



KIRLOSKAR OIL ENGINES LIMITED

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NOTICE

Notice is hereby given that the Annual General Meeting of Kirloskar Oil Engines Limited will be held on Thursday, the 19th day of July 2012 at 11.00 a.m. at Hotel Le Meridien, Raja Bahadur Mill Road, Pune – 411 001 to transact the following business:

ORDINARY BUSINESS:

ITEM NO.1:

To receive, consider and adopt the Audited Statement of Profit and Loss for the Financial Year ended 31 March 2012, 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 2012.

ITEM NO.3:

To appoint U.V. Rao who retires by rotation and being eligible, offers himself for re-appointment.

ITEM NO.4:

To appoint R. Srinivasan who retires by rotation and being eligible, offers himself for re-appointment.

ITEM NO.5:

To appoint M. Lakshminarayan who retires by rotation and being eligible, offers himself for re-appointment.

ITEM NO.6:

To appoint M/s P. G. Bhagwat, Chartered Accountants (Firm Registration no. 101118W), 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 subject to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force) read with Articles 167(A), 167(B) and 167(C) of the Articles of Association of the Company and subject to such other approvals as may be necessary, Atul C. Kirloskar be and is hereby appointed as the Executive Chairman of the Company for a period of 5 (five) years with effect from 26 January 2012 upon the terms and



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conditions as set out in the agreement to be entered into between the Company and Atul C. Kirloskar and on the remuneration as set out below:

SALARY

₹ 10,00,000/- (Rupees Ten Lacs only) per month.

PERQUISITES

In addition to the aforesaid salary, Atul C. Kirloskar as the Executive Chairman 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 ₹ 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 ₹ 25,000/- per annum.
- f) A car with driver.
- g) Telephone and fax facilities at residence and a mobile phone facility.
- 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.

"Family" for the above purpose means wife, dependent children and dependent parents of the Executive Chairman.

Perquisites shall be evaluated as per the provisions of the Income Tax Rules.

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 Chairman shall not exceed the limit as laid down under Sections 198, 309 and Schedule XIII of the Companies Act, 1956.



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MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any financial year during the currency of his tenure as the Executive Chairman, 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 Atul C. Kirloskar shall be a non-retiring Director.

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 Atul C. Kirloskar, the remuneration payable to him as the Executive Chairman, 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. 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 (including any amendment thereto or re-enactment thereof for the time being in force) read with Articles 167(A), 167(B) and 167(C) of the Articles of Association of the Company and subject to such other approvals as may be necessary, Gautam A. Kulkarni be and is hereby appointed as the Executive Vice Chairman of the Company for a period of 5 (five) years with effect from 26 January 2012 upon the terms and conditions as set out in the agreement to be entered into between the Company and Gautam A. Kulkarni and on the remuneration as set out below:

SALARY

₹ 10,00,000/- (Rupees Ten Lacs only) per month.

PERQUISITES

In addition to the aforesaid salary, Gautam A. Kulkarni as the Executive Vice Chairman 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 ₹ 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 ₹ 25,000/- per annum.



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- f) A car with driver.
- g) Telephone and fax facilities at residence and a mobile phone facility.
- 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.

"Family" for the above purpose means wife, dependent children and dependent parents of the Executive Vice Chairman.

Perquisites shall be evaluated as per the provisions of the Income Tax Rules.

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 Vice Chairman shall not exceed the limit as laid down under Sections 198, 309 and Schedule XIII of 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 the Executive Vice Chairman, 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 Gautam A. Kulkarni shall be a non-retiring Director.

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 Gautam A. Kulkarni, the remuneration payable to him as the Executive Vice Chairman, 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. 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 (including any amendment thereto or re-enactment thereof for the time being in force) read with Articles 167(A), 167(B) and 167(C) of the Articles of Association of the Company and subject to the such other approvals as may be necessary, 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 26 January 2012 upon the terms and conditions as set out in the agreement to be entered into between the Company and Nihal G. Kulkarni and on the remuneration as set out below:



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SALARY

₹ 7,00,000/- (Rupees Seven Lacs only) per month.

PERQUISITES

In addition to the aforesaid salary, Nihal G. Kulkarni as 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 ₹ 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 ₹ 25,000/- per annum.
- f) A car with driver.
- g) Telephone and fax facilities at residence and a mobile phone facility.
- 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.

“Family” for the above purpose means wife, dependent children and dependent parents of the Managing Director.

Perquisites shall be evaluated as per the provisions of the Income Tax Rules.

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 limit as laid down under Sections 198, 309 and Schedule XIII of 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 the 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.



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RESOLVED FURTHER THAT Nihal G. Kulkarni shall be a non-retiring Director.

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 Nihal G. Kulkarni, the remuneration payable to him as the 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."

By Order of the Board of Directors

A handwritten signature in black ink, reading "S.A. Raichurkar".

