



# KIRLOSKAR INDUSTRIES LIMITED

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## NOTICE

Notice is hereby given that the Annual General Meeting of Kirloskar Industries Limited will be held on Friday, the 22nd day of July 2011 at 2.00 p.m. at S. M. Joshi Socialist Foundation (S.M. Joshi Hall), S. No. 191/192, Navi Peth, near Ganjave Chowk, Pune 411 030, to transact the following business:

### ORDINARY BUSINESS:

#### ITEM NO.1:

To receive, consider and adopt the Audited Profit and Loss Account for the Financial Year ended 31 March 2011, the Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon.

#### ITEM NO.2:

To declare dividend on equity shares for the Financial Year ended on 31 March 2011.

#### ITEM NO.3:

To appoint a Director in place of Mr. Atul C. Kirloskar, who retires by rotation and being eligible, offers himself for re-appointment.

#### ITEM NO.4:

To appoint a Director in place of Mr. Vikram S. Kirloskar, who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### ITEM NO.5:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

**"RESOLVED THAT** M/s. G. D. Apte & Co., Chartered Accountants, Pune (Firm Registration Number 100515W) in respect of whom the Company has received a Special Notice pursuant to Section 190 and 225 of the Companies Act, 1956, be and are hereby appointed as Statutory Auditors of the Company, to hold office as such from the conclusion of this meeting until the conclusion of the next Annual General Meeting AND THAT the Board of Directors of the Company be and is hereby authorised to fix their remuneration for the said period."

#### ITEM NO. 6:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

**"RESOLVED THAT** subject to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 read with Articles 167(A), 167(B) and 167(C) of the Articles of Association of the Company and subject to other approvals as may be necessary, Mr. Nihal G. Kulkarni, be and is hereby appointed as the Managing Director of the Company for a period of 5 (five) years with effect from 23 October 2010 upon the terms and conditions as set out in the agreement to be entered into between the Company and Mr. Nihal G. Kulkarni and on the remuneration as set out below:

### SALARY:

Rs. 3,50,000 (Rupees three lakhs fifty thousand only) per month.

### PERQUISITES:

In addition to the aforesaid salary, Mr. Nihal G. Kulkarni as Managing Director shall be entitled to the following perquisites:

- a) Fully furnished residential accommodation. Where no accommodation is provided by the Company, suitable house rent allowance in lieu thereof may be paid. The expenses on furnishings, gas, electricity, water and other utilities shall be borne by the Company.



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- b) Reimbursement of all medical expenses incurred for self and family.
- c) Leave travel assistance for self and family not exceeding Rs. 2,00,000 per annum.
- d) Fees of clubs, which will include admission and life membership fees.
- e) Personal accident insurance, premium whereof does not exceed Rs. 25,000 per annum.
- f) A car with driver for official purpose.
- g) Telephone and fax facilities at residence.
- h) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- i) Gratuity at the rate not exceeding 30 days' salary for each completed year of service, and
- j) Leave at the rate of one month for every eleven months of service. Leave not availed of may be encashed.
- k) "Family" for the above purpose means wife, dependent children and dependent parents of the Managing Director.

### COMMISSION:

Commission shall be decided by the Board of Directors based on the net profits of the Company each year, subject to the condition that the aggregate remuneration of the Managing Director shall not exceed the limits as laid down under Sections 198, 309 and Schedule XIII to the Companies Act, 1956.

### MINIMUM REMUNERATION:

In the event of loss or inadequacy of profits in any financial year during the currency of his tenure as Managing Director, remuneration shall be paid subject to the ceilings and conditions stipulated in Section II of Part II of Schedule XIII to the Companies Act, 1956 as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to revise from time to time during the tenure of the present appointment of Mr. Nihal G. Kulkarni, the remuneration payable to him as Managing Director, subject to ceilings laid down in Sections 198, 309 and Schedule XIII to the Companies Act, 1956 without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any required for such revision in the remuneration."

### ITEM NO. 7:

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

**"RESOLVED THAT** in pursuance of sub-sections (4) and (7) of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the Company do pay to a Director who is neither in the Whole time employment of the Company nor a Managing Director and if there are more than one such Directors, to all of them together, remuneration by way of commission at the rate of 1% (One per cent) of the net profits of the Company computed in the manner laid down in Sections 349 and 350 of the Companies Act, 1956."

