

NOTICE

Notice is hereby given that the 81st Annual General Meeting of the Members of GKW Limited will be held on Tuesday 26th July, 2011 at 11.00 a.m. at Kala Kunj, 48 Shakespeare Sarani, Kolkata 700 017 to transact the following business:

AS ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2011, the Audited Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. M. L. Lahoti who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. N. K. Navalakha who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and for that purpose to consider and, if thought fit, to pass with or without modification the following Resolution which will be proposed as an Ordinary Resolution :

“RESOLVED THAT Lodha & Co., Chartered Accountants of 14, Government Place East, Kolkata 700 069 (Firm’s Registration No. 301051E), be and they are hereby appointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors of the Company plus out-of-pocket expenses as may be incurred by them in connection with the audit and that such remuneration be paid to them in four equal quarterly instalments”.

AS SPECIAL BUSINESS

5. 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 provisions of Sections 198, 269 and 309 read with Schedule XIII and any other applicable provisions, if any, of the Companies Act, 1956 or any amendment or modifications thereof and subject to such other approvals, as may be necessary, the Company hereby approves the re-appointment of and remuneration paid/ payable to Mr. J.D. Curavala as Managing Director of the Company with effect from 11th August, 2010 for a period of 1 year upon the terms and conditions including remuneration as set out in the Agreement duly executed by the Company with Mr. J.D. Curavala and submitted to the Meeting and initialled by the Chairman for the purpose of identification, which Agreement is hereby approved and sanctioned with liberty to the Board of Directors to act and vary the terms and conditions of the said re-appointment and/or Agreement within the limit specified in Schedule XIII to the Companies Act, 1956 or any amendment thereto, as may be agreed to between the Board of Directors and Mr. J.D. Curavala.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take such steps and do all other acts, deeds and things as may be necessary and desirable to give effect to this Resolution.”

“RESOLVED FURTHER THAT where in any financial year the Company has no profit or its profits are inadequate, the Company do pay to Mr. J.D. Curavala remuneration by way of salary, perquisites and other allowances as set out in the Agreement specified above, as the minimum remuneration for a period not exceeding 1 year from the date of re-appointment.”

6. 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 provisions of Sections 198, 269 and 309 read with Schedule XIII and any other applicable provisions, if any, of the Companies Act, 1956 or any amendment or modifications thereof and subject to such other approvals, as may be necessary, the Company hereby approves the re-appointment of and remuneration paid/ payable to Mr. G. Srinivasan as a Wholetime Director of the Company with effect from 13th September, 2010 for a period of 1 year upon the terms and conditions including remuneration as set out in the Agreement duly executed by the Company with Mr. G. Srinivasan and submitted to the Meeting and initialled by the Chairman for the purpose of identification, which Agreement is hereby approved and sanctioned with liberty to the Board of Directors to act and vary the terms and conditions of the said re-appointment and/or Agreement within the limit specified in Schedule XIII to the Companies Act, 1956 or any amendment thereto, as may be agreed to between the Board of Directors and Mr. G. Srinivasan”.

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“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take such steps and do all other acts, deeds and things as may be necessary and desirable to give effect to this Resolution.”

“RESOLVED FURTHER THAT where in any financial year the Company has no profit or its profits are inadequate, the Company do pay to Mr. G. Srinivasan remuneration by way of salary, perquisites and other allowances as set out in the Agreement specified above, as the minimum remuneration for a period not exceeding 1 year from the date of re-appointment.”

