

Elpro International Ltd

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Copy

05-02-2013

To
The Department of Corporate Services
Bombay Stock Exchange Limited
Mumbai

Kind Attention :- Sri Jeevan

Dear Sir,

Ref:- Copy of the Notice for Postal Ballot

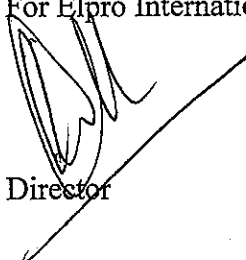
With reference to the above and as per the discussion held with you , please find attached the copy of the Postal Ballot Notice dispatched to the shareholders of the company on 7th Day of January, 2013.

We regret for missing out sending the same to the exchange on time causing inconvenience caused to you.

Thanking you

Yours faithfully

For Elpro International Limited



Director

ELPRO INTERNATIONAL LIMITED

Registered Office: 17th Floor, Nirmal Building, Nariman Point, Mumbai – 400 021.

NOTICE PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956

Notice is hereby given pursuant to Section 192A(2) of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, that the resolutions appended below are proposed to be passed as Ordinary Resolutions or Special Resolutions as the case may be, by way of Postal Ballot. Members' consent is requested for the proposals contained in the Resolutions appended below. The Explanatory Statement pertaining to the said Resolutions setting out the material facts and the reasons thereof is annexed hereto along with a Postal Ballot Form.

SPECIAL BUSINESS:

To consider and if thought fit, to pass, with or without modification(s), the following Resolutions:

1. AS AN ORDINARY RESOLUTION:

"RESOLVED THAT in accordance with the provisions of Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications or re-enactments thereof, for the time being in force, the present Authorized Share Capital of the Company be and is hereby reclassified from Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore only) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 60,00,000 (Sixty Lacs only) Equity Shares of Rs. 10/- (Rupees Ten only) each and 40,00,000 (Forty Lacs only) Preference Shares of Rs. 10/- (Rupees Ten only) each."

2. AS AN ORDINARY RESOLUTION:

"RESOLVED THAT in accordance with the provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications or re-enactments thereof, for the time being in force, Clause V of the Memorandum of Association of the Company be and is hereby substituted by the following clause:

"V. The Authorized Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 60,00,000 (Sixty Lacs only) Equity Shares of Rs. 10/- (Rupees Ten only) each and 40,00,000 (Forty Lacs only) Preference Shares of Rs. 10/- (Rupees Ten only) each.

The shares in the capital of the Company for the time being whether original or increased may be divided into several classes with any preferential, deferred, qualified or other special rights, privileges, conditions or restrictions attached thereto, whether in regard to dividend, voting, return of capital or otherwise. The Company shall have power to issue redeemable cumulative Preference Shares.

The right of the holders of any class of shares forming part of the capital for the time being of the Company may be modified, affected, varied, extended or abrogated in such manner as is or may be provided by the Articles of Association of the Company as originally registered or as altered from time to time."

3. AS A SPECIAL RESOLUTION

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of the Association of the Company be and are hereby altered in the following manner:

That the existing Article 6, be and is hereby deleted and substituted in its place by the following new Article:

6. The Authorized Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 60,00,000 (Sixty Lacs only) Equity Shares of Rs. 10/- (Rupees Ten only) each and 40,00,000 (Forty Lacs only) Preference Shares of Rs. 10/- (Rupees Ten only) each, with the rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company with power to increase and reduce the capital of the Company and divide the shares in the capital for the time being into several classes and to attach thereto respectively, such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be provided by the Companies Act, 1956, or provided by the Articles of Association of the Company for the time being.

4. AS A SPECIAL RESOLUTION

"RESOLVED THAT in accordance with the provisions of Sections 80, 81, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) read together with the provisions of the Articles of Association of the Company and subject to such approvals, permissions, and sanctions, if any, as may be necessary and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term and expression shall be deemed to include any duly authorized committee thereof), the consent of the Company be and is hereby accorded to the Board to issue and allot 15,00,000

cumulative redeemable preference shares of the Company to M/s. International Conveyors Limited and 25,00,000 cumulative redeemable preference shares to M/s. I G E (India) Private Limited in the manner and on such terms as may be deemed appropriate by the Board. These preference shares will have the face value of Rs. 10/- each and will be issued at a premium of Rs. 190/- each. These preference shares will have the maximum term of 15 years. However, these preference shares can be redeemed earlier at the option of the Company. The dividend on these preference shares will be cumulative and will be payable at the rate of 12% p.a."

