



ELECON ENGINEERING COMPANY LTD.

(CIN : L29259GJ1960PLC001082)

Registered Office : Anand-Sojitra Road, Vallabh Vidyanagar 388 120, Dist. Anand, Gujarat

Email : pmsbukla@elecon.com, Website : www.elecon.com

Phone : 02692-227094 / 227109, Fax : 02692-227059

Notice pursuant to Section 110 of the Companies Act, 2013, as amended, read with the Companies (Management and Administration) Rules, 2014.

Dear Members,

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 (the "Companies Act"), read with the Companies (Management and Administration) Rules, 2014 (the "Rules"), that Elecon Engineering Company Ltd. (the "Company") is seeking the consent of its members for the following Special Business to be transacted by passing a Special Resolution through Postal Ballot and the Statement stating material facts and the reasons for the proposal is also appended for your consideration.

"To sell, lease or otherwise dispose of whole or substantially the whole of any such undertaking of the Company or to create mortgage and / or charge and/or hypothecation in addition to the existing mortgages, charges and hypothecation created by the Company on all or any of the movable and/or immovable assets of the Company, both present and future, upto a limit under Section 180(1)(c), as revised / increased / enhanced from time to time."

Members may note that the Company is providing voting through Postal Ballot. Only shareholders entitled to vote are entitled to fill in the Postal Ballot Form and send it to the Scrutinizer or vote through the e-Voting facility offered by the Company. Any other recipient of the Notice who has no voting rights should treat the Notice as intimation only.

Mr. D.G. Bhimani, Company Secretary in Practice, has been appointed by the Company as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

If you are voting through physical form, you are requested to carefully read the instructions printed in the accompanying Postal Ballot Form and return the same alongwith assent (FOR) or dissent (AGAINST), in the attached self addressed postage pre-paid envelope so as to reach the Scrutinizer before 5.30 p.m. on July 30 2014. Please note that any Postal Ballot Form(s) received after the said date will be treated as not having been received.

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

The Scrutinizer will submit his report to the Chairman & Managing Director or Whole-time Director or any other Director or the Company Secretary of the Company after completion of the scrutiny. Results of the Postal Ballot will be announced on August 4, 2014.

The declaration of results as stated above shall be treated as declaration of results of a meeting of the shareholders as per the provisions of the Rules. The results of the Postal Ballot alongwith the Scrutinizer's Report will be posted on the Company's website viz. www.elecon.com.

As required under Clause 35B of the Listing Agreement and in compliance with Section 108 of the Companies Act and the Rule 20 of the Rules, the Company is providing e-voting facility to the members of the Company and in this regard, it has engaged the services of Central Depository Services (India) Ltd. Detailed instructions to use the e-voting facility are given in the Notice.

Special Resolution:

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

"RESOLVED THAT pursuant to Section 180(1)(a) read with applicable provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and the Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 2013, 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 or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to sell, lease or otherwise dispose of whole or substantially the whole of any such undertaking of the Company or to create mortgage and / or charge and/or hypothecation in addition to the

existing mortgages, charges and hypothecation created by the Company as may be necessary on all or any of the immovable and/or movable properties of the Company wherever situated both present and future, or the whole or substantially whole of the undertaking or undertakings of the Company, in such form and in such manner as the Board of Directors may think fit, together with power to take over the management of the business and concern of the Company in certain event, for securing any loans and/or advances already obtained or that may be obtained from any financial institutions / banks / insurance companies / other body corporate or person or persons (hereinafter referred to as "Lenders") and/or to secure any debentures or securities, linked to equity shares, issued and/or that may be issued and all interest, compound/additional interest, commitment charges, costs, charges, expenses and all other moneys payable by the Company to the concerned lenders within the overall borrowing limits of Board of Directors under Section 180(1)(c), as revised/increased/ enhanced from time to time.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board of Directors or any Committee thereof/person(s) authorized by the Board, be and is hereby authorized to finalize, settle and execute such documents /deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to sale, lease or dispose off or create mortgage / charge/hypothecation as aforesaid."

Regd. Office:
Anand-Sojitra Road,
Vallabh Vidyanagar
Pin - 388 120

By Order of the Board

Paresh Shukla
Company Secretary

Date: 23.06.2014
Encl : - Postage Pre-paid Envelope

STATEMENT

(Pursuant to Sections 102 and 110 of the Companies Act, 2013)

The borrowings by Company, in general, are required to be secured by mortgage or charge / hypothecation on all or any of the moveable or immoveable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s).

The sale, lease or disposal of whole or substantially the whole of any such undertaking of the Company will be regarded as the change of the Management / ownership/affects vested interest of the Shareholders of the Company.

In addition to above, the mortgage and/or charge on any of the moveable and/or immoveable properties and/or the whole or any part of undertaking(s) of the Company, to secure borrowings of the Company or any of its holding, subsidiary, affiliate or associate Company, with a power to the charge holders to take over the management of the business and concern of the Company in certain events of default, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013. Hence, it is necessary for the members to pass a Special Resolution under the said Section.

On 12th September, 2006, members of the Company by way of an ordinary resolution passed at the Annual General Meeting had accorded their consent to the Board of Directors to borrow funds and to mortgage and / or create charge on all or anyone of the movable / immovable properties or such other assets of the company, to the extent of ₹ 500 Crores in excess of the paid up share capital and free reserves of the Company.

Further, the Ministry of Corporate Affairs had vide its Circular dated March 25, 2014 clarified that the resolution(s) passed by the Companies under Section 293 of the Companies Act, 1956 prior to September 12, 2013 with reference to borrowings (subject to the limits prescribed/approved by the members) and/or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of Section 180 of the Companies Act, 2013 for a period of one year from the date of notification of Section 180 of the Companies Act, 2013.