Smita Raichurkar
Asst. Company Secretary

Place: Pune
Date: 26 April 2012



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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. 3 to 9 above, is annexed.
- iv. The Register of Members and share transfer books of the Company will remain closed from 12 July 2012 to 19 July 2012, 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 19 July 2012. 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 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 period ended 31 March 2010 and financial year 2010-11 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 period ended 31 March 2010 and financial year 2010-11, 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. In order to get their dividend through National Electronic Clearing Service (NECS), 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, 9 digit MICR code, IFSC code and type of account i.e. Savings or Current or Cash Credit etc. to Link Intime India Private Limited, Registrar and Share Transfer Agent (R & T 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 R & T Agent of the Company. Those shareholders who do not opt for NECS facility may inform only bank account number and bank name for printing the same on the dividend warrant to ensure safety. Members who wish to avail the above facility are requested to submit required information to R & T Agent on or before the closing hours on 11 July 2012.



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- viii. Members are requested to immediately notify the R & T Agent (Depository Participant, in case of shares held in dematerialised form) of any change in their address.
- ix. 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.
- x. 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.
- xi. Members are requested to register their e-mail addresses with the Company / R & T Agent viz. Link Intime India Private Limited, in case of holding of shares in physical form and with concerned Depository Participants in case of shares held in dematerialised form.
- 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

Smita Raichurkar
Asst. Company Secretary

Place: Pune
Date: 26 April 2012



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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, 7, 8 and 9 in the accompanying notice of Annual General Meeting of the Company to be held on 19 July 2012 at 11.00 a.m. at Hotel Le Meridien, Raja Bahadur Mill Road, Pune – 411 001.

ITEM NO. 3 OF THE NOTICE

U.V. Rao retires by rotation and being eligible offers himself for re-appointment.

He holds NIL (0.00%) equity shares in the Company.

He 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

R. Srinivasan retires by rotation and being eligible offers himself for re-appointment.

He holds 3,750 (0.00%) equity shares in the Company.

He 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

M. Lakshminarayan retires by rotation and being eligible offers himself for re-appointment.

He holds NIL (0.00%) equity shares in the Company.

He 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. 7 OF THE NOTICE

Atul C. Kirloskar has resigned as the Managing Director of the Company, with effect from close of working hours of 25 January 2012. The Board of Directors of the Company in its meeting held on 25 January 2012, appointed him as the Executive Chairman for a period of 5 years with effect from 26 January 2012, on the terms and conditions as set out in the Agreement to be entered into between the Company and Atul C. Kirloskar. The remuneration payable to Atul C. Kirloskar is set out in resolution at Item No. 7 of this Notice.



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Atul C. Kirloskar began his career with the erstwhile Kirloskar Cummins Limited in the year 1978, where he started out as a trainee. In December 1981, he was appointed as the Chief Executive of Cummins Diesel Sales & Services.

On 1 November 1984, he was appointed as the Executive Vice President of Kirloskar Industries Limited (KIL - earlier known as Kirloskar Oil Engines Limited). He was co-opted on the Board of KIL on 6 August 1985 wherein he took over as the Managing Director. In 1988, he was also appointed as the Vice Chairman of KIL and held the position till 25 July 1998 when he was elected as Chairman of the Board of KIL. He was appointed as Managing Director of Kirloskar Oil Engines Limited (KOEL - earlier known as Kirloskar Engines India Limited) with effect from 31 March 2010. He is also the Chairman of the Board of KOEL. He resigned as Managing Director of KOEL on 25 January 2012 and was appointed as Executive Chairman with effect from 26 January 2012 of KOEL.

He is a member of the World Economic Forum. He has served as President of MCCIA from September 2002 to September 2004, and was Chairman of CII National Committee of Defence since from 1998 to 2008.

He holds directorship in the following other companies:

Kirloskar Ferrous Industries Limited	Kirloskar Brothers Investments Limited
Kirloskar Industries Limited	Kirloskar Proprietary Limited
G.G. Dandekar Machine Works Limited	Green Tek Systems (India) Limited
Kirloskar Pneumatic Company Limited	Five Stars Bulkcarriers Limited
Toyota Kirloskar Motor Private Limited	Navsai Investments Private Limited
Asara Sales and Investments Private Limited	Kirloskar Kenya Limited, Nairobi, Kenya

He holds 20,14,032 (1.38 %) equity shares in the Company.

Atul C. Kirloskar and Rahul C. Kirloskar, directors of the Company, being brothers, are related to each other and therefore interested in the resolution. None of the other directors of the Company is concerned or interested in the resolution.

ITEM NO. 8 OF THE NOTICE

Gautam A. Kulkarni has resigned as the Joint Managing Director of the Company, with effect from close of working hours of 25 January 2012. The Board of Directors of the Company in its meeting held on 25 January 2012, appointed him as the Executive Vice Chairman for a period of 5 years from 26 January 2012 on the terms and conditions as set out in the Agreement to be entered into between the Company and Gautam A. Kulkarni. The remuneration payable to Gautam A. Kulkarni is set out in resolution at Item No. 8 of this Notice.

Gautam A. Kulkarni started his career in 1978 as a trainee in Kirloskar Industries Limited (KIL - earlier known as Kirloskar Oil Engines Limited). He underwent extensive training in the servicing department, production and Techcentre (R&D) until 1983.