



KEC INTERNATIONAL LIMITED

Regd. Office: 1st Floor, CEAT Mahal, 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030.

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF KEC INTERNATIONAL LIMITED

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Date : 8 th day of January, 2010		
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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY APPLICATION NO. 1233 OF 2009**

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Scheme of Amalgamation of RPG Cables Limited ("the Transferor Company") with KEC International Limited ("the Transferee Company") and Their Respective Shareholders

KEC International Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 1st Floor, CEAT Mahal, 463, Dr. Annie Besant Road, Worli, Mumbai 400 030.

----- Applicant Company

NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF KEC INTERNATIONAL LIMITED, THE APPLICANT COMPANY

To,

The Equity Shareholders of **KEC International Limited** ("the Applicant Company"),

TAKE NOTICE that by an Order made on the 27th day of November, 2009, in the above Company Application, the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the **Equity Shareholders of KEC International Limited**, the Applicant Company, be convened and held at The Auditorium at Textiles Committee, Next to Trade Plaza (TATA Press), P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai 400025 on Friday, the 8th day of January, 2010 at 3.00 p.m., for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed arrangement embodied in the Scheme of Amalgamation of RPG Cables Limited with KEC International Limited and their Respective Shareholders ("the Scheme").

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of KEC International Limited, the Applicant Company will be convened and held at The Auditorium at Textiles Committee, Next to Trade Plaza (TATA Press), P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai 400025 on Friday, the 8th day of January, 2010 at 3.00 p.m., at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that proxy(ies) in the prescribed form, duly signed by you or your authorized representative, is deposited at the Registered Office of the Applicant Company at 1st Floor, CEAT Mahal, 463, Dr. Annie Besant Road, Worli, Mumbai 400 030, not later than 48 hours before the said meeting.

The Hon'ble High Court has appointed Justice M. H. Kania (Retired Chief Justice of India), failing him Mr. H. V. Goenka, Chairman of the Applicant Company, failing him Mr. R. D. Chandak, Managing Director of the Applicant Company to be the Chairman of the said meeting.

A copy of the Statement under Section 393 of the Companies Act, 1956, the Scheme, Form of Proxy and Attendance Slip are enclosed.

Dated this 30th day of November, 2009

sd/-

Justice M. H. Kania,
(Retired Chief Justice of India)
Chairman appointed for the meeting

Registered Office:

1st Floor, CEAT Mahal,
463, Dr. Annie Besant Road,
Worli, Mumbai 400 030.

Notes:

1. All alterations made in the Form of Proxy should be initialed.
2. Only registered shareholders of the Applicant Company may attend and vote (either in person or by proxy or by Authorised Representative under Section 187 of the Companies Act, 1956) at the Equity Shareholders meeting. The representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate is deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting authorizing such representative to attend and vote at the Equity Shareholders meeting.

Enclosures: As above

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY APPLICATION NO. 1233 OF 2009

In the matter of the Companies Act, 1956 (1 of 1956);

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In the matter of Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Scheme of Amalgamation of RPG Cables Limited
("the Transferor Company") with KEC International Limited ("the
Transferee Company") and Their Respective Shareholders

KEC International Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 1st Floor, CEAT Mahal, 463, Dr. Annie Besant Road, Worli, Mumbai 400 030.

----- Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to an Order dated 27th day of November, 2009 passed by the Hon'ble High Court of Judicature at Bombay in the Company Application referred to hereinabove, a meeting of the Equity Shareholders of KEC International Limited, the Applicant Company is being convened at The Auditorium at Textiles Committee, Next to Trade Plaza (TATA Press), P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai 400025 on Friday, the 8th day of January, 2010 at 3.00 p.m., for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Amalgamation of RPG Cables Limited with KEC International Limited and their Respective Shareholders ("the Scheme").
2. The Scheme envisages amalgamation of RPG Cables Limited with KEC International Limited pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 ("the Act"). A copy of the Scheme setting out in detail the terms and conditions of the amalgamation of RPG Cables Limited with KEC International Limited, which has been approved by Board of Directors of the Applicant Company at its meeting held on 30th day of October, 2009, is attached to this Explanatory Statement.
3. In this statement, **KEC INTERNATIONAL LIMITED** is hereinafter referred to as 'KEC' or 'the Applicant Company' or 'the Transferee Company'. The other definitions contained in the Scheme shall apply to this Explanatory Statement also.
4. The background of both the companies involved in the Scheme are as under:

4.1 KEC International Limited:

- a. KEC was incorporated under the Companies Act, 1956 on the 18th day of March, 2005 under the name and style of "KEC Infrastructures Limited". The name of KEC was changed to its present name "KEC International Limited" on the 9th day of January 2006. The Registered Office of KEC is situated at 1st Floor, CEAT Mahal, 463, Dr. Annie Besant Road, Worli, Mumbai 400 030. The equity shares of KEC are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

- b. The share capital of KEC as per latest audited Balance Sheet dated March 31, 2009 is as under:

Particulars	Amount (Rs. in Lacs)
Authorised Capital	
15,00,000 Redeemable Preference Shares of Rs.100/- each	1,500.00
6,00,00,000 Equity Shares of Rs. 10/- each	6,000.00
TOTAL	7,500.00
Issued, Subscribed and Paid up Capital	
4,93,44,606 Equity Shares of Rs. 10/- each fully paid up	4,934.46
TOTAL	4,934.46

There is no change in the issued, subscribed and paid-up capital of KEC subsequent to the Balance Sheet date.

- c. The summarized Balance Sheet of KEC for last three years is as follows:

PARTICULARS	Rs in Lacs		
	31.03.2009	31.03.2008	31.03.2007
LIABILITIES			
Share Capital	4,934.46	5,974.67	5,068.56
Reserves & Surplus	50,922.07	43,542.55	22,130.93
Secured Loans	61,057.69	59,062.38	38,633.29
Unsecured Loans	1,124.38	114.52	9.00
Deferred Tax Liability	2,982.12	4,468.24	3,347.64
TOTAL	1,21,020.72	1,13,162.36	69,189.42
ASSETS			
Fixed Assets	55,462.35	45,034.01	40,991.65
Investments	175.67	46.47	2,059.06
Deferred Tax Asset	-	2,464.30	444.54
Net Current Assets	65,382.70	65,617.58	25,694.17
TOTAL	1,21,020.72	1,13,162.36	69,189.42

- d. The main objects specified in the Memorandum of Association of KEC, inter alia, are as follows:

- To engineer, procure, construct, manufacture, build, erect, install, repair, restore, operate, develop, promote, advise on, provide consultancy, research and develop, test, undertake, takeover, execute, deal in, trade, whether independently or in association with other(s) in any form, in India or elsewhere in the world, projects related to power transmission, power distribution, sub-stations, generation stations, power houses, telecommunication systems (basic, cellular, paging, wireless, satellite based and others), railways, roads, highways, bridges, flyovers, buildings, structures, canals, airports, dams, docks, harbours, ports and any other projects directly or indirectly associated with infrastructure and infrastructure facilities, power plants (thermal - based on fuel like coal, naphtha, condensated/liquefied natural gas and other petro-products, mini & major hydel; pumped storage scheme, wind and non-conventional energy based), real estate, water, oil & gas and any kind of works or projects whatsoever on engineering, procurement, construction basis for and on behalf of government, semi-government, non-government organizations or bodies corporate or individuals or others.
- To undertake, take up, carry on, engage in process designing, supervising, owning, executing, operating, maintaining and providing other related services whether independently or in association with any other person(s) in any form, in India or elsewhere in the world, either as engineers or contractors or sub-contractors or builders or owners or developers in the projects involving engineering, consultancy, procurement, construction, management in various sectors including power, telecom, railways, any other infrastructure, buildings and structures, water, oil & gas, refinery, fertilizers, chemicals, petrochemicals; on Build-Operate-Transfer (BOT) or Build-Own-Operate (BOO) or Build-Own-Lease-Transfer (BOLT) basis, Build-Own-Operate-Transfer (BOOT) basis, Build-Own-Operate-Share-Transfer (BOOST) basis or on any other basis.

- e. KEC operates and executes power transmission, distribution, substations, telecom and railways Engineering Procurement Construction projects. It has client base spread over 40 countries with strong presence in India, Middle East, Africa and Central Asia.

4.2. RPG Cables Limited

- a. RPG Cables Limited (“RPGCL” or “the Transferor Company”) was incorporated under the Companies Act, 1956 on the 9th day of March, 1982 under the name “Karnataka Telecables Limited”. Subsequently its name was changed to “RPG Telecom Limited” on 22nd day of September, 1992. Further, its name was changed to its present name “RPG Cables Limited” on 12th day of January, 1998. The Registered Office of the RPGCL is situated at 349, Hebbal Industrial Area, Hootagalli, Belavadi Post, Mysore 571 186. The equity shares of RPGCL are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
- b. The Share Capital of the RPGCL, as per the latest Audited Balance Sheet as on March 31, 2009 is as under:

Particulars	Amount (Rs. in Lacs)
Authorised Capital	
5,00,00,000 Equity Shares of Rs. 10/- each	5,000.00
TOTAL	5,000.00
Issued, Subscribed and Paid up Capital	
4,14,61,355 Equity Shares of Rs. 10/- each fully paid up	4,146.13
Add: Forfeited shares	0.17
TOTAL	4,146.30

There is no change in the issued, subscribed and paid-up capital of RPGCL subsequent to the Balance Sheet date.

- c. The summarized Balance Sheet of RPGCL for last three years is as follows:

	Rs in Lacs		
Particulars	31.03.2009	31.03.2008	31.03.2007
LIABILITIES			
Share Capital	4,146.30	3,330.30	3,126.33
Reserves & Surplus	14,500.61	11,524.92	9,897.06
Share Warrants	-	95.31	154.34
Secured Loans	14,006.84	13,043.91	10,093.28
Unsecured Loans	3,746.58	8,668.64	6,368.10
Total	36,400.33	36,663.08	29,639.11
ASSETS			
Fixed Assets	4429.12	4,184.53	4,352.13
Investments	8,000.00	8,000.00	8,000.16
Net Current Assets	8,019.04	9,231.55	2,762.26
Profit & Loss A/c	15,952.17	15,247.00	14,524.56
TOTAL	36,400.33	36,663.08	29,639.11

- d. The main objects specified in the Memorandum of Association of RPGCL, inter alia, are as follows:
1. To carry on the business of manufacturing and selling of electrical wires, cables of copper and aluminum of all kinds including rubber insulated, plastic insulated and paper insulated cables and wires for low voltages as well as high voltage power cables, enamelled and super enamelled wires, telephone cables of all kinds like paper insulated, jelly filled, foams filled, optical fibre, etc., aluminum cables steel reinforced (ACSR) and also all types of cables and wires insulated or otherwise for communication purposes and all types of wires and cables required for satellite communications including laser beams, microwave, underwater communications, optical fibres, telecommunication, etc.
 2. To carry on business as manufacturers of electrical goods, chemicals, metallurgists and mechanical and electrical engineers and to carry on another business whether manufacturing or otherwise connected therewith.
 3. To carry on the business of manufacturing and selling of Specialty cables, Continuous Cast copper Rods, copper wires and Bars, Telecommunication Equipments like PABX, Cellular telephones, Coin and Card operated telephones, Cordless telephones, Payphones, Push button Phones, Feature Phones, Gas Discharge tubes, Surge Protectors, Line Jacks, Teleprinters of different types, Telephone Answering Machines, Facsimile Machines, ISDN Systems, Switching Systems including various types of apparatus used for the switching systems and apparatus/spare parts used for the above mentioned telecommunication equipments, Transmission apparatus for Radio telegraphy including Reception apparatus, Two way Radio communication Equipments, Marine Radio Communication Equipments, UHF/VHF Radios, Microwave communication equipments, Modems, Multiplexes, Satellite Communication Equipments, Radio Paging Systems, Radar apparatus, Radio Navigational Aid Apparatus and Radio Remote Control Apparatus and also provision of value added services in the field of Telecommunication network.
 4. To carry on the business of Import, Export and provide telecom services and project consultancy services such as Voice Mail, electronic Mail, Cellular and Radio Paging, Videotext, Videoconferencing, Shared PABX networks, Radio and Microwave networks, Overlay networks.
 5. To carry on the business of manufacturing, marketing and distribution of software for all Telecom and Computer related activities.
 6. To carry on the business of purchasing and selling, import and export, warehousing of electrical wires, cables of copper and aluminum of all kinds including rubber insulated, plastic insulated and paper insulated cables and wires for low voltages as well as high voltage power cables, enamelled and superenamelled wires, telephone cables of all kinds like paper insulated, jelly filled, Foam filled, optical fibre, etc. aluminum cables steel reinforced (ACSR) and also all types of cables and wires insulated or otherwise for communication purposes.
- e. RPGCL is presently engaged in the business of manufacturing various types of power and telecommunication cables.
- f. During September 2006, on account of losses and erosion of net worth, RPGCL was declared as Sick Industrial Company within the meaning of section 3(1)(o) of Sick Industrial Companies (Special Provisions) Act, 1985. RPGCL entered into One Time Settlement with the Banks and financial institutions. The funds for the settlement, were infused by the promoters of RPGCL and Deutsche Bank by way of additional equity and loans. The infusion of equity and the waivers by lenders resulted into positive net worth of RPGCL as on March 31, 2009. Accordingly, RPGCL has been out of the purview of Sick Industrial Companies (Special Provisions) Act, 1985.
5. The management of KEC and RPGCL proposed a Scheme which would enable consolidation of the companies to achieve integration of the business operations, strategic flexibility and a scale to pursue growth opportunities. Further the combined entity will be able to afford flexibility in marketing and showcasing of strengths and there will also be synergy benefits through combined operations and cost efficiencies.
6. The Scheme was placed before the Boards of Directors of KEC and RPGCL at their respective meetings held on 30th day of October, 2009, whereat the Valuation Report of M/s Grant Thornton, an Independent Valuer was also placed. The Valuation Report of Grant Thornton recommended the following share exchange ratio:

“For every 20 (Twenty) fully paid up equity shares of Rs. 10/- each of RPGCL, 01 (One) fully paid up equity share of Rs 10/- each in KEC. “

The valuers have arrived at the Share Exchange Ratio after using commonly used and accepted methods for determining the fair value.

7. The Boards of Directors of both the companies, based on and relying upon the aforesaid expert advice, and on the basis of their independent evaluation and judgment, came to the conclusion that the proposed Share Exchange Ratio is fair and reasonable and decided to incorporate the same in the Scheme which was approved by them at their respective meetings held on 30th day of October, 2009.
8. Accordingly, the Board of Directors of KEC vide its resolution dated 30th day of October, 2009 approved the Scheme of Amalgamation of RPG Cables Limited with KEC International Limited and Their Respective Shareholders.
9. The Board of Directors of RPGCL has also approved the Scheme at its Board meeting held on the 30th day of October, 2009.
10. The Scheme is not prejudicial to the interests of the creditors of KEC.
11. The salient features of the Scheme are as follows:
 - (a) The Scheme envisages the amalgamation of RPGCL with KEC pursuant to Sections 391 to 394 and other relevant provisions of the Act on a going concern basis in the manner provided for in the Scheme.
 - (b) The Appointed Date for the Scheme is 1st March 2010 or such other date as the Hon'ble High Court(s) or such other competent authority, as the case may be, may direct.
 - (c) The Effective Date is the last of the dates on which the certified or authenticated copies of the Orders of the Hon'ble High Court of Judicature at Bombay and Hon'ble High Court of Karnataka at Bangalore sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra at Mumbai and Karnataka at Bangalore respectively.
 - (d) Upon coming into effect of the Scheme and with effect from the Appointed Date, the whole of the Undertaking of RPGCL comprising its business, assets and liabilities of whatsoever nature and wheresoever situated, shall, pursuant to the sanction of the Scheme by the Hon'ble High Courts and under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in KEC as a going concern so as to become as from the Appointed Date the Undertaking of KEC and to vest in KEC all the rights, title, interest or obligations of RPGCL therein.
 - (e) Upon coming into effect of the Scheme, and in consideration of the transfer of and vesting of the Undertaking of RPGCL to KEC in terms of this Scheme, KEC shall without any further application, act, instrument or deed, discharge the consideration in the following manner:

To the shareholders of RPGCL as on Record Date

“For every 20 (Twenty) fully paid up equity shares of Rs. 10/- each of RPGCL, 01 (One) fully paid up equity share of Rs 10/- each in KEC. “
 - (f) Upon the Scheme coming into effect and with effect from the Appointed Date, KEC shall account for the amalgamation in its books in accordance with the “Purchase Method” referred to in Accounting Standard 14 – Accounting for Amalgamation (AS 14), as under:

All the assets and liabilities as on the Appointed Date, recorded in the books of RPGCL shall stand transferred to and vested in KEC pursuant to the Scheme and shall be recorded by KEC at their fair values;

The difference between the fair value of net assets of RPGCL transferred to KEC pursuant to the Orders of the Hon'ble High Courts or such other competent authority, as the case may be, and the value of New Equity Shares allotted by KEC (as aforesaid), under the Scheme shall be credited to Capital Reserve Account or debited to Goodwill Account, as the case may be.
 - (g) Upon sanction of the Scheme and from the date of Scheme becoming effective, the Authorised Share Capital of KEC shall automatically stand increased without any further act, instrument or deed on the part of KEC including payment of stamp duty and fees to Registrar of Companies, by the Authorised Share Capital of RPGCL amounting to Rs.50,00,00,000/- (Rupees Fifty Crores only) comprising of 5,00,00,000 (Five Crores) equity shares of Rs.10/- each.
 - (h) The new equity shares of KEC issued in terms of the Scheme shall, subject to applicable regulations, be listed and admitted to trading on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, where the existing equity shares of KEC are listed and admitted to trading.

- (i) On the Scheme becoming effective, RPGCL shall stand dissolved without being wound-up.
- (j) In the event of the Scheme being sanctioned by the Hon'ble High Courts or such other competent authority as the case may be, KEC shall bear and pay all costs, charges, expenses, taxes including duties, levies in connection with the Scheme.
- (k) The Scheme is conditional upon and subject to:
- i) The Scheme being approved by the respective requisite majorities of the members and/ or creditors of KEC and RPGCL, as directed by the jurisdictional Hon'ble High Courts and/or any other competent authority and it being sanctioned by such Hon'ble High Courts and / or any other competent authority, as may be applicable under Sections 391 to 394 of the Act;
 - ii) All sanctions and approvals as may be required by law in respect of the Scheme being obtained; and
 - iii) Certified or authenticated copies of the Orders of the Hon'ble High Courts or such other competent authority, as may be applicable, sanctioning the Scheme being filed with the respective Registrar of Companies by RPGCL and KEC.

The features set out above being only the salient features of the Scheme of Amalgamation, the members are requested to read the entire text of the Scheme of Amalgamation annexed hereto to get fully acquainted with the provisions thereof.