Furthermore, Section 110(1)(a) of the Companies Act, 2013, read with Rule 22 of Companies (Management and Administration) Rules, 2014, provides that company shall obtain any such consent only through postal ballot. Accordingly, the proposed Special Resolution has been put forward for your approval. For the avoidance of doubt, it is clarified that this resolution do not increase the amount of charges that may be created that had already been approved by the members of the Company.

The Board has appointed Mr. D.G. Bhimani a Practicing Company Secretary as a Scrutinizer for conducting the postal ballot voting process. Members are requested to return the postal ballot form in the self-addressed prepaid envelope (forwarded with this Notice) so as to reach the Scrutinizer before the closure of working hours on 30th July, 2014.

The Board of Directors recommends the resolution to the members for their approval.

None of the Directors, Key Management Personnel of the Company and their relatives are concerned or interested in this resolution.

Regd. Office:
Anand-Sojitra Road,
Vallabh Vidyanagar
Pin - 388 120

By Order of the Board
For Elecon Engineering Company Ltd.

Paresh Shukla
Company Secretary

Date: 23.06.2014
Encl : - Postage Pre-paid Envelope

Notes :

1. Statement as required under Section 102 of the Companies Act in respect to the resolutions is annexed to this Notice.
2. All documents referred to in the above Notice are open for inspection at the Registered Office of the Company during office hours.
3. The Notice is being sent to all the members by post (and electronically by e-mail to those members who have registered their e-mail ids with the Company), whose names appear in the Register of Members/Record of Depositories as on 20-06-2014 and those will also be considered for voting.
4. Voting Rights shall be reckoned on the paid up value of the shares registered in the names of the members as on 20-06-2014.
5. Resolution passed by the members through Postal Ballot are deemed to have been passed effectively at a general meeting of the members. The Special Resolution shall be declared as passed if the number of votes cast in favour of the Special Resolution is not less than three times the number of votes cast against the Special Resolution.
6. Members have the option either to vote through the e-voting process or through the Postal Ballot Form. A Postal Ballot Form alongwith self-addressed postage pre-paid envelope is also enclosed. The members voting in physical form are requested to carefully read the instructions printed in the attached Postal Ballot Form.
7. The Scrutinizer will submit his report to the Chairman & Managing Director or Whole-time Director or any other Director of the Company or the Company Secretary after the completion of scrutiny of Postal Ballot Forms received. The results of the Postal Ballot will be declared on 04-08-2014 by uploading it alongwith the Scrutinizer's Report on the website of the Company at www.elecon.com and will also be informed to the Stock Exchanges. The date of declaration of the result of the voting will be taken to be the date of passing of the Special Resolution.
8. In compliance with provisions of Section 108 of the Companies Act read with the Rules and Clause 35B of the Equity Listing Agreement, the Company is pleased to offer e-Voting facility for its members to enable them to cast their votes electronically. Members have option to vote either through e-voting or through the physical Postal Ballot vice-versa. However, in case members cast their vote both via physical Postal Ballot and e-voting, then voting through physical Postal Ballot shall prevail and voting done by e-voting shall be treated as invalid. For the purpose, the Company has signed an agreement with the Central Depository Services (India) Ltd. ("CDSL") for facilitating e-voting.

Voting through electronic means

E-Voting:

The COMPANY is pleased to provide E-voting facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically. The instructions for E-Voting are as under:

Step1. Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com

Step2. Click on "Shareholders" tab.

Step3. Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"

Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company) and then enter the Captcha Code as displayed and Click on Login.

If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for any company, then your existing password is to be used. If you are a first time user follow the steps given below.

Step4. Now, fill up the following details in the appropriate boxes:

	For members holding shares in Demat Form	For members holding shares in Physical Form
PAN Number	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. Members who have not updated their PAN with the Company/Depository Participant are requested to use the following default number: "EECL56789P"	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. Members who have not updated their PAN with the Company/Depository Participant are requested to use the following default number: "EECL56789P"
DOB*	Enter the date of birth recorded in the demat account or registered with the company for the demat account in DD/MM/YYYY format	Enter the date of birth recorded in the folio under which you are going to vote in DD/MM/YYYY format
Dividend Bank Details*	Enter your dividend bank details(Account Number) recorded in the demat account or registered with the company for the demat account	Enter your dividend bank details (Account Number) recorded in the folio under which you are going to vote.

*Any one of the details DOB or Dividend bank details should be entered for logging in to the account.

(Option 1) If the Date of Birth & Bank Account Details both are not updated with the Company/Depository Participant then please enter default date of birth as **28-02-2014** in the Bank Account Details

(Option 2) Please enter any one of the details in order to login. Incase either of the details are not recorded with the depository please enter the Default Value as **28-02-2014** in the Dividend Bank details field.

(They can choose any one option of the above (Option 1 or Option 2) regarding Date of Birth & Bank Account Details. If they opt for default value in Bank Account details / PAN please see the same is uploaded in the ROM file by the RTA. The default value should be exactly same including the same case as all login details are case sensitive.)

Step 5. After entering these details appropriately, click on "SUBMIT"

Step 6. Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Step 7. Click on the relevant EVSN on which you choose to vote.

Step 8. On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

Step 9. Click on the Resolution File Link if you wish to view the Notice.

Step 10. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

Step 11. Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.

- (i) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (ii) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (iii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at <https://www.evotingindia.co.in> under help section or write an email to helpdesk.evoting@cdslindia.com.