

KIRLOSKAR ELECTRIC COMPANY LIMITED

PROCEEDINGS AT THE 66TH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY HELD ON MONDAY, THE 30TH DAY OF SEPTEMBER, 2013 AT 10.00 AM AT VIVANTA BY TAJ, NO.2-172-4, TUMKUR ROAD, YESWANTPUR, BANGALORE - 560 022

DIRECTORS PRESENT:

Mr. Vijay R Kirloskar
Mr. Alok Kumar Gupta
Mr. A.S.Lakshmanan
Mr. Anil Kumar Bhandari
Mr. Sarosh J Ghandy
Mr. V.P.Mahendra
Mr. Kamlesh Gandhi
Mr. Ram J Shahaney
Mrs. Meena Kirloskar

117 Members in person and 17 Members through proxies were present at the Meeting.

The Chairman called the meeting in order at 10.00 Hours. After ascertaining the presence of requisite quorum, he declared that the Meeting could commence.

Mr. Vijay R Kirloskar, Chairman and Managing Director of the Company occupied the chair.

The Chairman extended a hearty welcome to the Shareholders. He introduced the Directors, and others present on the dias. Attention was drawn to the fact that Mr. A. S. Lakshmanan, Chairman of the Audit Committee was also present at this Meeting. The chairman also informed the meeting that 'Register of Directors Shareholding, Proxy Register and other Statutory Registers were kept open for inspection to the members during the meeting.

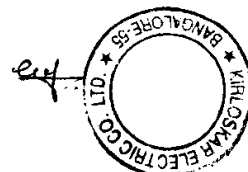
The Notice convening the meeting and the Auditors' Report was read by Ms. K S Swapna Latha, General Manager & Asst. Company Secretary.

ITEM NO.1: CHAIRMAN'S SPEECH, ADOPTION OF DIRECTORS' REPORT AND ANNUAL ACCOUNTS:

The Chairman addressed the Members on the operations and future prospects of the Company.

After concluding his speech, he proposed the following Ordinary Resolution:

RESOLVED THAT the Directors' Report for the year ended 31st March, 2013, Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year



ended 31st March, 2013 and the Auditors' Report thereon, be and are hereby received, considered and adopted.

The Chairman then invited the Members to seek clarifications on the accounts and operations of the Company.

Mr. Alex Rebello, Shareholder, in his brief speech appreciated that inspite of difficult market situation the performance of the Company was encouraging. He also expressed that the Company has managed the negative effect of external environment with marginal reduction in profits when compared to that of last year and also expressed the faith in the leadership of Mr. Vijay R Kirloskar, Chairman and Managing Director of the Company, the Company will perform better in coming years.

In response to the query from Mr. Alex Rebello about the performance of Lloyd Dynamowerke GmbH & Co. KG, Germany, the Chairman informed the members that the loss in Germany was due to European crisis, one time expenses booked, increase in cost of raw materials, increase in personnel cost due to increase in wages and one time correction of unfinished goods valuation. He further informed the meeting that the order book position has improved when compared to last quarter and the Company has taken several steps to bring down the manufacturing cost such as sourcing of raw materials from India/China. He also informed the meeting that the Company has constituted supervisory board to guide operations of the Company. Banks have agreed to the restructuring plan presented by the Company. He expressed confidence that LDW will perform better by the end of the year.

Thereafter, the Chairman put the resolution for adoption of the Directors' Report, Audited Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss for the year ended 31st March, 2013 and the Auditors' Report thereon, to vote. The resolution was seconded by Mr. Alex Rebello

Thereafter, the Chairman put the resolution to vote and declared the resolution carried **unanimously as an Ordinary Resolution** by show of hands.

RE-ELECTION OF DIRECTORS

The Chairman advised the Meeting that as per Article 138 of the Articles of Association of the Company read with Section 256 of the Companies Act, 1956, Mr. V P Mahendra, Mr. Kamlesh Gandhi and Mr. Anil Kumar Bhandari, Directors of the Company, who have been longest in the office since their last appointment, would retire by rotation, and are eligible for re-election.

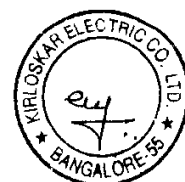
ITEM NO. 2 REAPPOINTMENT OF MR.V.P.MAHENDRA AS DIRECTOR OF THE COMPANY

Mr. Ramachandra, a member, proposed the following Ordinary Resolution:

RESOLVED THAT Mr. V.P.Mahendra, be and is hereby re-elected as a Director of the Company, liable to retire by rotation.

Mr. H.M. Mahaveera, a member seconded the Resolution.

The Chairman then put the resolution to vote and declared the resolution carried **unanimously as an Ordinary Resolution**, by show of hands.