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorized to do all such things and acts as may be necessary and expedient and to settle any matter that may arise in connection therewith.

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any modification(s) to or to modify the terms of issue of the said new preference shares, as may be required by any authority, without being required to seek any further consent or approval of the Company in a general meeting."

5. **AS A SPECIAL RESOLUTION**

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") read with Schedule XIII of the Act, subject to the approval of the Central Government, the consent of the Company, be and is hereby accorded for the appointment of Mr. Ram Swarup Dabriwala as the Managing Director of the Company and for payment of remuneration and perquisites to him, for a period of 3 years with effect from such date as may be decided by the Board after obtaining approval from Central Government, on terms and conditions including remuneration and perquisites as set out in the explanatory statement attached to this notice and is hereby specifically sanctioned, with liberty to the Board of Directors to alter and vary the terms and conditions of the appointment so as not to exceed the ceiling limits as regards salary and perquisites specified in Schedule XIII of the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government or as may be agreed to between the Board of Directors and Mr. Ram Swarup Dabriwala."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all the acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this Resolution."

Place: Kolkata

Dated: 27th December 2012

By Order of the Board of Directors
For Elpro International Ltd.

Director

NOTES:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out material facts, is annexed hereto.
2. In terms of Section 192A of the Companies Act, 1956 read with the Postal Ballot Rules, the items of business set out in the Notice above are sought to be passed by Postal Ballot.
3. The Board of Directors at its meeting held on 27th December 2012 has appointed Mrs. Jayshree A. Lalpuria, Practising Company Secretary, Mumbai, as the Scrutinizer for conducting the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.
4. The shareholders are requested to carefully read the instructions printed in the attached Postal Ballot Form. The Postal Ballot Form, duly completed and signed should be returned in the enclosed self addressed postage prepaid envelope directly to the Scrutinizer so as to reach the Scrutinizer before the close of working hours on or before **Wednesday, 6th February 2013**. Any Postal Ballot Form received after 30 days of issuance of this notice shall be treated as if the reply from the shareholders has not been received.
5. The shareholders are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted. Shareholders who do not receive the Postal Ballot Form may apply to the Company and obtain a duplicate thereof. Facility of voting through electronic mode is not being provided by the Company.
6. The Scrutinizer will submit the report to the Chairman of the Company after completion of scrutiny of the Postal Ballot Forms.
7. The results of the Postal Ballot will be announced by the Chairman of the Company or any other Director on **Monday, 11th February 2013** at the Registered Office of the Company at 17th Floor, Nirmal Building, Nariman Point, Mumbai - 400 021 and will also be informed to the stock exchanges and published in newspapers.
8. The Ordinary Resolutions mentioned above shall be declared as passed if the number of votes cast in its favour exceeds the votes, if any, against the said Resolutions.
9. The Special Resolutions mentioned above shall be declared as passed if the number of votes cast in its favour amounts to three fourth or more of the total votes casted.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956, ANNEXED TO AND FORMING PART OF THE NOTICE :

Item no. 1, 2 & 3

RE-CLASSIFICATION OF THE AUTHORISED SHARE CAPITAL

The Board of Directors of the Company seek consent of the members of the Company by way of a ordinary resolution to reclassify the authorised share capital of the Company from Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore only) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 60,00,000 (Sixty Lacs only) Equity Shares of Rs. 10/- (Rupees Ten only) each and 40,00,000 (Forty Lacs only) Preference Shares of Rs. 10/- (Rupees Ten only) each."

Consequent to the reclassification of the authorized share capital of the Company as above, the Board of Directors of the Company seek:

- (i) an ordinary resolution under the Sections 16, 94 and other applicable sections of the Companies Act, 1956 to amend Clause V of the Memorandum of Association of the Company; and
- (ii) a special resolution under Section 31 and other applicable sections of the Companies Act, 1956 to amend the Articles of Association of the Company.

The aforementioned resolutions are in the best interest of the Company and are recommended by the Board of Directors of the Company

None of the Directors are concerned or interested in the aforesaid resolutions.