12. The pre-amalgamation shareholding pattern of RPGCL as on September 30, 2009 is as under:

Shareholding Pattern of RPGCL:

Category of shareholder		Total number of Equity shares of Rs. 10/- each	Total shareholding as a percentage of (A+B +C)
(A)	Shareholding of Promoter and Promoter Group		
1	Indian		
	Individuals/ Hindu Undivided Family	700	0.00
	Bodies Corporate	1,38,57,104	33.42
	Total Shareholding of Promoter and Promoter Group (A)	1,38,57,804	33.42
(B)	Public shareholding		
1	Institutions		
	Mutual Funds/ UTI	3,81,370	0.92
	Financial Institutions/ Banks	1,02,843	0.25
	Insurance Companies	13,60,829	3.28
	Foreign Institutional Investors	8,50,145	2.05
	Any Other (Foreign Bank)	61,01,511	14.72
	Sub-Total	87,96,698	21.22
2	Non-Institutions		
	Bodies Corporate	25,10,672	6.06
	Individuals -		
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	1,13,89,502	27.47
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	40,03,482	9.66
	Any Other (specify)		
	NRI	5,68,012	1.37
	Clearing Members	3,33,766	0.81
	Trusts	1,419	0.00
	Sub-Total	1,88,06,853	45.36
	Total Public Shareholding (B)	2,76,03,551	66.58
	TOTAL (A)+(B)	4,14,61,355	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0.00
	GRAND TOTAL (A)+(B)+(C)	4,14,61,355	100.00

13. The pre-amalgamation and post-amalgamation (provisional) shareholding pattern of KEC, based on shareholding as on September 30, 2009, is as under:

Pre-amalgamation Shareholding Pattern of KEC:

	Category of shareholder	Total number of Equity shares of Rs. 10/- each	Total shareholding as a percentage of (A+B +C)
(A)	Shareholding of Promoter and Promoter Group		
1	Indian		
	Bodies Corporate	2,06,93,626	41.94
	Total Shareholding of Promoter and Promoter Group (A)	2,06,93,626	41.94
(B)	Public shareholding		
1	Institutions		
	Mutual Funds/ UTI	1,66,80,972	33.80
	Financial Institutions/ Banks	12,540	0.03
	Insurance Companies	26,44,216	5.36
	Foreign Institutional Investors	28,05,983	5.69
	Any Other (Foreign Banks)	396	0.00
	Sub-Total	2,21,44,107	44.88
2	Non-Institutions		
	Bodies Corporate	13,06,165	2.65
	Individuals -		
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	43,38,529	8.79
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	4,01,376	0.81
	Any Other (specify)		
	NRIs/ OCBs	1,23,780	0.25
	Clearing Members	22,393	0.04
	Trusts	3,14,630	0.64
	Sub-Total	65,06,873	13.18
	Total Public Shareholding (B)	2,86,50,980	58.06
	TOTAL (A)+(B)	4,93,44,606	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0.00
	GRAND TOTAL (A)+(B)+(C)	4,93,44,606	100.00

Post-amalgamation Shareholding Pattern of KEC:

	Category of shareholder	Total number of Equity shares of Rs. 10/- each	Total shareholding as a percentage of (A+B +C)
(A)	Shareholding of Promoter and Promoter Group		
1	Indian		
	Bodies Corporate	2,13,86,460	41.59
	Total Shareholding of Promoter and Promoter Group (A)	2,13,86,460	41.59
(B)	Public shareholding		
1	Institutions		
	Mutual Funds/ UTI	1,67,00,037	32.48
	Financial Institutions/ Banks	17,675	0.04
	Insurance Companies	27,12,256	5.27
	Foreign Institutional Investors	28,48,489	5.54
	Any Other (Foreign Banks)	3,05,471	0.59
	Sub-Total	2,25,83,928	43.92

	Category of shareholder	Total number of Equity shares of Rs. 10/- each	Total shareholding as a percentage of (A+B +C)
2	Non-Institutions		
	Bodies Corporate	14,31,574	2.78
	Individuals -		
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	48,97,053	9.52
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	5,99,277	1.17
	Any Other (specify)		
	NRIs/ OCBs	1,52,097	0.30
	Clearing Members	39,054	0.08
	Trusts	3,14,700	0.61
	Fractional holding to be held by trustee	13,531	0.03
	Sub-Total	74,47,286	14.49
	Total Public Shareholding (B)	3,00,31,214	58.41
	TOTAL (A)+(B)	5,14,17,674	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	5,14,17,674	100.00

14. The Directors of KEC and RPGCL may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the respective companies, or to the extent the said directors are common directors in the companies, or to the extent the said directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the companies or to the extent they may be allotted shares in the Applicant Company as a result of the Scheme. Save as aforesaid, none of the Directors of the company have any material interest in the proposed Scheme.
15. (a) The extent of the shareholding of the Directors of KEC in KEC and RPGCL either singly or jointly or as nominee as on September 30, 2009 is as under:

Name of the Director	Number of equity shares	
	KEC	RPGCL
Mr. H. V. Goenka	Nil	130
Mr. R. D. Chandak	1	33,500
Mr. S. S. Thakur	Nil	Nil
Mr. G. L. Mirchandani	Nil	Nil
Mr. D. G. Piramal	Nil	Nil
Mr. S. M. Kulkarni	Nil	Nil
Mr. A. T. Vaswani	Nil	Nil
Mr. J. M. Kothary	750*	Nil
Mr. P. A. Makwana	Nil	Nil

* held in trust on behalf of certain shareholders against their rights of equity shares of the erstwhile RPG Transmission Limited, since merged with KEC, kept in abeyance under Section 206 A (b) of the Companies Act, 1956 due to pending court cases/issues.

- (b) The extent of the shareholding of the Directors of RPGCL in KEC and RPGCL either singly or jointly or as nominee as on September 30, 2009 is as under:

Name of the Director	Number of equity shares	
	KEC	RPGCL
Mr. R. A. Naik	Nil	Nil
Mr. H. C. Dalal	50	1,000
Mr. M. K. Kumar	Nil	15
Mr. Nikhil Gupta	Nil	19,742

