



KEC INTERNATIONAL LIMITED

Regd. Office: RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai 400030.

Notice of Postal Ballot (Pursuant to Section 192A of the Companies Act, 1956)

Dear Shareholder(s),

Notice is hereby given to the shareholders of KEC International Limited that consent of the shareholders is sought by way of:

- a) Special Resolution for approval to the re-appointment of Mr. Ramesh D. Chandak as the Managing Director of the Company for a further period of three years commencing from 29th September 2010 to 28th September 2013 and payment of remuneration to him during his tenure as the Managing Director of the Company in terms of the provisions of Sections 198, 269, 309, 311 and other applicable provisions read with Schedule XIII of the Companies Act, 1956.
- b) Ordinary Resolution to Split/ Subdivide each of the Company's existing equity shares of face value of Rs. 10/- (Rupees Ten only) into 5 equity shares of face value of Rs. 2/- (Rupees Two only) each and to alter the Memorandum of Association of the Company relating thereto in terms of Sections 16, 94 and other applicable provisions of the Companies Act, 1956 and Article 11 of the Articles of Association of the Company.
- c) Special Resolution to alter the capital Clause 3(a) of the Articles of Association of the Company under Section 31 of the Companies Act 1956.

In accordance with Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, the consent of the shareholders is sought by way of Postal Ballot. Accordingly, the draft resolutions for the aforesaid purpose and the Explanatory Statement with reference thereto are enclosed along with a Postal Ballot Form for your consideration and doing the needful. Mr. P. N. Parikh of Parikh Parekh & Associates, Practising Company Secretaries has been appointed as Scrutinizer for conducting the Postal Ballot process.

You are requested to carefully read the instructions printed on the Postal Ballot Form and return the Form (no other form or photocopy of form is permitted) duly completed, indicating your assent (FOR) / dissent (AGAINST) for the resolution(s) in the attached Business Reply Envelope so as to reach the Scrutinizer **on or before Saturday, the 18th December 2010**. Please note that any Postal Ballot Form(s) received after the said date will be treated as not having been received.

The Scrutinizer will submit his report to the Chairman or Managing Director or any other Director of the Company after completion of the scrutiny of the Postal Ballot Form and the results thereof will be announced on Monday, the 20th December 2010 at the Registered Office of the Company at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai 400030.

Resolutions:

1. To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 and other applicable provisions of the Companies Act, 1956 ('the Act') including any statutory modification or re-enactment thereof, for the time being in force read with Schedule XIII to the Act and subject to such approvals as may be necessary, the Company hereby approves and confirms the re-appointment of Mr. Ramesh D. Chandak as the Managing Director of the Company for a period of three years commencing from 29th September 2010 to 28th September 2013, on the terms and conditions and remuneration as set out in the Explanatory Statement attached to the Notice of Postal Ballot approved by the Board of Directors of the Company and the agreement executed between the Company and Mr. Ramesh D. Chandak.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the tenure of appointment of Mr. Ramesh D. Chandak, the Board of Directors of the Company be and are hereby authorized to pay to Mr. Ramesh D. Chandak, minimum remuneration as set out in the Explanatory Statement referred to above and as per the provisions of schedule XIII to the Act.

RESOLVED FURTHER THAT consent be and is hereby granted to the the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include a Committee thereof) to increase, enlarge, widen, alter or vary, from time to time, the terms and conditions of appointment including remuneration payable to Mr. Ramesh D. Chandak, Managing Director of the Company within the overall ceiling stipulated under Sections 198 and 309 of the Companies Act, 1956 as amended from time to time and take all the necessary steps, to do all such acts, deeds, matters and things, accept any amendments as may be directed, to make, execute, apply, initial and sign, file all such applications, writings, instruments, papers, documents, deeds, forms, as may be necessary on behalf of the Company or as the Board of Directors of the Company may in its absolute discretion deem necessary or desirable; and to delegate all or any of the powers herein vested, to the Officials of the Company to give effect to this resolution without being required to seek any further consent or approval of the members or otherwise, with the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

2. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 94(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956 and Article 11 of Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions as may be necessary from the concerned statutory authority(ies), each of the existing equity shares of face value of Rs. 10/- (Rupees Ten only) in the Share Capital of the Company be sub-divided into 5 (Five) equity shares of face value of Rs. 2/- (Rupees Two only) each.