Item no. 4

PREFERENTIAL ISSUE/ALLOTMENT OF REDEEMABLE CUMULATIVE PREFERENCE SHARES

The Board of Directors of the Company seek consent of the members of the Company by way of a special resolution under the sections 80, 81, 81(1A) and other applicable sections of the Companies Act, 1956 to authorize the Board of Directors of the Company to issue and allot - 40,00,000 cumulative redeemable preference shares to the investors on a preferential basis.

The funds to be raised from the issue would be utilized for repayment of high cost debt, general corporate purposes and for the business activities of the Company.

These preference shares will have the face value of Rs. 10/- each and will be issued at a premium of Rs. 190/- each. These preference shares will have the maximum term of 15-years. However, these preference shares can be redeemed earlier at the option of the Company. The dividend on these preference shares will be cumulative and will be payable at the rate of 12% p.a. The proposed preferential allotment to the investors as aforesaid will not result in any change in the control of the Company. A copy of the draft share subscription agreement between the Company and the Investors is available for inspection by any member of the Company at the registered office of the Company from 10.00 A.M. to 1.00 P.M. on each working day. This resolution is in the best interest of the Company and is recommended by the Board of Directors of the Company.

None of the Director are concerned or interested in the passing of this resolution.

Item no. 5

APPOINTMENT OF MR. RAM SWARUP DABRIWALA AS THE MANAGING OF THE COMPANY

Subject to the approval of the shareholders and Central Government, the Directors of the Company at their meeting held on 27th December 2012 have resolved to appoint Mr. Ram Swarup Dabriwala as the Managing of the Company for a period of 3 years. The details of the remuneration payable to Mr. Ram Swarup Dabriwala are as under: -

Salary: -

- (a) Salary of Rs. 50,000/- per month with an annual increment as may be decided by the Board or any committee thereof.
- (b) Ex-gratia at the rate of 8.33% of salary per annum.

Perquisites: -

- (c) Housing: Furnished residential accommodation or house rent allowance in lieu thereof.
- (d) Medical Reimbursement: Medical expenses including any such expenses as shall relate to surgical, optical and dental treatment incurred for himself and his family (Family includes dependant parents, wife, children who are dependent on him).
- (e) Leave Travel Concession: The Managing Director and his family shall be entitled to Leave Travel Concession as per the rules of the Company.

The Managing Director shall also be entitled to the following perquisites, which shall not be included in the computation of ceiling on remuneration specified above.

- (1) Company's contribution towards Superannuation/Provident Fund: Such contribution shall not be included in the computation of the ceiling on remuneration to the extent these, either singly or put together are not taxable under the Income Tax Act, 1961.
- (2) Gratuity: Payable as per the Rules of the Group Gratuity Scheme of the Company.
- (3) Encashment of Leave at the end of the tenure.
- (4) Company maintained car.
- (5) Actual traveling reimbursement

The perquisites, wherever applicable, shall be valued as per the Income Tax Rules, 1962.

Subject to the exigencies of his employment, Mr. Ram Swarup Dabriwala shall be entitled to privilege leave as per the Company's policy on full pay and allowances.

In the event of inadequacy of profits, the remuneration as stated above shall be the minimum remuneration.

Total remuneration including perquisites shall not exceed the limits specified in Schedule XIII to the Companies Act, 1956.

The Board recommends this Resolution for approval of the members.

Mr. Ram Swarup Dabriwala is deemed to be interested in this resolution as it concerns him. No other Director is concerned or interested in the passing of this resolution.

The Explanatory Statement together with the accompanying Notice may also be regarded as an abstract of the terms and memorandum of interest pursuant to Section 302 of the Companies Act, 1956.

Statement pursuant to the provisions of clause (c) of Section II of Part II of Schedule XIII to the Companies Act, 1956 with respect to Item No. 5.

The particulars required to be disclosed in the Explanatory Statement in accordance with provisions of clause (c) of Section II of Part II of Schedule XIII of the Companies Act, 1956, are given below:

I GENERAL INFORMATION

1. Nature of industry:

Elpro International Limited was incorporated in July 1962 as a public limited company, in technical and financial collaboration with General Electric, USA. An ISO 9001-2000 company, Elpro International is the number one manufacturer of Surge Arresters in Asia manufactured with technical know how from GE USA. It is the only manufacturer outside the United States manufacturing Surge Arresters with GE technology - acknowledged to be the best in the world.