16. KEC has obtained no objection letters in terms of Clause 24(f) of the Listing Agreements from Bombay Stock Exchange Limited and National Stock Exchange of India Limited vide their letters dated November 17, 2009 and November 11, 2009 respectively.
17. No investigation proceedings are pending or are likely to be pending under Sections 235 to 251 of the Companies Act, 1956 in respect of KEC.
18. The financial position of KEC will not be adversely affected by the Scheme. Further, the rights and interests of the creditors of KEC and RPGCL will not be prejudicially affected by the Scheme as KEC, post amalgamation will be able to meet its liabilities as they arise in the ordinary course of business. Further, the rights and interests of the shareholders and creditors of KEC and RPGCL will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.
19. On the Scheme being approved by the equity shareholders as per the requirements of Section 391 of the Act, KEC and RPGCL will seek the sanction of the Hon'ble High Court of Judicature at Bombay and Hon'ble High Court of Judicature at Karnataka at Bangalore respectively.
20. In the event any of the approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Board of Directors of KEC and RPGCL shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme is not sanctioned by the Hon'ble High Court(s) or such other competent authority as the case may be, the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.
21. Inspection of the following documents may be had by the Equity Shareholders of KEC at the Registered Office of KEC up to one day prior to the date of the meeting between 11 a.m. and 4 p.m. on all working days (except Saturdays, Sundays and Public Holidays).
 - (a) Copy of the Order dated 27th day of November, 2009 of the Hon'ble High Court of Judicature at Bombay passed in Company Application No. 1233 of 2009 directing the convening of the meeting of the Equity Shareholders of KEC.
 - (b) Scheme of Amalgamation.
 - (c) Memorandum and Articles of Association of KEC and RPGCL.
 - (d) The Audited Financial Statements of KEC and RPGCL as on 31st March, 2009.
 - (e) Valuation Report of Grant Thornton.
 - (f) Copy of No Objection letters received from Bombay Stock Exchange Limited and the National Stock Exchange of India Limited dated November 17, 2009 and November 11, 2009 respectively.

This statement may be treated as an Explanatory Statement under Section 393 of the Companies Act, 1956. A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained from the Registered Office of the Applicant Company and/or at the office of the Advocates M/S RAJESH SHAH & Co., 16, Oriental Building, 30, Nagindas Master Road, Flora Fountain, Mumbai 400 001.

Dated this 30th day of November, 2009

sd/-
Justice M. H. Kania,
(Retired Chief Justice of India)
Chairman appointed for the meeting

Registered Office:

1st Floor, CEAT Mahal,
463, Dr. Annie Besant Road,
Worli, Mumbai 400 030.

**SCHEME OF AMALGAMATION
OF
RPG CABLES LIMITED
("RPGCL" OR "THE TRANSFEROR COMPANY")
WITH
KEC INTERNATIONAL LIMITED
("KEC" OR "THE TRANSFEREE COMPANY")
AND
THEIR RESPECTIVE SHAREHOLDERS**

Preamble

The Scheme of Amalgamation is divided into the following parts:

- (a) Part A deals with the definitions and share capital;
- (b) Part B deals with amalgamation of RPG Cables Limited with KEC International Limited;
- (c) Part C deals with the General Terms and Conditions.

PART A –DEFINITIONS AND SHARE CAPITAL

1. This Scheme of Amalgamation is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 for the amalgamation of RPG Cables Limited with KEC International Limited and issuance of equity shares of KEC International Limited to the shareholders of RPG Cables Limited in consideration thereof.
 - 1.1. **"Act" or "the Act"** means the Companies Act, 1956 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.
 - 1.2. **"Appointed Date"** means the 1st day of March, 2010 or such other date as the High Courts or such other competent authority, as the case may be, may direct.
 - 1.3. **"Effective Date"** means the last of the dates on which the certified or authenticated copies of the Orders of the High Court of Judicature at Bombay and High Court of Karnataka sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra at Mumbai and Karnataka at Bangalore respectively.
 - 1.4. **"KEC" or "Transferee Company"** means KEC International Limited, a company incorporated under the Companies Act, 1956 having its Registered Office at 1st Floor, CEAT Mahal, 463, Dr. Annie Besant Road, Worli, Mumbai – 400 030.
 - 1.5. **"RPGCL" or "Transferor Company"** means RPG Cables Limited, a company incorporated under the Companies Act, 1956 having its Registered Office at 349, Hebbal Industrial Area, Hootagalli Belavadi Post, Mysore – 571 186.
 - 1.6. **"Record Date"** means the date to be fixed by the Board of Directors of KEC in consultation with the Board of Directors of RPGCL for the purpose of issue of new equity shares (defined later) to the shareholders of RPGCL under the Scheme.
 - 1.7. **"High Courts"** means the High Court of Judicature at Bombay and High Court of Judicature of Karnataka.
 - 1.8. **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Amalgamation in its present form as submitted to the Hon'ble High Courts or such other competent authority, as the case may be, or with such modification(s), if any made, as per Clause 15 of the Scheme.
2. **DATE OF TAKING EFFECT AND OPERATIVE DATE**
 - 2.1. The Scheme set out herein in its present form or with any modification(s) and amendment(s) made under Clause 15 of the Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. SHARE CAPITAL

3.1. The Share Capital of RPGCL as at March 31, 2009 was as under:

Particulars	Amount (Rs. in Lacs)
Authorised Capital	
5,00,00,000 Equity Shares of Rs. 10/- each	5,000.00
TOTAL	5,000.00
Issued, Subscribed and Paid up Capital	
4,14,61,355 Equity Shares of Rs. 10/- each fully paid up	4,146.13
Add: Forfeited shares	0.17
TOTAL	4,146.30

3.2. The Share Capital of KEC as at March 31, 2009 was as under:

Particulars	Amount (Rs. in Lacs)
Authorised Capital	
15,00,000 Redeemable Preference Shares of Rs.100/- each	1,500.00
6,00,00,000 Equity Shares of Rs. 10/- each	6,000.00
TOTAL	7,500.00
Issued ,Subscribed and Paid up Capital	
4,93,44,606 Equity Shares of Rs. 10/- each fully paid up	4,934.46
TOTAL	4,934.46

PART B - AMALGAMATION OF RPGCL WITH KEC

4. TRANSFER AND VESTING OF THE UNDERTAKING OF RPGCL

4.1. With effect from the Appointed Date and on the Scheme becoming effective, RPGCL shall be vested in and /or be deemed to have been vested in and amalgamated in KEC, as a going concern, without any further deed or act, together with all its assets, liabilities, properties, rights, benefits and interest therein, subject to existing charges thereon in favour of banks and financial institutions or otherwise, as the case may be and subject to the provisions of the Scheme in accordance with Sections 391 to 394 of the Act and all other applicable provisions of law, if any.

