

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	NA		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

Kirloskar



**“ Ensuring business leverage
through technological leadership. ”**

R1040 Monoblock, Direct Injection system engine.





KIRLOSKAR OIL ENGINES LIMITED

Regd. Office : Laxmanrao Kirloskar Road, Khadki, Pune - 411 003 (India)

NOTICE

Notice is hereby given that the Annual General Meeting of Kirloskar Oil Engines Limited will be held at Hotel Blue Diamond, 11, Koregaon Road, Pune 411001, on Tuesday, September 30, 1997, at 10.30 a.m. 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 March 31, 1997, 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 March 31, 1997.

ITEM NO. 3 :

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

ITEM NO. 4 :

To appoint a Director in place of Mr. U. V. Rao, who retires by rotation and being eligible, offers himself for re-appointment.

ITEM NO. 5 :

To appoint a Director in place of Mr. M. L. Bhakta, who retires by rotation and being eligible, offers himself for re-appointment.

ITEM NO. 6 :

To consider and if thought fit, to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION :

RESOLVED pursuant to Section 224-A of the Companies Act, 1956, THAT M/s. Dalal & Shah, Chartered Accountants, Mumbai, the retiring Auditors of the Company be and are hereby re-appointed as the Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company AND THAT the Board of Directors of the Company be and is hereby authorised to fix their remuneration for the said period.

SPECIAL BUSINESS :

ITEM NO. 7 :

To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION :

RESOLVED THAT subject to the provisions of Sections 198, 269, 309 and Schedule XIII to the Companies Act, 1956 read with Articles 167 (A), 167 (B) and 167 (C) of the Articles of Association of the Company AND subject

also to the approvals of the financial institutions / banks whose approvals may be necessary under any borrowing arrangements with them, approval of the members is hereby accorded to the re-appointment of Mr. Daljit Lilaram Mirchandani, as the Executive Director of the Company for the period of 5 (five) years with effect from November 20, 1997 upon the remuneration as specified below :

SALARY :

Rs. 110,000 (Rupees one hundred ten thousand only) per month.

PERQUISITES :

In addition to the aforesaid salary, the Executive 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.
- b) Reimbursement of medical expenses incurred for self and family.
- c) Leave travel assistance for self and family as per Company rules.
- d) Fees of clubs which will include admission and life membership fees.
- e) Education allowance for the education of his children not exceeding Rs. 2,000 per annum.
- f) Personal accident insurance, premium whereof does not exceed Rs. 25,000 per annum.
- g) A car with driver for official purpose.
- h) Telephone and fax facilities at residence.
- i) 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.
- j) Gratuity at the rate not exceeding half a month's salary for each completed year of service, and
- k) Leave at the rate of one month for every eleven months of service. Leave not availed of may be encashed.

"Family" for the above purpose means wife, dependent children and dependent parents of the Executive 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 Executive Director shall not exceed 5% of the net profits of the Company, in accordance with 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 Executive Director, the payment of salary, perquisites and other allowances shall be restricted to Rs. 1,050,000 per annum or Rs. 87,500 per month in terms of Section II of Part II of Schedule XIII to the Companies Act, 1956, as minimum remuneration.

For the purpose of computation of minimum remuneration, the following shall not be included :

1. Contribution to provident fund, superannuation fund or annuity fund to the extent of these either singly or put together are not taxable under the Income tax Act, 1961.
2. Gratuity at the rate not exceeding half a month's salary for each completed year of service, and
3. Encashment of leave at the end of the tenure.

NOTES :

- (i) Pursuant to Section 173 of the Companies Act, 1956, Explanatory Statement in respect of the business mentioned under item No. 7 hereinabove, is annexed hereto.
- (ii) 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.

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) The Register of Members and share transfer books of the Company will remain closed from Thursday, September 25, 1997 to Tuesday, September 30, 1997. 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 September 30, 1997.
- (iv) During the financial year 1996-97 the Company has transferred to the General Revenue Account of the Central Government all unclaimed dividend amount pertaining to the financial year 1992-93 pursuant to Section 205-A(5) of the Companies Act, 1956.
- (v) Members are requested to advise the Company immediately any change in their address.
- (vi) 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.

Place : Bangalore
Date : 21st August, 1997

By Order of the Board of Directors

DR. K. R. CHANDRATRE
Corporate Vice President & Company Secretary

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out material facts relating to item No. 7 in the accompanying notice of Annual General Meeting of the Company to be held in Pune on September 30, 1997.

ITEM NO. 7 OF THE NOTICE :

Mr. D. L. Mirchandani has been the Executive Director of the Company since November 20, 1992. His term of office as the Executive Director will expire on November 19, 1997. Presently, he is being paid remuneration which was approved by the Members by their Ordinary resolution passed at the Extra ordinary general meeting held on November 14, 1995.

The Board of Directors of the Company in its meeting held on June 27, 1997 re-appointed Mr. D. L. Mirchandani as the Executive Director of the Company for a period of five years with effect from November 20, 1997, subject to the approval of the Members of the Company. As required by Section 302 of the Companies Act, 1956 an abstract of the Board resolution dated June 27, 1997 appointing Mr. D. L. Mirchandani as the Executive Director together with Memorandum of interest of the Directors was circulated to all the Members in July 1997.