Elpro's constant adherence to Excellence in Quality and Expertise in Marketing has ensured a reliable brand image and a dominant market share in each of its product lines in India. It is the first company to introduce & produce Surge Arresters as well as Metal Oxide Gapless Surge Arresters in India. Elpro won the ELCINA award in the 'Research & Development' category in 1987 and its products have been successfully type tested in renowned laboratories like CESI - Italy, KEMA - Netherlands and CPRI - India.

In the recent years Company has started real estate development activities and the same constitute substantial part of revenue in past three years. The Company shall put more focus in the sector specially in commercial lease rentals.

2. Date of commencement of commercial production:

The Company commenced its manufacturing operations in 1962.

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:

The financial performance of the Company in last three years is as under:

A. Standalone financials

Financial Parameters	Amt (Rs. in Lakhs)		
	Year Ended as on		
	31 March, 2010	31 March, 2011	31 March, 2012
Sales	2894.46	3460.94	3145.03
Profit before exceptional items and tax	(862.40)	729.65	(317.91)
Net Profit/ (Net Loss)	(926.02)	529.65	(203.20)
Dividend %	—	—	—

B. Consolidated financials

Financial Parameters	Year Ended as on		
	Amt (Rs. in Lakhs)		
	31 March, 2010	31 March, 2011	31 March, 2012
Sales	2898.85	3460.94	3145.03
Profit before exceptional items and tax	(730.18)	661.74	(386.54)
Net Profit/ (Net Loss)	(862.56)	506.57	(259.27)
Dividend %	—	—	—

5. Export performance and net foreign exchange collaboration:

The details of earnings of the Company in foreign currency are as under:

Particulars	Year Ended as on		
	Amt (Rs. in Lakhs)		
	31 March, 2010	31 March, 2011	31 March, 2012
F.O.B value of exports	154.94	186.65	162.74

6. Foreign investment or collaboration: Nil as on 31st March, 2012.

INFORMATION ABOUT THE APPOINTEE

1. Background details:

Mr. Ram Swarup Dabriwala aged about 65 years is a graduate with more than 40 years experience in the field of manufacturing and real estate. The Board of Directors of the Company in its meeting held on December 27, 2012 proposed to appoint Mr. Ram Swarup Dabriwala as a Managing Director of the Company for a period of three years, with effect from such date to be decided later on after obtaining approval of the Central Government, on the terms as set out in the Resolution, subject to requisite approvals.

2. Past remuneration:

This is the first employment of Mr. Ram Swarup Dabriwala as Managing Director of the Company. Mr. Dabriwala, throughout his career had been self employed and hence the details of past remuneration are not applicable.

3. Recognition and awards:

Nil.

4. Job profile and his suitability:

Mr. Dabriwala has more than four decades of rich experience in the real estate sector and would be an added advantage as the Company is mainly in the business of real estate development at Pune consisting of commercial, retail and housing.

5. Remuneration proposed:

The terms of the remuneration proposed to be paid to Mr. Ram Swarup Dabriwala have been specified in the Explanatory Statement as above.

6. Comparative remuneration profile with respect to industry size of the company-

The remuneration proposed to be paid to Mr. Ram Swarup Dabriwala is consistent with remuneration of Managing Directors of other companies in the same industry, keeping in view his job profile, the size and complexity of the business of the Company.

7. Pecuniary relationship directly or indirectly with the company or relationship with the managerial Personnel:

Mr. Ram Swarup Dabriwala is not related to any other Director of the Company. He does not have any pecuniary relationship directly or indirectly with the Company or its managerial personnel, other than drawing his remuneration in the capacity as Managing Director of the Company.

III OTHER INFORMATION

1. **Reasons for loss:**

Due to high interest burden, the Company has incurred losses in the previous year.

2. **Steps taken or proposed to be taken for improvement:**

Now the Company has paid off its high cost debt in the current financial year and it is expected to turnaround in the profit in the current financial year.

3. **Expected increase in productivity and profits in measurable terms:**

The Company would focus on improvement of manufacturing efficiencies, cost optimization, investment in human resource and global quality standards thereby achieving increase in productivity and maximization of profits. The Company is expected to earn Net Profit around Rs. 600 lacs in the current financial year.

IV DISCLOSURES

The requisite disclosures of remuneration package etc. will be disclosed in the Report on Corporate Governance which forms part of the Annual Report for the year ending 31st March, 2013.

Place: Kolkata

Dated: 27th December 2012

By Order of the Board of Directors
For Elpro International Ltd.

Director