By Order of the Board of Directors

Aditi Chirmule

Company Secretary

Place: Pune

Date: 26 April 2011



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### NOTES:

- i. **A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- ii. Proxies, if any, in order to be effective must be received at the Company's Registered Office not later than 48 hours before the time fixed for holding the meeting. Proxies shall not have any right to speak at the meeting.
- iii. Pursuant to Section 173 of the Companies Act, 1956, an Explanatory Statement in respect of the businesses mentioned under Item No.5, 6 and 7 above is annexed.
- iv. The Register of Members and share transfer books of the Company will remain closed from 15 July 2011 to 22 July 2011, both days inclusive.
- v. Dividend on shares as recommended by the Directors, if declared, at this Annual General Meeting, will be paid to those members whose names will appear on the Register of Members as on 22 July 2011. In respect of the shares in the electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
- vi. Pursuant to Section 205A of the Companies Act, 1956, the amount of unclaimed final dividend for the year ended 31 March 2003 has already been transferred to the 'Investor Education and Protection Fund' on 15 September 2010.
- vii. Pursuant to Sections 205A and 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 is now required to be transferred to the 'Investor Education and Protection Fund' set up by the Central Government. Accordingly, the unpaid / unclaimed dividend for the years 2003-04 onwards will become transferable at the end of respective seven years to the said Fund. Once the amount is so transferred, no claim shall lie against the Fund or the Company in respect of dividend amount thereafter. Shareholders are requested to send their claims, if any, for the financial year 2003-04 onwards, before the amount becomes due for transfer to the above Fund. Shareholders are requested to encash the dividend warrants immediately on their receipt by them.
- viii. In order to get their dividend through Electronic Clearing Service, members who are holding shares in physical form are requested to inform their bank account details such as the name of the bank, branch, its address, account number and type of account i.e. Savings or Current or Cash Credit etc. to Link Intime India Private Limited, Registrar and Transfer Agent of the Company having its office at Akshay Complex, Block No. 202, 2nd Floor, Off Dhole Patil Road, Near Ganesh Temple, Pune - 411 001. Shareholders holding shares in dematerialised form are requested to inform their bank account particulars to their respective Depository Participant and not to the Registrar and Transfer Agent/Company. Those shareholders who do not opt for ECS facility may inform these details for printing the same on the dividend warrant to ensure safety.



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- ix. Members are requested to immediately notify the Registrar and Transfer Agent (Depository Participant, in case of shares held in dematerialised form) of any change in their address.
- x. In case members wish to ask for any information about accounts and operations of the Company, they are requested to send their queries in writing at least 7 days in advance of the date of the meeting so that the information can be made available at the time of the meeting.
- xi. Members may avail of the facility of dematerialisation by opening depository accounts with the Depository Participants of either National Securities Depository Limited OR Central Depository Services (India) Limited and get the equity share certificates held by them dematerialised.
- xii. Members are requested to bring their attendance slip and copy of the annual report at the meeting.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read "A Chirmule", written over a horizontal line.

Aditi Chirmule

Company Secretary

Place: Pune

Date: 26 April 2011



**KIRLOSKAR INDUSTRIES LIMITED**

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**ANNEXURE TO THE NOTICE  
EXPLANATORY STATEMENT**

As required by Section 173 of the Companies Act, 1956 and pursuant to Clause 49 of the Listing Agreement, the following Explanatory Statement sets out all material facts relating to Item Nos. 3, 4, 5, 6 & 7 in the accompanying notice of Annual General Meeting of the Company to be held on Friday, 22nd July 2011 at 2.00 p.m. at S. M. Joshi Socialist Foundation (S.M. Joshi Hall), S. No. 191/192, Navi Peth, near Ganjave Chowk, Pune 411 030.

**ITEM NO. 3 OF THE NOTICE:**

Mr. Atul C. Kirloskar retires by rotation and being eligible, offers himself for re-appointment.

He holds 2,57,427 (2.65%) equity shares in the Company.

Mr. Atul C. Kirloskar is not related to any other director on the Board of the Company as per the provisions of Section 6 of the Companies Act, 1956.