Registered Office :
3A Shakespeare Sarani
Kolkata 700 071
Dated : 10th May, 2011

By Order of the Board

J. N. Ghosh
Vice President & Secretary

NOTES:

- i) The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is annexed hereto.
- ii) The Register of Members and Share Transfer Books will remain closed from 18th July, 2011 to 26th July, 2011, both days inclusive.
- iii) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a member of the Company.
- iv) Members are requested to notify any change in their addresses to the Company's Registrar and Share Transfer Agents, **C.B. Management Services Private Limited, P-22, Bondel Road, Kolkata 700 019. (Phone No. 033-40116700, Email: rta@cbmsl.com)** for recording any change of address(es), bank mandate(s), NESC or nomination(s).
- v) **The Ministry of Corporate Affairs (“MCA”) has issued a Circular No. 17/2011 dated 21st April, 2011 on a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and also clarifying that the service of document can be made through electronic mode provided the Company has obtained e-mail addresses of its members for sending the notices/documents. The Company has therefore decided to issue this intimation to every shareholder to register their e-mail address and changes therein from time to time with the Company's Registrar and Share Transfer Agents or with Concerned depository participant. In the meantime the company proposes to send the documents calling the Annual General Meeting, the audited accounts, directors' report, etc., for the year ended 31st March, 2011 in the electronic form to the e-mail address provided by you and made available to us by the depositories. If you desire to receive the documents above in physical form, please visit the following webpage of our Registrar and Share Transfer Agents, C.B. Management Services Pvt. Ltd. : www.cbmsl.com/green.php**
- vi) **The ISIN number allotted is INE 528A 01020.** In view of the advantages offered by the depository system, members are requested to avail of the facility of dematerialization of the Company's shares.
- vii) Members who have multi-accounts in identical name and address or in joint names in the same order are requested to intimate the Company the ledger folios of such accounts for consolidating their shareholding into one account.
- viii) Individuals holding shares singly or jointly with upto two persons may nominate another person to whom the shares shall vest in the event of the shareholders death. Form 2B has been prescribed for the purpose. Blank forms are available from the Company's Secretarial Department and the Registrar's office.
- ix) The Company has sent first reminder to comply with the Clause 5A(h) of the Listing Agreement for the shares which remained unclaimed by the Shareholders due to insufficient/incorrect information or for any other reason, before transferring in demat mode to one folio in the name of Unclaimed Suspense Account with one of the Depository participants.
- x) Pursuant to Clause 49 of the Listing Agreement with the National Stock Exchange, it is informed that Mr. M. L. Lahoti and Mr. N. K. Navalakha retire by rotation in accordance with the Articles of Association of the Company at the forthcoming Annual General Meeting, and being eligible, have offer themselves for reappointment. Mr. J. D. Curavala and Mr. G. Srinivasan will also be re-appointed as Managing Director and Wholetime Director respectively.

GKW LIMITED**PARTICULARS OF DIRECTORS WHO ARE PROPOSED TO BE RE-APPOINTED AT THE MEETING ARE GIVEN BELOW:**

Name of Director	Mr. J. D. Curravala	Mr. G. Srinivasan	Mr. M.L.Lahoti	Mr. N.K.Navalakha
Age	71 years	67 years	76 years	68 years
Date of Appointment	11.08.1989	13.09.1997	26.09.2003	30.06.2004
Qualifications	B.Com, A.C.A, LL.B	B.E.(Mech.), D.I.M.	M.Com.	B.E.(Mech.)
Exposure in specific functional areas	Having wide experience in Finance, Administration, Corporate Management and Business operations	Having wide experience in the Industry with the expertise in the field of Engineering and Operations	Having wide experience in Corporate Management	Having wide experience in Corporate Management
Directorship held in other companies (excluding foreign companies)	Graphite India Limited (Director)	NIL	GKW (Overseas Trading) Limited (Director)	NIL
Member of Committees of the Board of Directors	i) Committee of Directors (Chairman) ii) Share Transfers and Investors' Grievance Committee	i) Committee of Directors ii) Share Transfers and Investors' Grievance Committee	i) Committee of Directors ii) Share Transfers and Investors' Grievance Committee iii) Remuneration Committee (Chairman) iv) Audit Committee (Chairman)	i) Committee of Directors ii) Share Transfers and Investors' Grievance Committee (Chairman) iii) Remuneration Committee iv) Audit Committee
Member of Committee of Directors of other Companies	Investment Committee of Graphite India Ltd.	NIL	NIL	NIL
Shareholding in Company	100 Shares (Joint Holding)	50 Shares (Joint Holding)	NIL	NIL

