

NOTICE

Notice is hereby given that the 51st Annual General Meeting of the Members of **THE KOLHAPUR STEEL LIMITED** will be held at the Registered Office of the Company at Pune-Bangalore Highway, Shirol (Pulachi), Taluka Hatkanangale, Dist. Kolhapur - 416 122 on Thursday, 14th day of July, 2016 at 1.30 p.m. to transact the following business:

1. To consider and adopt the Audited Financial Statements as at March 31, 2016 of the Company for the year ended on March 31, 2016 and Board's Report and Auditors' Report thereon.
2. To appoint a director in place of Mr. Sandeep A. Phadnis (DIN 06561013) who retires by rotation and being eligible, offers himself for re-appointment and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Sandeep A. Phadnis (DIN 06561013) Director of the Company who retires by rotation at this Annual General Meeting and being eligible for re-appointment be and is hereby re-appointed as a Director liable to retire by rotation.

3. To ratify appointment of the Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

4. To pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149,152, 160 and other applicable Sections of the Companies Act, 2013 and rules thereunder read with Schedule IV, as amended from time to time, approval be and is hereby given for, appointment of Mr. Chittaranjan M. Mate (DIN 07399559), as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds and things as may be necessary to give effect to this resolution."

5. To pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152, 160 and other applicable Sections of the Companies Act, 2013 and rules thereunder read with Schedule IV, as amended from time to time, approval be and is hereby given for appointment of Mr. Sanjay Wadnerkar (DIN 07443390), as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds and things as may be necessary to give effect to this resolution.”

6. To pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152, 160 and other applicable Sections of the Companies Act, 2013 and rules thereunder read with Schedule IV, as amended from time to time, approval be and is hereby given for appointment of Mr. Ravi Bhushan Sinha (DIN 07430157), as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds and things as may be necessary to give effect to this resolution.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of Section 106 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof for the time being in force) read with the provisions of the Articles of Association of the Company, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to vary the rights attached to 2,50,00,000 - 6% Redeemable Cumulative Non-Convertible Preference Shares by making them redeemable at any time at par and on such terms and conditions as the Board may deem fit:

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution any one Director of the Company be and is hereby authorized to take all actions as may be necessary, proper or expedient and to do all such acts, deeds, matters including early redemption as may be necessary and things in connection therewith and incidental thereto.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 13 and 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) the existing Authorised Share Capital of the Company of Rs. 30,00,00,000/- (Rupees Thirty Crores only) divided into Rs. 5,00,00,000/- (Rupees Five Crores only) equity share capital consisting of 5,00,00,000 (Five Crores) equity share of Re. 1/- (Rupee One only) each and Rs. 25,00,00,000/- (Rupees Twenty-Five Crores only) Preference Share Capital consisting of 2,50,00,000 (Two Crores Fifty Lacs) Preference Shares of Rs. 10/- (Rupees Ten only) each be and is hereby increased to Rs. 55,00,00,000/- (Rupees Fifty Five Crores Only) divided into 30,00,00,000 (Thirty Crores) equity shares of Re. 1/- (Rupee One Only) each and Preference Share Capital consisting of 2,50,00,000 (Two Crores Fifty Lacs) Preference Shares of Rs. 10/- (Rupees Ten only) each.

RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V:

V. The Authorised Share Capital of the Company is Rs.55,00,00,000/- (Rupees Fifty Five Crores Only) divided into 30,00,00,000 (Thirty Crores) equity shares of Re. 1/-(Rupee One Only)each and Preference Share Capital consisting of 2,50,00,000 (Two Crores Fifty Lacs) Preference Shares of Rs. 10/- (Rupees Ten only) each with power to increase or reduce, the capital of the Company for the time being into several classes, to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.

RESOLVED FURTHER THAT any of the Directors of the Company, be and is hereby authorized to do all such acts, deeds and things including signing, execution, authentication and filing of all applications, documents, forms, statements, declarations with the authorities concerned as may be required or considered necessary or incidental thereto to give effect to the aforesaid resolution."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 42, 55, 62 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof for the time being in force) read with Rule 13 of the Companies (Share Capital and Debentures) Amendment Rules, 2015 and the provisions of the Articles of Association of the Company, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to offer, issue and preferentially allot, equity share of Re. 1/- (Rupee one only) each ("**equity shares**") in one or more tranches, at such time or times as the Board may in its absolute discretion think fit, to the tune of Rs. 25,00,00,000/- (Rupees Twenty Five Crores) to "Kirloskar Brothers Limited".

