



KIRLOSKAR CHILLERS PRIVATE LIMITED
A Kirloskar Group Company

Enriching Lives

2nd December 2016

Chief General Manager
Informal Guidance Scheme, 2003
Corporate Finance Department
Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A,
G-Block, Bandra Kurla Complex
Mumbai 400051

मा. प्र. वि. को. SEBI
सं/ No 110278

दिनांक
Date 06 DEC 2016

Subject: Request for INTERPRETIVE LETTER under the SEBI (Informal Guidance Scheme), 2003.

Ref: Clause 6 of Schedule B of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“Insider Trading Regulations”)

Dear Madam/Sir,

Background

1. Kirloskar Chillers Private Limited (“KCPL”) is a private limited company having its registered office at office No. 104, 1st Floor, Tower P3, Pentagon, Magarpatta City, Pune - 411 028.
2. Kirloskar Brothers Limited (“KBL”), is a public company having its registered office at Udyog Bhavan, Tilak Road, Pune - 411 002. The equity shares of KBL is listed both on BSE Limited and the National Stock Exchange of India Limited.
3. KCPL is part of the promoter group of KBL since KCPL is closely held by certain promoters of KBL. The ‘Promoter and Promoter Group’ of KBL collectively hold 65.44% of the total paid-up capital of the KBL as on September 30, 2016. KCPL currently does not hold any equity shares in KBL. The shareholding patterns of KCPL as on the date of this letter and of KBL as on September 30, 2016 is set out in **Annexure I** hereto.
4. Being a public listed company, KBL has issued a “Code of practice and procedures for fair disclosure of unpublished price sensitive information and code of conduct to regulate, monitor and report trading by insider of Kirloskar Brothers Limited” (“**Code of Conduct**”) in accordance with Schedule B of the Securities and Exchange Board of India (“**Schedule B**”) (Prohibition of Insider Trading) Regulations, 2015, (“**Insider Trading Regulations**”) (a copy of the Code of Conduct is attached hereto as **Annexure II**).
5. KCPL intends to acquire 50,000 equity shares, constituting 0.06% of the paid-up capital of KBL (“**Proposed Acquisition**”). Since KCPL qualifies as a promoter group entity of



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KBL, as per Regulation 9 of Insider Trading Regulations, it is required to adhere to requirements contained in the Code of Conduct. Amongst other requirements, the Code of Conduct stipulates as follows:

"All Insiders and Designated Employees, Auditors, consultants and other advisors who intent to deal in the securities should obtain a pre-clearance of such transactions..."

"An application may be made in the prescribed form in Annexure I to the Compliance Officer indicating the estimated numbers of securities to be dealt in. All other details as prescribed in the form shall also be provided with an undertaking as prescribed in Annexure II."

6. In terms of the Code of Conduct, KCPL made an application dated September 6, 2016 in the format prescribed under the Code of Conduct seeking pre-clearance of the compliance officer of KBL ("Compliance Officer") for the Proposed Acquisition. KCPL has also attached a declaration / undertaking from KCPL that it does not possess any unpublished price sensitive information ("Application") (a copy of the application and undertaking is attached hereto as **Annexure III**).
7. The said Application was rejected by the Compliance Officer, vide his letter dated September 6, 2016, without any valid grounds either under the SEBI (Prohibition of Insider Trading) Regulations, 2015 or the Code of Conduct (a copy of the letter is attached hereto as **Annexure IV**).
8. Upon request for the grounds of rejection of the Application vide letter dated September 7, 2016(a copy of the letter is attached hereto as **Annexure V**), vide his letter dated September 12, 2016, the Compliance Officer attempted to justify the said rejection by stating as follows (a copy of the letter is attached hereto as **Annexure VI**):

"In this connection we would like to inform you that your request for purchase of 50,000 (Fifty Thousand) equity shares of Kirloskar Brothers Limited on September 6, 2016 was rejected, inter alia, for the reason that there is already approved Pre-Clearance in place for Promoters and there is no balance number of shares available for trade."

9. In light of the background, KCPL through this interpretive letter seeks guidance from SEBI on legal provisions relating to requirement of pre-clearance from compliance officer and the grounds on which pre-clearance can be rejected by the compliance officer.

Legal Framework

10. Regulation 9 (1) of the Insider Trading Regulations states as follows:

"The board of directors of every listed company and market intermediary shall formulate a code of conduct to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with these



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regulations, adopting the minimum standards set out in Schedule B to these regulations, without diluting the provisions of these regulations in any manner.”

11. Clause 6 of Schedule B

“6. When the trading window is open, trading by designated persons shall be subject to preclearance by the compliance officer, if the value of the proposed trades is above such thresholds as the board of directors may stipulate. No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.”

12. Code of Conduct stipulates as follows:

“All Insiders and Designated Employees, Auditors, consultants and other advisors who intent to deal in the securities should obtain a pre-clearance of such transactions...”

An application may be made in the prescribed form in Annexure I to the Compliance Officer indicating the estimated numbers of securities to be dealt in. All other details as prescribed in the form shall also be provided with an undertaking as prescribed in Annexure II.”

13. The provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“**Takeover Code**”) provide no prohibition from acquisition of shares by a promoter or other person. They merely provide either disclosure of substantial number of shares or an open offer based on acquisition of substantial shares or control.

Our Interpretation:

14. In terms of the provisions of Insider Trading Regulations and the Code of Conduct discussed above, all *insiders* of KBL are required to obtain a pre-clearance for any proposed transaction on securities of KBL by making a request to the Compliance Officer in the prescribed format. The prescribed format requires a mere declaration that the insider does not possess any unpublished price sensitive information.
15. Since KCPL is a promoter group entity of KBL, KCPL had sought pre-clearance from the Compliance Officer to make the Proposed Acquisition. The pre-clearance was sought in the required format wherein KCPL also declared that it is not in possession of any unpublished price sensitive information.
16. However, the pre-clearance request of KCPL was rejected by the Compliance Officer on the grounds extraneous to the provisions of Insider Trading Regulations.



