



KPIT Cummins

KPIT Cummins Infosystems Limited

Registered Office: 35 & 36, Rajiv Gandhi Infotech Park, Phase-I, MIDC, Hinjawadi, Pune - 411 057.

Telephone No. : 020-6652 5000 **website:** www.kpitcummins.com

NOTICE OF EXTRA-ORDINARY GENERAL MEETING

NOTICE is hereby given that an EXTRA-ORDINARY GENERAL MEETING of the Members of KPIT CUMMINS INFOSYSTEMS LIMITED will be held on Thursday, March 1, 2012 at 10.30 a.m. at KPIT Cummins Auditorium, SDB-II, 35 & 36, Rajiv Gandhi Infotech Park, Phase-I, MIDC, Hinjawadi, Pune - 411 057, to transact the following business:

1. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in accordance with the applicable provisions of the Companies Act, 1956 read with Article 85 of the Articles of Association of the Company, the provisions of Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subject to such other approvals as may be required in this regard, consent of the members be and is hereby granted to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including powers conferred by this resolution) to capitalize a sum not exceeding Rs.18,28,00,000/- (Rupees Eighteen Crores Twenty Eight Lakhs only) out of the Securities Premium Account/General Reserve Account of the Company and transfer the same to the Share Capital of the Company for the issue of fully paid Bonus Shares of the face value of Rs. 2/- (Rupees Two only) each, out of the Authorised Share Capital of the Company and that it be distributed amongst the members registered in the books of the Company on such date ('Record Date') as may be determined by the Board, by way of issuing equity shares not exceeding 9,14,00,000 (Nine Crores Fourteen Lakhs only) of Rs. 2/- (Rupees Two only) each to be credited as fully paid Bonus Shares to the holders of the existing Equity Shares of the Company, in the proportion of 1 (One) Equity Share for every 1 (One) existing Equity Share held by them, on the footing that they become entitled thereto as capital and not as income and that such new shares, as and when issued and fully paid, shall rank pari-passu with the existing issued Equity Shares of the Company in all respects including dividend.

RESOLVED FURTHER THAT no allotment letters shall be issued to the allottees for Bonus Shares and to the shareholders who hold their existing Equity Shares in electronic form, as Bonus Shares shall be credited to their respective demat accounts and for the shareholders who hold their existing Equity Shares in physical form, the share certificate(s) for the Bonus Shares shall be prepared and dispatched within the period prescribed or that may be prescribed in this behalf, from time to time.

RESOLVED FURTHER THAT the issue and allotment of the said Bonus Shares to the extent they relate to Non-Resident Indians (NRIs), Persons of Indian Origin (PIO) and other foreign investors of the Company will be subject to the approval of the Reserve Bank of India (RBI), as may be required.

RESOLVED FURTHER THAT pursuant to the Securities and Exchange Board of India (Employee Stock Options and Employee Stock Purchase Scheme) Guidelines, 1999 and consequent to the issue of Bonus Shares, the Board, including any Committee of the Board, be and is hereby authorised to make fair and reasonable adjustment in the exercise price of the stock options and the number of shares to be issued against stock options granted under the Employee Stock Option Schemes of the Company including increase in number of options in the respective schemes.

RESOLVED FURTHER THAT for the purposes of giving effect to the bonus issue of Equity Shares resolved hereinbefore, the Board, including any Committee of the Board and / or other designated officers of the Company be and are hereby authorized, to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation, filing of documents with the Securities and Exchange Board of India, listing the additional Equity Shares on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited on behalf of the Company.”

2. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT the Company hereby approves -

- (a) subject to the provisions of Sections 198, 269, 309, 310, Schedule XIII of the Companies Act, 1956, appointment of Mr. Sachin Tikekar as a Whole-time Director of the Company, for a period of five years with effect from October 20, 2011, on the terms of appointment including such remuneration as set out in the explanatory statement.
- (b) subject to the limits specified in Section 198 and 309 read with Section I of Part II of Schedule XIII of the Companies Act, 1956, on the recommendation of the HR & Compensation Committee, an annual increment upto 20% of the gross remuneration including salary, variable performance incentive and other allowances, payable to Mr. Sachin Tikekar during his tenure as Whole-time Director of the Company.
- (c) payment of remuneration specified in Para (b) read with Para (a) above as the minimum remuneration, subject to the limits specified in Section II of Part II of Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time, subject to the approval of the members and Central Government, if necessary, if in any financial year, during the tenure of Mr. Sachin Tikekar as Whole-time Director, the Company incurs a loss or its profits are inadequate.

RESOLVED FURTHER THAT the Company authorizes its Board to vary and revise, the terms of appointment (including remuneration and determining a break-up of various components of the remuneration) payable to the Whole-time Director during the tenure of his appointment within the limits laid down in Schedule XIII to the Companies Act, 1956 subject to necessary approvals.”