ITEM NO. 3: REAPPOINTMENT OF MR. KAMLESH GANDHI AS DIRECTOR OF THE COMPANY

Mr. B.R. Gopalakrishna, proposed the following resolution:

RESOLVED THAT Mr.Kamlesh Gandhi, be and is hereby re-elected as a Director of the Company, liable to retire by rotation.

Mr. K Jagannath, a member, seconded the Resolution.

The Chairman then put the resolution to vote and declared the resolution carried **unanimously as an Ordinary Resolution**, by show of hands.

ITEM NO. 4: REAPPOINTMENT OF MR. ANIL KUMAR BHANDARI AS DIRECTOR OF THE COMPANY

Mr. K Perumal proposed the following resolution:

RESOLVED THAT Mr. Anil Kumar Bhandari be and is hereby re-elected as a Director of the Company, liable to retire by rotation.

Mr. M. Raghunandan a member, seconded the Resolution.

The Chairman then put the resolution to vote and declared the resolution carried **unanimously as an Ordinary Resolution**, by show of hands.

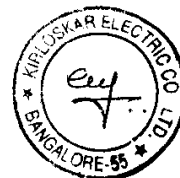
ITEM NO. 5: RE-APPOINTMENT OF STATUTORY AUDITORS OF THE COMPANY AND FOR THE COMPANY'S SALES OFFICE AT SELANGAR DARUL EHSAN, MALAYSIA

The Chairman informed the meeting that the retiring Auditors M/s. B.K.Ramadhyan & Co. Chartered Accountants, Bangalore, have expressed their willingness to continue as Statutory Auditors of the Company, if re-appointed at the Annual General Meeting and had furnished a certificate under the Section 224(1B) of the Companies Act, 1956, confirming their eligibility.

The retiring auditors for the Company's Sales office at Selangar Darul Ehsan, Malaysia have also expressed their willingness to continue as Auditors of the Company's sales office if re-appointed at the Annual General Meeting.

Mr. Vijay R Kirloskar, Chairman and Managing Director, proposed the following Ordinary Resolutions:

RESOLVED THAT M/s. B.K.Ramadhyan & Co. Chartered Accountants, Bangalore, the retiring auditors, be and are hereby appointed as auditors of the Company pursuant to Section 224 of the Companies Act, 1956 to hold office from the conclusion of this Meeting until 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.



RESOLVED THAT M/s. Sundar & Associates, Chartered Accountants, Malaysia, the retiring auditors, of the Company's Sales Office at Kuala Lumpur, Malaysia, be and are hereby appointed as auditors of the Sales Office pursuant to Section 228 read with Section 224 of the Companies Act, 1956 to hold office from the conclusion of this Meeting until 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.

Mr. M.N. Madhusudhan, a member, seconded the Resolution.

The Chairman then put the resolution to vote and declared the resolution as carried **unanimously as an Ordinary Resolution**, by show of hands.

SPECIAL BUSINESS:

ITEM NO. 6: APPOINTMENT OF MR. RAM J SHAHANEY AS A DIRECTOR

The Chairman drew the attention of the Members to the resolution set out in the Notice at Item No. 6 and the relative Explanatory Statement in respect of appointment of Mr. Ram J Shahaney as a Director of the Company.

Dr. S Ranganath proposed the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. Ram J Shahaney who was appointed as an Additional Director of the Company with effect from 9th August, 2012 and who holds office upto the ensuing Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 and from whom the Company has received a notice in writing under Section 257 of the Act, offering his candidature for the office of the Director of the Company, be and is hereby appointed as a Director liable to retire by rotation.

Mr. K Ramachandra, seconded the Resolution.

The Chairman then put the resolution to vote and declared the resolution as carried **unanimously as an Ordinary Resolution** by show of hands.

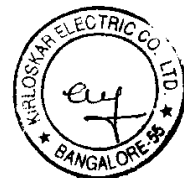
ITEM NO. 7: APPOINTMENT OF MR. ALOK KUMAR GUPTA AS A DIRECTOR

The Chairman drew the attention of the Members to the resolution set out in the Notice at Item No.7 and the relative Explanatory Statement in respect of appointment of Mr. Alok Kumar Gupta as a Director of the Company.

Mr. Ravichandra proposed the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. Alok Kumar Gupta who was appointed as an Additional Director of the Company with effect from 15th March, 2013 and who holds office upto the ensuing Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 and from whom the Company has received a notice in writing under Section 257 of the Act, offering his candidature for the office of the Director of the Company, be and is hereby appointed as Director not liable to retire by rotation.

Mr. B.R. Gopalakrishna, seconded the Resolution.



The Chairman then put the resolution to vote and declared the resolution as carried **unanimously as an Ordinary Resolution** by show of hands.

