

SALORA INTERNATIONAL LTD.

CIN L74899DL1968PLC004962;

Regd. Office: D-13/4, Okhla Industrial Area, Phase – II, New Delhi – 110 020

Tel: 011-49207100/101; E-mail: sect@salora.com

website: www.salora.com

POSTAL BALLOT NOTICE

Dear Shareholders,

NOTICE is hereby given pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, that Company seeks approval of Members, via Postal Ballot for the following:

- 1) To amend Object Clause and Liability Clause of Memorandum of Association of the Company.
- 2) To adopt new set of Articles of Association of the Company.

Member's consent is sought for the proposal contained in the Resolution given in this Notice. The explanatory Statement pertaining to the said Resolution setting out the material facts and related particulars are annexed hereto along with a Postal Ballot Form.

The Company has appointed Mr. Sanjay Grover, Practicing Company Secretary as Scrutinizer, for conducting the Postal Ballot in a fair and transparent manner.

Please read carefully the instructions printed on the Postal Ballot Form and return the Postal Ballot Form duly completed in all respects in the enclosed self addressed pre-paid postage envelope, so as to reach the Scrutinizer on or before 24th September, 2015. Members may choose to vote using the **e-voting facility**, the details whereof are specified under instructions of the Postal Ballot Form.

The Scrutinizer will submit his report to the Chairman of the Board of Directors after completion of the scrutiny and the result of the voting by Postal Ballot will be announced on 28th September, 2015 through the website of the Company (www.salora.com) and by way of intimation to the Stock Exchanges on which the Company is listed. Results will also be published in newspaper on 29th September, 2015.

The Members are requested to consider and if thought fit, to give assent / dissent to the attached following resolutions as **SPECIAL RESOLUTIONS**.

RESOLUTION NO. 1

To amend Objects Clause of Memorandum of Association of the Company

"RESOLVED THAT Pursuant to the provisions of Section 4 and 13 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) read with relevant rules of Companies (Management and Administration) Rules, 2014 and subject to the approval of the Registrar of Companies, NCT of Delhi & Haryana or any other authority as may be necessary, the consent of the shareholders of the company be and is hereby given for the amendment, modification, substitution, addition and deletion in the Objects Clause of the Memorandum of Association of the Company as follows :

A. Part A of the Objects Clause of the Memorandum of Association of the Company be titled as

'A. THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE'

B. The existing Part A (Main Objects) of the Objects Clause of the Memorandum of Association of the Company be altered by replacing the following new clauses under Clause III(A) as under:

- (1) To carry on all or any of the following business or businesses as designers, assemblers, buyers, sellers, manufacturers, processors, dealers, wholesalers, retailers, traders, stockiest, distributors, importers, exporters, installers, hirer, repairers and service providers as principals, agents, contractors or otherwise deal in products and services in all types, varieties and kind of radios, television sets, telecommunication devices, information technology devices, computers and all other electronic and electrical devices, gadgets, components to computers and all kinds of electronic industry equipments, spares, tools, testing equipments and apparatus and computer peripherals, instruments, cellular telephone units and systems, components, accessories, assemblies, apparatus, spares, hardware and software thereof existing or that may be invented in future or other things as are capable of being used in connection with the manufacture, maintenance and working thereof with or without the assistance and collaboration, technical and financial, of other foreign manufactures.
- (2) To carry on the business of mechanical and electrical engineers for any purpose whatsoever and manufacturers of electronic or electrical machinery and components, accessories of any kind, wireless transmitters and receivers, telecommunication and telegraphic equipment, tool makers, brass founders, metal workers, boiler makers mill wrights, machinists, iron and steel makers and converters, smiths, wood workers, builders, painter, metallurgists, water supply engineers, Gas makers, printers, carriers and merchants and to buy, sell, manufacturer, repair convert, alter, let or take on hire and deal in radios, television sets, telecommunication devices, information technology devices, computers and all other electronic and electrical devices, gadgets, components, implements and hardware of all kinds.
- (3) To carry on the business of formulating, manufacturing, developing, improving, designing, marketing, selling, franchising, exporting, importing, licensing, distributing as agents of/and dealers in all types of computer, telecommunication device or other electronic device softwares including operating system of all description and applications thereof and to act as adviser and/or consultants on all matters and problems relating to administration, management organisation, manufacture, production, storage process systems and accounts, training of personnel, marketing, distribution and selling methods and principles, to develop, procedures and principles of/and engage in research of all the problems relating to the above.
- (4) To engage in and deal in all aspects of the business of generation, transmission, sale, supply and distribution of electricity in India and abroad by the establishment of wind power plant or any other types of power generation plants using conventional and / or non-conventional energy sources of a renewable nature as may be in use now or which may be developed or invented in future.
- (5) To indent, buy, sell, deal, design, manufacture, produce, import and export of any kind of commodities and merchandise.'

