



# 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 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011

Dear Member(s),

Notice is hereby given to the members of KEC International Limited ("the Company") that consent of the members 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 29<sup>th</sup> September 2013 to 28<sup>th</sup> September 2016 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 to the Companies Act, 1956 including any statutory modification or re-enactment thereof.

In terms of the Companies Act, 1956 including any statutory modification or re-enactment thereof ("the Act"), read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, the consent of the members is sought by way of Postal Ballot under Section 192A of the Act. Accordingly, the draft resolution for the aforesaid purpose and the Explanatory Statement with reference thereto are enclosed along with the Postal Ballot Form for your consideration and doing the needful.

Mr. P. N. Parikh of Parikh Parekh & Associates, Practicing 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 duly completed, indicating your assent (FOR) / dissent (AGAINST) for the resolution in the attached Business Reply Envelope so as to reach the Scrutinizer **on or before Thursday the October 24, 2013**. Please note that any Postal Ballot Form(s) received after the said date will be treated as not having been received.

The Company is pleased to offer e-voting facility as an alternate option for its members, which would enable them to cast votes electronically, instead of dispatching Postal Ballot Form. Please read and follow the instructions on e-voting enumerated in the Notes to this Notice.

The Scrutinizer will submit his report to the Chairman or any other Director of the Company after completion of the scrutiny of the Postal Ballot Forms and the result thereof will be announced on October 25, 2013 at the Registered Office of the Company at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai 400 030. After the above declaration by the Chairman or the Director, the result of the Postal Ballot will be posted on the Company's website viz. [www.kecrpg.com](http://www.kecrpg.com).

As required under Clause 35B of the Listing Agreement entered into with the Stock Exchanges ("Listing Agreement"), the Company has engaged the services of Central Depository Services Limited ("CDSL") to provide e-voting facility to members of the Company. Detailed instructions to use this facility are given separately.

### **Resolution:**

#### **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 including any statutory modification or re-enactment thereof ('the Act'), 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 29<sup>th</sup> September 2013 to 28<sup>th</sup> September 2016, 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 being 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, remuneration as set out in the Explanatory Statement referred to above as the minimum remuneration as per the provisions of Schedule XIII to the Act.

**RESOLVED FURTHER THAT** consent be and is hereby granted to 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 Act, 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."

**For KEC International Limited**

**Ch. V. Jagannadha Rao**  
Company Secretary

Place: Mumbai  
Dated: August 21, 2013

NOTES:

- (1) The Explanatory Statement pursuant to Section 173(2) read with Section 192A of the Act including the details as required pursuant to clause 49 of the Listing Agreement is annexed hereto and forms part of this Notice.
- (2) Mr. P. N. Parikh of Parikh Parekh & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to receive and scrutinize the completed Postal Ballot Forms and votes casted electronically by the members. The Postal Ballot Form and the business reply envelope are enclosed for use by the members.
- (3) The Postal Ballot Notice is being sent electronically to all the members who have registered their e-mail ids with the Company and to other members by post.
- (4) Members, who have received the Postal Ballot Notice by email and who do not wish to avail the electronic voting facility, such member can: (a) download Postal Ballot Form from the website of the Company i.e. [www.kecrpg.com](http://www.kecrpg.com) (b) send a request on e-mail id [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or write a letter for obtaining the physical Notice and Postal Ballot Form to the Registrars & Share Transfer Agents of the Company, i.e., Link Intime India Pvt. Ltd., Unit: KEC International Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, Tel: 022-25946970. On receipt of such request, the Registrars & Share Transfer Agents will dispatch the physical Notice and Postal Ballot Form. Members should ensure that duly completed Postal Ballot Form should reach the Scrutinizer not later than 5.30 p.m. on Thursday October 24, 2013. Postal Ballot Forms received after this date shall be strictly treated as if the reply from the members has not been received.
- (5) **E-VOTING:** In compliance with provisions of Section 192A of the Act read with the Rules and Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility for the members to enable them to cast their votes electronically. Members have option to vote either through e-voting or through the Postal Ballot Form. If a member has opted for e-voting, then he/she should not vote by physical Postal Ballot also and vice-versa. However, in case members cast their vote both via physical ballot and e-voting, then voting through physical ballot shall prevail and voting done by e-voting shall be treated as invalid. For e-voting facility, the Company has signed an agreement with the CDSL for facilitating e-voting.