By Order of the Board of Directors
For KPIT Cummins Infosystems Limited

Sandeep Phadnis
Company Secretary

Place : Pune

Date : January 23, 2012

NOTES:

1. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed hereto and forms part of this notice.

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. UNDER THE COMPANIES ACT, 1956 VOTING IS BY SHOW OF HANDS UNLESS A POLL IS DEMANDED BY MEMBERS PRESENT IN PERSON OR BY PROXY, HOLDING ATLEAST ONE-TENTH OF THE TOTAL SHARES ENTITLED TO VOTE ON THE RESOLUTION OR BY THOSE HOLDING PAID -UP CAPITAL OF ATLEAST RS. 50,000. A PROXY SHALL NOT VOTE EXCEPT ON A POLL. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

- 2. Members/Proxies are requested to bring the attendance slip duly filled in to the meeting.
- 3. The Members, holding Equity Shares in physical form are requested to dematerialize their shares at the earliest so that the effect of Bonus on their shares would be given in their Demat account at the earliest and economically.
- 4. Queries, if any, with regards to this notice may be sent to Mr. Sandeep Phadnis, Company Secretary at sandeep.phadnis@kpitcummins.com.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No. 1

With a view to share the surplus generated out of operations of the Company and taking into consideration the positive outlook and profitability of the Company, the Board at their meeting held on January 23, 2012 recommended a bonus issue of Equity Shares in the ratio of 1:1 i.e. one new Equity Share for each existing Equity Share.

Your Directors have proposed that a sum not exceeding Rs.18,28,00,000/- (Rupees Eighteen Crores Twenty Eight Lakhs only) be drawn from the Securities Premium Account / General Reserve Account of the Company and capitalized and transferred to Share Capital Account towards issue and allotment of Bonus Shares. The Bonus Shares will be issued to the shareholders who hold shares as on the Record Date to be fixed by the Board of Directors subsequent to this meeting. The said Bonus Shares shall rank pari-passu with the existing Equity Shares in all respects including dividend.

The Company has granted stock options to employees under the Employee Stock Option Plan 2004 (ESOP 2004) and Employee Stock Option Plan 2006 (ESOP 2006). Consequent to the issue of Bonus Shares and in terms of the Securities and Exchange Board of India (Employee Stock Options and Employee Stock Purchase Scheme) Guidelines, 1999 ('SEBI Guidelines') and in terms of the ESOP Schemes, fair and reasonable adjustment to the exercise price and the number of shares to be issued against the Stock Options granted by the Company would be required to be made so that the total value of Stock Options remains the same after issue of Bonus Shares. The amount to be capitalized includes the amount that would be necessary for issue of Bonus Shares upon exercise of Stock Options, vested but not exercised, in accordance with the ESOP Schemes of the Company and SEBI Guidelines. The amount to be capitalized will stand reduced to the extent such options are not exercised. The Bonus Shares so allotted shall rank pari passu with the existing Equity Shares in all respects including dividend.

The Directors commend the special resolution set forth as Item No. 1 of the Notice for the approval of the shareholders.

The Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of their respective shareholdings in the Company.

Item No. 2

Taking into consideration the valuable contribution to the Company, the Board of Directors ('the Board') of the Company, at its meeting held on October 20, 2011, has, on the recommendation of the HR & Compensation (Remuneration) Committee and subject to the approval of the Members, appointed Mr. Sachin Tikekar as a Whole-time Director (hereinafter referred to as 'Whole-time Director') of the Company, for a period of 5 years with effect from October 20, 2011. Mr. Sachin Tikekar is a founding member of the Company and has played various leadership roles over the years. Prior to assuming the role of Chief of People Operations, Mr. Sachin Tikekar was the Chief Operating Officer of the US operations of the Company, and was instrumental in building the Company's sales presence across US, Asia and Europe. Mr. Sachin Tikekar has a Masters in Strategic Management and International Finance from Temple University's Fox School of Business and Management, Pennsylvania, USA.

