



## ELECON ENGINEERING COMPANY LIMITED

CIN: L29100GJ1960PLC001082

Registered Office: Anand-Sojitra Road, Vallabh Vidyanagar – 388120, Gujarat.

Ph. No.: (02692) 236469 / 236513, Fax.: (02692) 227484

Email ID: [ppparikh@elecon.com](mailto:ppparikh@elecon.com) / [investor.relations@elecon.com](mailto:investor.relations@elecon.com) Website: [www.elecon.com](http://www.elecon.com)

### Notice of Postal Ballot / Electronic Voting (e-voting) to the Shareholders of Elecon Engineering Company Limited

Dear Member(s),

Notice is hereby given pursuant to the provision of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the "Act") read together with the Companies (Management and Administration) Rules, 2014 (the "Rules") (including any statutory modification or re-enactment(s) thereof for the time being in force), that Elecon Engineering Company Limited (the "Company") hereby seeks your approval by way of Special Resolution through Postal Ballot / Electronic Voting (e-voting) in respect of the following special business. The explanatory statement pertaining to the aforesaid resolution setting out the material facts and the reasons thereof is annexed hereto with a notice of postal ballot /e-voting for your consideration.

Members may note that the Company is providing voting facility 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.

The Board of Directors of the Company has appointed Mr. Dinesh Bhimani, Company Secretary in Practice (Membership No. FCS: 8064; CP No.: 6628), as the Scrutinizer ("Scrutinizer") for conducting the postal ballot / e-voting process in a fair and transparent manner.

Members desiring to exercise their vote by physical form are requested to carefully read the instructions printed in the accompanying Postal Ballot Form and return the same duly completed in the enclosed postage-prepaid self-addressed Business Reply Envelope to the Scrutinizer not later than before 5.00 p.m. on Tuesday, March 28, 2017. Postage will be borne and paid by the Company. Postal Ballot Form(s), if sent 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 on the Business Reply Envelope. Please note that if any Postal Ballot Form(s) is received after the said date, it will be considered that no reply has been received from the member.

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes under the section 'Voting through Electronic Means'. References to postal ballot(s) in this Postal Ballot Notice include votes received electronically.

The Scrutinizer will submit his report to the Chairman & Managing Director or to any other Director of the Company after completion of the scrutiny of the postal ballots (including e-voting). The Result of the postal ballot shall be declared on or before Thursday, March 30, 2017 at 5:00 P.M. at the Registered Office of the Company and communicated to the stock exchanges, depository, registrar and share transfer agents and shall also be displayed on the Company's website at [www.elecon.com](http://www.elecon.com).

The resolution, if approved by requisite majority, shall be deemed to have been passed on the last day of voting i.e. March 28, 2017.

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

**"RESOLVED THAT** pursuant to Section 62(3) and other applicable provisions of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow, an amount not exceeding the amount as approved by the Shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013 from time to time, (hereinafter referred to as "**Borrowing Limit**") within which the Company may have availed/to be avail by way of loan facilities/or financial assistance (hereinafter referred to as "**Loan Facility(ty/ties)**") from the banks and/or financial institutions (hereinafter referred to as the "**Lender(s)**", which expression shall, unless it is repugnant to the subject or context thereof, includes its successors and the banks and financial institutions to whom Lenders may assigns, novates, or otherwise transfers its rights and/or obligations under the financing documents) for the purpose of repayment and/or prepayment of aforesaid the Loans Facility and/or any other outstanding amounts or any part thereof payable to any of the Lender in terms of the respective loan agreements and other financing documents in relation thereto (hereinafter referred to as "**Financing Documents**") and for other general corporate purposes, by giving an option to the Lender(s) in terms of the respective Financing Documents entered into/to be entered into by the Company with such Lender(s), to convert either the whole or any part of the outstanding principal amount under the Loan Facility (whether then due and payable or not) and/or interest, payable to such Lender(s), into fully paid up and voting equity shares of the Company at par and in the manner specified in the written notice, provided by such Lender(s) to the Company, of their respective intention to convert the loans.