RESOLVED FURTHER THAT the proceeds of the issue of equity shares made to Kirloskar Brothers Limited as aforesaid, be and are hereby allowed to be utilized for the purpose of redemption of 2,50,00,000 (Two Crores Fifty Lacs) - 6% Redeemable Cumulative Non-Convertible Preference Shares of Rs. 10/- (Rupees Ten Only) each

RESOLVED FURTHER THAT the equity shares to be issued and allotted to Kirloskar Brothers Limited will rank pari passu with the existing equity shares of the Company in all respects, including dividend, if any.

RESOLVED FURTHER THAT any one Director of the Company be and is hereby authorized to take all such steps and to do all such acts and things as may be necessary to give effect to the resolution."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 61 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company and subject to the redemption of 2,50,00,000 - 6% Redeemable Cumulative Non-Convertible Preference Shares of Rs.10/- (Rupees Ten Only) each of the Company, the existing Authorised Share Capital of Company of Rs. 30,00,00,000/- (Rupees Thirty Crores only) divided into 30,00,00,000 (Thirty Crores) equity shares of Re. 1/- (Rupee One only) each and Rs. 25,00,00,000/- (Rupees Twenty-Five Crores only) Preference Share Capital consisting of 2,50,00,000 (Two Crores Fifty Lacs) Preference Shares of Rs. 10/- (Rupees Ten only) each be and is hereby re-classified as Rs.55,00,00,000/- (Rupees Fifty Five Crores only) equity share capital consisting of 55,00,00,000 (Fifty Five Crores) equity shares of Re. 1/- (Rupee One only) each.

RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company be substituted as under:

V. The Authorised Share Capital of the Company is Rs. 55,00,00,000/- (Rupees Fifty Five Crores only) equity share capital consisting of 55,00,00,000 (Fifty Five Crores only) equity shares of Re. 1/-(Rupee One only) each, with power to increase or reduce, the capital of the Company for the time being into several classes, to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.

RESOLVED FURTHER THAT any one director of the Company be and is hereby authorized to take all such steps and to do all such acts and things as may be necessary including filing all such forms with the Ministry of Corporate Affairs as may be required in this connection."

By the order of the Board of Directors
For **THE KOLHAPUR STEEL LIMITED**

Place: Pune
Date: June 03, 2016

Sandeep Phadnis
Director
(DIN 06561013)

NOTES:

1. **A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE SAID MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as a proxy on behalf of Members not exceeding 50 (Fifty) and holding not more than 10% of total share capital of the Company. The instrument of proxy duly completed should be lodged at the Registered Office of the Company not less than forty eight hours before the Annual General Meeting (AGM). During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, Member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company. The proxy holder shall bring his/her id-proof for the purpose of identification at the time of attending the meeting.

2. Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), Statement of material facts in respect of Item Nos. 4 to 10 above is annexed.
3. The documents relating to the items of Special Businesses are available for inspection by the Members of the Company at its Registered Office during business hours on any working day (excluding Monday) of the Company.
4. Members desiring any information as regards accounts are requested to write to the Company atleast 7 days before the date of the meeting to enable the management to keep the information ready.
5. Members of the Company and / or their proxies only will be allowed to attend the Annual General Meeting. Before entering the meeting hall, Members and proxies are requested to sign the Attendance Slip in the prescribed form and leave it at the counter.

Members are requested to bring their Folio No. / Client Id and DP Id for easy identification.

6. Since, the Company's shares are available for dematerialisation, to ensure better investor service and elimination of risk of holding shares in physical form, it is requested that the Members holding shares in physical form to get their shares dematerialised at the earliest.
7. Members are requested to notify any change in their address to the Company / Registrar & Transfer Agents (R&T) at the address mentioned below. Members, having multiple folios, are requested to intimate to the Company / R&T, such folios, to consolidate all shareholdings into one folio.

