited as Vice President Sales & Marketing in 2011 and was appointed as Director - Sales in August 12, 2014. He was appointed as Managing Director from May 26, 2017. However, due to personal reasons he resigned from the position of Managing Director with effect from April 12, 2019. He was a Principal Advisor to the Executive Chairman of the Company with effect from June 1, 2019. He was appointed as Managing Director with effect from July 12, 2022 for a term of three years. He has been instrumental in generating good business, improving overall operations and achieving the targets. He possesses varied and rich experience in sales and marketing.

(2) Past remuneration: Details of previous remuneration drawn by Mr. Anand B Hunnur:

(Amount in Rs)

Sl. No	Particulars	Total Remuneration*
1	Salary	36,00,000
2	Perquisites and allowances	54,54,840
3	Other Retirement benefits	11,45,160
	Total	**1,02,00,000**

Note:
**With effect from July 12, 2022;*
Apart from the above remuneration, the Board had approved for payment of Rs. 2,50,000/- per month as fee for services rendered in professional capacity by him, under the section 197(4) of the of the Companies Act, 2013;

(3) Remuneration proposed

Annual remuneration to the Managing Director is proposed in the resolution under item no. 3 in the notice of the Postal Ballot. Based on recommendation of Nomination and Remuneration Committee, the Board has decided to withdraw the fee paid to him for services rendered in professional capacity with effect from January 25, 2023, subject to approval of members on the resolution under item no. 3.

(4) Comparative remuneration profile with respect to industry, size of the Company and profile of the position. [Please refer to the disclosure under Item no. 1]

(5) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Except for Mr. Anand B Hunnur, none of the directors or key managerial personnel (KMP) or relatives of directors and KMP is concerned or interested in the resolution set forth under item no. 3 of the accompanying notice.

III. Other information: [Please refer to the disclosure under Item no. 1]

Further, the effective capital of the Company is negative and as required under Section II of part II, schedule V to the Companies Act, 2013, the approval of members of the Company is sought by way of special resolution.

The Board recommends the resolution set forth under item no. 3 of the accompanying notice for approval of the members.

By the order of the Board of Directors
For and on behalf of **Kirloskar Electric Company Limited**

Date: 25.01.2023
Place: Bangalore

Mahabaleshwar Bhat
General Manager – Corporate Affairs & Company Secretary
(Membership no. A21919)

Annexure-1

Information about directors seeking appointment / reappointment

Name of director	Mr. Sanjeev Kumar Shivappa
Age	59 years
Date of appointment	14-02-2020
Relationship with other directors / KMP	NIL
Qualification & experience	Mr. Sanjeev Kumar Shivappa is a graduate in Commerce and Masters in Business Administration (MBA) in finance from Bangalore University. He has about 37 years of post qualification experience and has worked extensively in the areas of finance. He has rich experience of more than 28 years in the finance department of the Company. He was promoted to Assistant Vice President - Finance and Chief Financial Officer of the Company with effect from August 12, 2017. Prior to his joining in the Company, he had worked with Companies like Karnataka Oil Seeds Growers Federation Limited, Bengaluru, ROGCSU Limited etc.,
Directorship in other listed companies	Nil
Shareholding in the Company	NIL
Chairperson of committees	Nil
Member of committees	Nil

By the order of the Board of Directors
For and on behalf of **Kirloskar Electric Company Limited**

Date: 25.01.2023
Place: Bangalore

Mahabaleshwar Bhat
General Manager – Corporate Affairs & Company Secretary
(Membership no. A21919)