EXPLANATORY STATEMENT

The Explanatory Statement for Item Nos. 5 to 6 of the accompanying Notice set out hereinabove is as under:

Resolution No. 5

The term of office of Mr. J.D. Curavala as the Managing Director of the Company shall expire on 10th August, 2011.

The Remuneration Committee of Directors approved the re-appointment and remuneration payable to Mr. J.D. Curavala as Managing Director of the Company for a period of 1 year with effect from 11th August, 2010 on the terms and conditions as set out in the Agreement ("the Agreement") executed between the Company and Mr. Curavala, pursuant to the provisions of Schedule XIII of the Companies Act, 1956 and recommended the same to the Board of Directors ("the Board") for its consideration and approval.

The Board at its Meeting held on 30th July, 2010 re-appointed Mr. J. D. Curavala as the Managing Director for a period of 1 year with effect from 11th August, 2010 on the terms and conditions as set out in the Agreement entered into between the Company and Mr. Curavala. The material terms of Mr. J.D. Curavala's appointment are as under:-

Mr. J. D. Curavala was appointed as the Managing Director of the Company for a period of 1 year with effect from 11th August, 2010 and perform such duties and exercise such powers as are or may from time to time be lawfully entrusted to and vested in him by the Board of the Company.

In consideration of his services he shall be entitled to the following by way of remuneration:

1. **Salary** : Rs. 300000 per month in the scale of Rs. 200000 – Rs. 500000 with an authority to the Remuneration Committee and the Board of Directors to vary and/or fix in its absolute discretion the salary/perquisites payable to Mr. Curavala within the limit specified in Schedule XIII of the Companies Act, 1956 and the Rules made thereunder or any modification or re-enactment thereof.
2. **Commission** : In addition to the salary and perquisites, Mr. Curavala will be entitled to such commission based on the net profit of the company in any financial year not exceeding 1% of such profit as the Board or the Remuneration Committee shall decide having regard to the performance of the Company.
3. Mr. Curavala will also be entitled to Provident fund, Superannuation Fund, Gratuity and leave encashment and other benefits, amenities and facilities in accordance with the Company's Scheme(s)/Rule(s) applicable in this regard.
4. Provision of cars for use on Company's business and telephones at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Mr. Curavala.
5. In the event of loss or inadequacy of profits in any financial year the remuneration by way of salary, payable to Mr. Curavala shall be the same as stated above, but shall not exceed the limits prescribed under the Companies Act, 1956, and the Rules made thereunder or any statutory modification or re-enactment thereof.
6. Encashment of leave at the end of the tenure will not be included in the computation of perquisites.
7. Mr. Curavala shall be entitled to Earned/Privilege Leave as per rules of the Company. Leave accumulated and not availed of during his tenure in the service of the Company may be allowed to be encashed at the time of his retirement as per rules of the Company.

The Agreement provides for earlier determination in certain specified events and also sets out the mutual rights and obligations of the parties and other administrative details.

The Board recommends this Resolution for approval.

A copy of the Agreement referred to in the Resolution will be available for inspection by the Members at the Registered Office of the Company between the hours of 11.00 A.M. and 1.00 P.M. on any working day prior to the date of the meeting and will also be available at the meeting.

No Director except Mr. J.D. Curavala is concerned or interested in this Resolution.

STATEMENT PURSUANT TO SCHEDULE XIII OF THE COMPANIES ACT, 1956 TO BE CIRCULATED TO THE SHAREHOLDERS ALONG WITH THE NOTICE CALLING THE ANNUAL GENERAL MEETING ON 26th JULY, 2011

I. General Information :

(1) Nature of industry

Engineering :

Manufacturing Mild steel pressed components, wood screws.

