

Date: 14th July, 2016

To,
 BSE Limited
 Corporate Relationship Department
 1st Floor, New Trading Ring,
 Rotunda Building, P. J. Towers,
 Dalal Street, Fort,
 Mumbai - 400 001.

National Stock Exchange of India Limited
 Exchange Plaza
 Bandra Kurla Complex
 Bandra (E)
 Mumbai 400 051

Sub.: Notices for Court Convened Meeting and Postal Ballot with E-Voting

This is to inform you that a Court Convened Meeting of the Equity Shareholders of the Company will be held on Friday, August 19, 2016 at 11.00 A.M. at Audio Visual Hall, Eimco Elecon Building, Anand-Sojitra Road, Vallabh Vidyanagar - 388 120, Gujarat, to consider and approve the proposed Scheme of Amalgamation of Elecon EPC Projects Limited ("Transferor Company") with Elecon Engineering Company Limited ("Transferee Company") and subject to the requisite approvals of the shareholders and creditors of the Company and sanction of the High Court of Gujarat at Ahmedabad.

Further, Notice of Postal Ballot and E-voting along with Explanatory Statements thereto under Section 110 of the Companies Act, 2013 and SEBI Circular bearing No. CIR/CFD/CMD/16/2016 and other applicable provisions of SEBI (LODR) Regulations, 2015, to the Shareholders of the Company seeking their consent to approve the proposed Scheme of Amalgamation of Elecon EPC Projects Limited ("Transferor Company") with Elecon Engineering Company Limited ("Transferee Company").

Please find enclosed copies of the above mentioned notices.

You are requested to take the same on your records.

Thanking you.

Yours faithfully,
 For Elecon Engineering Company Limited



Parthiv Parikh
 Company Secretary & Compliance Officer



Encl: a/a



Gearing industries. Gearing economies.



ELECON ENGINEERING COMPANY LIMITED

CIN: L29259GJ1960PLC001082

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

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

Email ID: ppparikh@elecon.com / investor.relations@elecon.com **Website:** www.elecon.com

COURT CONVENED MEETING AND POSTAL BALLOT AND E-VOTING OF EQUITY SHAREHOLDERS OF ELECON ENGINEERING COMPANY LIMITED

Day	:	Friday
Date	:	August 19, 2016
Time	:	11:00 A.M.
Venue	:	Audio Visual Hall, Eimco Elecon Building, Anand-Sojitra Road, Vallabh Vidyanagar – 388120, Gujarat.

POSTAL BALLOT AND E-VOTING

Commencing on	9.00 A.M. Thursday, July 21, 2016
Ending on	5.00 P.M. Friday, August 19, 2016

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IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 291 OF 2016

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

AND

In the matter of Elecon Engineering Company Limited (CIN: L29259GJ1960PLC001082), a Company incorporated under the Companies Act, 1956 and having its Registered Office at Anand-Sojitra Road, Vallabh Vidyanagar – 388120, in the State of Gujarat;

AND

In the matter of Scheme of Amalgamation between Elecon EPC Projects Limited and Elecon Engineering Company Limited.

ELECON ENGINEERING COMPANY LIMITED

(CIN : L29259GJ1960PLC001082), a Company incorporated under the Companies Act, 1956 and having its Registered Office at Anand – Sojitra Road, Vallabh Vidyanagar – 388120, in the State of Gujarat.

..... Applicant Transferee Company

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF
ELECON ENGINEERING COMPANY LIMITED

To,

The Equity Shareholders of Elecon Engineering Company Limited,

TAKE NOTICE that by an Order made on July 7, 2016, in the above mentioned Company Application (the “Order”), the Hon’ble High Court of Gujarat at Ahmedabad has directed that a meeting of the Equity Shareholders of the Applicant Company, be convened and held at Audio Visual Hall, Eimco Elecon Building, Anand-Sojitra Road, Vallabh Vidyanagar – 388120, Gujarat, on Friday, August 19, 2016 at 11:00 A.M. to consider, and, if thought fit, to approve with or without modification(s), the proposed Scheme of Amalgamation of Elecon EPC Projects Limited with Elecon Engineering Company Limited (“Scheme”).

TAKE FURTHER NOTICE that in pursuance of the Order and as directed therein, a meeting of the Equity Shareholders of the Applicant Company, will be held at Audio Visual Hall, Eimco Elecon Building, Anand-Sojitra Road, Vallabh Vidyanagar – 388120, Gujarat, on Friday, August 19, 2016 at 11:00 A.M. (the “Meeting”), at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the Meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorized representative, is deposited at the Registered Office of the Applicant Company at Anand-Sojitra Road, Vallabh Vidyanagar – 388120, Gujarat, not later than 48 hours before the scheduled time of the Meeting.

