



Enriching Lives

Our future was born 100 years ago.

Vision

Mission

Ideas

Ideologies

Technologies

Innovations

Certifications

Acquisitions

Finance

Manufacturing

Growth

Equity

Consolidation

Profits

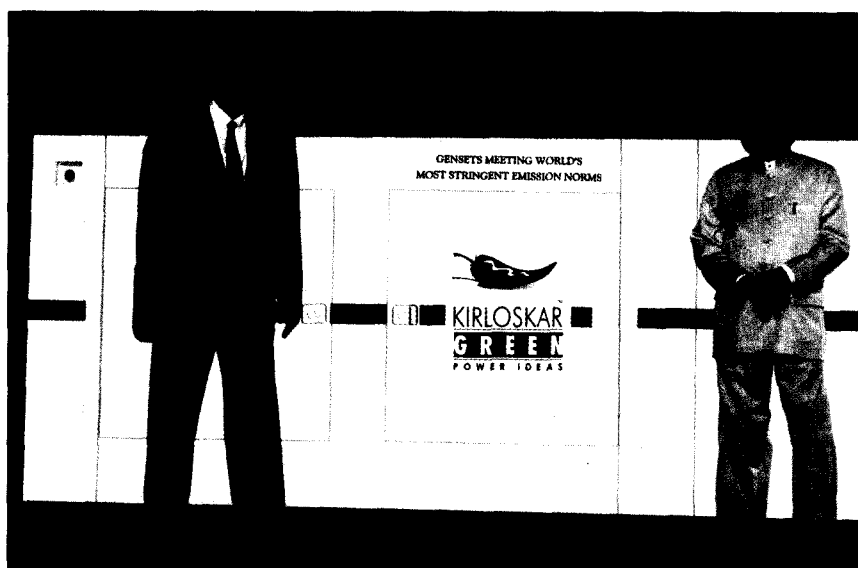
Progress

B

orn 28th May 1903, a man named S L Kirloskar gave birth to a vision. A vision, which looked beyond horizons, looked beyond circumstances, looked beyond the realms of reality. The vision was simple, yet profound. The vision was about enriching lives.

And ever since, we at Kirloskar have been drawing inspiration from it and following it like a religion. To ensure that the lists of innovations only grow longer. And most importantly, the smiles on our customers' faces only grow broader.

Today, after 100 years, we aren't looking back, but are looking ahead. Today, Kirloskar Green Gensets are the first in the world to meet the world's most stringent Central Pollution Control Board (CPCB) norms, issued by Dept. of Environment & Forests, Government of India almost a year before the stipulated deadline. Today, we are forging ahead to create better tomorrows.



Dedicating Kirloskar Green Power Ideas Genset to the nation



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 on Thursday, 14 August 2003 at 10.00 A.M. at the Registered Office of the Company at Laxmanrao Kirloskar Road, Khadki, Pune 411 003 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 2003, 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 2003.

ITEM NO.3:

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

ITEM NO.4:

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

ITEM NO.5:

To appoint a Director in place of Mr. P. G. Pawar, who retires by rotation and being eligible, offers himself for re-appointment.

ITEM NO.6:

To appoint Auditors of the Company for the period commencing from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

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 pursuant to Section 228 of the Companies Act, 1956 M/s P.G. Bhagwat, Chartered Accountants be and are hereby appointed as the Branch Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company to audit the accounts of the Company's branch situated at Solapur and THAT the Board of Directors of the Company be and is hereby authorised to determine the remuneration to be paid to the said Branch Auditors.

ITEM NO.8:

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, 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 also to the approvals as may be necessary, approval of the members is hereby accorded to the re-appointment of Mr. Atul C. Kirloskar, as the Managing Director of the Company for a period of 5 (five) years with effect from 1 October 2003 upon the terms and conditions as set out in the agreement to be entered into between the Company and Mr. Atul C. Kirloskar and on the remuneration set out below.

SALARY

Rs. 5,20,000 (Rupees Five Lakhs Twenty Thousand) per month.

PERQUISITES

In addition to the aforesaid salary, the 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.
- 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) Education allowance for the education of his children as per Company Rules.
- 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 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 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 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 Managing Director, the 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. Atul C. Kirloskar, 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.