4.2. Without prejudice to the generality of the foregoing:

- (a) the assets of RPGCL shall include all its properties and assets (whether real or personal, in possession or reversion, corporeal or incorporeal, movable or immovable, tangible or intangible) of whatsoever nature including but not limited to immovable properties, plant and machinery, furniture and fixtures, office equipments, other equipments, computers, air conditioners, refrigerators, investments, cash on hand, stock in trade, advances including retention money with the clients/ customers, claims whether recognized or not, licenses, approvals including environmental approvals and approvals of various regulatory bodies/local authorities whether in India or outside India, lease / tenancy rights, permissions, the benefit of all pre-qualification, track-record, experience, goodwill, copy rights, trade marks, logos, brands whether registered or not and other intellectual property rights, incentives if any, and all other rights, title, interest, contracts, consents, approvals or powers of every kind, nature and descriptions including the rights to appoint trustees, directors in relation to any of the trusts or companies whatsoever and wherever situated as on the Appointed Date.
- (b) the liabilities shall include all debts, liabilities, contingent liabilities, duties and obligations of RPGCL as on the Appointed Date, whether or not provided in the books of RPGCL, which shall be deemed to be the debt, liabilities, contingent liabilities, duties and obligations of KEC as the case may be, and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

4.3. At the option of the Board of Directors of RPGCL and KEC, the transfer referred in para 4.1 and 4.2 above shall be carried out as follows:

- i) All the movable assets of RPGCL including its plant and machinery, furniture and fixtures, office equipments, other equipments, computers, air conditioners, refrigerators, investments, cash on hand etc. shall be handed over by manual delivery (together with duly executed transfer forms or other documents as may be required) to KEC, as the case may be, along with such other documents as may be necessary to the end and intent that the property therein passes to KEC on such delivery.
- ii) In respect of movable assets, other than those specified in sub-clause (i) above, including sundry debtors, outstanding loans, recoverable in cash or in kind or value to be received, bank balances and deposits the following modus operandi shall be followed :
 - (a) RPGCL may give notice in such form as they may deem fit and proper to each party, debtor or depositee as the case may be, that pursuant to the High Courts or such other competent authority as the case may be, having sanctioned the Scheme, the said debt, loan, advances, etc. be paid or made good or held on account of KEC as the persons entitled thereto to the end and intent that the right of RPGCL to recover or realise the same stands extinguished and be vested with KEC. KEC may, if required, give notice in such form as it may deem fit and proper to each party, debtor or depositee that pursuant to the High Courts or such other competent authority as the case may be, having sanctioned the Scheme, the said party, debtor or depositee shall pay the debt, loan or advance or make good the same or hold the same to its account and that the right of KEC to recover or realise the same is in substitution of the right of RPGCL;
 - (b) With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, duties and obligations of every kind, nature and description of RPGCL shall also, under the provisions of Sections 391 to 394 of the Act, without any further act or deed, be transferred to or deemed to be transferred to KEC so as to become as from the Appointed Date the debts, liabilities, duties and obligations of KEC and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

Provided that the Scheme shall not operate to enlarge the security for the said liabilities of RPGCL which shall vest in KEC by virtue of the Scheme and KEC shall not be obliged to create any further, or additional security thereof after the amalgamation has become effective or otherwise. The transfer / vesting of the assets of RPGCL as aforesaid shall be subject to the existing charges / hypothecation / mortgages over or in respect of the assets or any part thereof of RPGCL.

- iii) All the assets, licenses, permits, quotas, approvals including environmental approvals and approvals of various regulatory bodies/local authorities whether in India or outside India, permissions, incentives, taxes paid including minimum alternate tax credit (including but not limited to tax reliefs under the Income-tax Act, 1961) and benefits of any unutilized CENVAT/Service tax credits, sales tax deferrals etc., loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to RPGCL upto the Appointed Date or which may accrue to RPGCL after the Appointed Date and prior to the Effective Date in connection or in relation to the operations of RPGCL shall, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to KEC so as to become as and from the Appointed Date the assets, licenses, permits, quotas, approvals including environmental approvals, and approvals of various regulatory bodies/local authorities whether in India or outside India, permissions, incentives, taxes paid including minimum alternate tax credit (including but not limited to tax reliefs under the Income-tax Act, 1961) and benefits of any unutilized CENVAT/Service tax credits, sales tax deferrals, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges of KEC and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible under law or in case of such accruals after the Appointed Date but prior to the Effective Date, shall, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested or deemed to have been transferred to and vested in KEC.
- iv) KEC shall be entitled to the benefit of all pre-qualification, track-record, experience, goodwill and all other rights, claims and powers of whatsoever nature and wheresoever situate belonging to or in the possession of or granted in favour of or enjoyed by RPGCL in connection with or pertaining or relating to the business/operations for all intents and purposes.

5. ISSUE OF SHARES

- 5.1. Upon this Scheme becoming effective, in consideration for the amalgamation, KEC shall, without any further application or deed, issue and allot to all shareholders of RPGCL (or to his / her heirs, executors, administrators or the successors-in-title, as the case may be), fully paid up shares, whose names appear in the Register of Members and/ or on records of the Depositories as the case may be, on the Record Date in the following ratio:

“For every 20 (Twenty) fully paid up equity shares of Rs. 10/- each of RPGCL, 01 (One) fully paid up equity share of Rs 10/- each in KEC.”

- 5.2. The equity shares to be issued and allotted by KEC as per Clause 5.1 (hereinafter referred to as “the New Equity Shares”), would be with rights attached hereto as under:
- (a) The New Equity Shares to be issued and allotted by KEC in terms hereof will be subject to Memorandum and Articles of Association and shall rank pari passu with the existing equity shares of KEC in all respects including dividend.
 - (b) KEC shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of New Equity Shares to the members of RPGCL, as the case may be, under the Scheme.
 - (c) KEC shall, to the extent required, have Authorised Share Capital in order to issue New Equity Shares under this Scheme.
- 5.3. The Board of Directors of KEC shall consolidate all fractional entitlements, if any, arising due to the amalgamation of RPGCL and allot New Equity Shares in lieu thereof, to director(s) or such other authorized representative(s) as the Board of Directors of KEC shall appoint in this behalf, who shall hold the New Equity Shares issued in KEC in trust on behalf of the members entitled to fractional entitlements with the express understanding that such director(s) or other authorized representative(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as he/they may deem fit and pay to KEC, the net sale proceeds thereof, whereupon KEC shall distribute such net sale proceeds, subject to taxes, if any, to the said members in proportion to their respective fractional entitlements. The Board of Directors of KEC, if it deems necessary, in the interests of allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.
- 5.4. The issue and allotment of New Equity Shares by KEC to the shareholders of RPGCL as the case may be, as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under Section 81(1A) and any other applicable provisions of the Act were duly complied with.
- 5.5. The shares or the share certificates of RPGCL in relation to the shares held by its Members shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect on and from the Record Date. The New Equity Shares of KEC will be issued in dematerialised form to those equity shareholders of RPGCL who hold the equity shares of RPGCL in dematerialised form, provided all details relating to the depository account with the depository participant are available with RPGCL. All other equity shareholders of RPGCL as on the Record Date who hold shares of RPGCL in physical form shall be issued New Equity Shares in KEC in physical form unless otherwise communicated in writing by such shareholder to receive shares of KEC in demat mode on or before such date as may be determined by RPGCL and/or KEC or by mutual agreement of the Board of Directors of RPGCL and KEC.
- 5.6. New Equity Shares of KEC issued and allotted in terms of this Scheme shall be listed on the Bombay Stock Exchange Limited (‘BSE’) and National Stock Exchange of India Limited (‘NSE’) subject to fulfillment of such terms and conditions as may be prescribed by BSE and NSE at the time of KEC seeking listing of the New Equity shares. After the Record Date, the equity shares of RPGCL will not be traded on the Stock Exchanges where they are presently listed.
- 5.7. KEC shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities for the issue and allotment of New Equity Shares to the members of RPGCL under the Scheme and for listing thereof in terms of Clause 5.6 above.