**ITEM NO. 4 OF THE NOTICE:**

Mr. Vikram S. Kirloskar retires by rotation and being eligible, offers himself for re-appointment.

He holds 4,632 (0.05%) equity shares in the Company.

Mr. Vikram S. Kirloskar is not related to any other director on the Board of the Company as per the provisions of Section 6 of the Companies Act, 1956.

**ITEM NO. 5 OF THE NOTICE:**

The Statutory Audit of the accounts of the Company is currently carried out by M/s. Dalal & Shah, Chartered Accountants, Mumbai (Firm Registration Number. 102021W).

Pursuant to the provisions of Section 190 and 225 of the Companies Act, 1956, the Company has received a Special Notice from a Member of the Company signifying its intention to propose the name of M/s. G. D. Apte & Co., Chartered Accountants, Pune (Firm Registration Number 100515W) as Statutory Auditors of the Company alongwith a deposit of Rs. 500/- as required under the said Act.

Accordingly, the Board of Directors of the Company, based on the recommendation of the Audit Committee, proposes the appointment of M/s. G. D. Apte & Co., Chartered Accountants, Pune (Firm Registration Number 100515W) as the Statutory Auditors of the Company, who will hold office as such from the conclusion of this Meeting until the conclusion of the next Annual General Meeting.

M/s. G. D. Apte & Co., Chartered Accountants, Pune (Firm Registration Number 100515W) have expressed their willingness to act as the Statutory Auditors of the Company and have further confirmed that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

Accordingly, approval of the members is being sought to the appointment of M/s. G. D. Apte & Co., Chartered Accountants, Pune (Firm Registration Number 100515W) as the Statutory Auditors of the Company to hold office as such from the conclusion of this Meeting until the conclusion of the next Annual General Meeting on a remuneration to be decided by the Board of Directors of the Company.

None of the Directors of the Company is in any way, concerned or interested in the said resolution.



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## ITEM NO. 6 OF THE NOTICE:

The Board of Directors of the Company had in its meeting held on 22 October 2010 appointed Mr. Nihal G. Kulkarni as the Managing Director of the Company, for a period of five years with effect from 23 October 2010 on the terms and conditions as set out in the Agreement to be entered between the Company and Mr. Nihal G. Kulkarni. He shall draw remuneration only from the Company. The remuneration payable to Mr. Nihal G. Kulkarni is stated in the resolution at Item No. 6 of this Notice.

Mr. Nihal G. Kulkarni, A.B. in Economics from Brown University, USA, has over five years of experience in the areas of finance and investments. He has undergone extensive training with the Kirloskar Group, Toyota Motor Sales, USA and DSP Merrill Lynch. He was Vice President in Kirloskar Pneumatic Company Ltd. upto 22 October 2010. He is the Vice Chairman and Director of G. G. Dandekar Machine Works Ltd. and a Director on the Boards of Kirloskar Oil Engines Ltd., Kirloskar Brothers Investments Ltd., Kirloskar Consultants Ltd. and G. G. Dandekar Investments Pte. Ltd., a wholly owned subsidiary of G. G. Dandekar Machine Works Ltd., incorporated in Singapore.

Mr. Nihal G. Kulkarni is a Director in the following other companies:

G. G. Dandekar Machine Works Limited	Kirloskar Consultants Limited
G. G. Dandekar Investments Pte. Ltd.	Kirloskar Oil Engines Limited (earlier known as Kirloskar Engines India Limited)
Kirloskar Brothers Investments Limited	

He holds Nil equity shares in the Company.

None of the Directors except Mr. Nihal G. Kulkarni is in any way, concerned or interested in the said resolution.

## ITEM NO. 7 OF THE NOTICE:

As per the provisions of Section 309 of the Companies Act, 1956, a Director who is neither in the whole time employment of the Company nor a Managing Director may be paid remuneration, inter alia, by way of commission, at a rate not exceeding 1% of the net profits of the Company, to all such Directors together, if a company has a Managing Director or Whole time Director.

