



# NELCO LIMITED

A **TATA** Enterprise

Registered office: EL-6, Electronics Zone, MIDC, Mahape, Navi Mumbai – 400 710.  
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Email: services@nelco.in, Website: www.nelco.in, CIN-L32200MH1940PLC003164

To  
The Members,

## **Notice of Postal Ballot pursuant to Section 110 of the Companies Act, 2013 and Companies (Management & Administration) Rules, 2014.**

NOTICE is hereby given pursuant to Section 110 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") read together with the Companies (Management & Administration) Rules, 2014 ("the Rules") that the Resolutions given below are proposed to be passed as Special resolutions by way of Postal Ballot/e-voting for approving the borrowing limits upto Rs.250 Crores and creation of charge on Company's properties for securing the borrowing availed or to be availed within the said limits.

The Company is, therefore, seeking your consent for the said proposals by Special Resolutions in compliance with the provisions of Sections 180(1)(a) and 180(1)(c) and other applicable provisions, if any, of the Act. Explanatory Statement pursuant to Section 102 and other applicable provisions of the Act pertaining to the said resolutions setting out the material facts and reasons thereof is annexed hereto alongwith a Postal Ballot form ("the Form") for your consideration. The Board of Directors has appointed Mr. P.N. Parikh of M/s. Parikh & Associates, Practising Company Secretaries as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form, record your assent (for) or dissent (against) therein and return the same in original duly completed in the attached self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 5:00 p.m. on Wednesday, September 3, 2014.

Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the notes to the Notice and instructions overleaf the Form.

It may be noted that e-voting is optional. In case a Member has voted through e-voting facility, he is not required to send the physical Postal Ballot Form. In case a Member votes through e-voting facility as well as sends his vote through physical vote, the vote cast through valid physical ballot form shall be considered and the voting through e-voting shall not be considered by the Scrutinizer.

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Company. The result of the Postal Ballot would be announced by a Director or the Company Secretary of the Company on Tuesday, September 9, 2014 at 5.00 p.m. at the Registered Office of the Company. The said result would be displayed at the Registered Office of the Company, intimated to the Stock Exchanges where the Company's shares are listed, published in the newspapers and displayed alongwith the Scrutinizer's report on the Company's website viz. www.nelco.in.

The e-voting facility is available at the link <https://www.evoting.nsdl.com>. Please refer the instructions for e-voting given at the back of the Postal Ballot Form for the process and manner in which e-voting is to be carried.

### **Item no. 1: Creation of charges on the Company's properties**

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

"RESOLVED THAT in supersession of all the Ordinary Resolutions passed earlier in that behalf, and pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events, to or in favour of the Banks/Financial Institutions, other investing agencies, bodies corporate and Trustees for the holders of debentures/bonds and/or other instruments to secure the loans and/or the issue of debentures/bonds, whether partly/fully convertible or non-convertible (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said Loans, shall not, at any time exceed the limit of Rs. 250 crores.



RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required in its absolute discretion to give effect to this Resolution."

**Item no. 2: Borrowing powers of the Board**

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

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the 58th Annual General Meeting held on 11th August, 2000 and pursuant to Section 180 (1) (c) and all other applicable provisions, if any of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), the consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) for borrowing from time to time any sum or sums of monies which, together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the Company and its free reserves, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of Rs. 250 Crores.

RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required in its absolute discretion to give effect to this Resolution."

By Order of Board of Directors

**Girish Kirkinde**  
Company Secretary

Registered office  
EL-6, Electronics Zone,  
MIDC, Mahape,  
Navi Mumbai – 400 710.

14<sup>th</sup> July, 2014.

**Notes:**

1. The Explanatory Statement and reasons for the proposed Special Resolutions pursuant to Section 102 of the Companies Act, 2013 setting out material facts are appended to the Notice.
2. The Postal Ballot Notice is being sent to all the Members, whose names appear in the Register of Members / List of Beneficial Owners, received from the National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on Friday, July 18, 2014.

**Explanatory Statement pursuant to Section 102(1) of the Companies Act 2013**

**Item Nos. 1 and 2:** The Members had earlier passed Ordinary Resolutions for Nos. 1 and 2 according their consent to the Board of Directors borrowing upto Rs. 250 crores for the purpose of meeting the working capital requirements and any other corporate purposes, as also for creation of charges on Company's properties in aggregate upto Rs.171.03 crores, as required under Section 293(1) (d) and 293(1)(a) respectively of the Companies Act, 1956. On implementation of the Companies Act, 2013 ("the Act"), Section 180(1)(c) and Section 180(1)(a) of the Act were made effective from September 12, 2013, which provide for approval by the Shareholders by way of Special Resolutions as against Ordinary Resolutions under the Companies Act, 1956. The Ministry of Corporate Affairs has vide General Circular No. 04/2014 dated March 25, 2014 clarified that pursuant to the said Sections of the Act, companies would be required to pass a fresh Resolution by September 11, 2014. As such, it is necessary to obtain fresh approval of the Members by means of Special Resolutions, to enable the Board of Directors of the Company to: a) borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company; and b) create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the Banks/Financial Institutions, other investing agencies/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

No increase in the borrowing limit is currently being proposed. The limit for creation of charge is being proposed to increase from Rs. 171.03 crores to Rs. 250 crores to bring in line with the limit u/s. 180(1) (c).

The approval of the Members is being sought pursuant to Section 180 of the Act by way of Special Resolutions.

The above proposals as set out in the Special Resolutions, at Item Nos. 1 and 2 of the Notice are in the interest of the Company and your Directors commend the same for approval by the Members by way of Postal Ballot. None of the Directors, Key Managerial Personnel of the Company and/or their respective relatives are in any way concerned or interested in the said Resolutions.

By Order of Board of Directors

**Girish Kirkinde**  
Company Secretary

Registered office  
EL-6, Electronics Zone,  
MIDC, Mahape,  
Navi Mumbai – 400 710.

14<sup>th</sup> July, 2014