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17. In our view, the provisions of Insider Trading Regulations do not provide the Compliance Officer with the powers to deny pre-clearance request from insiders on grounds extraneous to the provisions of the Insider Trading Regulations.
18. We believe, no recourse to Takeover Code is required or warranted, given that the grounds used, in our view, refers to headroom acquisition under the Takeover Code. That law in fact only prescribes requirements of open offer where a number of shares or control are acquired, rather than prescribe prohibition of acquisition of shares.
19. We have perused orders of SEBI to understand the expanse of the powers of the compliance officers in regard to granting of pre-clearance under the Insider Trading Regulations. In the matter of *Manappuram Finance Limited*,¹ SEBI has described the object of pre-clearance as follows:

“Since, both the Director and his/her spouse are covered under PIT Regulations, and having regard to the object of pre-clearance of trades which is to see that neither the Director nor their family members and deemed connected persons trade in securities of the company based on price sensitive information, it is essential that pre-clearance of trades are obtained.”

20. In another recent order in the matter of *In Re: Piramal Enterprises Limited*,² SEBI has reiterated the object of obtaining pre-clearance by the designated persons and has held that:

“These trades (trades during the subsistence of unpublished price sensitive information) could go through because trading window was never closed. It is precisely to regulate such transactions going through during the UPSI period that the law prescribes closure of trading window and pre-clearance of trades.”

21. In the light of the above stated provisions and judicial pronouncements, we are of the view that the grounds on which a request for pre-clearance is to be approved or rejected is limited to whether the applicant possesses any unpublished price-sensitive information. We are of the view that a compliance officer is not empowered to make any decision based on subjective criteria or reject an application for pre-clearance of a transaction for any grounds other than those pertaining to the Insider Trading Regulations.
22. Further, as per the terms of section 58 of the Companies Act, 2013, which ensures free transferability of shares of public listed companies, it is submitted that it is not open to a public listed company or its Compliance Officer to deny transfer of shares on any grounds other than as provided under any statute or regulation.
23. In the case at hand, as discussed above, the Compliance Officer initially rejected the Application without providing any reasons and only later stated that the reason for rejecting the Application was that “*there is already approved Pre-Clearance in place for Promoters and there is no balance number of shares available for trade*”. The Code of

¹ SEBI (Assessing Officer) order dated 19.08.2015.

² SEBI (Assessing Officer) order dated 03.10.2016.



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Conduct does not specify any limit on ‘number of shares available for trade’ and, therefore, ‘no balance’ of such shares is not a valid ground for rejection either under the Code of Conduct or the Insider Trading Regulations.

24. Therefore, in our view, the rejection of pre-clearance request made by KCPL for the Proposed Acquisition is in violation of Regulation 9 (1) and Clause 6 of Schedule B of the Insider Trading Regulations. In our interpretation, a compliance officer of listed company should exercise its power to grant pre-clearance requests solely based on the provisions of Insider Trading Regulations and the Code of Conduct. A compliance officer has no discretionary power to reject a pre-clearance request based on any random or arbitrary basis which is extraneous to the Code of Conduct and Insider Trading Regulations, particularly when there is no breach of any other law either.

Issues for Interpretation:

25. In light of the above background, KCPL, being the acquirer in the Proposed Acquisition, requests an interpretative letter under the SEBI (Informal Guidance Scheme), 2003, on the following issues:
- a. Whether KCPL or any other entity that qualifies as a promoter group entity requires a pre-clearance from KBL merely because it is a promoter, even though it has no role in the management of KBL or have any access whatsoever to unpublished price sensitive information.
 - b. Under Regulation 9 and Schedule B of the Insider Trading Regulations, whether a compliance officer has the power to reject pre-clearance request for reasons extraneous to Code of Conduct and Insider Trading Regulations?
 - c. Whether the compliance officer has discretionary powers under the Insider Trading Regulations to reject pre-clearance request on any reason it deems fit, even if legal? Whether a compliance officer can use reasons such as “*for the reason that there is already approved Pre-Clearance in place for Promoters and there is no balance number of shares available for trade*” whereas the Takeover Code provides no such restriction for a promoter acquiring shares.
 - d. What are the factors that the compliance officer is permitted to consider while approving or rejecting an application seeking pre-clearance for a proposed transaction?
 - e. Under the above background, whether the Compliance Officer has the power to reject the Application of KCPL based on the grounds stated in his communications, which are extraneous to requirements of the Code of Conduct and Insider Trading Regulations?



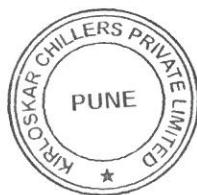
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26. We are enclosing herewith a demand draft bearing No. 125961 dated 29-11-2016 for Rs. 25,000/- drawn on Bank Of India in favour of "Securities and Exchange Board of India", payable at Mumbai, for the fees of the aforesaid interpretive letter.
27. In case you require any further information/document, we will be pleased to submit the same. We would be highly obliged if you could provide us the interpretive letter at the earliest. In case of any communication for the aforesaid matter, you may contact the undersigned.

Thank you.

Yours faithfully,

Milind Soni
General Manager- Finance



Encl:

ANNEXURE -I

KIRLOSKAR CHILLERS PRIVATE LTD.