C. Part B of the Objects Clause of the Memorandum of Association of the Company be titled as-

'B. THE MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN PART A'

RESOLVED FURTHER THAT pursuant to the provisions of Section 4 and Section 13 read with rules framed there under and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), and subject to necessary approval(s) if any, from the competent authorities, the Other Objects Clause of the Memorandum

of Association of the Company be removed completely by deleting the clause III (C)(37) to III(C)(46);

FURTHER RESOLVED THAT the Clause IV, Liability Clause of the Memorandum of Association be and is hereby altered and substituted as under:

'IV. The liability of the members of the Company is limited to the amount unpaid, if any, on the shares held by them.'

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing Resolution, Board of Directors of the Company be and is hereby authorised to take all such actions as may be necessary, desirable or expedient and to do all such act, deeds and things as may be required or considered necessary or incidental."

RESOLUTION NO. 2

To adopt new set of Articles of Association of the Company

"RESOLVED THAT in accordance with the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification or amendment thereto or reenactment thereof for the time being in force), the Articles of Association of the Company, Listing Agreement as entered into by the Company with the Stock Exchanges and subject to all necessary approvals, consents, permissions and/or sanctions as may be necessary and subject to any such conditions and modifications as may be prescribed or imposed by any one or more of them while granting any such approvals, consents, permissions or sanctions agreed to, by the Board of Directors of the Company, the draft regulations contained in the Articles of Association which are available for public inspection at the registered office of the Company and the Company's website, be and are hereby approved and adopted in substitution and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing Resolution, Board of Directors of the Company be and is hereby authorised to take all such actions as may be necessary, desirable or expedient and to do all such act, deeds and things as may be required or considered necessary or incidental."

By order of the Board of Directors

For **Salora International Ltd.**

Sd/-

(Nitin Agrahari)

Company Secretary

Place: New Delhi

Date: 30th May, 2015

NOTES

Pursuant to Section 102 of the Companies Act, 2013, the Explanatory Statement setting out material facts and reasons for the proposed Special Business are appended herein.

1. The Postal Ballot Notice is being sent to all the Members of the Company, whose name appear on the Register of Members/List of Beneficial Owners, as received from National Security Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) on Friday, 14th August, 2015.
2. Members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed in the attached postage pre-paid self addressed envelope. Unsigned Postal Ballot Form/s will be rejected. Postage will be borne and paid by the Company. However, Postal Ballot Form(s), if sent by courier or by registered post at the expense of the Member(s) will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given thereon. The duly completed Postal Ballot Form(s) should reach the Scrutinizer on or before 24th September, 2015 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member/s. The e-voting module shall also be disabled by NSDL for voting thereafter.
3. In compliance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company has also extended **e-voting facility** as an alternate, for its Members to enable them to cast their votes electronically instead of despatching Postal Ballot Form/s.