**RESOLVED FURTHER THAT** the fully paid up equity shares so allotted and issued to the Lenders pursuant to their exercising the right of conversion shall carry the right to receive the dividends and other distributions declared or to be declared for the period commencing from the date of conversion till the end of relevant financial year, save as aforesaid, the fully paid up equity shares allotted to the Lenders shall rank pari passu in all respects with other equity shares of the Company, provided further that the Company shall increase, if required, the authorized capital of the Company to satisfy the conversion for the time being available to the Lenders. The conversion right reserved as aforesaid may be exercised by the Lenders on one or more occasions according to the provisions of the respective financing documents.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to accept such modifications and to accept such terms and conditions as may be imposed or required by the Lenders arising from or incidental to the aforesaid terms providing for such option and to do all such acts and things as may be necessary to give effect to the above resolution.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable or as may be required to create, offer, issue and allot the aforesaid shares, to dematerialize the shares of the Company and to resolve and settle any question, difficulty or doubt that may arise in this regard and to do all such other acts, deeds, matters and things in connection with or incidental thereto as the Board in its absolute discretion any deem fit, without it being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby also authorized to delegate all or any of the powers herein conferred by this resolution on it, to any Committee of Directors or any person(s), as it may in its absolute discretion deem fit in order to give effect to this resolution.”

**Regd. Office:**

Anand-Sojitra Road,  
Vallabh Vidyanagar - 388 120  
Gujarat, India

**By Order of the Board  
For Elecon Engineering Company Limited**

**Date :** 8<sup>th</sup> February, 2017  
**Place :** Vallabh Vidyanagar

**Parthiv Parikh  
Company Secretary**

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**Notes:**

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 stating all material facts and the reasons for the proposal is annexed herewith.
2. The Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on **Tuesday, February 21, 2017**. The Postal Ballot Notice is being sent to Members in electronics form to the email addresses registered with their Depository Participants (in case of electronic shareholding) / the Company's registrar and share transfer agents (in case of physical shareholding). For Members whose email IDs are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode along with a postage-prepaid self-addressed Business Reply Envelope.
3. Members whose names appear on the Register of Member / List of Beneficial Owners as on Tuesday, February 21, 2017 will be considered for the purpose of voting. A person who is not a Member as on the relevant date should treat this notice for information purposes only.
4. Resolutions passed by the Members through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.
5. The Members can opt for only one mode of voting i.e. either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot Forms will be treated as invalid.
6. Member can also download the Postal Ballot Form from the Company's website at [www.elecon.com](http://www.elecon.com) or seek duplicate, he or she may send an email to [investor.realtions@elecon.com](mailto:investor.realtions@elecon.com).
7. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Members as on Tuesday, February 21, 2017. The postal ballot period commences on **Monday, February 27, 2017 (9:00 A.M.) and ends on Tuesday, March 28, 2017 (5:00 P.M.)**.
8. In compliance with Sections 108 and 110 of the Companies Act, 2013 and the Rules made thereunder, the Company has provided the facility to the Members to exercise their votes electronically and vote on resolution through the e-voting service facility arranged by CDSL. The instruction for electronic voting are annexed to this Notice.
9. A Member cannot exercise his vote by proxy on postal ballot.
10. Member wishing to exercise their vote by physical postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed, in the enclosed postage-prepaid self-addressed Business Reply Envelope to the Scrutinizer, Mr. Dinesh Bhimani, Practicing Company Secretary (Membership No. FCS: 8064; CP No.: 6628) C/o. Elecon Engineering Company Limited, Anand - Sojitra Road, Vallabh Vidyanagar - 388 120, Gujarat, so that it reaches the Scrutinizer not later than the close of working hours (i.e. 5:00 P.M.) on Tuesday, March 28, 2017. The postage will be borne by the Company. However, envelopes containing postal ballot, if sent by courier or registered / speed post at the expense of the Member, will also be accepted. **If any postal ballot is received after 5:00 P.M. on Tuesday, March 28, 2017, it will be considered that no reply from the Member has been received.**
11. The Scrutinizer will submit his report to the Chairman & Managing Director or to any other Director of the Company after the completion of scrutiny, and the result of the voting by postal ballot will be announced by the Chairman or any Director of the Company, on or before Thursday, March 30, 2017 at 5:00 P.M. at the registered office of the Company and will also be displayed on the Company website at [www.elecon.com](http://www.elecon.com), and communicated to the stock exchanges, depository, registrar and share transfer agent on the said date.