Shareholding Pattern as at December 2,2016

Summary statement holding of specified securities

Particulars	No of fully paid up Shares held	Shareholding as a % of total no. of shares
Rahul Kirloskar	250,000	21.93%
Atul kirloskar	250,000	21.93%
Gautam Kulkarni	250,000	21.93%
Kirloskar Pnuematics limited	390,000	34.21%
Total	1,140,000	

**Shareholding Pattern****KIRLOSKAR BROTHERS LTD.-\$****Scrip Code : 500241****Quarter ending :September 2016****Summary statement holding of specified securities**

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of equity shares held in dematerialized form
(A) Promoter & Promoter Group	15	5,19,64,343	5,19,64,343	65.44	5,19,64,343
(B) Public	18,665	2,74,44,583	2,74,44,583	34.56	2,29,32,023
(C1) Shares underlying DRs				0.00	
(C2) Shares held by Employee Trust				0.00	
(C) Non Promoter- Non Public				0.00	
Grand Total	18,680	7,94,08,926	7,94,08,926	100.00	7,48,96,366

Note:C=C1+C2

Grand Total=A+B+C

[Click here for "Statement showing shareholding pattern of the Promoter and Promoter Group"](#)[Click here for Statement showing shareholding pattern of the Public shareholder](#)[Click here for Statement showing shareholding pattern of the Non Promoter- Non Public shareholder](#)[Click here for Details of Disclosure by Trading Members \(TM\) holding 1% or more of the Total No. of Shares.](#)

**Shareholding Pattern****KIRLOSKAR BROTHERS LTD.-\$****Scrip Code : 500241****Quarter Ending : September 2016****Statement showing shareholding pattern of the Promoter and Promoter Group**

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of equity shares held in dematerialized form
A1) Indian				0.00	
Individuals/Hindu undivided Family	12	3,26,34,387	3,26,34,387	41.10	3,26,34,387
ALOK SANJAY KIRLOSKAR	1	6,187	6,187	0.01	6,187
ARTI ATUL KIRLOSKAR	1	100	100	0.00	100
JYOTSNA GAUTAM KULKARNI	1	100	100	0.00	100
ALPANA RAHUL KIRLOSKAR	1	100	100	0.00	100
PRATIMA SANJAY KIRLOSKAR	1	1,37,60,488	1,37,60,488	17.33	1,37,60,488
MRINALINI SHREEKANT KIRLOSKAR	1	13,781	13,781	0.02	13,781
SUMAN CHANDRAKANT KIRLOSKAR	1	9,168	9,168	0.01	9,168
ATUL CHANDRAKANT KIRLOSKAR	1	3,98,888	3,98,888	0.50	3,98,888
VIKRAM SHREEKANT KIRLOSKAR	1	70,236	70,236	0.09	70,236
GAUTAM ACHYUT KULKARNI	1	4,41,705	4,41,705	0.56	4,41,705
RAHUL CHANDRAKANT KIRLOSKAR	1	4,04,501	4,04,501	0.51	4,04,501
SANJAY CHANDRAKANT KIRLOSKAR	1	1,75,29,133	1,75,29,133	22.07	1,75,29,133
Any Other (specify)	3	1,93,29,956	1,93,29,956	24.34	1,93,29,956
ACHYUT AND NEETA HOLDINGS AND FINANCE PRIVATE LIMITED	1	72,247	72,247	0.09	72,247
PRAKAR INVESTMENTS PRIVATE LIMITED	1	2,69,671	2,69,671	0.34	2,69,671
KIRLOSKAR INDUSTRIES LIMITED	1	1,89,88,038	1,89,88,038	23.91	1,89,88,038
Sub Total A1	15	5,19,64,343	5,19,64,343	65.44	5,19,64,343
A2) Foreign				0.00	
A=A1+A2	15	5,19,64,343	5,19,64,343	65.44	5,19,64,343

Shareholding Pattern Public ShareHolder							
	1	6795	6,795	0.01	6,795	0.01	
Foreign Individuals	3	4792	4,792	0.01	4,792	0.01	4,792
ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	1	1957630	19,57,630	2.47	19,57,630	2.47	19,57,630
Sub Total B3	18635	19171130	1,91,71,130	24.14	1,91,71,130	24.14	1,47,46,631
B=B1+B2+B3	18665	27444583	2,74,44,583	34.56	2,74,44,583	34.56	2,29,32,023

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to disclose name of all holders holding more than 1% of total number of shares
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.,

**Shareholding Pattern Public Shareholder****KIRLOSKAR BROTHERS LTD.-\$****Scrip Code : 500241****Quarter ending : September 2016****Statement showing shareholding pattern of the Public shareholder**

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	Number of equity shares held in dematerialized form(Not Applicable)
B1) Institutions	0	0		0.00		0.00	
Mutual Funds/	3	3502575	35,02,575	4.41	35,02,575	4.41	35,02,575
RELIANCE CAPITAL TRUSTEE COMPANY LIMITED-A/C RELIANCE SMALL CAP FUND	1	2263739	22,63,739	2.85	22,63,739	2.85	22,63,739
Foreign Portfolio Investors	11	1159405	11,59,405	1.46	11,59,405	1.46	11,59,405
WARBURG VALUE FUND	1	1000000	10,00,000	1.26	10,00,000	1.26	10,00,000
Financial Institutions/ Banks	16	3611473	36,11,473	4.55	36,11,473	4.55	35,23,412
GENERAL INSURANCE CORPORATION OF INDIA	1	1406725	14,06,725	1.77	14,06,725	1.77	14,06,725
THE NEW INDIA ASSURANCE COMPANY LIMITED	1	1513002	15,13,002	1.91	15,13,002	1.91	15,13,002
Sub Total B1	30	8273453	82,73,453	10.42	82,73,453	10.42	81,85,392
B2) Central Government/ State Government(s)/ President of India	0	0		0.00		0.00	
B3) Non-Institutions	0	0		0.00		0.00	
Individual share capital upto Rs. 2 Lacs	17554	13150549	1,31,50,549	16.56	1,31,50,549	16.56	88,02,335
Individual share capital in excess of Rs. 2 Lacs	7	1429000	14,29,000	1.80	14,29,000	1.80	14,29,000
Any Other (specify)	1074	4591581	45,91,581	5.78	45,91,581	5.78	45,15,296
NRI – Non- Repat	82	177882	1,77,882	0.22	1,77,882	0.22	1,24,020
NRI – Repat	138	162928	1,62,928	0.21	1,62,928	0.21	1,62,272
Bodies Corporate	287	3424391	34,24,391	4.31	34,24,391	4.31	34,12,419
Employees	8	7990	7,990	0.01	7,990	0.01	4,990
Clearing Members	189	289964	2,89,964	0.37	2,89,964	0.37	2,89,964
Director or Director's Relatives	3	58816	58,816	0.07	58,816	0.07	58,816
HUF	363	458023	4,58,023	0.58	4,58,023	0.58	4,58,023