ITEM NO 8: APPROVAL OF ESOPS

The Chairman informed the Shareholders that in order to attract , retain and reward the employees of the Company, the company has designed 'the ESOP scheme 2012 and drew attention of the Members to the resolution set out in the Notice at Item No.8 and the relative Explanatory Statement in respect of ESOP policy and its procedure. He proposed the following Special Resolution:

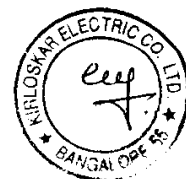
RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and in accordance with the provisions of Memorandum and Articles of Association of the Company, provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) guidelines,1999 ("the ESOP Guidelines") (including any statutory modification(s) or re-enactment of the act or the ESOP Guidelines, for the time being in force), the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed or other relevant authority, from time to time, to the extent applicable and subject to such other conditions and modification(s) as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board') which term shall be deemed to include any Committee including Remuneration and Compensation Committee which the Board may constitute to exercise its powers, including the powers, conferred by this resolution), the Board be and is hereby authorized to create, offer, issue and allot at any time to or to the benefit of such persons(s) who are in permanent employment of the Company, including Directors of the Company, whether working in India or abroad, except to the Promoter Directors, under the Employment Stock Option Scheme 2012 (hereinafter referred to as "the ESOP Scheme 2012"), such number of equity shares (referred to as "securities") which shall not exceed five percent of the issued equity shares of the Company as on the date of grant of option(s), at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board/Committee.

RESOLVED FURTHER THAT the said securities may be granted/allotted to such employees/directors of the company in accordance with the ESOP Scheme 2012 in the prescribed manner.

RESOLVED FURTHER THAT the issue of securities to any non-resident Employee(s), non-resident Director(s) shall be subject to such approvals, permissions or consents as may be necessary from Reserve Bank of India or any other relevant authority in this regard.

RESOLVED FURTHER THAT the new equity shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the existing equity shares of the Company.

RESOLVED FURTHER THAT the Company shall confirm to the accounting policies prescribed from time to time under the ESOP Guidelines.



Resolved further that the Board be and is hereby authorized to take necessary steps for listing of the securities allotted upon exercise under the ESOP Scheme 2012, on the Stock Exchanges where the Company's shares are listed as per the terms and conditions of the Listing Agreement entered into with the Stock Exchanges and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue or allotment or listing of the securities under the ESOP Scheme 2012, the Board/Committee be and is hereby authorized on behalf of the Company to evolve, decide upon and bring in to effect and make any modifications, changes, variations, alterations or revision in the said ESOP Guidelines 2012 or to suspend, withdraw or revive the ESOP Scheme 2012 from time to time as per the discretion of the Board/Committee and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any issues, questions, difficulties or doubts that may arise in this regard without requiring the Board/Committee to secure any further consent or approval of the Shareholder of the Company.

Mr. K. Perumal seconded the Resolution.

The Chairman then put the resolution to vote and declared the resolution as carried **unanimously as a Special Resolution** by show of hands.

ITEM NO. 9: APPOINTMENT AND PAYMENT OF REMUNERATION TO MR.ALOK KUMAR GUPTA AS JOINT MANAGING DIRECTOR

The Chairman informed the Shareholders that Mr. Alok Kumar Gupta was appointed as Joint Managing Director by the Board from 15th March, 2013 drew attention of the Members to the resolution set out in the Notice at Item No.9.

Mr. V Ramanathan, proposed the following resolution as a Special Resolution:

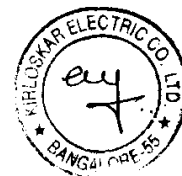
RESOLVED THAT pursuant to Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII thereto, consent of the Company be and is hereby accorded to the appointment of Mr. Alok Kumar Gupta as Joint Managing Director of the Company for a period of 5 (five) years with effect from 15th March, 2013.

RESOLVED FURTHER THAT the remuneration payable to Mr. Alok Kumar Gupta will for a period of 3 (three) years with effect from 15th March, 2013 as set out in the Explanatory Statement with liberty to the Board of Directors to vary and alter the terms and conditions subject to the provisions of schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956 and subject to such other approvals as may be necessary, the minimum remuneration as set out in the explanatory statement be paid to Mr.Alok Kumar Gupta, in the event of loss or inadequacy of profit in any financial year during the term of his office.

Mr. K Jagannath, seconded the Resolution.

The Chairman then put the resolution to vote and declared the resolution as carried **unanimously as a Special Resolution** by show of hands.



There being no other business to transact, the Meeting concluded with a vote of thanks to the Chair.

Bangalore
October 21, 2013

sd/-
CHAIRMAN

For Kirloskar Electric Co. Ltd.,

Swapna

K.S. Swapna Latha
General Manager &
Asst. Company Secretary