The instructions for members for voting electronically are as under:-

(a) **In case of members receiving e-mail:**

- i) Open the e-mail which contains your user ID and password for e-voting. Please note that the password is an initial password.
- ii) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for Electronic Voting Sequence Number (EVSN) of any company, then your existing password is to be used.
- iii) For members holding shares in physical form, the initial password can be used only for e-voting on the resolution contained in this Postal Ballot Notice.
- iv) Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- v) Now click on "Shareholders" to cast your votes.
- vi) Now, select the Electronic Voting Sequence Number (EVSN) alongwith "KEC INTERNATIONAL LIMITED" from the drop down menu and click on "SUBMIT".
- vii) Now, fill up the following details in the appropriate boxes:

|          | For Members holding shares<br>in Demat Form                                                                        | For Members holding shares<br>in Physical Form                                                                     |
|----------|--------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| User-ID  | For NSDL: 8 Character DP ID followed by 8 Digits Client ID<br><br>For CDSL: 16 digits beneficiary ID               | Folio Number registered with the Company                                                                           |
| Password | Your unique password has been mentioned in the e-mail vide which the Postal Ballot Notice has been emailed to you. | Your unique password has been mentioned in the e-mail vide which the Postal Ballot Notice has been emailed to you. |
| PAN      | Enter your 10 digit alpha-numeric PAN.                                                                             | Enter your 10 digit alpha-numeric PAN.                                                                             |

Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number: KECEV1234Z in the PAN field.

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then reach directly to the voting screen. However, members holding shares in demat form will now reach 'Password Change' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password is to be also used by the demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Enter the number of equity shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi) Click on the "Resolution File Link" if you wish to view the entire text of the Resolution being passed by Postal Ballot.
- xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xiv) Corporate/Institutional members (Corporates / FIs / FIIIs / Trusts / Mutual Funds / Banks etc.) are required to send scanned copy (PDF/JPG Format) of the relevant board resolution / authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [cs@parikhassociates.com](mailto:cs@parikhassociates.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**(b) In case of members receiving Postal Ballot Form by Post:**

- (i) Initial password and other details are provided as below at the bottom of Postal Ballot Form:

| EVS<br>(Electronic Voting Sequence Number) | USER ID | PASSWORD |
|--------------------------------------------|---------|----------|
|                                            |         |          |

- (ii) Please follow the instructions mentioned at Sr. No. (ii) to Sr. No. (xiv) of point no. 5(a) above, to cast vote.
- (c) The voting period ends at 5.30 p.m. on October 24, 2013. The e-voting module will be disabled by CDSL for voting thereafter.
- (d) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) READ WITH SECTION 192A OF THE COMPANIES ACT, 1956**

**Item No. 1**

The Board of Directors at its meeting held on August 21, 2013, re-appointed Mr. Ramesh D. Chandak as the Managing Director of the Company for a further period of 3 years commencing from 29<sup>th</sup> September 2013 to 28<sup>th</sup> September 2016.

The principal terms and conditions of appointment of Mr. Chandak as the Managing Director of the Company as contained in the agreement being executed between the Company and Mr. Chandak 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 29.09.2013 to 28.09.2016.
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. 8.34 lakh (Rupees Eight Lakh Thirty Four Thousand Only) per month 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; provision of Company's cars and driver for official duties, telephone at residence and mobile phones; Payment of leave travel allowance for himself and family, medical/ accident insurance, club fees, other perquisites, management allowance and other allowances (other than House Rent Allowance) 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/incentive 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, perquisites and performance bonus/incentive calculated with reference to the net profits under the provisions of the Companies Act, 1956 including any statutory modification or re-enactment thereof ("the Act") in a particular financial year, as recommended by the Remuneration Committee and approved by the Board of Directors.
  - (c) 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.

The aggregate of salary, allowances, perquisites, performance bonus/incentive, commission and others as specified above shall be subject to overall ceiling stipulated under Sections 198 and 309 of the Act.

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, allowances, perquisites, performance bonus/incentive and others, including such increments as may be approved by the Board of Directors from time to time, except commission, subject to and in compliance with the conditions as specified in Schedule XIII and other applicable provisions of the Act. In such an event, Company's contribution to Provident Fund and Superannuation Fund and encashment of leave as mentioned above shall not be included in the computation of the ceiling on remuneration.