**Shareholding Pattern Non Promoter-Non Public****KIRLOSKAR BROTHERS LTD.-\$****Scrip Code : 500241****Quarter ending : September 2016****Statement showing shareholding pattern of the Non Promoter- Non Public shareholder**

Category & Name of the Shareholders(I)	No. of shareholder(III)	No. of fully paid up equity shares held(IV)	Total no. shares held(VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of equity shares held in dematerialized form(XIV)(Not Applicable)
C1) Custodian/DR Holder	0	0		0.00	
C2) Employee Benefit Trust	0	0		0.00	

Note

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares

(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.,



Shareholding Pattern

KIRLOSKAR BROTHERS LTD.-\$

Scrip Code : 500241

Quarter ending : September 2016

Details of disclosure made by the Trading Members holding 1% or more of the Total No. of shares of the company.

Sl. No.	Name of the Trading Member	Name of the Beneficial Owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
-	NIL	NIL	NIL	NIL	NIL

ANNEXURE - II



KIRLOSKAR BROTHERS LIMITED

A Kirloskar Group Company

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**CODE OF PRACTICE AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED
PRICE SENSITIVE INFORMATION
AND
CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDER OF
KIRLOSKAR BROTHERS LIMITED**

Preface:

Pursuant to the Securities and Exchange Board of India (Insider Trading) Regulations, 2015, which comes into force on May 15, 2015, the Securities and Exchange Board of India (SEBI) has directed listed companies to formulate and publish on its official website, a Code for practice and procedures for fair disclosure of unpublished price sensitive information that it would follow in order to adhere to each of the principles set out in Schedule A to these regulations, without diluting the provisions of these regulations in any manner. The Board of Directors of the Company had approved the "Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to Regulate, Monitor and Report Trading by Insider" which came into force with effect from May 15, 2015 (the 'Code') and the same may be amended from time to time, as may be required.

The term Insider-trading is associated with dealing in securities of the Company by certain category of persons such as Directors, Key Managerial Personnel, Designated Employees and Auditors in the Company and other persons associated with the Company and deemed to have access to unpublished price sensitive information. The term 'Insider and Trading' has been defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Regulations state that an insider shall deal in the securities of the listed company only in accordance with the provisions as mentioned under the Code.

The Companies Act, 2013, has also defined the term 'Insider Trading'. In addition, it has also defined the term 'Price Sensitive Information'.

No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to the Company or about its securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligation.

Notwithstanding anything contained in hereinabove, an unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:-

- (i) entail an obligation to make an open offer under the takeover regulations where the board of directors of the Company is of informed opinion that the proposed transaction is in the best interests of the company;

- (ii) no obligation to make an open offer under takeover Code but the directors of the Company are of informed opinion that the proposed transaction is in the best interest of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two days prior to the proposed transaction.

However, it need not be concluded that the persons connected to the Company are barred from possessing, buying and selling its shares. They are permitted to deal in the securities of the Company under the permitted conditions, provided they make adequate disclosures about the transaction to the regulatory and the exchanges on which the shares of the Company are listed.

It is the responsibility of each of the Directors, Key Managerial Personnel, Designated Employees, Auditors and other connected persons to ensure compliance with this Code by themselves and their immediate relatives.

Accordingly, this Code has been framed with a view to achieve:

- Prompt public disclosure of unpublished price sensitive information (UPSI);
- Uniform and universal dissemination of UPSI;
- Handling of UPSI on a need-to-know basis;
- Reporting of trading by an insider;
- Prohibition of unlawful acts of Insider Trading as contemplated under the Regulations;
- Adoption appropriate mechanism and procedures to enforce the Code;
- To abide by the Code and disclosure / reporting procedures as specified herein.
- To initiate appropriate actions against persons involved in Insider Trading in contravention of this Code.
- To appropriately communicate the existence of this Code across the organization.

DEFINITIONS:

The definitions of some of the terms used in the Code are given below. Other terms not defined herein shall have the meaning assigned to them under the Regulations and other related rules and guidelines, as amended from time to time.

- a. "Auditors" means Statutory Auditors, Cost Auditors, Secretarial Auditors of the Company and any other audit or consulting firm appointed to report the Board about any process or compliance by the Company.
- b. "Board / Directors" means the Board of Directors of Kirloskar Brothers Limited (KBL) and shall include any Committee of the Board.
- c. "Chief Investor Relation Officer" means Company Secretary or an officer appointed by the Board to deal with dissemination of information and disclosure of unpublished price sensitive information.
- d. "Company / KBL" means Kirloskar Brothers Limited and includes its successors, assigns.
- e. "Compliance Officer" means Company Secretary or any employee designated as such by the Board.
- f. "Connected person" means, "connected person" means,-
(i) any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or

holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

(ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -

- (a). an immediate relative of connected persons specified in clause (i); or
- (b). a holding company or associate company or subsidiary company; or
- (c). an intermediary as specified in section 12 of the Act or an employee or director thereof; or
- (d). an investment company, trustee company, asset management company or an employee or director thereof; or
- (e). an official of a stock exchange or of clearing house or corporation; or
- (f). a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
- (g). a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
- (h). an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
- (i). a banker of the company; or
- (j). a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

g. "Dependent" shall include:

- i. Father
- ii. Mother
- iii. Spouse
- iv. Son / daughter declared as dependent by the Director / Key Managerial Personnel / Designated Employee or other connected person from time to time

h. "Immediate Relative" shall include:

A spouse of a person and includes parent, sibling and child of such person or of the spouse, any of whom is either dependent financially on such person or consults such person in taking decisions relating to trading in securities.