- (2) Date or expected date of commencement of commercial production.
Not Applicable
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not Applicable

- (4) Financial performance based on given indicators:

Financial parameters:

	Year	
	2009-2010	2010-2011
	(In Rs. Lakhs)	
Turnover	2326	4075
Net profit/(loss) (as computed under section 198)	(31235)	(29058)
Net profit/(loss) as per profit and loss account	1117	2368
Amount of dividend paid	-	-
(5) Export performance and net foreign exchange collaborations		
Export of goods calculated on f.o.b. basis	-	-
(6) Foreign investments or collaborators, if any	-	-

II. Information about the appointee:

- (1) Background details:

Mr. J.D. Curravala was born on 21st October, 1939 and on completion of his graduation from Bombay University qualified as a Chartered Accountant from the Institute of Chartered Accountants of India. He also obtained a bachelor's degree in law.

Mr. J. D. Curravala worked with Stewarts & Lloyds Limited, U.K. as Financial Accountant during April 1966 to January 1970. During these four years at U.K. he also attended a training course titled 'Production appreciation for Accountants'. He joined the Company in April 1970 as an Accountant in one of the operating divisions. He was soon promoted as Manager – Accounts of the division. In order to provide Mr. Curravala exposure to Company's operations he was appointed General Manager – Operations of a division in 1984 and later in 1987 he was appointed Chief Executive of a division with overall responsibility for achieving the budgeted profitability of the division. Following the restructuring of the Senior Management of the Company in 1988, Mr. Curravala was appointed Chief Executive – Finance with effect from 1.5.1988 and later from 11.8.1989 he was promoted as Director – Finance of the Company.

Mr. J. D. Curravala has attended the GKN Group (Management Development programme held in Cambridge, U.K. in 1978) which was followed by industrial visits to various establishments of the GKN Group in U.K. The Management Development programme of GKN is attended by Senior Executives of all GKN Group Companies located all over the world and the faculty is drawn from eminent personalities in various fields. The programme allows the nominee to gain rich experience through interaction with his colleagues from different parts of the world.

Mr. J. D. Curravala has over 44 years of experience of working in India and in U.K. He has the unique experience of working as General Manager – Operations of a division and as Chief Executive of a division which has allowed him to have a deep insight into the intricacies of Company's business which is extremely useful in his current assignment. As Director – Finance, Mr. Curravala had the overall responsibility for the effective and efficient functioning of the Finance, Budget, MIS, Accounts and Taxation functions of the Company. He was responsible for formulating the policies, procedures and systems relating to Financial Accounting, Cost Accounting, Funds procurement and management, Budgeting, Management Information System and Taxation. He was responsible for all financial negotiations with banks, financial institutions and other external agencies. Management of working capital and appraisal of all capital expenditure proposals including their financial implications also formed part of Mr. Curravala's responsibility. He was responsible for ensuring availability of adequate funds for running the operations of the Company and also to ensure optimum utilization of all resources of the Company.

Considering the critical importance of finance function in the Company, Mr. Curravala was appointed a Wholetime Director of the Company designated as Director – Finance with effect from 11th August, 1989.

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Mr. Curravala was part of the top management team which formulated and implemented the turnaround strategy for the Company and put it back on the path of profitability.

Thereafter, the Board of Directors of the Company appointed him as Managing Director of the Company with effect from 22nd June, 1995 which position he has been holding at present.