RESOLVED FURTHER THAT the draft agreement be engrossed on requisite stamp paper and Common Seal of the Company be affixed to such agreement in the presence of any one of the Directors of the Company who shall sign the same in token thereof and Ms. Aditi Chirmule, Assistant Company Secretary do countersign the same.

ITEM NO.9:

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, 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 also to the approvals as may be necessary, approval of the members is hereby accorded to the re-appointment of Mr. Gautam A. Kulkarni as the Joint Managing Director of the Company for a period of 5 (five) years with effect from 20 August 2003 upon the terms and conditions as set out in the agreement to be entered into between the Company and Mr. Gautam A. Kulkarni and on the remuneration set out below.

SALARY

Rs. 5,00,000 (Rupees Five Lakhs) per month.

PERQUISITES

In addition to the aforesaid salary, the Joint 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.
- 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) Education allowance for the education of his children as per Company Rules.
- 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 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 Joint 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 Joint Managing 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 Joint Managing Director, the 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. Gautam A. Kulkarni, the remuneration payable to him as Joint 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.

RESOLVED FURTHER THAT the draft of the agreement be engrossed on requisite stamp paper and Common Seal of the Company be affixed to such agreement in the presence of any one of the Directors of the Company who shall sign the same in token thereof and Ms. Aditi Chirmule, Assistant Company Secretary do countersign the same.

ITEM NO. 10:

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

RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions of the Companies Act, 1956 and applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such other approvals, permissions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company or any Committee thereof, consent of the members be and is hereby accorded to the Board to delist the Equity shares of the Company from Pune Stock Exchange Limited.

RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all necessary questions, difficulties or doubts that may arise in regard to the aforesaid voluntary delisting of shares as it may in its absolute discretion

deem fit without being required to seek any further approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorise any of its Committees or any of its Directors or any of the officers of the Company to do all such acts, deeds or things to give effect to the aforesaid resolution.

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.
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.
- ii. Pursuant to Section 173 of the Companies Act, 1956, an Explanatory Statement in respect of the business mentioned under Item Nos. 7 to 10 above, is annexed.
- iii. The register of members and share transfer books of the Company will remain closed from 4 August 2003 to 14 August 2003, both days inclusive.
- iv. 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 14 August 2003. In respect of the shares in 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.
- v. Pursuant to Section 205A of the Companies Act, 1956, the amount of unclaimed final dividend for the year ended 31 March 1995 is being transferred to the 'Investor Education and Protection Fund' in due course.
- vi. 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 1995-1996 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 1995-1996 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.
- vii. Members are requested to advise Intime Spectrum Registry Limited, Registrar and Transfer Agent of the Company having its Head Office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078 and having its Local Office at 102, Shree Vidyanand, Dr. Ketkar Path, Erandwane, Near Karnataka High School, Pune 411 004 immediately of any change in their address.
- viii. 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.
- ix. 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.
- x. Shareholders holding shares in demat form are requested to inform their bank account particulars to their respective Depository Participant (DP) for receiving dividend through Electronic Clearing Service (ECS). Shareholders holding shares in physical form may inform such particulars to Intime Spectrum Registry Limited, Registrar and Transfer Agent of the Company having its Head Office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078 and having its Local Office at 102, Shree Vidyanand, Dr. Ketkar Path, Erandwane, Near Karnataka High School, Pune 411 004 in the format enclosed. Those shareholders who do not opt for ECS facility may inform the details viz. bank name, bank branch, bank address, type of account and account number to Intime Spectrum Registry Limited, for printing the same on the dividend warrant to ensure safety.
- xi. Members are requested to bring their attendance slip and copy of the annual report at the meeting.

Place : Pune
Date : 28 June, 2003

By Order of the Board of Directors
Aditi Chirmule
Asst. Company Secretary

ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to Item Nos. 7 to 10 in the accompanying Notice of Annual General Meeting of the Company to be held in Pune on 14 August 2003.