RESOLVED FURTHER THAT upon split/sub-division of equity shares as aforesaid, the existing equity shares of the face value of Rs. 10/- each both in physical and dematerialised/electronic form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date (to be decided by the Board of Directors/Committee of Directors) and the Company shall without requiring the surrender of the old share certificate(s) issue and dispatch the sub-divided share certificate(s) for equity shares of face value of Rs. 2/- each to the shareholders holding their share(s) in physical form or credit such equity shares to their respective beneficiary account(s) with their respective depository participants, if those shareholders opt to receive the sub-divided equity shares in dematerialised/electronic form, as the case may be and in case of shareholders holding their share(s) in dematerialised/electronic form, the Company shall, without any act by the shareholders, credit the sub-divided equity shares of face value of Rs. 2/- each into their respective beneficiary account(s) with their respective depository participants.

RESOLVED FURTHER THAT the existing clause V(a) of the Memorandum of Association of the Company be and is hereby substituted with the following:

V (a) The Authorised Share Capital of the Company is Rs. 75,00,00,000/- (Rupees Seventy Five Crores only) divided into 15,00,000 (Fifteen lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees Hundred only) each and 30,00,00,000 (Thirty Crores) Equity Shares of Rs. 2/- (Rupees Two only) each.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include a Committee thereof) be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient, to give effect to the above resolution including but not limited to filing of necessary forms with the Registrar of Companies and other deeds/ documents /writings as may be required by depositories / stock exchanges, issue of new share certificates representing the sub-divided equity shares with new distinctive numbers and / or crediting the shareholders' dematerialisation account maintained by them with their respective depositories, subject to the provisions laid down under the Companies (issue of Share Certificates) Rules, 1960 and the Articles of Association of the Company and to delegate all or any of the powers herein vested, to the Officials of the Company, to give effect to the aforesaid resolution and for any matters connected herewith or incidental hereto."

3. To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) the existing Article 3(a) of the Articles of Association of the Company be and is hereby substituted with the following new Article 3(a):

3(a) The Authorised Share Capital of the Company is Rs. 75,00,00,000/ (Rupees Seventy Five Crores only) divided into 15,00,000 (Fifteen lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees Hundred only) each and 30,00,00,000 (Thirty Crores only) Equity Shares of Rs. 2 /- (Rupees Two only) each, with power to increase or modify the said capital and to divide the Shares for the time being of the Company into several classes and attach thereto preferential, deferred, qualified or special rights or conditions, as may be determined by or in accordance with the Articles of Association of the Company and subject to applicable legislative provisions for the time being in force, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided for by the Articles of Association of the Company and subject to applicable legislative provisions for the time being in force. The Company shall be entitled to dematerialise its existing shares, reconvert its shares held by the depositories in electronic form to physical form and/or to offer its fresh shares in electronic form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include a Committee thereof) be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient, to give effect to the above resolution including but not limited to filing of necessary forms with the Registrar of Companies and other deeds/documents/writings as may be required and to delegate all or any of the powers herein vested, to the Officials of the Company, to give effect to the aforesaid resolution and for any matters connected herewith or incidental hereto."

For KEC International Limited

Ch. V. Jagannadha Rao
Company Secretary

Place: Mumbai
Dated: 3rd November 2010

NOTES:

- (1) The Explanatory Statement pursuant to Section 173(2) read with Section 192A of the Companies Act, 1956 is annexed hereto and forms part of this Notice.
- (2) Mr. P. N. Parikh of Parikh Parekh & Associates, Practising Company Secretary has been appointed as the Scrutinizer to receive and scrutinize the completed Postal Ballot Forms from the Members. The Postal Ballot Form and the business reply envelope are enclosed for use by the Members.
- (3) All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 11:00 a.m. and 1:00 p.m. upto 18th December 2010.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) READ WITH SECTION 192A OF THE COMPANIES ACT, 1956**Item No. 1**

The Board of Directors in its meeting held on 30th July 2010, has re-appointed Mr. Ramesh D. Chandak as the Managing Director of the Company for a further period of 3 years commencing from 29th September 2010 to 28th September 2013.