(2) Past remuneration:	(In Rs. Lakhs)	
	<u>31-03-10</u>	<u>31-03-11</u>
Salary	36.00	36.00
Perquisites	6.00	2.17
Others (*)	6.05	12.69
Total	<u>48.05</u>	<u>50.86</u>

(*) Excluding arrear Gratuity and Leave Pay

(3) Recognition or awards – –

(4) Job profile and his suitability:

Mr. J. D. Curravala has been working as Managing Director of the Company since June, 1995 for nearly 16 years. Mr. Curravala has been responsible for restructuring the Company and conceiving and implementing the turnaround strategy which resulted in the Company emerging from loss to profitability. Having regard to the qualifications, experience of Mr. J. D. Curravala as stated under BACKGROUND DETAILS, the Board of Directors of the Company is of the opinion that Mr. Curravala will be eminently suitable to continue as Managing Director of the Company for a further period of one year.

(5) Remuneration proposed

- i) **Salary** : Rs. 300000 per month in the scale of Rs. 200000 – Rs. 500000 with an authority to the Remuneration Committee and the Board of Directors to vary and/or fix in its absolute discretion the salary/perquisites payable to Mr. Curravala within the limit specified in Schedule XIII of the Companies Act, 1956 and the Rules made thereunder or any modification or re-enactment thereof.
- ii) **Commission** : In addition to the salary and perquisites, Mr. Curravala will be entitled to such commission based on the net profit of the company in any financial year not exceeding 1% of such profit as the Board or the Remuneration Committee shall decide having regard to the performance of the Company.
- iii) Mr. Curravala will also be entitled to Provident fund, Superannuation Fund, Gratuity and leave encashment and other benefits, amenities and facilities in accordance with the Company's Scheme(s)/Rule(s) applicable in this regard.
- iv) Provision of cars for use on Company's business and telephones at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Mr. Curravala.
- v) In the event of loss or inadequacy of profits in any financial year the remuneration by way of salary, payable to Mr. Curravala shall be the same as stated above, but shall not exceed the limits prescribed under the Companies Act, 1956, and the Rules made thereunder or any statutory modification or re-enactment thereof.
- vi) Encashment of leave at the end of the tenure will not be included in the computation of perquisites.
- vii) Mr. Curravala shall be entitled to Earned/Privilege Leave as per rules of the Company. Leave accumulated and not availed of during his tenure in the service of the Company may be allowed to be encashed at the time of his retirement as per rules of the Company.

Other terms and conditions are set out in the Agreement between Mr. J. D. Curravala and the Company.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin).

While approving the above remuneration, the Remuneration Committee considered the challenges posed by the growth opportunities in the engineering and automotive industry, the availability of senior managerial personnel at Board level. The Committee also considered the achievement of the Managing Director in turning around the Company from loss making to a profit making Company and the responsibilities cast upon him for steering the Company in a competitive and growth oriented scenario in the engineering and automotive sector which justified the remuneration. The Committee also noted that the profile of the incumbent Managing Director is eminently suited to the overall profile of this position.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

NIL

III. Other information :**(1) Reasons of loss or inadequate profits**

Due to recession in the industry in general and engineering/automobile industry in particular, coupled with high interest burden and high manpower costs resulted in accumulated losses which arose in the earlier years. Even though the Company has made profit in the last six years, there was inadequacy of profit.

(2) Steps taken or proposed to be taken for improvement

The Company has already taken appropriate steps to restructure its businesses in order to attain profitability. The Company has been consistently making profits. The Company has already achieved net profit of Rs.23.68 crores for the year 2010-11.

(3) Expected increase in productivity and profits in measurable terms

The expected productivity and profits in measurable terms are as follows:

	2009-10	(In Rs. Lakhs) 2010-11
	Actual	Actual
Net Sales	2326	4075
PBDIT	1436	2260

It is expected that from the year 2011-12 the level of profitability will be maintained.

Resolution No. 6

The term of office of Mr. Gopal Srinivasan as Wholetime Director of the Company shall expire on 12th September, 2011.

The Remuneration Committee of Directors approved the re-appointment and remuneration paid/payable to Mr. Gopal Srinivasan as Wholetime Director for a period of 1 year with effect from 13th September, 2010 on the terms and conditions as set out in the Agreement ("the Agreement") between the Company and Mr. Srinivasan, pursuant to the provisions of Schedule XIII of the Companies Act, 1956 and recommended the same to the Board for its consideration and approval.