**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 in a way 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.

**Other information:**

Information as required to be given as per Part (C) of Section II of Part II of Schedule XIII to the Act:

KEC International Limited is a global leader in the business of Engineering, Procurement and Construction (EPC) in the Infrastructure sector. It undertakes EPC projects in Power Transmission, Power Systems, Cables, Telecom, Railways and Water. During last five years the Company, under the leadership of Mr. Ramesh. D. Chandak, achieved 19.9% of CAGR of Turnover and 2.45 times growth in Net Worth. Apart from that, Company has expanded its presence in the global market by entering into many countries across the globe. The Company also established its business in North America and South America through the acquisition of the US based SAE Towers during the year 2010-11. The Company also successfully implemented the Scheme of Amalgamations of the erstwhile RPG Transmission Limited, National Information Technologies Limited in the year 2008 and erstwhile RPG Cables Limited in the year 2010. Earlier, KEC International Limited was mainly into the business of taking up EPC Contracts in Power Transmission. The Company has diversified its activities by entering into the business EPC Contracts for Distribution, Sub-station, Railways, Cables and Water.

Further the order intake of the Company for financial year 2012-13 (FY 13) increased by 20% to Rs. 7,484 crore. The closing order book has increased by 10.48% to Rs. 9,470 crore by FY 13 end. During the last year the Company has earned a net foreign exchange of Rs. 2,562 crore on account of its export performance. The Company has investment into various subsidiaries located in Brazil, Malaysia, Mauritius, Mexico, Nigeria, UAE and USA. Out of the total twenty two subsidiaries, twenty subsidiaries of the Company are outside India.

Mr. Chandak aged about 66 years is Masters in Commerce, a Fellow member of the Institute of Chartered Accountants of India, and has done an Advanced Management Program at Harvard Business School. At KEC, Mr. Chandak has led a remarkable turnaround, overcoming many obstacles and transforming the Company into one of the largest transmission line construction company in the world by taking its turnover from Rs. 1,769 crore in FY 06 to about Rs. 7,000 crore in FY 13.

Recognized as a turnaround specialist and a dynamic leader, Mr. Chandak has global and varied industry experience. Apart from his experience in India, Mr. Chandak has also worked in USA and Malaysia and was associated with Textile, Edible Oil and Engineering industries and has over 42 years of experience. He is a past president and currently a member of Indian Electrical & Electronics Manufacturer's Association, a representative organization of Power T&D industry in India. He is also the Chairman of Transmission Line Division of CII & Chairman of the Indo-Kazakhstan Business Council of FICCI. For FY 13, Mr. Chandak was paid a remuneration of Rs. 2.77 crore and the remuneration of Mr. Chandak is comparable with his counter parts in the infrastructure industry. Mr. Chandak does not have any pecuniary relationship, directly or indirectly, with the Company apart from the remuneration received by him from the Company and the dividend received by him from the Company on the shares held by him.

As an EPC company, generally an inadequacy or drop in the profits can be because of a combination of factors such as challenging business environment, political environment, severe competition, Right of Way (ROW) issues, price escalations, time and cost overruns and other reasons beyond the control of the company. In such scenario, company closely monitors the situation and takes all necessary steps including but not limited to improving operational efficiency, controlling costs and various other steps to mitigate the impact on profitability. In view of these steps, barring unforeseen circumstances, the company can achieve improvement in productivity and profitability.

Information pursuant to Clause 49 IV (G) (i) of the Listing Agreement as follows:

The brief resume of Mr. Ramesh D. Chandak, nature of his expertise in specific functional areas are provided above.

| Directorships in other public limited companies | Membership of Committees in other Public Limited Companies (includes only Audit & Investors' Grievance Committee) |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Global Procurement Consultants Limited          | Nil                                                                                                               |
| Spencer International Hotels Limited            |                                                                                                                   |
| Summit Securities Limited                       |                                                                                                                   |

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 29.09.2013 to 28.09.2016 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, 2011, such resolution may be passed by way of Postal Ballot. Accordingly, the special resolution as set out above is proposed for your approval.

**This Postal Ballot Notice shall be deemed as the abstract of terms of re-appointment and memorandum of concern or interest as required under the provisions of Section 302 of the Act.**

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

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

**For KEC International Limited**

**Ch. V. Jagannadha Rao**  
**Company Secretary**

Place: Mumbai  
Dated: August 21, 2013