This shall also mean "Relative" as defined in Section 2(77) of the Companies Act, 2013 read with Rule 4 of the Companies (Specification of definitions details) Rules, 2014, as may be amended from time to time and shall include the following:.

- i. They are members of a Hindu undivided family; or
- ii. They are husband and wife; or
- iii. The one is related to the other as;
 - a. Father (including step-father);
 - b. Mother (including step-mother);
 - c. Son (including step-son);
 - d. Son's Wife;
 - e. Daughter;
 - f. Daughter' husband
 - g. Brother (including step-brother);
 - h. Sister (including step-sister);

- i. "Key Managerial Personnel" shall include:
 - i. Managing Director / The Chief Executive Officer or Whole Time Director;
 - ii. Manager;
 - iii. Company Secretary;
 - iv. The Chief Financial Officer;
 - v. Officer/s as may be designated as such;
 - vi. Such other officers as may be prescribed.
- j. "Designated Employees" shall include:
 - i. Directors, Key Managerial Personnel , and
 - ii. All the function heads and every employee in the finance, accounts, secretarial and legal department as may be determined and informed by the Compliance Officer; and any other employee as may be determined and informed by the Compliance Officer from time to time considering his role and function in the Company to whom these restrictions shall be applicable, keeping in mind the objective of the Code.
- k. "Insider" means any person who,
 - i. is a connected person: or
 - ii. in possession of or having access to unpublished price sensitive information.
- l. "Investigating Person" means a Compliance Officer or any other person, not being a firm, body corporate or an association of persons, having experience in dealing with the problems relating to the securities market.
- m. "Open Offer" means an offer made by the acquirer to the shareholders of the Company inviting them to tender their shares in the Company at a particular price.
- n. "Promoter" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.
- o. "Regulation" means SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment made thereto.
- p. "Securities" means any of the following instruments issued or to be issued or created or to be created, for the benefit of the Company:
 - a. shares, scripts, stocks, bonds, debentures, debenture stock, derivatives or other marketable securities of like nature of KBL;
 - b. Such other instruments as may be declared by the Central Government to be securities;
 - c. Rights or interests in the above.
- q. "Trading" shall mean and include subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in any securities, and trade shall be construed accordingly.
- r. "Trading Window" shall mean a trading period for trading in the Company's securities by the designated persons and their relatives.

- s. "Unpublished price sensitive information (UPSI) / Price Sensitive Information (PSI)" means any information which relates to the following matters or is of concern, directly or indirectly, to the Company, and is not generally known to public or published by the Company, but which if published or known, is likely to materially affect the price of Securities of the Company. The following shall be deemed to be PSI:
 - i. Periodical financial results of the Company (quarterly, half-yearly and annually).
 - ii. Intended declarations of dividend (interim and final)
 - iii. Change in capital structure
 - iv. Issue of securities or buy-back of securities.
 - v. Any major expansion plans or execution of new projects.
 - vi. Amalgamation, mergers or takeovers.
 - vii. Change in Key Managerial Personnel
 - viii. Disposal of the whole or substantial part of the Company's business.
 - ix. Any significant changes in policies, plans or operations of the Company.
 - x. Material events in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- t. "Trading Day" shall mean the working day when the regular trading is permitted on the concerned stock exchange where securities of the Company are listed.

Compliance Officer and his/her Responsibilities:

- 1. The Compliance Officer of the Company with regard to the Code shall report to the Chairman and Managing Director / Executive Director. The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules, pre-clearing the transactions, monitoring the trades and ensure implementation of the Code and compliance, under the overall supervision of the Board.
- 2. The Compliance Officer shall maintain the list of securities issued or that may be issued as a "restricted list" which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.
- 3. Prior to approving any trades, the compliance officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- 4. The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.
- 5. Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.
- 6. The Compliance Officer shall oversee price sensitive information / corporate disclosure as and when required to the stock exchanges, analysts, shareholders and media and shall educate the staff on the disclosure policy and procedure.
- 7. The Compliance Officer shall maintain a record of the Designated Employees from time to time in consultation with the Chairman and Managing Director.

8. The Compliance officer shall ensure that all the disclosures under this Code shall be maintained for a minimum period of 5 years.
9. The Compliance Officer shall assist all the employees in addressing any clarifications regarding this Code.

Price Sensitive Information:

10. All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.
11. No insider shall communicate, provide or allow access to any unpublished price sensitive information, relating to a Company or securities listed on the stock exchange to any person including other insider except where such communication is in furtherance of legitimate purpose, performance of duties or discharge of legal obligations.
12. No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a Company, securities listed, except in furtherance of legitimate purpose, performance of duties or discharge of legal obligations.
13. Price sensitive information shall be handled on a "need to know" basis i.e. shall be disclosed within the Company for discharging the duties.
14. Notwithstanding anything contained in this Code, an unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:-
 - (i) entail an obligation to make an open offer under SEBI's takeover regulations where the board of directors of the Company is of informed opinion that the proposed transaction is in the best interests of the company;
 - (ii) not attract the obligation to make an open offer under SEBI's takeover regulations but where the board of directors of the Company is of informed opinion that the proposed transaction is in the best interests of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the board of directors may determine.
15. All the concerned intermediaries and parties who are in association with the Company due to commercial or statutory obligations, such as agents, vendors, customers, auditors, legal consultants or consultants, etc., and are expected to have access to unpublished price sensitive information, shall execute an agreement to contract confidentiality and non-disclosure obligation on the part of such parties and such parties shall keep information so received confidential, except as allowed under the regulation and the provisions of the Code and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

Insider Trading:

16. No insider shall trade in securities of the Company when in possession of unpublished price sensitive information except as provided under this Code or Regulation.

17. All security procedures for handling the files containing confidential information shall be followed for prevention of misuse of price sensitive information.