The Board of Directors of the Company ("the Board") at its Meeting held on 30th July, 2010 approved the re-appointment and remuneration payable to Mr. Gopal Srinivasan as the Wholetime Director for a period of 1 year with effect from 13th September, 2010 on the terms and conditions as set out in the Agreement to be entered into between the Company and Mr. Gopal Srinivasan. The material terms of Mr. Gopal Srinivasan's appointment are as under;

Mr. G Srinivasan shall be the Wholetime Director of the Company for a period of 1 year with effect from 13th September, 2010 and shall perform such duties and exercise such powers as are or may from time to time be lawfully entrusted to and vested in him by the Board and/or the Managing Director (MD) of the Company either alone or jointly with any other persons as the Board and/or the MD may from time to time impose.

In consideration of his services he shall be entitled to the following by way of remuneration:

- Salary :** Rs. 225000 per month in the scale of Rs. 200000 – Rs. 400000 with an authority to the Remuneration Committee and the Board of Directors to vary and/or fix in its absolute discretion the salary payable to Mr. Srinivasan within the limit specified in Schedule XIII of the Companies Act, 1956 and the Rules made thereunder or any modification or re-enactment thereof.
- Commission :** In addition to the salary and perquisites, Mr. Srinivasan will be entitled to such commission based on the net profit of the Company in any financial year not exceeding 1% of such profit as the Board or the Remuneration Committee shall decide having regard to the performance of the Company.
- Perquisites :** In addition to the above, Mr. Srinivasan shall be entitled to the perquisites which are as follows:-

	Rs. (per annum)
House Rent Allowance	300000
Gas and electricity	70000
LTA	180000
Club Fees	10000
Personal Accident Insurance	4000
Medical	36000
	<u>600000</u>

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The above perquisites will be restricted to Rs. 50000/- per month with an authority to the Remuneration Committee and the Board of Directors to vary and/or fix in its absolute discretion the perquisites payable to Mr. Srinivasan within the limit specified in Schedule XIII of the Companies Act, 1956 and the Rules made thereunder or any modification or re-enactment thereof.

4. Mr. Srinivasan will also be entitled to Provident fund, Superannuation Fund, Gratuity and leave encashment and other benefits, amenities and facilities in accordance with the Company's Scheme(s)/Rule(s) applicable in this regard.
5. Provision of cars for use on Company's business and telephones at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Mr. Srinivasan.
6. In the event of loss or inadequacy of profits in any financial year the remuneration by way of salary, payable to Mr. Srinivasan shall be the same as stated above, but shall not exceed the limits prescribed under the Companies Act, 1956, and the Rules made thereunder or any statutory modification or re-enactment thereof.
7. Encashment of leave at the end of the tenure will not be included in the computation of perquisites.
8. Mr. Srinivasan shall be entitled to Earned/Privilege Leave as per rules of the Company. Leave accumulated and not availed of during his tenure in the service of the Company may be allowed to be encashed at the time of his retirement as per rules of the Company.

The Agreement provides for earlier determination in certain specified events and also sets out the mutual rights and obligations of the parties and other administrative details.

The Board recommends this Resolution for approval.

A copy of the Agreement referred to in the Resolution will be available for inspection by the Members at the Registered Office of the Company between the hours of 11.00 A.M. and 1.00 P.M. on any working day prior to the date of the meeting and will also be available at the meeting.

No Director except Mr. G. Srinivasan is concerned or interested in this Resolution.

STATEMENT PURSUANT TO SCHEDULE XIII OF THE COMPANIES ACT, 1956 TO BE CIRCULATED TO THE SHAREHOLDERS ALONG WITH THE NOTICE CALLING THE ANNUAL GENERAL MEETING ON 26th JULY, 2011

I. General Information :

(1) **Nature of industry**

Engineering

Manufacturing Mild steel pressed components, wood screws.