4. The instructions for shareholders for e-voting are as under:

- I. The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting for Postal Ballot. The instructions for e-voting are as under:
 - (a) In case of Members receiving an e-mail from NSDL:
 - (i) Open the PDF file 'SIL e-Voting.pdf' attached to the e-mail, using your Client ID/ Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
 - (ii) Launch an internet browser and open <https://www.evoting.nsdl.com>
 - (iii) Click on Shareholder - Login.
 - (iv) Insert 'User ID' and 'Initial Password' as noted in step (i) above and click 'Login'.
 - (v) Password change menu will appear. Change the Password with a new Password of your choice. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
 - (vi) Home page of e-voting will open. Click on e-Voting - Active Voting Cycles.
 - (vii) Select 'EVEN' (**E-Voting Event Number**) of Salora International Limited.
 - (viii) Now you are ready for e-voting as 'Cast Vote' page opens.
 - (ix) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
 - (x) Upon confirmation, the message 'Vote cast successfully' will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at "sanjaygrover7@gmail.com" with a copy marked to evoting@nsdl.co.in.

(b) In case of Shareholders receiving physical copy of the Notice of Postal Ballot.

(i) Initial Password is provided, as follows, alongwith Notice of Postal Ballot.

EVEN (E-Voting Event Number)	USER ID	PASSWORD

(ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.

- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of NSDL's e-voting website www.evoting.nsdl.com.
- III. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting vote.
- IV. The voting rights shall be as per the number of equity share held by the Member(s) as on 14th August, 2015. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- V. The voting period shall commence at 9:00 a.m. on Tuesday, 26th August, 2015 and will end at 5:00 p.m. on Wednesday, 24th September, 2015. The e-voting module shall be disabled by NSDL at 5.00 p.m. on the same day.
- VII. The results declared along with the Scrutinizer's report shall be placed on the Company's website www.salora.com and on the website of NSDL www.evoting.nsdl.com within seven days from last date of receiving postal ballot papers by scrutinizer and be communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
5. Members who have registered their e-mail ID for receipt of documents in electronic mode under the Green Initiative of MCA have been sent Postal Notice by e-mail and who wish to vote through ballot form can obtain form from the Registrar and Share Transfer Agents M/s. Skyline Financial Services private Ltd., D-153A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi – 110 020 or from the Company at the registered office and fill in the details and send the same to the Scrutinizer by post.
6. The Scrutinizer will submit his report to the Chairman cum Managing Director of the Company after scrutiny of the Postal Ballot Forms and results will be announced on or before 28th September, 2015 at the Registered Office of the Company. The results will be declared to the Stock Exchanges where shares of the Company are listed and will also be displayed on the Company's website: www.salora.com. Subsequently, the result of the Postal Ballot will be published in news papers in Delhi. In the event, the draft resolution is assented to by the requisite majority of Members by means of Postal Ballot, the date of declaration of Postal Ballot result shall be deemed to be the date of passing of the said resolution.
7. Members are requested to notify the change in the address, if any, in case of shares held in electronic form to the concerned Depository Participant quoting their client ID and in case of

Physical shares to the Registrar and Transfer Agent of the Company quoting their Folio Number.

**Annexure to the Notice
EXPLANATORY STATEMENT**

(Pursuant to the provisions of Section 102 of the Companies Act, 2013)

Item No. 1

In order to rationalize the main object clause in line with of the Companies Act, 2013 (the "Act"), which have come into force with effect from April 1, 2014 require for stating of the Objects Clause of MOA in two parts:

Part A - 'The Objects to be pursued by the Company on its incorporation';

Part B- 'Matters which are necessary for furtherance of the Objects specified in Part A'.

Keeping in view above requirements, your Directors propose to alter existing Objects under Part A of Clause III of the Memorandum of Association of the Company with following changes as under:

- (a) Sub-Clause 1 of the existing Main Objects has been retained as new Sub-Clause 1 except that the same has been explained further in details to give clarity on the objects stated in this sub-clause which are in line with the current business operations of the Company carried out in accordance with the existing MOA.
- (b) Sub-Clauses 2 and 3 of the existing Main Objects are being deleted.
- (c) Sub-Clause 4 of the existing Main Objects has been retained as new Sub-Clause 2 with some more explanation to give clarity on the objects stated in this sub-clause which are in line with the current business operations of the Company carried out in accordance with the existing MOA and keeping in view of the present areas of market where company is doing its business.
- (d) Sub-Clauses 5 and 6 of the existing Main Objects have been replaced with one new Sub-Clause 3 to state current operations of the Company which are carried out in accordance with the existing MOA and keep in pace with the technological advancement in the areas of business of the Company.
- (e) Sub-Clause 6(a) of the existing Main Objects which were inserted earlier on 28.01.2006 by special resolution passed through Postal Ballot, is being retained as new Sub-Clause 4.
- (f) A new Sub-Clause 5 is proposed to be inserted after new Sub-Clause 4 under Part A of the Objects Clause of MOA as per explanation given hereunder:

The Board is of the view that the business proposed to be undertaken by the Company as specified in new proposed sub-clause 5 can be carried out more efficiently and economically by the Company which has the resources required to undertake the proposed new objects. Your Board has a view that this is in the interest of the Company and its shareholders if the activities of the Company be diversified. This will enable the company to enlarge its business activities and the new business to be embarked upon advantageously.

3. Part B of the existing Objects Clause of MOA has been retained except that the title of the existing Part B be changed with, 'B. THE MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN PART A' in line with the requirements of the Companies Act, 2013.
4. The existing Part C viz. "Other Objects" is proposed to be deleted in line with the requirements of the Companies Act, 2013.
5. Liability Clause of the Memorandum of Association of the Company is replaced with following Clause, 'IV. The liability of the members of the Company is limited to the amount unpaid, if any, on the shares held by them.'

The alteration of the Object clause of the Memorandum of Association of the Company needs approval of members of the Company by way of special resolution. Therefore, Board of Directors recommends passing of the special resolution as contained in item No. 1 of the notice.

None of the Directors are in any way interested or concerned in the resolution except to the extent of their shareholding in the Company, if any. Further, revised set of Memorandum of Association after incorporating above amendment is available for inspection at the Registered Office of the Company on any working days i.e. from Monday to Friday during 10:00 A.M. to 12:00 noon upto the date of declaration of result of postal ballot at the Registered Office of the Company and is also uploaded on website (www.salora.com) of the Company.

Item No. 2

The existing Articles of Association ("AoA") of the Company are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013 ("the Act"). The Act is now largely in force with Rules thereon. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal"). Further, The Secretarial Standards on Meetings of the Board of Directors ("SS-1") and Secretarial Standards on General Meetings ("SS-2") ("together referred to as the "Secretarial Standards") have been issued by the Institute of Company Secretaries of India ("ICSI") under the provisions of Section 118(10) of the Companies Act, 2013 ("the Act"), as approved by the Central Government, vide ICSI Notification No. 1 (SS) of 2015 dated April 23rd, 2015 and published in the Gazette of India Extraordinary Part III - Section 4. These Secretarial Standards shall also come into force w.e.f. 1st July 2015. Apart from that SEBI has also revised major portion of Listing Agreement. However, substantive sections of the Act which deal with the general working of companies stand notified. With the coming into force of the several provisions of the Act, Listing Agreement and Secretarial Standards, several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares. The Members attention is

invited to certain salient provisions in the new draft AoA of the Company viz:

- (a) Existing definitions have been aligned with the Act;
- (b) new provisions relating to appointment of Chief Executive Officer and Chief Financial Officer, in addition to Manager and Company Secretary;
- (c) new provisions relating to appointment of a person as Chairperson and Managing Director or Chief Executive Officer;
- (d) existing articles have been streamlined and aligned with the Act;
- (e) the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included;
- (f) new provisions relating to manner of conducting Board and General meetings of the Company.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the members. The proposed new draft AoA is also available for inspection at the Registered Office of the Company on all working days, except Saturdays, between 10.00 a.m. and 12.00 noon up to the date of Annual General Meeting and shall also be placed at Annual General Meeting of the Company for perusal of the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned, financially or otherwise, in the said Special Resolution. The Board of Directors of the Company recommends the Resolution to be passed as a Special Resolution as set out in Item No. 2 of the accompanying Notice for approval of the members through Postal Ballot.