Trading Window:

18. The Compliance Officer shall announce the closure of Trading Window from time to time and communicate the same to the concerned. The trading window shall be closed when the compliance officer determines that an insider / designated employee can reasonably be expected to have access or possession of unpublished price sensitive information. The dealing in securities of the Company by the Insiders and Designated Employees and their relatives are prohibited during such period.
19. The Trading Window shall be closed for the period of maximum 30 days during the time when the price sensitive information is unpublished and shall be opened 48 hours after the day on which the said information is made public.
20. When the Trading Window is closed, Insiders and the Designated Employees and their relatives and also the Auditors, consultants and other advisors shall not deal in any transactions involving the purchase or sales of the Company's securities in such period.
21. In case of ESOP, the exercise of options shall be allowed in the period when the Trading Window is closed. However, sale of shares allotted on exercise shall not be allowed, when Trading Window is closed.

Pre-Clearance of Trade:

22. All Insiders and Designated Employees, Auditors, consultants and other advisors who intent to deal in the securities should obtain a pre-clearance of such transactions.
23. An application may be made in the prescribed form in **Annexure I** to the Compliance Officer indicating the estimated numbers of securities to be dealt in. All other details as prescribed in the form shall also be provided with an undertaking as prescribed in **Annexure II**.
24. All Insiders / Designated Employees, and connected persons or their dependent shall execute their order in respect of the securities of the Company within 7 (seven) days after the approval of pre-clearance is given; else make a fresh application for pre-clearance.
25. All Insiders / Designated employees and other connected persons who buy or sale any securities of the Company shall not execute a contra trade / transaction in securities, including derivate transactions in the shares of the Company, during next 6 (six) months following the prior transaction.
26. In case the sale of securities is necessitated by personal emergency, the holding period as aforesaid, may be waived by the Compliance Officer, in consultation with the Chairman and Managing Director, after recording in writing his/her reasons in this regard and ensuring that such relaxation does not violate the requirements under the Code or regulation.
27. Should a contra trade / transaction be executed, inadvertently or otherwise, in violation of the above restrictions, the profits from such trade shall be liable to be disgorged for the remittance to SEBI for credit to investor Protection and Education Fund administered by it.

Trading Plan:

28. An insider shall be entitled to formulate a trading plan and present it to the compliance officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.
29. Such trading plan shall not allow the commencement of trading on behalf of an insider earlier than 6 months from the public disclosure of the trading plan.
30. Such trading plan shall not allow the trading for a period between the 20th trading day prior to the last day of any financial period for which results are required to be announced by the Company and 2nd trading day after the disclosure of such financial year.
31. Trading plan should be for a minimum of 12 months.
32. No 2 trading plans shall overlap each other.
33. The trading plan shall disclose the value of the trades or the number of securities intended to be traded along with the nature of trade and the intervals at or the dates on which such trades shall be effected. The trading plan shall not be used for market abuse.
34. The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.
35. No information shall be passed by Insider / Designated Persons by way of making a recommendation for the purchase or sale of securities of the Company.

Disclosure/dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors:

The following guidelines shall be followed while dealing with analysts, media persons and institutional investors –

- Only public information to be provided.
- At least two Company representatives must be present at meetings with analysts, media persons and institutional investors.
- Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- Simultaneous release of information after every such meet.

Reporting of Transactions:

36. Every promoter, key managerial personnel, designated employee and director of the Company shall disclose his holding of securities of the Company as on May 15, 2015 within 30 days, in **Annexure III**.
37. Every person on appointment as a key managerial personnel or designated employee or a director of the company or upon becoming a promoter shall disclose his holding of securities of the company as on the date of appointment or becoming a promoter, to the company within seven days of such appointment or becoming a promoter and within 7 (seven) days in **Annexure III**.

38. Every promoter, employee and director of every company shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or 25000 securities in nos. or 1% of the paid up capital whichever is low, in **Annexure IV**
39. Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

Investigation:

40. The Compliance Officer shall have power to investigate suspected contravention of this Code and submit his report on findings to Chairman and Managing Director / Executive Director within 7 days of commencement of investigation or such extended time period as the Chairman and/or Managing Director may approve.
41. Based on the report of the Compliance Officer, the Chairman and Managing Director / Executive Director shall be entitled to appoint any person to further investigate a suspected contravention of this Code.
42. The Chairman and Managing Director / Executive Director shall have the power to delegate to the person so appointed all the powers including powers to call for information, examination, interrogation, recording evidence, etc.
43. In any investigation of suspected contravention of this Code the onus to prove that there is no violation of this Code shall be on the concerned Insiders.
44. The Company's investigating officer shall, within 7 working days from the conclusion of the investigation, submit a report to the Chairman and/or Managing / Executive Director.
45. The Chairman and Managing Director / Executive Director after consideration of the investigation report shall communicate the findings to the insider or any other person, being investigated and shall take any action as contemplated in this Code.

Penalty for Contravention:

46. Any insider or designated employee or connected person found guilty in investigation, who traded in securities or communicated / counsel any information for trading in contravention of this Code shall be penalized and appropriate action such as salary freeze, suspension, etc., shall be taken by the Chairman and Managing Director/ Executive Director of the Company.
47. Any insider, designated employee or other connected person found guilty in investigation, who violated the Code, shall also be subject to further disciplinary action.
48. The Compliance Officer under the authority of the Board shall inform such violations to SEBI.

49. The above actions by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) regulations.

Principles and Practices of Fair Disclosure:

50. A Code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering each of the principles is set out below:

- Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- Uniform and universal dissemination of ~~unpublished~~ price sensitive unpublished price sensitive information to avoid selective disclosure.
- Designation of a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
- Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
- Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
- Handling of all unpublished price sensitive information on a need-to-know basis.

Amendment:

The Company reserves its right to amend or modify the Code in whole or in part, at any time, when it deems appropriate, to suit the requirements under the applicable SEBI Regulations or other laws.