8. The Company has appointed M/s Link Intime India Private Limited as its R&T. Therefore, all correspondence relating to transfer and transmission of shares, issue of duplicate share certificates, change of address, dematerialisation of shares, payment of unclaimed dividend etc. will be attended and processed at the office of the R&T at the following address:-

Link Intime India Private Limited
(Unit: The Kolhapur Steel Limited)
Block No. 202, 2nd Floor, Akshay Complex,
Near Ganesh Temple, Off Dhole Patil Road,
Pune – 411 001
Tel. No. (020) 26160084
Fax No. (020) 26163503
Email: pune@linkintime.co.in

9. Pursuant to Sections 205A & 205C of the Companies Act, 1956, any money transferred to the unpaid dividend account, which remains unpaid or unclaimed for a period of 7 years from the date of such transfer, shall be transferred by the Company to a fund called “Investor Education and Protection Fund”(IEPF), set up by the Central Government. The unpaid / unclaimed final dividend for the financial years 2009-10 onwards will become transferable at the end of seven years from the respective dates of transfer of such amount to the unclaimed dividend accounts of the Company to IEPF.

The details of the same are given below :

Year	Dividend in Rs. per share	Date of declaration	Due Date of transfer to the IEPF Account
2009 - 10	1.00	14-Jul-10	August, 2017
2010 - 11	1.00	14-Jul-11	August, 2018
2011 - 12	0.25	14-Jul-12	August, 2019
2012 - 13	0.25	20-Jul-13	August, 2020

The Company has not declared any dividend after the year 2012-13. The details of unclaimed dividend upto the year 2012-13 have been uploaded on Company website at www.kolhapursteel.com. This will facilitate the shareholders to claim their unclaimed dividend. Members are therefore, requested to check and send their claims, if any, for the relevant financial years before the respective amounts become due for transfer to IEPF.

10. In terms of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, all the businesses i.e. Ordinary and Special may be transacted through electronic voting system (e-voting),

which is being provided by the Company. The Company has engaged the services of NSDL to provide the remote e-voting facility, which is available at the link <https://www.evoting.nsdl.com>. The instructions for e-voting are given herein below.

E- Voting instructions:

11. The cut-off date for entitlement of voting rights shall be considered on the paid up value of shares registered in the name of the shareholders in case of all those beneficial owners holding shares in electronic form, as per the ownership data made available to the Company by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on closing hours on Friday, July 8, 2016 and to all those Members holding shares in physical form on closing hours on Friday, July 8, 2016, only.
12. The Board has appointed Mr. Vinayak Khanvalkar, a Practicing Company Secretary, Pune as a Scrutinizer to scrutinize the remote e-voting process in accordance with the law and in a fair and transparent manner.
13. The remote e-voting shall commence on Monday, July 11, 2016 at 9.00 a.m. and end on Wednesday, July 13, 2016 at 5.00 p.m., remote e-voting shall not be allowed beyond Wednesday, July 13, 2016 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date July 8, 2016, may cast their vote electronically. The remote e-voting shall be blocked by NSDL for voting after 5.00 p.m. on Thursday, July 13, 2016.
14. In case of Members, who have registered their e-mail IDs with the Company :
 - i. You will receive an e-mail from NSDL containing your user ID and password for remote e-voting along with the notice of the meeting. Please note that the password is an initial password and needs to be changed on initial login.
 - ii. If you are already registered with NSDL for remote e-voting, then you can use your existing user-ID & password for login.
 - iii. For voting, you should log on to <https://www.evoting.nsdl.com> and click on 'Shareholder – Login' during the period mentioned in point No. 13 above.
 - iv. Enter user ID and password as initial password and click login.
 - v. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vi. Click on 'e-voting: Active Voting Cycles'.
- vii. Select the 'Electronic Voting Event Number' (EVEN) of The Kolhapur Steel Limited (which is provided in the Attendance Slip).
- viii. Now you are ready for e-voting as 'cast vote' page opens.
- ix. Cast your vote by selecting appropriate option and click on 'submit' and also 'confirm' when prompted.
- x. Upon confirmation, the message 'Vote cast successfully' will appear. Once you have cast your vote on the resolution, you will not be allowed to modify it.
- xi. Institutional shareholders are required to send scanned copy (in PDF or JPEG format) of the relevant Board Resolution / Power of Attorney together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer at vinayak.khanvalkar@kanjcs.com with a copy marked to evoting@nsdl.co.in.

15. In case of other Members:

You will receive login ID and password at the bottom of the Attendance slip. Please follow steps from 14 (iii) to (xi) for casting vote electronically.