12. The resolution, if approved by requisite majority, shall be deemed to have been passed on the last day of voting i.e. March 28, 2017.
13. All the material documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Shareholders at the Registered Office of the Company at Anand-Sojitra Road, Vallabh Vidyanagar – 388 120, Gujarat, during office hours on all working days except Saturdays between 11.00 A.M. to 1.00 P.M. up to the last date for receipt of the postal ballot specified in the accompanying Notice.
14. Any queries/grievances pertaining to voting by postal ballot including the e-voting process can be addressed to Mr. Parthiv Parikh, Company Secretary of the Company, at Elecon Engineering Company Limited, Anand – Sojitra Road, Vallabh Vidyanagar – 388 120, Gujarat or by sending an e-mail at [investor.relations@elecon.com](mailto:investor.relations@elecon.com).

#### **VOTING THROUGH ELECTRONIC MEANS:**

In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sections 108, Section 110 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide e-voting facility as an alternate mode of voting, for its Members, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post. For this purpose, necessary arrangements have been made with Central Depository Services (India) Limited (“CDSL”) to facilitate e-voting.

The instructions for e-voting are as follows:

- (i) The voting period begins on **Monday, February 27, 2017 at 9.00 A.M. and ends on Tuesday, March 28, 2017 at 5.00 P.M.** During this period Shareholders of the Company, holding Shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Tuesday, February 21, 2017** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Shareholders should log on to the e-voting website at [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding Shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding Shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding Shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders) ➤ Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on Postal Ballot Form indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. ➤ If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding Shares in physical form will then directly reach the Company 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.
- (x) For Members holding Shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN - 170218001 - Elecon Engineering Company Limited.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app - CDSL m-Voting available for iphone as well as android and windows based mobiles. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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 [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

In terms of the provisions of Section 180(1)(c), the Shareholders of the Company have already accorded approval to the Board of Directors of the Company to borrow money/moneys upto an amount of ₹ 500 Crores (Rupees Five Hundred Crores Only) in excess of and in addition to the aggregate of paid-up capital and free reserves of the Company by passing a Special Resolution at the Annual General Meeting held on August 4, 2014.

In line with the regulatory changes in the recent past, the changes in the Companies Act, 2013 and in line with various directives issued by Reserve Bank of India, from time to time, the Company has been advised to pass Special Resolution under Section 62(3) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder to enable the banks and financial institutions (hereinafter referred to as the "Lenders") to convert the facilities together with the outstanding loans or any other financial assistance (hereinafter referred to as the "Loans"), in Foreign Currency or Indian Rupee, already availed from the lenders or as may be availed from the lenders, from time to time, at their option, into equity shares of the Company at par and in the manner specified in the written notice, provided by the Lenders to the Company, of their respective intention to convert the loans.

Accordingly, the Board recommends the resolution as set out above, to enable the Lenders, in terms of the lending arrangements, entered/ to be entered and as may be specified under the Financing Documents already executed or to be executed in respect of the Loans availed/to be availed, at their option, to convert the whole or part of their respective Loans into equity shares of the Company, at par and in the manner specified in the written notice provided by the Lenders to the Company, of their respective intention to convert the loans.

Since decision of raising the financial assistances or agreeing to terms and conditions for raising the financial assistances including option to convert loan into equity are required to be taken on quick basis, especially keeping in view the interest of the Company, it may not be feasible for the Company to seek shareholders consent each and every time, in view of the timings and expenses involved. Hence this resolution.

Pursuant to provisions of Section 62(3) of the Companies Act, 2013, this resolution requires approval of the members by way of passing of a Special Resolution. Hence, the Board recommended the said enabling resolution for the approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives may be deemed to be interested/ concerned in this resolution, except to their respective shareholdings in the Company, if any.

#### **Regd. Office:**

Anand-Sojitra Road,  
Vallabh Vidyanagar - 388 120  
Gujarat, India

**Date :** 8<sup>th</sup> February, 2017

**Place :** Vallabh Vidyanagar

**By Order of the Board  
For Elecon Engineering Company Limited**

**Parthiv Parikh  
Company Secretary**