ITEM NO. 7 OF THE NOTICE:

Pursuant to the resolution passed under Section 228 of the Companies Act, 1956, at the Annual General Meeting held on 14 September, 2002, the shareholders had appointed M/s P.G. Bhagwat, Chartered Accountants as the Branch Auditors of the Company to audit the accounts maintained at the Company's Solapur branch. The resolution proposed under Item No. 7 of the Notice is for the appointment of M/s P.G. Bhagwat, Chartered Accountants as the Branch Auditors of the Company's Solapur branch from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and for determination of remuneration payable to the Branch Auditors.

None of the Directors of the Company is concerned or interested in the resolution.

ITEM NO. 8 OF THE NOTICE:

Mr. Atul C. Kirloskar was appointed as the Managing Director of the Company by a Board Resolution dated 20 August 1998 for a period of 5 years effective from 1 October 1998. An Ordinary resolution for his appointment and remuneration was passed by the members of the Company in their Annual General Meeting held on 28 September 1998. His term of office as the Managing Director will expire on 30 September 2003.

The Board of Directors of the Company has in its meeting held on 28 June 2003 re-appointed Mr. Atul C. Kirloskar as the Managing Director of the Company for a period of 5 years with effect from 1 October 2003 on the terms and conditions as set out in the agreement to be entered between the Company and Mr. Atul C. Kirloskar and on the remuneration stated in the resolution at Item No. 8 of this Notice.

The Board of Directors of your Company considers Mr. Atul C. Kirloskar as a competent person to be re-appointed as the Managing Director of your Company for a period of 5 years. 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. Atul C. Kirloskar as Managing Director for a period of 5 years with effect from 1 October 2003. The Board of Directors is confident that the re-appointment of Mr. Atul C. Kirloskar as the Managing Director will be of immense benefit to the Company.

In the event of loss or inadequacy of profits in any financial year during the currency of his tenure as Managing Director, the 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.

Mr. Atul C. Kirloskar, Mr. Sanjay C. Kirloskar and Mr. Rahul C. Kirloskar are interested in Mr. Atul C. Kirloskar's appointment as the Managing Director. None of the other Directors of the Company is interested or concerned in this resolution.

As required by Section 302 of the Companies Act, 1956, Item No. 8 of this Notice read with the relevant Explanatory Statement may be deemed to be an abstract of the terms and conditions of the contract between the Company and Mr. Atul C. Kirloskar as the Managing Director.

ITEM NO. 9 OF THE NOTICE:

Mr. Gautam A. Kulkarni was appointed by the Board of Directors as an additional Director on 20 August 1998. The Board of Directors, in the same meeting also appointed Mr. Gautam A. Kulkarni as the Joint Managing Director for a term of 5 years with effect from 20 August 1998. An Ordinary resolution for his appointment and remuneration was passed by the members of the Company in their Annual General Meeting held on 28 September 1998. His term of office will expire on 19 August 2003.

Mr. Gautam A. Kulkarni was re-appointed by the Board of Directors as the Joint Managing Director for a term of 5 years with effect from 20 August 2003 in its meeting held on 28 June 2003 on the terms and conditions set out in the agreement to be entered into between the Company and Mr. Gautam A. Kulkarni and on the remuneration stated in the resolution at Item No.9 of this Notice.

The Board of Directors of your Company considers Mr. Gautam A. Kulkarni as a competent person for re-appointment as the Joint Managing Director of your Company for a period of 5 years. 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. Gautam A. Kulkarni as the Joint Managing Director for a period of 5 years with effect from 20 August 2003. The Board of Directors is confident that the re-appointment of Mr. Gautam A. Kulkarni as the Joint Managing Director will be of immense benefit to the Company.

In the event of loss or inadequacy of profits in any financial year during the currency of his tenure as the Joint Managing Director, the 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.

Mr. Gautam A. Kulkarni is interested in his appointment as the Joint Managing Director. None of the other Directors of the Company is interested or concerned in this resolution.

As required by Section 302 of the Companies Act, 1956, Item No. 9 of this Notice read with the relevant Explanatory Statement may be deemed to be an abstract of the terms and conditions of the contract between the Company and Mr. Gautam A. Kulkarni as the Joint Managing Director.

ITEM NO. 10 OF THE NOTICE:

In order to provide liquidity to the shareholders and investors, the Company's Equity Shares were listed on National Stock Exchange of India Limited (NSE), The Stock Exchange, Mumbai (BSE) and Pune Stock Exchange Limited (PSE).