16. For those who have acquired the shares and become Members of the Company after dispatch of notice and are entitled on the cut-off date i.e. July 8, 2016 for voting, may write to Mr. Rajiv Ranjan, Assistant Manager, NSDL at his designated email IDs: evoting@nsdl.co.in or rajivr@nsdl.co.in for obtaining user ID and password, which would be sent to them forthwith in the manner mentioned above. Alternatively, they may reach NSDL at 022 – 24994738 and lodge the request. Please also note that in case they are already registered with NSDL for remote e-voting, they can use their existing user ID and password for casting their vote electronically.
17. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of ballot paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

Please note that a Member whose name is recorded in the register of Members or register of Beneficial Owners maintained by the depositories as on July 8, 2016, only shall be entitled to avail the facility of remote e-voting or voting at the Annual General Meeting.

18. Kindly note that vote once cast cannot be modified and Members who have exercised e-voting remotely may attend the meeting but shall not be entitled to cast their vote again.
19. In case of any queries relating to remote e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for Members available at 'Downloads' sections of www.evoting.nsdl.com.
20. The Scrutinizer shall, immediately after the conclusion of voting at the meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and not later than 3 days of the conclusion of the meeting, make a consolidated report of the total votes cast in favour or against to the Chairman of the Company or any person authorised by him in writing, who shall countersign the same.
21. The result of the resolutions shall be declared by the Chairman or the authorised person shall declare the result of voting forthwith on receipt of the Scrutinizer's report.
22. The results declared along with the Scrutinizer's report shall be placed on the website of the Company at www.kolhapursteel.com and simultaneously at www.evoting.nsdl.com.
23. The notice has been uploaded on the website of the Company and NSDL.
24. A person who is not a member as on the cut-off date i.e. July 8, 2016 are requested to treat this notice for information purpose only.

ANNEXURE TO THE NOTICE

Statement of material facts as required under Section 102 of the Companies Act, 2013

Item No. 4

Mr. Chittaranjan M. Mate (age-60) (DIN 07399559) was co-opted by the Board of Directors as an Additional Director of the Company with effect from March 3, 2016. In terms of Section 161 of the Companies Act, 2013, Mr. Chittaranjan M. Mate holds office up to the date of this Annual General Meeting.

Mr. Mate holds Bachelor degree in Commerce and is a Chartered Accountant. He is having a rich 35 years of experience in Finance. Before joining Kirloskar Brothers Limited he was working with Kirloskar Ebara Pumps Limited since 1989 and handled various assignments in Finance as well as other departments. He is not holding any shares in the Company

He is also a member of the Audit Committee of the Board of Directors of the Company re-constituted on April 15, 2016 and not holding any other Directorships or Chairmanship of the Committees of other Board.

The Company has received a Notice along with deposit of Rs. 1 Lac from a Member, proposing the candidature of Mr. Chittaranjan M. Mate for the office of director of the Company as required by Section 160 of the Companies Act, 2013. The necessary documents would be available for inspection during business hours on any working day (excluding Monday).

Except Mr. Chittaranjan M. Mate, none of the other Directors and Key Managerial Personnel including their relatives are concerned or interested, directly or indirectly, financially or otherwise in the proposed appointment.

Item No. 5

Mr. Sanjay Wadnerkar (age-54) (DIN 07443390) was co-opted by the Board of Directors as an Additional Director of the Company with effect from March 3, 2016. In terms of Section 161 of the Companies Act, 2013, Mr. Sanjay Wadnerkar holds office up to the date of this Annual General Meeting.

Mr. Wadnerkar holds Masters degree in Automotive Engineering and has total rich experience of 27 years in the Japanese & western manufacturing work culture with large scale manufacturing setups, setting up Engineering Service business, Manufacturing set-up, Product development & Technology center proprietary precision products & assemblies like Engines, Transmissions Turbochargers and related parts used in Automotive Industries and Construction / Mining equipments. He is not holding any shares in the Company.

He was working as Vice President before joining Kirloskar Brothers Limited and he was responsible for operations of Liugong India Private Limited one of the largest Chinese Construction & Mining equipment manufacturer.

He is not holding any other Directorships, Memberships or Chairmanship of the Committees of other Board.

The Company has received a Notice along with deposit of Rs. 1 Lac from a Member, proposing the candidature of Mr. Sanjay Wadnerkar for the office of director of the Company as required by Section 160 of the Companies Act, 2013. The necessary documents would be available for inspection during business hours on any working day (excluding Monday).

Except Mr. Sanjay Wadnerkar, none of the other Directors and Key Managerial Personnel including their relatives are concerned or interested, directly or indirectly, financially or otherwise in the proposed appointment.