Payment of such commission is required to be authorised by a special resolution to be passed by the members of the Company. As per Section 309 (7) of the Companies Act, 1956, such a special resolution remain in force for a period of five years but it can be renewed for further period not exceeding five years at a time. The last special resolution under Section 309(4) was passed by the members on 22 July 2006, the validity of which will come to an end on 21 July 2011. Hence, the special resolution at Item No. 7 of the Notice seeks to authorise payment of 1% commission on net profits to the Directors other than the Managing Director and Whole time Directors for a period of five years from the date on which the earlier resolution would expire.

Except Mr. Nihal G. Kulkarni, Managing Director, all the Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of commission which may be received by each of them.

By Order of the Board of Directors

*A Chirmule*

Aditi Chirmule

Company Secretary

Place: Pune

Date: 26 April 2011

Registered Office : 13/A, Karve Road, Kothrud, Pune - 411 038

Tel. No. : +91 (20) 2545 2721 Fax : +91 (20) 2545 4723

Website : www.kirloskar.com



## KIRLOSKAR INDUSTRIES LIMITED

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Dear Shareholder,

### **Subject: Green Initiative - Registration of E-mail address**

This is to inform you that as a part of "Green Initiative in the Corporate Governance", the Ministry of Corporate Affairs (MCA) vide its circular Nos.17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011, respectively; has permitted the companies to serve the documents viz. annual reports, notices of general meetings/ postal ballot, other documents etc. to the members through electronic mode.

In order to support this "Green Initiative", we are pleased to serve you the above referred documents and also any other documents as specified by MCA from time to time through electronic mode. This will also ensure prompt receipt of communication and avoid loss in postal transit.

We therefore request you to register your E-mail address and / or changes therein from time to time with the Company's Registrar & Share Transfer Agent (R & T Agent) at [kirloskarindgogreen@linkintime.co.in](mailto:kirloskarindgogreen@linkintime.co.in), in case you are holding shares in physical mode by filling up the form appearing on reverse of this communication and with your Depository Participant (DP), in case you are holding shares in dematerialized mode.

In case you require physical copies of annual reports and other documents, you may send an email at [kirloskarindgogreen@linkintime.co.in](mailto:kirloskarindgogreen@linkintime.co.in) or write to the Company's R & T Agent viz. Link Intime India Private Limited at 'Akshay' Complex, Block No. 202, 2nd Floor, Off Dhole Patil Road, Pune - 411 001, by quoting the name of first/sole shareholder, Folio no./DP ID and Client ID. The above documents will be sent to you free of cost.

We request your whole-hearted support to this "Green Initiative" by opting electronic mode of communication for its successful implementation.

Thanking you and assuring you of our best attention at all times.

Yours faithfully,

For **Kirloskar Industries Limited**

Sd/-

**Aditi Chirmule**  
**Company Secretary**

Place: Pune

Date: 2 June 2011

Registered Office : 13/A, Karve Road, Kothrud, Pune - 411 038

Tel. No. : +91 (20) 2545 2721 Fax : +91 (20) 2545 4723

Website : [www.kirloskar.com](http://www.kirloskar.com)

TEAR HERE

## REGISTRATION OF E-MAIL ADDRESS FORM

(In terms of circular Nos.17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011, respectively issued by Ministry of Corporate Affairs)  
(For shares in physical mode)

### Link Intime India Private Limited

(Unit: Kirloskar Industries Limited)  
Akshay Complex, Block No.202,  
Near Ganesh Temple,  
Off Dhole Patil Road,  
Pune - 411 001

I/we shareholder(s) of Kirloskar Industries Limited hereby accord my/our approval to receive documents viz. annual reports, notices of general meetings/ postal ballot, and such other documents that Ministry of Corporate Affairs may allow, to be sent in electronic mode.

I/we request you to note my/our latest email address, as mentioned below. If there is any change in the E-mail address, I/we will promptly communicate the same to you. I/we attach the self attested copy of PAN Card / Passport towards identification proof for the purpose of verification.

Folio No.	
Name of first/sole shareholder	
Name of joint shareholder(s) if any	
Registered Address	
E-mail address (to be registered)	

Place:

Date:

\_\_\_\_\_  
(Signature of shareholder)

Note: This form is available on Company's website [www.kirloskar.com](http://www.kirloskar.com)

TEAR HERE

(For Shares in dematerialized mode)

You are requested to register your E-mail address and/or changes therein from time to time with your Depository Participant.

TEAR HERE