6. ACCOUNTING TREATMENT

On the Scheme becoming effective, the accounting for the amalgamation would be done in accordance with the “Purchase Method” referred in Accounting Standard 14 – Accounting for Amalgamation (AS 14). Accordingly, KEC shall account for the Scheme in its books of accounts with effect from the Appointed Date as under:

- 6.1. With effect from the Appointed Date, all the assets and liabilities appearing in the books of accounts of RPGCL shall stand transferred to and vested in KEC, as the case may be pursuant to the Scheme and shall be recorded by KEC at their fair values.

- 6.2. KEC shall credit to the Share Capital Account in its books of account, the aggregate face value of the New Equity Shares issued and allotted under the Scheme to the equity shareholders of RPGCL pursuant to this Scheme.
- 6.3. The difference between the fair value of net assets of RPGCL transferred to KEC pursuant to Orders of the High Courts or such other competent authority, as the case may be, and the value of New Equity Shares allotted by KEC (as aforesaid), under this Scheme shall be credited to Capital Reserve Account or debited to Goodwill Account, as the case may be.
- 6.4. Any inter-company balance(s) will stand cancelled.

7. TRANSACTIONS UPTO THE EFFECTIVE DATE

- 7.1. As and from the date of acceptance of this Scheme by the Board of Directors of KEC and RPGCL and till the Effective Date:
 - (a) RPGCL hereby undertake to hold the said assets with utmost prudence until the Effective Date.
 - (b) RPGCL shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Governments and all other agencies, departments and authorities concerned as may be necessary under any law for consents, approvals and sanctions which they may require to carry on its business.
 - (c) RPGCL shall not utilize the profits or income, if any, for the purpose of declaring or paying any dividend, without the prior written consent of the Board of Directors of KEC.
 - (d) RPGCL shall not without the prior written consent of the Board of Directors of KEC, except those arising out of any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of its undertaking or any part thereof, except in the ordinary course of its business.
 - (e) RPGCL shall not make any change in its respective capital structure, either by any increase (by issue of equity shares on a rights basis, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, subdivision, consolidation, re-organisation or in any other manner except by mutual consent of the Boards of Directors of RPGCL and KEC or unless any such change in the capital structure has commenced prior to the date of acceptance of this Scheme by the Board of Directors of KEC and the Board of Directors of RPGCL or unless the same is in accordance with the provisions of this Scheme.
- 7.2. With effect from the Appointed Date and till the Effective Date, RPGCL shall carry on or be deemed to have carried on its business and activities and shall stand possessed of and hold all of its assets and properties for and on account of and in trust for KEC. Further, any income or profit accruing or arising to RPGCL and all costs, charges, expenses, debts, liabilities, losses and obligations, incurred, suffered or contracted by RPGCL, with effect from Appointed Date and upto Effective Date, shall for all purposes be treated as the income, profits, costs, charges, expenses, debts, liabilities, losses and obligations, as the case may be, of KEC.

8. TREATMENT OF EMPLOYEES

- 8.1. On the Scheme becoming operative, all permanent staff, workmen and employees of RPGCL who are in service on the date immediately preceding the Effective Date shall, become the staff, workmen and employees of KEC on the Effective Date.
- 8.2. On the Scheme finally taking effect as provided herein:
 - (a) The staff, workmen and employees of RPGCL shall become the staff, workmen and employees of KEC, as the case may be, without any break or interruption in service and on terms and conditions not less favourable than those on which they are engaged by RPGCL immediately preceding the Effective Date. Services of all staff, workmen and employees with RPGCL upto the Effective Date shall be taken into account from the date of their respective appointment with RPGCL, as the case may be, for the purposes of all retirement benefits for which they may be eligible.
 - (b) The services of such staff, workmen and employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with RPGCL.

It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Fund created or existing for the benefit of the staff, workmen and employees of RPGCL shall become funds of KEC for all purposes whatsoever in relation to the administration or operation of such funds or in relation to the obligation to make contribution to the said funds in accordance with the provisions thereof as per the terms provided in the respective agreement/ deeds, if any, to the end and intent that all rights, duties, powers and obligations of RPGCL in relation to such funds shall become those of KEC.

9. LEGAL PROCEEDINGS

If any suit, appeal or other proceeding of whatever nature by or against RPGCL is pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against KEC, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against RPGCL as if this Scheme had not been made.

10. COMBINATION OF AUTHORISED CAPITAL

10.1 Upon sanction of this Scheme and from the date of Scheme becoming effective, the authorised share capital of KEC shall automatically stand increased without any further act, instrument or deed on the part of KEC including payment of stamp duty and fees paid to Registrar of Companies, by the Authorised Share Capital of Transferor Company amounting to Rs.50,00,00,000/- (Rupees Fifty Crores only) comprising of 5,00,00,000 (Five Crores) equity shares of Rs.10/- each.

10.2 Consequently, the Memorandum of Association and Articles of Association of KEC (relating to the Authorised Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified, amended and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 16, 31, 94 and 394 and other applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the Authorised Capital of the Transferor Company shall be utilized and applied to the increased Authorised Share Capital of KEC and there would be no requirement for any further payment of stamp duty and/or fees by KEC for increase in the Authorised Share Capital to that extent.