(2) Date or expected date of commencement of commercial production

Not Applicable

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not Applicable

(4) Financial performance based on given indicators

Financial parameters

	Year	
	2009-2010	(In Rs. Lakhs) 2010-2011
Turnover	2326	4075
Net profit/(loss) (as computed under section 198)	(31235)	(29058)
Net profit/(loss) as per profit and loss account	1117	2368
Amount of dividend paid		
(5) Export performance and net foreign exchange collaborations		
Export of goods calculated on f.o.b. basis	-	-
(6) Foreign investments or collaborators, if any	-	-

II. Information about the appointee :

(1) Background details :

Mr. G. Srinivasan was born on 29th June, 1944, joined the Company in 1967 as trainee engineer. Mr. Srinivasan is a graduate in mechanical engineering. After working in various departments Mr. Srinivasan was appointed as General Manager of the Company's Unit at Bangalore in 1986 and later in 1987 he was appointed Chief Executive of one of the operating divisions of the Company. Mr. Srinivasan was appointed a Wholetime Director in charge of operations of Western and Southern regions of the Company with effect from 7th April, 1988. Mr. Srinivasan has over 44 years' experience in various fields of industry and was personally responsible for the operations of Sankey Electrical Stampings and Screws & Fasteners Divisions and Heat Treated Products Unit of the Company. The aggregate turnover of these units was more than 60% of the total turnover of the Company. Mr. Srinivasan left the Company for a brief period between 1994 and 1997 and was again re-appointed as Wholetime Director on 13th September, 1997 for a period of 5 years.

The Board of Directors of the Company re-appointed him as Wholetime Director of the Company with effect from 13th September, 2010 for a further period of one year which position he has been holding at present.

Mr. Srinivasan was part of the top management team which implemented a turnaround strategy for the Company.

(2) Past remuneration:

	31-03-10	(In Rs. Lakhs) 31-03-11
Salary	27.00	27.00
Perquisites	6.00	6.00
Others (*)	4.54	9.52
Total	<u>37.54</u>	<u>42.52</u>

(*) Excluding arrear Gratuity and Leave Pay

(3) Recognition or awards

(4) Job profile and his suitability

Mr. G. Srinivasan has been working as Wholetime Director of the Company since September, 1997 for over 13 years. Having regard to the qualifications, experience of Mr. G. Srinivasan as stated under BACKGROUND DETAILS, the Board of Directors of the Company is of the opinion that Mr. Srinivasan will be eminently suitable to continue as Wholetime Director of the Company for a further period of one year.

(5) Remuneration proposed

- i) **Salary** : Rs. 225000 per month in the scale of Rs. 200000 – Rs. 400000 with an authority to the Remuneration Committee and the Board of Directors to vary and/or fix in its absolute discretion the salary payable to Mr. Srinivasan within the limit specified in Schedule XIII of the Companies Act, 1956 and the Rules made thereunder or any modification or re-enactment thereof.
- ii) **Commission** : In addition to the salary and perquisites, Mr. Srinivasan will be entitled to such commission based on the net profit of the company in any financial year not exceeding 1% of such profit as the Board or the Remuneration Committee shall decide having regard to the performance of the Company.
- iii) **Perquisites** : In addition to the above Mr. Srinivasan shall be entitled to the perquisites which are as follows:

	Rs. (per annum)
House Rent Allowance	300000
Gas and electricity	70000
LTA	180000
Club Fees	10000
Personal Accident Insurance	4000
Medical	36000
	<u>600000</u>

The above perquisites will be restricted to Rs. 50000 per month with an authority to the Remuneration Committee and the Board of Directors to vary and/or fix in its absolute discretion the perquisites payable to Mr. Srinivasan within the

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limit specified in Schedule XIII of the Companies Act, 1956 and the Rules made thereunder or any modification or re-enactment thereof.