Under the leadership of Mr. Chandak the Company, during the past four years, achieved 17.75% CAGR of Turnover, 20.25% CAGR of EBITDA and 4.21 times growth in the Net Worth. Further, the Company has successfully ventured into turnkey projects in Distribution & Sub-stations, Railways, Telecom and Cables. The Company entered into several new geographies and executed major orders and has also successfully implemented the Schemes of Arrangement for financial restructuring of the Company and for amalgamation of the erstwhile RPG Transmission Limited, National Information Technologies Limited and RPG Cables Limited with the Company.

Mr. Chandak aged about 64 years is a Masters in Commerce and a Fellow member of the Institute of Chartered Accountants of India and has over 39 years of experience of working with Textile, Edible Oil and Engineering Industries. Various initiatives and constant efforts taken by Mr. Chandak have resulted into improved performance and substantial growth of the Company during his tenure as the Managing Director of the Company. Mr. Chandak has also been awarded with the 'CA Business Leader of the Year' in 2008 by The Institute of Chartered Accountants of India.

The principal terms and conditions of appointment of Mr. Chandak as the Managing Director of the Company as contained in the agreement and the remuneration as recommended by the Remuneration Committee and approved by the Board of Directors of the Company are as follows:

1. **Period:** Three years commencing from 29.09.2010 to 28.09.2013
2. **Nature of Duties:** The Managing Director shall be responsible for the day to day management of the business and affairs of the Company and shall exercise such powers that are entrusted to him, as a Constituted Attorney, under the Articles of Association of the Company and/or by the Board, either alone or jointly with any other person(s) as the Board may determine from time to time.
3. **Remuneration:**
 - (a)
 - i) Basic salary of Rs. 6.25 lacs per month (Rupees Six Lacs Twenty Five Thousand Only) with such increments as may be recommended by the Remuneration Committee and determined by the Board from time to time.
 - ii) Company's house (furnished or otherwise) or House Rent Allowance in lieu thereof subject to a ceiling of 40 % of his basic salary.
 - iii) Reimbursement of gas, electricity, water, furnishing, repairs, servants' salaries, security, society charges and property tax, medical expenses; Payment of leave travel allowance for himself and family, medical/ accident insurance, club fees, other perquisites, management allowance and other allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Chandak, subject to an overall ceiling of 150 % of his basic salary.
 - iv) Performance bonus as per the rules of the Company.
 - v) Leave encashment as per the rules of the Company.
 - (b) Commission: Such remuneration by way of commission in addition to the salary, allowances and perquisites and performance bonus/incentive calculated with reference to the net profits in a particular financial year, as recommended by the Remuneration Committee and approved by the Board of Directors within the limits stipulated under Sections 198 and 309 of the Companies Act, 1956, including any statutory modification or re-enactment thereof.
 - (c) Minimum remuneration: In the event of inadequacy or absence of profits in any financial year during the tenure of appointment of Mr. Chandak, he will be entitled to the aforesaid remuneration including salary, perquisites and allowances except commission, subject to and in compliance with the conditions as specified in schedule XIII and other applicable provisions of the Companies Act, 1956, including any statutory modification or re-enactment thereof.
 - (d) The Managing Director shall also be entitled to the Company's contribution to Provident Fund and Superannuation Fund as per rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, Gratuity payable as per rules of the Company (at a rate not exceeding half a month's salary for each completed year of service) and encashment of leave at the end of the tenure all of which shall not be included in the computation of the ceiling on remuneration.
 - (e) Provision of Company's cars and driver for official duties, telephone at residence and mobile phones, as per rules of the Company shall not be included in the computation of ceiling on remuneration.

The aggregate of salary, perquisites, allowances and commission as specified above shall be subject to overall ceiling stipulated under Sections 198 and 309 of the Companies Act, 1956 and as amended.

