

Date: 27th April, 2016

To,

<p>The Manager (Listing), The Bombay Stock Exchange Ltd. Mumbai</p>	<p>The Manager (Listing), National Stock Exchange of India Ltd. Mumbai</p>
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Dear Sir,

Sub.: Outcome of the Board Meeting held on 27th April 2016 - Disclosure under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with sub-para 1.2 of Para A 1 of Annexure I of Circular bearing Number CIR/CFD/CMD/4/015 dated 9th September, 2015 issued by Securities and Exchange Board of India

With reference to the captioned subject, we hereby inform you that, the Board of Directors of our company at its meeting held today have accorded approval to the following business:

1. Unanimously approved the scheme of Amalgamation ("Scheme") of Elecon EPC Projects Limited with the company in accordance with the provisions of Section 391-394 of the Companies Act, 1956 or any corresponding provisions of Companies Act, 2013.
2. Took on record Independent Valuation Report dated 26th April, 2016 submitted by M/s. Haribhakti & Co. LLP, and M/s. SSPA & Co. both being firms of Chartered Accountants and Fairness Opinion dated 26th April, 2016 issued by M/s. RBSA Capital Advisors LLP, SEBI registered Category I Merchant Bankers.

The detailed disclosure as required under Regulation 30 of the Listing Regulations, 2015 read with Circular CIR/CFD/CMD/4/2015 dated 9th September 2015 is enclosed as Annexure to this outcome.

Request you to take the same on your records.

Yours faithfully

For Elecon Engineering Company Limited



Parthiv Parikh
Company Secretary

Encl.: As above



Cranes



Rubber Industry



Marine Industry



Plastic Industry



Power Industry



Steel Industry



Sugar Industry



Mining



Cement Industry

Gearing industries. Gearing economies.

Annexure

- a) Name of the entities forming part of the amalgamation / merger, details in brief such as size, turnover etc.:

The Scheme provides for amalgamation of Elecon EPC Projects Limited with the Company. Elecon EPC Projects Limited is subsidiary of the Company. 60.49% equity share capital of Elecon EPC Projects Limited is held by the Company and remaining is held by promoter and promoter group companies of the Company. Further, entire preference share capital of Elecon EPC Projects Limited is held by the Company.

Brief details of the companies as on 31st March 2016 are as follows:

Name of the Company	Turnover (Rupees in Lacs)	Net Worth (Rupees in Lacs)
Elecon Engineering Company Limited	51884.39	53911.94
Elecon EPC Projects Limited	47954.35	20362.89

- b) Whether the transaction would fall within related party transaction? If yes, whether the same is done at "arm's length"

Yes, Elecon EPC Projects Limited is related party to the Company. The transaction is based on independent Fair Valuation of shares of each of the companies and will be subject to prior approval of shareholders, creditors of both the companies and High Court of Gujarat.

- c) Area of business of the entities

Name of the Company	Area of business
Elecon EPC Projects Limited	Engaged in the business of providing engineering, procurement, construction and project management services. It manufactures all types of bulk material handling equipment.
Elecon Engineering Company Limited	Engaged in the business of power transmission equipment, industrial geared motors, reducers, mining equipment and casting processes

- d) Rationale for amalgamation / merger

- This Scheme envisages the amalgamation of Elecon EPC Projects Limited into Company, resulting in consolidation of the business in one entity and strengthening the position of the merged entity, by enabling it to harness and optimize the synergies of the two companies. Accordingly, it would be in the best interests of Elecon EPC Projects Limited and the Company and their respective shareholders. The proposed amalgamation of Elecon EPC Projects Limited into the Company is in line with the global trends to achieve size, scale, integration and greater financial strength and flexibility and in the interests of maximizing shareholder value. The merged entity is likely to achieve higher long-term financial returns that could not be achieved by the companies individually. Elecon EPC Projects Limited and the Company believe that the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of Elecon EPC Projects Limited and the Company pooled in the merged entity, will lead to increased competitive strength, cost reduction and efficiencies, productivity gains, and logistic advantages, thereby significantly contributing to future growth. Therefore, the




management of Elecon EPC Projects Limited and the Company believe that this Scheme shall benefit the respective companies and other stake holders of respective companies, inter-alia, on account of the following reasons:

- i. Enable the Company to use the resources of Elecon EPC Projects Limited and generate synergy in operations;
 - ii. The consolidated entity would be able to utilize its full potential and leverage on the combined financial strength as well as optimize the use of resources for the purpose of future growth;
 - iii. Reduction of overheads and other expenses, facilitate administrative convenience and ensure optimum utilization of available services and resources.
- e) **Share Exchange Ratio**
- 37 (Thirty Seven) equity shares of face value of Rs.2/- at par each fully paid-up of the Company for every 2 (Two) equity shares of face value of Rs.10/- each fully paid-up held in Elecon EPC Projects Limited.”
- f) **Pre and post shareholding pattern of the Company:**

Particulars	Pre-merger (% holding)	Post-merger (% holding)
Promoters	57.34	58.58
Public	42.66	41.42