For Kirloskar Brothers Limited



Sanjay C. Kirloskar
Chairman and Managing Director
Pune:

ANNEXURE I

PRE-CLEARANCE FORM PURSUANT TO REGULATION 23 OF THE CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING IN SECURITIES OF KIRLOSKAR BROTHERS LIMITED

Date:
To,
The Compliance Officer,
Kirloskar Brothers Limited,
Pune

Dear Sir/Madam,
Application for Pre-dealing approval in securities of the Company

Pursuant to the SEBI (prohibition of Insider Trading) Regulations, 2015 and the Company's **Code of Conduct for Prevention of Insider Trading**, I seek approval to purchase / sale / subscription of _____ equity shares of the Company as per details given below:

1	Name of the applicant	
2	Designation	
3	Number of securities held as on date	
4	Folio No. / DP ID / Client ID No.)	
5	The proposal is for	(a) Purchase of securities (b) Subscription to securities (c) Sale of securities
6	Proposed date of dealing in securities	
7	Estimated number of securities proposed to be acquired/subscribed/sold	
8	Price at which the transaction is proposed	
9	Current market price (as on date of application)	
10	Whether the proposed transaction will be through stock exchange or off-market deal	
11	Folio No. / DP ID / Client ID No. where the securities will be credited / debited	

I enclose herewith the form of Undertaking signed by me.

Yours faithfully,

(Name of the employee)

ANNEXURE II

UNDERTAKING PURSUANT TO REGULATION 14 OF THE CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING IN SECURITIES OF KIRLOSKAR BROTHERS LIMITED

UNDERTAKING

To,
Kirloskar Brothers Limited,
Pune,

I, _____, _____ of the Company residing at _____, am desirous of dealing in _____ * shares of the Company as mentioned in my application dated _____ for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within two days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within 7 days of the receipt of approval failing which I shall seek pre-clearance.

I declare that I have made full and true disclosure in the matter.

Date : _____
Signature : _____
Name:

* Indicate number of shares

FORMAT FOR PRE- CLEARANCE ORDER

To,

Name : _____

Designation : _____

Place : _____

This is to inform you that your request for dealing in _____ (nos) shares of the Company as mentioned in your application dated _____ is approved. Please note that the said transaction must be completed on or before _____ (date) that is within 7 days from today.

In case you do not execute the approved transaction /deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within 2 days from the date of transaction/deal. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Yours faithfully,
for **Kirloskar Brothers limited**

Compliance Officer

Encl.: Disclosure Format

FORMAT FOR DISCLOSURE OF TRANSACTIONS

(To be submitted within 2 days of transaction / dealing in securities of the Company)

To,
The Compliance Officer,
Kirloskar Brothers Limited,
Pune

I hereby inform that I

- have not bought / sold/ subscribed any securities of the Company
- have bought/sold/subscribed to _____ securities as mentioned below on ____ (date)

Name of holder	No. of securities dealt with	Bought/sold/subscribed	DP ID/Client ID / Folio No	Price (Rs.)

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 3 years and produce to the Compliance officer / SEBI any of the following documents:

1. Broker's contract note.
2. Proof of payment to/from brokers.
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery instruction slip (applicable in case of sale transaction).

I agree to hold the above securities for a minimum period of six months. In case there is any urgent need to sell these securities within the said period, I shall approach the Compliance Officer for necessary approval. (*applicable in case of purchase / subscription*).

I declare that the above information is correct and that no provisions of the Company's Code and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

Date : _____ Signature : _____

Name :

Designation:

ANNEXURE III
FORMAT FOR INITIAL DISCLOSURE OF
SECURITIES

The Compliance
Officer, Kirloskar
Brothers Limited,
Pune,

ISIN: INE732A01036

Details of Securities held on appointment of Key Managerial Personnel (KMP)/Designated Employee or Director upon becoming a Promoter of the Company as mentioned in Regulation 37.

Name, PAN, CIN / DIN & Address with contact nos.	Category of Person (Promoters/ KMP / Designated Employee/ Directors/ immediate relative/Connected Person to etc.)	Date of appointment of Director /KMP/ Designated Employee OR Date of becoming Promoter/Connected Person	Securities held at the time of becoming Promoter /appointment of Director/KMP		% of Shareholding
			Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	

Name & Signature:

Designation: Date:

Place:

ANNEXURE IV

FORM FOR PROVIDING DETAILS OF TRANSACTIONS PURSUANT TO REGULATION 38 OF THE CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING IN SECURITIES OF KIBI OSAB BROTHERS LIMITED.

To

Compliance officer, Kirloskar Brothers Limited, Pune

ISIN - INE732A01036

Name & Signature:

Designation: Date:

Place:

ANNEXURE- III



KIRLOSKAR CHILLERS PRIVATE LIMITED
A Kirloskar Group Company

CIN: U29191PN1995PTC095733

Enriching Lives

PRECLEARANCE FORM PURSUANT TO REGULATION 23 OF THE CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING IN SECURITIES OF KIRLOSKAR BROTHERS LIMITED

Date: 6 September 2016

To,
The Compliance Officer,
Kirloskar Brothers Limited,
Pune

Dear Sir/Madam,

Application for Pre-dealing approval in securities of the Company

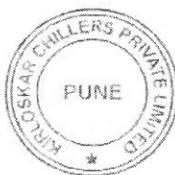
Pursuant to the SEBI (prohibition of Insider Trading) Regulations, 2015 and the Company's **Code of Conduct for Prevention of Insider Trading**, we seek approval to purchase /sale/ subscription of 50,000 (0.06%) equity shares of the Company as per details given below:

1.	Name of the applicant	Kirloskar Chillers Private Limited
2.	Designation	Milind Soni, General Manager- Finance
3.	Number of securities held as on date	NIL
4.	Folio No. / DP ID / Client ID No.	IN30154954483489
5.	The proposal is for	1. Purchase of Securities 2. Subscription of Securities 3. Sale of Securities
6.	Proposed date of dealing in securities	6 th September 2016, onwards
7.	Estimated number of Securities proposed to be acquired / subscribed / sold	50,000 (0.06%)
8.	Price at which the transaction is proposed	Market price
9.	Current Market Price (as on the date of Application)	166.20
10.	Whether the proposed transaction will be through stock exchange or off-market deal	Through broker in the open market
11.	Folio No. / DP ID / Client ID No. where the securities will be credited / debited	IN30154954483489

We enclose herewith the form of Undertaking signed by us.