The Hon’ble High Court has appointed Mr. Prayasvin B. Patel, Chairman & Managing Director of the Applicant Company, failing him, Mr. Prashant C. Amin, Executive Director of the Applicant Company, failing him, Mr. Rajat Jain, Chief Financial Officer of the Applicant Company to be the Chairman of the Meeting.

A copy of the Scheme, the Explanatory Statement under Section 393 of the Companies Act, 1956 read with Section 102 of the Companies Act, 2013, Form of Proxy and Attendance Slip are enclosed.

Sd/-
Prayasvin B. Patel
Chairman appointed for the Meeting

Dated this 7th day of July, 2016
Place : Vallabh Vidyanagar

Registered Office:

Anand-Sojitra Road, Vallabh Vidyanagar – 388120, Gujarat.

Notes:

1. All alterations made in the Form of Proxy should be initialed.
2. Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy or by Authorized Representative under Sections 112 and 113 of the Companies Act, 2013) at the Equity Shareholders' Meeting. The Authorized 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 under Section 113 of the Companies Act, 2013 or other governing body of the body corporate authorizing such representative to attend and vote at the Equity Shareholders' Meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the Meeting.
3. Foreign Institutional Investors (FIIs) who are registered Equity Shareholder(s) of the Applicant Company would be required to deposit certified copies of power of attorney, authorizing the individuals named therein, to attend and vote at the Meeting on its behalf. These documents must be deposited at the Registered Office of the Applicant Company not later than 48 hours before the Meeting.
4. A registered Equity Shareholder of the Applicant Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Applicant Company. The Form of Proxy duly completed should, however, be deposited at the Registered Office of the Applicant Company not less than 48 hours before the commencement of the Meeting. A person can act as proxy on behalf of Shareholders not exceeding fifty (50) in number and/ or holding in aggregate not more than 10% of the total Share Capital of the Applicant Company. In case a proxy is proposed to be appointed by Shareholder(s) holding more than 10% of the total Share Capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Shareholder.
5. A Member or his/her Proxy is requested to bring the copy of the notice to the Meeting and produce the attendance slip, duly completed and signed, at the entrance of the Meeting venue.
6. Members who hold Shares in dematerialized form are requested to bring their Client ID and DP ID number for easy identification of attendance at the Meeting.
7. Members are informed that in case of joint holders attending the Meeting only such joint holder whose name stands first in the Register of Members of the Applicant Company/list of beneficial owners as received from National Securities Depository Limited/Central Depository Services (India) Limited in respect of such joint holding will be entitled to vote.
8. The Notice is being sent to all members, whose names appeared in the Register of Members/Beneficial Owner as per the details furnished by the Depositories as on Friday, July 8, 2016. This Notice of the Court Convened Meeting of Members of the Applicant Company is also displayed / posted on the website of the Applicant Company at www.elecon.com.
9. The material documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Equity Shareholders at the Registered Office of the Applicant Company on all working days except Saturday between 11:00 A.M. to 1:00 P.M. till the date of Meeting.

Encl.: As above



ELECON ENGINEERING COMPANY LIMITED

CIN: L29259GJ1960PLC001082

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

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

Email ID: ppparikh@elecon.com / investor.relations@elecon.com **Website:** www.elecon.com

NOTICE OF POSTAL BALLOT AND E-VOTING TO THE SHAREHOLDERS OF ELECON ENGINEERING COMPANY LIMITED

NOTICE PURSUANT TO SECTION 110 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, REGULATION 44 AND OTHER APPLICABLE PROVISIONS OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("SEBI LISTING REGULATIONS") (INCLUDING ANY STATUTORY MODIFICATION(S) OR RE-ENACTMENT THEREOF FOR THE TIME BEING IN FORCE), AND CIRCULAR BEARING NO. CIR/CFD/CMD/16/2015 DATED NOVEMBER 30, 2015 ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI CIRCULAR")

Dear Shareholder(s),

NOTICE is hereby given to you to consider, and, if thought fit, to approve the proposed Scheme of Amalgamation of Elecon EPC Projects Limited with Elecon Engineering Company Limited and their respective Shareholders and Creditors ("the Scheme"). Circular bearing No. CIR/CFD/CMD/16/2015 dated November 30, 2015, issued by SEBI (referred to as "SEBI Circular") requires the Scheme to be put for voting by Public Shareholders through postal ballot and e-voting and provides that "the Scheme shall be acted upon only if the votes cast by the public Shareholders in favour of the proposal are more than the number of votes cast by the public Shareholders against it."

The Company hereby seeks the approval of its Public Equity Shareholders to the Scheme by way of postal ballot including e-voting pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and the SEBI Circular, subject to the requirements specified in the Observation Letters dated June 21, 2016 issued by the Stock Exchanges pursuant to the SEBI Circular and under relevant provisions of applicable laws.