Item No. 6

Mr. Ravi Bhushan Sinha (age-45) (DIN 07430157) was co-opted by the Board of Directors as an Additional Director of the Company with effect from March 3, 2016. In terms of Section 161 of the Companies Act, 2013, Mr. Ravi Bhushan Sinha holds office up to the date of this Annual General Meeting.

Mr. Sinha has done Master in Business Administration (MBA) in Human Resource from Xavier Institute, Ranchi and he is also a Law graduate and has a rich experience of 21 years in Human Resource area. Before joining Kirloskar Brothers Limited he was working with Praj Industries Limited, Pune.

He is not holding any shares in the Company.

He is also a member of the Stakeholders Relationship Committee of the Board of Directors of the Company re-constituted on April 15, 2016 and not holding any other Directorships or Chairmanship of the Committees of other Board.

The Company has received a Notice along with deposit of Rs. 1 Lac from a Member, proposing the candidature of Mr. Ravi Bhushan Sinha for the office of director of the Company as required by Section 160 of the Companies Act, 2013. The necessary documents would be available for inspection during business hours on any working day (excluding Monday).

Except Mr. Ravi Bhushan Sinha, none of the other Directors and Key Managerial Personnel including their relatives are concerned or interested, directly or indirectly, financially or otherwise in the proposed appointment.

Item No. 7, 8-10

The Company had issued 1,50,00,000 and 1,00,00,000 - 6% Redeemable Cumulative Non-Convertible Preference Shares (hereinafter referred to as "RCNPS") of Rs. 10/- (Rupees Ten Only) each fully paid up on 14th October, 2014 and 14th July, 2015, respectively to Kirloskar Brothers Limited (KBL) in order to infuse the Capital in the "Project Parivartan", a revival project of the Company.

According to the terms of issue of the said Preference shares, these shares are redeemable at any time after completion of 4 (four) years from the date of their respective allotment, at the option of the Company, upon giving the holders not less than 15 (fifteen) days previous notice in writing.

In order to strengthen the financial stability and to have a perpetual form of capital, it is proposed to vary the term as per Section 106 and other applicable provisions of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof for the time being in force) read with the provisions of the Articles of Association of the Company by making RCNPS redeemable at any time at par as the Company may deem fit and redeem the existing 2,50,00,000 (Two Crores Fifty Lacs) RCNPS of Rs. 10/- (Rupees Ten Only) each at par and issue and allot by way of preferential allotment equity shares to the tune of Rs.2,50,00,000/- (Rupees Two Crore Fifty Lacs Only) to Kirloskar Brothers Limited, who has agreed to subscribe for the same.

The proceeds of the said preferential issue of equity shares capital would be utilized for redeeming the existing RCNPS.

The price of the issue would be based on the Valuation Report.

In order to accommodate the proposed preferential allotment, it would be necessary to increase the Authorised Share Capital of the Company by Rs.25,00,00,000/- (Rupees Twenty Five Crores only) On redemption of the Preference Share Capital, it is also proposed to re-classify the share capital of the Company re-classifying the component of Preference Share Capital which would not be taken up or agreed to be taken up, as Equity Share Capital in its entirety.

None of the Directors or Key Managerial Personnel and their relatives are interested / concerned or deemed to be interested / concerned, financially or otherwise, in above mentioned resolutions.

Item No. 9

In terms of the provisions of Section 55,62 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof for the time being in force) read with Rule 13 of the Companies (Share Capital and Debentures) Amendment Rules, 2015 and the provisions of the Articles of Association of the Company, the Board of Directors has proposed to issue and allot under Preferential allotment equity shares to the tune of Rs.25,00,00,000/- (Rupees Twenty Five Crores only) to Kirloskar Brothers Limited the proceeds of which will be utilized for the

redemption of the aforementioned 6% Redeemable Cumulative Non-Convertible Preference Shares of Rs. 10/-(Rupees Ten Only) each.

The disclosures required under Amendment Rule 13(d) as per the Companies (Share Capital and Debenture) Rules, 2015 are as under:

(i) The Objects of the issue:

To strengthen the financial stability and to have a perpetual form of capital, it is proposed to redeem the existing 2,50,00,000 (Two Crores Fifty Lacs) - 6% RCNPS of Rs. 10/- (Rupees Ten Only) each at par out of the proceeds of allotment of equity share capital equivalent to the amount of Preference Share Capital. The proceeds of the said issue of equity share capital would be utilized for redeeming the said Preference Share Capital.