Yours faithfully,

Signature of Applicant **MILIND A. SONI**
Encl.: as above General Manager-Finance





KIRLOSKAR CHILLERS PRIVATE LIMITED
A Kirloskar Group Company
CIN: U29191PN1995PTC095733

Enriching Lives

UNDERTAKING

Date: 6 September 2016

To,
The Compliance Officer,
Kirloskar Brothers Limited,
Pune

We, Kirloskar Chillers Private Limited, having its registered office at Office No.104, 1st Floor, Tower P3, Pentagon, Magarpatta City, Hadapsar Pune - 411 028, are desirous of dealing in 50,000 * shares of the Company as mentioned in our application dated 6 September 2016, for pre-clearance of the transaction.

We further declare that we are not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

In the event that we have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, we shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.

We declare that we have not contravened the provisions of the Code as notified by the Company from time to time.

We undertake to submit the necessary report within two days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

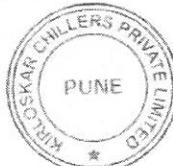
If approval is granted, we shall execute the deal within 7 days of the receipt of approval failing which we shall seek pre-clearance.

We declare that we have made full and true disclosure in the matter.

Date: 6 September 2016 For Kirloskar Chillers Private Limited

Authorised Signatory

* Indicate number of shares MILIND A. SONI
General Manager-Finance



ANNEXURE - IV



KIRLOSKAR BROTHERS LIMITED
A Kirloskar Group Company

Enriching Lives

September 6, 2016

To
Mr. Milind Soni – General Manager, Finance
Kirloskar Chillers Pvt. Ltd.
Office No. 104, 1st floor,
Tower p 3, Pentagone,
Magarpatta City,
Hadapsar,
Pune – 411 028

Dear Sir,

Sub.: Rejection of Pre clearance approval of Kirloskar Chillers Pvt. Ltd.

This is with reference to your application dated September 6, 2016 for the purchase of 50,000 equity shares of the Company under Company's Code of Conduct for the prevention of Insider Trading.

In this connection please be informed that your request for the purchase of 50,000 (Fifty Thousand) equity shares of Kirloskar Brothers Limited is hereby refused and rejected. Please note that you are not permitted to purchase or deal in the securities of Kirloskar Brothers Limited pursuant to this rejection and refusal.

In the event you proceed directly or indirectly with the proposed trade without obtaining a pre-clearance from Kirloskar Brothers Limited, you shall be in violation of the 'Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to Regulate Monitor and Report Trading by Insider of Kirloskar Brothers Limited' and also in violation of the provisions of Securities and Exchange Board of India (Insider Trading) Regulations, 2015 and such other regulations of the Securities and Exchange Board of India including Securities and Exchange Board of India Act, 1992. Further, your trades and any purchase of shares made by you shall be void ab initio and not binding on the Company.

You are requested to take a note of the above.

Thanking you,

Yours faithfully,
For **Kirloskar Brothers Limited**

Sandeep Phadnis
Company Secretary and Compliance Officer



ANNEXURE - V



Enriching Lives

KIRLOSKAR CHILLERS PRIVATE LIMITED

A Kirloskar Group Company
CIN: U29191PN1995PTC095733

Date: 7 September 2016

To,
Sandeep Phadnis
Associate Vice President and
Head - Secretarial
Kirloskar Brothers Limited,
Yamuna, Survey No. 98/(3-7),
Baner, Pune 411 045

Dear Sir,

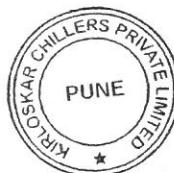
Sub: Your letter of Refusal and Rejection of our request for pre clearance dated 6th Sept 2016.

This has reference to the application for pre clearance for acquisition of Equity shares of Kirloskar Brothers Limited (KBL) made by Kirloskar Chillers Private Limited (KCPL) on 6th Sept 2016. We were shocked and surprised to receive your Refusal and Rejection of the same vide your letter dated 6th Sept 2016.

You are requested to kindly provide us the reasons for the refusal and rejection of our said application immediately.

Yours faithfully,
For KIRLOSKAR CHILLERS PRIVATE LIMITED

Milind Soni
General Manager- Finance



ANNEXURE - VI



Enriching Lives

KIRLOSKAR BROTHERS LIMITED

A Kirloskar Group Company

September 12, 2016

To

Mr. Milind Soni – General Manager, Finance
Kirloskar Chillers Pvt. Ltd.
Office No. 104, 1st floor,
Tower p 3, Pentagone,
Magarpatta City,
Hadapsar,
Pune – 411 028

Dear Sir,

Sub.: Rejection of Pre clearance approval of Kirloskar Chillers Pvt. Ltd.

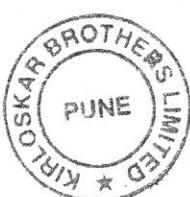
This has reference to your letter dated September 7, 2016 requesting for a reason for refusal and rejection to your application for Pre-clearance for the purchase of 50,000 equity shares of the Company.

In this connection we would like to inform you that your request for purchase of 50,000 (Fifty Thousand) equity shares of Kirloskar Brothers Limited on September 6, 2016 was rejected, inter-alia, for the reason that there is already approved Pre-Clearance in place for Promoters and there is no balance number of shares available for trade.

In this circumstance, we request you not to trade in the shares of the Company unless you have a pre-clearance approval from us.

Thank you for your understanding.

Yours faithfully,
For Kirloskar Brothers Limited



Sandeep Phadnis
Company Secretary and Compliance Officer