10.3 Consequent upon the amalgamation of RPGCL into KEC, the Authorised Share Capital of KEC will be as under:

Particulars	Amount (Rs. in Lacs)
Authorised Capital	
11,00,00,000 equity shares of Rs. 10/- each	11,000.00
15,00,000 Redeemable Preference Shares of Rs.100/- each	1,500.00
Total	12,500.00

It is clarified that the approval of the members of KEC to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum and Articles of Association of KEC as may be required under the Act, and Clause V of the Memorandum of Association and Article 3(a) of the Articles of Association of KEC shall respectively stand substituted by virtue of the Scheme to read as follows:

Clause V(a) of the Memorandum of Association of KEC:

V. (a) The Authorised Share Capital of the Company is Rs. 1,25,00,00,000/- (Rupees One Hundred and Twenty Five Crores only) divided into 15,00,000 (Fifteen lakhs only) Redeemable Preference Shares of Rs. 100/- (Rupees Hundred only) each and 11,00,00,000 (Eleven Crores only) Equity Shares of Rs. 10/- (Rupees Ten only) each.

Article 3(a) of the Articles of Association:

3. a) The Authorised Share Capital of the Company is Rs. 1,25,00,00,000/- (Rupees One Hundred and Twenty Five Crores only) divided into 15,00,000 (Fifteen lakhs only) Redeemable Preference Shares of Rs. 100/- (Rupees Hundred only) each and 11,00,00,000 (Eleven Crores only) Equity Shares of Rs. 10/- (Rupees Ten 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.

PART C - GENERAL TERMS AND CONDITIONS

11. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

11.1. Subject to other provisions contained in this Scheme, all contracts, bids (whether converted into a contract or not), deeds, bonds, agreements, other instruments and any other related document, if any, of whatever nature, to which RPGCL is party, subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of KEC and may be enforced as fully and effectually as if instead of RPGCL, KEC had been the party thereto.

11.2. KEC shall, if so required or becomes necessary, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations in order to give formal effect to the provisions of this Scheme. Further, KEC shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of RPGCL, as the case may be, and to implement or carry out all formalities required on the part of RPGCL to give effect to the provisions of this Scheme.

12. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of businesses under Clause 4 above and the continuance of proceedings by or against Transferor Company above shall not affect any transaction or proceedings already concluded by Transferor Company till the Effective Date, to the end and intent that KEC accepts and adopts all acts, deeds and things done and executed by Transferor Company in respect thereto as done and executed on behalf of itself.

13. DISSOLUTION OF RPGCL

On the Scheme becoming effective RPGCL shall stand dissolved without being wound up.

14. APPLICATION TO THE HIGH COURTS OR SUCH OTHER COMPETENT AUTHORITY

KEC and RPGCL shall with all reasonable dispatch, make Applications to the jurisdictional High Courts or such other competent authority, as may be applicable, and for sanctioning this Scheme of Amalgamation under Sections 391 to 394 and other provisions of the Act and for dissolution of RPGCL without being wound up.

15. MODIFICATION/AMENDMENT TO THE SCHEME

KEC and RPGCL by their respective Board of Directors may make and/or consent to any modifications/ amendments to the Scheme or to any conditions or limitations that the Courts or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors). KEC and RPGCL by their respective Board of Directors, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of any other authority or otherwise however arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

16. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the following :

- (a) The Scheme being approved by the respective requisite majorities of the members and / or creditors of KEC and RPGCL, as may be directed by the jurisdictional High Courts and/or any other competent authority and it being sanctioned by such High Courts and / or any other competent authority, as may be applicable under Sections 391 to 394 of the Act;
- (b) All sanctions and approvals as may be required by law in respect of this Scheme being obtained; and
- (c) Certified or authenticated copies of the orders of the High Courts or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the respective Registrar of Companies by RPGCL and KEC.

17. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals referred to in the preceding Clause 16 not being obtained and / or the Scheme not being sanctioned by the High Courts or such other competent authority, as may be Applicable, and/or the Order not being passed as aforesaid before December 31, 2010 or within such further period or periods as may be agreed upon between KEC and RPGCL by their respective Boards of Directors, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such event each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme.

18. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred in carrying out and implementing this Scheme and matters incidentals thereto, shall be borne by KEC.

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY APPLICATION NO. 1233 OF 2009**

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Scheme of Amalgamation of RPG Cables Limited
("the Transferor Company") with KEC International Limited ("the
Transferee Company") and Their Respective Shareholders

KEC International Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 1st Floor, CEAT Mahal, 463, Dr. Annie Besant Road, Worli, Mumbai 400 030.

----- Applicant Company

FORM OF PROXY

I/We the undersigned, as the Equity Shareholder(s) of KEC International Limited, the above Applicant Company hereby appoint _____ of _____ and failing him / her _____ of as my / our proxy to act for me/ us at the meeting of the Equity Shareholders of the Applicant Company to be held at The Auditorium at Textile Committee, Next to Trade Plaza (TATA Press), P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai 400 025 on Friday, 8th day of January, 2010 at 3'o clock in afternoon for the purpose of considering and, if thought fit, approving, with or without modification, the arrangement embodied in the proposed Scheme of Amalgamation of RPG Cables Limited with KEC International Limited and Their Respective Shareholders at such meeting and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here, if for, insert 'for', if against, insert 'against', and in the latter case strike out the words below "either with or without modifications" after the word "Amalgamation") the said arrangement embodied in the Scheme of Amalgamation either with or without modification(s) * as my/our proxy may approve.

* strike out what is not necessary

Dated this _____ day of _____ 20 _____



Signature across the stamp

Name : _____

Address : _____

(For Demat holding) DP. ID. : _____ Client ID. : _____

(For Physical holding) Folio No. : _____

No. of Shares held : _____

NOTES:

1. Proxy need not be a member.
2. Alterations, if any, made in the Form of Proxy should be initialed.
3. Proxy must be deposited at the Registered Office of the Applicant Company, not later than FORTY EIGHT hours before the time scheduled / fixed for the said meeting.
4. In case of multiple proxies, the proxy later in time shall be accepted.

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KEC INTERNATIONAL LIMITED

Registered Office: 1st Floor, CEAT Mahal, 463, Dr. Annie Besant Road, Worli, Mumbai 400 030

ATTENDANCE SLIP

PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Name and Address of the Member: _____
(IN BLOCK LETTERS)

(For Demat holding) DP. ID. : _____ Client ID. : _____

(For Physical holding) Folio No. : _____

No. of Shares held : _____

Name of the Proxy/Authorised Representative: _____
(IN BLOCK LETTERS)

I hereby record my presence at the meeting, convened pursuant to the Order dated 27th November, 2009 of the Hon'ble High Court of Judicature at Bombay, of the Equity Shareholders of the Company at The Auditorium at Textile Committee, Next to Trade Plaza (TATA Press), P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai 400 025 on Friday, 8th day of January, 2010 at 3.00 p.m.

Signature of the Equity Shareholder or Proxy: _____

Note: The members attending the meeting in person or by proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting venue.

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