4. Other Terms of appointment:

- i) The Managing Director shall comply with the directions given by the Board and shall also observe Code of Conduct and other Policies and Regulations framed and/or adopted by the Company from time to time.
- ii) The Managing Director shall not divulge or make use of any Company's secret or any other information to any other person and shall during the term of the agreement and for a period of two years following expiry, he shall not directly or indirectly compete with the business or act detrimental to the interest of the Company or poach any person associated with the Company.
- iii) The agreement may be terminated by either party by giving to the other party not less than 4 months notice in writing or by payment of 4 months basic salary in lieu of notice without assigning any reason; or may also be terminated by the Company by giving one month notice in writing or by payment of one month's basic salary in lieu of notice in case of negligence, non performance or breach of obligations/duties; or even without payment of any compensation under certain circumstances as specified in the agreement.
- iv) Any dispute or difference shall be referred to the Competent Court(s) located in the city/town where the Registered Office of the Company is situated.

In terms of Sections 198, 269, 309, 311 and other applicable provisions read with Schedule XIII to the Act, approval of members by way of special resolution is sought for the re-appointment of Mr. Chandak as the Managing Director of the Company for a further period of three years commencing from 29.09.2010 to 28.09.2013 and payment of the remuneration to him during his tenure as the Managing Director of the Company as set out above. In terms of Section 192A of the Act read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, such resolution may be passed by way of Postal Ballot. Accordingly, the special resolution as set out above is proposed for your approval.

The agreement entered into between the Company and Mr. Chandak on 6th August 2010 is available for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 11:00 a.m. and 1:00 p.m. up to 18th December 2010, the last date for receiving the Postal Ballot Forms.

The abstract of terms of re-appointment and memorandum of concern or interest as required under the provisions of Section 302 of the Act was sent to all the members of the Company on 09th August 2010.

Except Mr. Chandak, none of the other Directors of the Company is concerned or interested in the proposed resolution.

The Board recommends passing of Special Resolution set out at Item No. 1 for your approval through Postal Ballot.

Item No. 2 & 3

The Equity Shares of the Company are currently listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Over a period of time the share price of the Company has shown significant improvement reflecting the performance of the Company. The Company's equity shares have been included as part of the S&P CNX 500 during October 2009 by National Stock Exchange of India Limited reflecting the strong fundamentals of the Company. The sub-division of equity shares has been proposed with a view to broad base the investor base by encouraging the participation of the retail investors and also with a view to increase the liquidity of the Equity Shares of the Company. The Board of Directors at its meeting held on 3rd November 2010, recommended sub-division of equity share of the Company of face value of Rs. 10/- each into 5 (five) equity shares of the face value of Rs. 2/- each.

The approval of the Members of the Company is being sought to the above sub-division pursuant to the provisions of Section 94 of the Companies Act, 1956 (the "Act") read with Article 11 of the Articles of Association of the Company. In the event of the Members approving the sub-division of the Company's equity shares, the existing capital clause of the Memorandum of Association of the Company needs to be suitably amended pursuant to Section 16 of the Act to reflect the aforesaid sub-division. Hence, the resolution at Item No. 2 of the Notice requires your approval. The Special Resolution at Item No.3 is proposed to alter the Article 3(a) of Articles of Association of the Company pursuant to Section 31 of the Act to reflect the aforesaid sub-division.

The date on which the sub-division would become effective, will be decided by the Board/Committee of Directors and the same would be communicated to the Stock Exchanges and the Depositories at appropriate time.

A copy of the Memorandum and Articles of Association of the Company is available for inspection by the Members at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 11:00 a.m. and 1:00 p.m. up to 18th December 2010, the last date for receiving the Postal Ballot Forms.

None of the Directors of the Company is in any way interested in the Resolution, except to the extent of their shareholding and the shareholding of their relatives in the Company.

The Board recommends the passing of Ordinary Resolution set out at Item No. 2 and Special Resolution set out at Item No. 3 for your approval through Postal Ballot.

For KEC International Limited

Place: Mumbai
Dated: 3rd November 2010

Ch. V. Jagannadha Rao
Company Secretary