In compliance with the requirements of Schedule XIII to the Companies Act, 1956, approval of the Members by Ordinary resolution is sought for the re-appointment of Mr. D. L. Mirchandani as the Executive Director for a period of five years with effect from November 20, 1997. The Directors are confident that the reappointment of Mr. D. L. Mirchandani as the Executive Director will be of immense benefit to the Company and solicit the approval of the Members for the resolution at item No. 7 of the Notice.

Mr. D. L. Mirchandani is interested in his appointment as the Executive Director. No other Director of the Company is interested or concerned in this resolution.

By Order of the Board of Directors

Place : Bangalore
Date : 21st August, 1997

DR. K. R. CHANDRATRE
Corporate Vice President & Company Secretary

ATTENDANCE SLIP**KIRLOSKAR OIL ENGINES LIMITED**

Regd. Office : Laxmanrao Kirloskar Road,
Khadki, Pune 411 003.

**Annual General Meeting on
September 30, 1997**

Ledger Folio No.

Full name of the
shareholder
(in block capitals)

I certify that I am a member / proxy for the
member of the Company.

I hereby record my presence at the Annual
General Meeting of the Company held at
Hotel Blue Diamond, at 11, Koregaon Road,
Pune 411 001, on Tuesday, September 30,
1997 at 10.30 a.m.

Shareholder's / Proxy's

Signature

Proxy's full name

(in block capitals)

Note : Please fill in this Attendance Slip and
hand it over at the entrance of the Hall.

PROXY**KIRLOSKAR OIL ENGINES LIMITED**

Regd. Office : Laxmanrao Kirloskar Road,
Khadki, Pune 411 003

I/We

L.F. No. of

being member/members of Kirloskar Oil Engines Limited, Pune 411 003 do hereby appoint

..... of or failing him/her

..... of as my/our proxy in my/our
absence to attend and vote for me/us, and on my/our behalf at the Annual General Meeting
of the Company, to be held on Tuesday, September 30, 1997 at 10.30 a.m. and at any
adjournment thereof.

In witness whereof, I/we have set my/our hand/hands this day of 1997.

30 Ps.
Revenue
Stamp

(Signature of the member across the stamp)

Note : The Proxy must be deposited at the Registered Office of the Company, not less than
48 hours before the time for holding the meeting.



KIRLOSKAR OIL ENGINES LIMITED**ANNUAL REPORT 1996-97****ANNUAL REPORT FOR THE
FINANCIAL YEAR ENDED ON 31st MARCH, 1997****BOARD OF DIRECTORS :**

Mr. Vijay R. Kirloskar	Chairman
Mr. Atul C. Kirloskar	Vice Chairman & Managing Director
Mr. M. L. Bhakta	
Mr. Harish Bhargava	ICICI Nominee
Dr. N. A. Kalyani	
Mr. H. M. Kothari	
Air Marshal Y. V. Malse (Retd.)	
Mr. D. L. Mirchandani	Executive Director
Mr. P. G. Pawar	
Dr. R. J. Rathi	
Mr. K. Gopalan	
Mr. U. V. Rao	

COMPANY SECRETARY :

Dr. K. R. Chandratre

AUDITORS :M/s. Dalal & Shah
Chartered Accountants**BANKERS :**

State Bank of India
Bank of Maharashtra
The United Western Bank Ltd.
Bank of Baroda
The Cosmos Co-operative Bank Ltd.
HDFC Bank Ltd.
Punjab National Bank
Indian Bank
The Shamrao Vitthal Co-operative Bank Ltd.
City Bank N. A.

REGISTERED OFFICE :

Laxmanrao Kirloskar Road, Khadki,
Pune 411 003, Maharashtra State,
(India)

LOCATION OF FACTORIES :

Pune
Ahmednagar
Nasik

KIRLOSKAR OIL ENGINES LIMITED

A DECADE AT A GLANCE

(Rupees in Million)

Particulars	30th June	31st March								
	1988	1989*	1990	1991	1992	1993	1994	1995	1996	1997
Gross fixed assets	472.44	488.56	511.09	576.04	706.85	1000.62	1263.83	1499.72	2112.42	2366.66
Net fixed assets	214.88	206.53	204.04	239.85	338.05	579.86	781.06	1170.08	1469.01	1583.59
Net current assets	224.11	250.65	298.06	401.19	469.81	691.49	720.37	897.43	1304.72	2635.31
Total capital employed	476.86	494.63	540.90	706.10	901.40	1435.52	1805.09	2498.21	3714.05	5147.94
Shareholders' funds	202.08	216.71	240.29	294.34	322.28	504.47	725.05	862.49	1566.89	2000.63
Sales	1165.80	962.47	1409.86	1556.34	1820.41	2255.93	2910.05	4073.09	6138.96	6158.42
Profit before tax	29.86	28.03	40.56	62.01	71.11	73.01	103.14	124.25	213.38	576.93
Retained earnings	19.57	14.63	23.24	39.08	27.94	40.99	75.69	87.00	157.20	429.67
Dividend –										
Equity & Preference	6.70	6.54	10.25	11.50	12.65	15.96	29.29	30.13	41.80	#42.71
Equity Dividend %	.6	10	16	18	20	25	25	25	25	#25
FOB value of exports	44.33	37.53	109.66	74.22	79.63	154.30	109.99	220.99	193.56	150.80

* Nine months

Proposed

NOTE :

In the above chart the figures for the year 1988 to 1994 relate to erstwhile Kirloskar Oil Engines Ltd., prior to its merger with Prashant Khosla Pneumatics Ltd.