The Equity Shares of the Company are being regularly traded on NSE and BSE. NSE and BSE have their extensive networking and extend their terminals to other cities where investors have access to online dealings in the Company's Equity Shares on such terminals across the country.

The Company's Equity Shares are one of the scrips which the Securities and Exchange Board of India (SEBI) has specified for compulsory settlement only in dematerialised form by all investors. Accordingly, there is no physical movement of share certificates in transactions taking place on the Stock Exchanges.

The Equity Shares have been listed on PSE since its establishment in 1982. It has been observed that for almost the last eight years, the shares of the Company are not being traded on PSE at all. Equity Shares of the Company were lastly traded on PSE on 31 July 1995. The trading at PSE is disproportionate to the listing fees payable by the Company to PSE.

Further the Company has been spending considerable amount of money on listing fees, advertisement in newspapers in respect of various provisions of the Listing Agreements, facsimile communication, etc. with the said stock exchange and no particular benefit is available to the shareholders of the Company by continuing the listing on the said stock exchange.

In this backdrop, it is considered desirable to delist the shares from PSE subject to the Company complying the various provisions of SEBI (Delisting of Securities) Guidelines, 2003 and obtaining requisite approvals, permissions and sanctions in this regard.

The Company's Equity Shares, however, will continue to be listed on BSE and NSE.

Due to availability of trading facilities on the connectivity of BSE and NSE in most of the cities across the country, the proposed delisting of the Company's Equity Shares from PSE will not be prejudicial to, or affect the interest of the investors.

None of the Directors of the Company is concerned or interested in the resolution.

Place : Pune
Date : 28 June, 2003

By Order of the Board of Directors
Aditi Chirmule
Asst. Company Secretary

ATTENDANCE SLIP

KIRLOSKAR OIL ENGINES LIMITED

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

**Annual General Meeting on
14 August 2003**

Ledger Folio No./Client ID 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 the Registered
Office of the Company at Laxmanrao Kirloskar
Road, Khadki, Pune 411 003, on Thursday
14 August 2003 at 10.00 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.

TEAR HERE

PROXY

KIRLOSKAR OIL ENGINES LIMITED

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

I/We

L.F. No./Client ID 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 14 August 2003 at 10.00 A.M. and at any adjournment thereof.

In witness whereof, I/we have set my/our hand/hands this day of..... 2003.

Please
affix
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.

Electronic Clearing Service (ECS) / Bank Mandate

(This is to facilitate crediting of dividend, if any directly to the shareholder's Bank account.)

A	Name of the First Holder (in Block Letters)	
B	Regd. Folio No.(s) / DP ID & Client ID	
C	Particulars of Bank Account	
	i. Bank Name	
	ii. Branch Name & Address	
	iii. STD Code & Telephone No. (Optional)	
D	Bank Account Number	
E	Account Type (Saving/Current/Cash Credit)	
F	*9-digit code number of the Bank and Branch as appearing on the MICR cheque issued by the Bank. (Please attach photocopy of a blank cheque).	

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I/We shall not hold the Company and Bank responsible.



.....
[Signature of the first holder]

***Note : In case the shareholder(s) is/ are not in a position to enclose a photocopy of a blank cheque, a certificate as under may be furnished.**

Certified that the particulars furnished above are correct as per our records.

.....
[Name & Signature of the Authorised Official of the Bank]

Bank's Stamp and Date

Notes:

- Those shareholders who have already opted for this facility need not send this form.**
- Shareholders holding shares in physical form and opting to receive dividend through credit clearing mechanism, may please furnish the above details to our Registrar and Share Transfer Agent M/s Intime Spectrum Registry Limited having its head office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078 or at its local office at 102, Shree Vidyanand, Dr. Ketkar, Path, Erandwane, Near Karnataka High School, Pune 411 004.
- For shareholders holding shares in electronic form, Company will use the bank account details furnished by the Depositories. Shareholders are requested to notify any change in their bank account details to their Depository Participant immediately in the above format.
- In case of more than one folio or demat account, please complete the details on separate sheets.