The principal terms and conditions of appointment and remuneration for Mr. Sachin Tikekar as Whole-time Director are as follows:

1. **Period of Appointment:** From October 20, 2011 to October 19, 2016.
2. **Nature of duties:** The Whole-time Director shall carry out such functions, exercise such powers and perform such duties as the Board shall, from time to time in its absolute discretion, determine and entrust to him. Subject to the superintendence, control and direction of the Board, the Whole-time Director shall have the general control and management of the corporate functions, except in the matters which may be specifically required to be done by the Board pursuant to the provisions of the Companies Act, 1956 or by the Articles of Association of the Company or pursuant to specific resolution of the Board.
3. **Remuneration:** The Whole-time Director shall be entitled to the following remuneration comprising of basic salary, perquisites and allowances including annual revisions in salary including salary, variable performance incentive and other allowances, as may be decided and recommended by the HR & Compensation (Remuneration) Committee from time to time, within the overall limits prescribed under the Companies Act, 1956:

(a) Salary:

The aggregate of salary, other allowances and bonus to Mr. Sachin Tikekar, Whole-time Director, shall be in the scale of Rs.81 Lacs (Rupees Eighty One Lacs only) p.a. to Rs.170 Lacs (Rupees One Hundred and Seventy Lacs only) p.a.

(b) Perquisites:

The limits for perquisites shall be within the overall limit specified in the scale of salary as stipulated in sub-clause (a) above. The Whole-time Director shall be entitled to Company provided car as per the policy of the Company.

The Company's contribution to Provident Fund, Gratuity as per the policy of the Company in force, from time to time.

Encashment of leave as per the rules of the Company in force, from time to time.

4. **Minimum Remuneration:** Where in any financial year during the tenure of the Whole-time Director, the Company incurs a loss or its profits are inadequate, the Company shall pay to the Whole-time Director the above remuneration by way of salary, variable performance incentive and other allowances as a minimum remuneration subject to the limits specified under Section II of Part II of Schedule XIII to the Companies Act, 1956 (including statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government, from time to time, as minimum remuneration.

5. Other principal terms of appointment :

- (a) The Board is entitled to vary the terms of appointment (including remuneration) of the Whole-time Director.
- (b) The Whole-time Director is not liable to retire by rotation.
- (c) The Whole-time Director will not be paid any sitting fees for attending the Board and Committee meetings.
- (d) During the term of his appointment and for a period of six months after the date of relieving from the services of the Company, the Whole-time Director shall not, either, directly or indirectly, either by himself or directly or through his spouse and/or children, if any, become interested or otherwise concerned in, carry on, assist, engage in, be concerned or participate in any business/activity (whether directly or indirectly, as a partner, substantial shareholder, principal, agent, director, affiliate, employee, consultant or in any other capacity or manner whatsoever) which is similar to the business of the Company nor engage in any activity that conflicts with the Whole-time Director's obligations to the Company.
- (e) The appointment may be terminated by either party giving to the other six months notice of such termination.

A copy of the 'Whole-time Director's Agreement' shall be available for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day and also at the venue of the Extra-Ordinary General Meeting on the date of the meeting during the meeting hours.

The Directors commend the special resolution set forth as Item No. 2 of the Notice for the approval of the shareholders.

Except Mr. Sachin Tikekar, none of the Directors of the Company is, in any way, concerned or interested in the resolution, set forth as Item No. 2.

By Order of the Board of Directors
For KPIT Cummins Infosystems Limited

Sandeep Phadnis
Company Secretary

Place : Pune

Date : January 23, 2012



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Hinjawadi, Pune - 411 057, INDIA.

PROXY FORM

I/We of, being member(s) of the above named Company hereby appoint of or failing him/her of of as my/our proxy in my/our absence to attend and vote for me/us on my/our behalf at the Extra-Ordinary General Meeting of the Company to be held on March 1, 2012 at 10.30 a.m. at KPIT Cummins Auditorium, SDB-II, 35 & 36, Rajiv Gandhi Infotech Park, Phase-I, MIDC, Hinjawadi, Pune - 411 057, to transact the following business:
Signed this day of 2012

Folio No.
DP ID No.
Client ID No.
No. of shares

Affix Re. 1
revenue
stamp
and sign
across it

NOTE:

Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself and the proxy need not be a member. The proxy form duly completed should be deposited at the Registered Office of the Company, not later than 48 hours before the time for holding the meeting.



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ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the meeting venue)
I/We hereby record my/our presence at the Extra-Ordinary General Meeting of the Company held on March 1, 2012 at 10.30 a.m. at KPIT Cummins Auditorium, SDB-II, 35 & 36, Rajiv Gandhi Infotech Park, Phase-I, MIDC, Hinjawadi, Pune - 411 057, to transact the following business:

Folio No.	Signature
DP ID No.	
Client ID No.	
Full Name of Shareholder (in BLOCK LETTERS)	
Full Name of Proxy (in BLOCK LETTERS)	Signature

NOTE:

Members/Joint Members/Proxies are requested to bring the attendance Slip with them. Duplicate attendance Slips will not be issued at the entrance of meeting room.

BOOK-POST

If undelivered please return to :

LINK INTIME
INDIA PVT LTD



(Unit : KPIT Cummins Infosystems Limited)

Block No. 202, 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune - 411 001.

Regd. Office : C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078.