- iv) Mr. Srinivasan will also be entitled to Provident fund, Superannuation Fund, Gratuity and leave encashment and other benefits, amenities and facilities in accordance with the Company's Scheme(s)/Rule(s) applicable in this regard.
 - v) Provision of cars for use on Company's business and telephones at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Mr. Srinivasan.
 - vi) In the event of loss or inadequacy of profits in any financial year the remuneration by way of salary, payable to Mr. Srinivasan shall be the same as stated above, but shall not exceed the limits prescribed under the Companies Act, 1956, and the Rules made thereunder or any statutory modification or re-enactment thereof.
 - vii) Encashment of leave at the end of the tenure will not be included in the computation of perquisites.
 - viii) Mr. Srinivasan shall be entitled to earned/privilege leave as per rules of the Company. Leave accumulated and not availed of during his tenure in the service of the Company may be allowed to be encashed at the time of his retirement as per rules of the Company. Other Terms and Conditions are set out in the Agreement between Mr. G. Srinivasan and the Company.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin).

While approving the above remuneration, the Remuneration Committee considered the challenges posed by the growth opportunities in the engineering and automotive industry, the availability of senior managerial personnel at Board level. The Committee also considered the achievement of the Wholetime Director in turning around the Company from loss making to a profit making Company as a part of the Top Management Team and the responsibilities cast upon him for steering the Company in a competitive and growth oriented scenario in the engineering and automotive sector. The Committee noted that the profile of the incumbent Wholetime Director is eminently suited to the overall profile of this position.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any – NIL

III. Other information :

- (1) Reasons of loss or inadequate profits

Due to recession in the industry in general and engineering/automobile industry in particular, coupled with high interest burden and high manpower costs resulted in accumulated losses which arose in the earlier years. Even though the Company has made profit in the last six years, there was inadequacy of profit.

- (2) Steps taken or proposed to be taken for improvement

The Company has already taken appropriate steps to restructure its businesses in order to attain profitability. The Company has been consistently making profits. The Company has already achieved net profit of Rs. 23.68 crores for the year 2010-11.

- (3) **Expected increase in productivity and profits in measurable terms.**

The expected productivity and profits in measurable terms are as follows:

	(In Rs. Lakhs)	
	<u>2009-10</u>	<u>2010-11</u>
	Actual	Actual
Net Sales	2326	4075
PBDIT	1436	2260

It is expected that from the year 2011-12 the level of profitability will be maintained.

Registered Office :
3A Shakespeare Sarani
Kolkata 700 071
Dated : 10th May, 2011

By Order of the Board

J. N. Ghosh
Vice President & Secretary

GKW Limited

Registered Office : 3A Shakespeare Sarani, Kolkata 700 071

Please complete the Attendance Slip and hand it over at the entrance of the Meeting Hall. Please also bring your copy of the enclosed Annual Report.

ATTENDANCE SLIP

I hereby record my presence at the 81st Annual General Meeting of the Company held on 26th July, 2011.

REGD. FOLIO NO. : No. of Shares :

NAME OF THE SHAREHOLDER(S) (IN BLOCK CAPITALS)

SIGNATURE OF THE SHAREHOLDER OR PROXY

GKW Limited

Registered Office : 3A Shakespeare Sarani, Kolkata 700 071

REGD. FOLIO NO. : No. of Shares :

PROXY FORM

I/We _____

of _____

_____ being a member/members of GKW Limited,

hereby appoint _____ of _____

or failing him _____ of _____

or failing him _____ of _____

as my/our Proxy to attend and vote for me/us and on my/our behalf at the 81st Annual General Meeting of the Company to be held on 26th July, 2011 and at any adjournment thereof.

AS WITNESS my/our hand this _____ day of _____ 2011

Signed by the said -----



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