(ii) The total number of shares or other securities to be issued:

Equity shares to the tune of Rs. 25,00,00,000/-(Rupees Twenty Five Crores only) divided into 25,00,00,000 (Twenty Five Crores) equity shares of Re.1/-(Rupee One Only)each.

(iii) The price or price band at/within which the allotment is proposed:

The shares are proposed to be issued at face value of Re.1/- (Rupee one only) each.

(iv) Basis on which the price has been arrived at along with report of the registered valuer:

The price has been arrived on the basis of valuation report.

(v) Relevant date with reference to which the price has been arrived at:

The price of shares is arrived on the basis of valuation report dated June 03, 2016.

(vi) The class or classes of persons to whom the allotment is proposed to be made:

Kirloskar Brothers Limited, Holding Company of the Company.

(vii) Intention of promoters, directors or key managerial personnel to subscribe the offer:

The promoter of the Company i.e. Kirloskar Brothers Limited will subscribe to the entire shares/offer in order to infuse permanent form of capital in the capital structure of the Company, which will help the Company to have a capital stability in the long run.

(viii) The proposed time within which the allotment shall be completed:

The allotment shall be completed within 12 months of passing of Special Resolution.

(ix) The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them:

The shares are proposed to be allotted to Kirloskar Brothers Limited who will hold 99.74% of the total capital post preferential allotment.

(x) The change in control, if any, in the Company that would occur consequent to the preferential offer:

NIL

(xi) The number of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:

NIL

(xii) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

Not applicable since the allotment would be made for cash.

(xiii) The pre-issue and post-equity share issue shareholding pattern of the Company:

The pre-issue and post-issue equity shareholding pattern of the Company:

Sr. No	Category	Pre-Issue		Post-Issue	
		No. of shares held	%of share holding	No. of shares held	%of shareholding
A.	Promoters holding:				
	Indian				
	Bodies Corporate	16,314,315	95.97	266,314,315	99.74
	Sub-total	16,314,315	95.97	266,314,315	99.74
	Foreign Promoters	0	0	0	0
	Sub Total (A)	16,314,315	95.97	266,314,315	99.74

Sr. No	Category	Pre-Issue		Post-Issue	
		No. of shares held	%of share holding	No. of shares held	%of shareholding
B.	Non-Promoters holding:				
1.	Institutional Investors	0	0	0	0
2.	Non-Institution:	0	0	0	0
	Private Bodies Corporate	0	0	0	0
	Directors and Relatives	0	0	0	0
	Indian public	6,86,282	4.03	6,86,282	0.26
	Others(Including NRI's)	0	0	0	0
	Sub Total (B)	6,86,282	4.03	6,86,282	0.26
	GRAND TOTAL	1,70,00,000	100	26,70,00,000	100

The pre-issue and post issue Preference shareholding pattern of the Company:

Sr. No.	Category	Pre-Issue		Post-Issue	
		No. of shares held	%of shareholding	No. of shares held	%of shareholding
A.	Promoters holding:				
	Indian				
	Bodies Corporate	2,50,00,000	100	0	0
	Sub-total	2,50,00,000	100	0	0
	Foreign Promoters	0	0	0	0
	Sub Total (A)	2,50,00,000	100	0	0
B.	Non-Promoters holding:				
1.	Institutional Investors	0	0	0	0
2.	Non-Institution:				
	Private Bodies Corporate	0	0	0	0
	Directors and Relatives	0	0	0	0
	Indian public	0	0	0	0
	Others(Including NRI's)	0	0	0	0
		0	0	0	0
	Sub Total (B)	0	0	0	0
	GRAND TOTAL	2,50,00,000	100	0	0

All the above mentioned proposed activities will be subject to approval of the members of the Company.

The Board of Directors of the Company submits all the above mentioned resolutions for the requisite approval by the Members.

None of the Directors or Key Managerial Personnel and their relatives are interested / concerned or deemed to be interested / concerned, financially or otherwise, in the above resolutions.

Copies of the Memorandum of Association existing and incorporating proposed changes and Valuation Report are available for inspection by the Members' at Registered Office of the Company during the business hours i.e. between 9:00 a.m. to 5:30 p.m. (excluding Monday). The inspection can be conducted by giving a prior intimation of at least 24 hours in advance.

By the order of the Board of Directors
For **THE KOLHAPUR STEEL LIMITED**

Place: Pune
Date: June 03, 2016

Sandeep Phadnis
Director
(DIN 06561013)