PROPOSED RESOLUTION:

To consider and, if thought fit, to pass the following resolution with requisite majority as per the SEBI Circular:

"RESOLVED THAT pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications, re-enactments or amendments thereof and corresponding provisions of the Companies Act, 2013 and enabling provisions in the Memorandum and Articles of Association of Elecon Engineering Company Limited ("the Company" or "EECL" or "Amalgamated Company" or "Transferee Company") and subject to the requisite approval of the Hon'ble High Court of Gujarat at Ahmedabad and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble High Court of Gujarat at Ahmedabad or by any regulatory or other authorities while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the proposed amalgamation embodied in the Scheme of Amalgamation of Elecon EPC Projects Limited with Elecon Engineering Company Limited and their respective Shareholders and Creditors ("**Scheme**"), as placed before the Shareholders be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble High Court of Gujarat at Ahmedabad while sanctioning the amalgamation embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as may be deemed fit and proper."

The Audit Committee and the Board of Directors of the Applicant Company at its Meetings held on April 27, 2016 have approved the Scheme, subject to approval by the requisite majority of the Shareholders and Creditors of the Applicant Company as may be required, and subject to the sanction of the Hon'ble High Court of Gujarat at Ahmedabad and of such other authorities as may be necessary.

By Order passed on July 7, 2016 in Company Application No. 291 of 2016, the Hon'ble High Court of Gujarat at Ahmedabad had directed that a Meeting of the Equity Shareholders of the Applicant Company ("**Court Convened Meeting**") be convened and held at Audio Visual Hall, Eimco Elecon Building, Anand-Sojitra Road, Vallabh Vidyanagar – 388120, Gujarat, on Friday, August 19, 2016 at 11:00 A.M. for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed amalgamation embodied in the Scheme.

In addition to the Court Convened Meeting, the Applicant Company also seeks the approval of its Equity Shareholders to the Scheme by way of postal ballot and e-voting pursuant to the applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), Regulation 44 and other applicable provisions of the SEBI Listing Regulations, the SEBI Circular and under relevant provisions of the applicable laws.

It is clarified that votes may be casted by Shareholders by postal ballot/e-voting and also at the Court Convened Meeting.

Exercising their right to vote by postal ballot/e-voting does not disentitle a Shareholder from exercising their right to vote at the Court Convened Meeting as provided in the notice of Court Convened Meeting and vice versa. Further, exercise of votes through postal ballot is not permitted through a proxy.

Kindly note that each Equity Shareholder can opt for only one mode of voting, i.e. either by Postal Ballot Form or E-voting.

If you opt for e-voting, then do not vote by postal ballot and vice-versa. In case of Shareholders exercising their right to vote via both modes, i.e. postal ballot as well as e-voting, then voting done through e-voting shall prevail and postal ballot of that Shareholder shall be treated as invalid.

Notes:

1. Explanatory Statement for the proposed Resolution pursuant to Section 102 read with Section 110 of the Companies Act, 2013 along with applicable rules thereunder and provisions of Section 393 of the Companies Act, 1956 setting out material facts forms part of this Notice booklet.
2. The Notice of the Postal Ballot has been sent to the registered address of all the Shareholders whose names appear in the Register of Members / Beneficial Owners as per the details furnished by the Depositories as on Friday, July 8, 2016. The Shareholders who have registered their e-mail IDs for receipt of documents in electronic mode would also be sent the Notice of Postal Ballot by e-mail.
3. Voting rights shall be reckoned on the paid up value of the Shares registered in the names of the Shareholders as on Friday, July 8, 2016 i.e. the cut-off date for dispatch of Postal Ballot Notice.
4. Shareholders can also download the Postal Ballot Form from the Company's website at www.elecon.com or seek duplicate Postal Ballot Form from the Applicant Company.
5. The voting period for postal ballot commences on Thursday, July 21, 2016 at 9.00 A.M. and ends on Friday, August 19, 2016 at 5.00 P.M. and E-voting period commences on Thursday, July 21, 2016 at 9.00 A.M. and ends on Friday, August 19, 2016 at 5.00 P.M.
6. The E-voting module shall also be disabled by 5.00 P.M. on Friday, August 19, 2016 for voting thereafter.
7. The Applicant Company has appointed Mr. Dinesh Bhimani, Practising Company Secretary (Membership No. FCS: 8064; CP No: 6628) as Scrutinizer for conducting the Postal Ballot and E-voting process in a fair and transparent manner.
8. 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 Applicant Company at Anand-Sojitra Road, Vallabh Vidyanagar – 388120, 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.
9. Shareholders are also requested to carefully read the instructions printed behind the Postal Ballot Form before exercising their vote.

VOTING THROUGH POSTAL BALLOT

The detailed procedure is as under:

1. A Shareholder desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, Mr. Dinesh Bhimani, Practising Company Secretary (Membership No. FCS: 8064; CP No: 6628) C/o. Elecon Engineering Company Limited, Anand – Sojitra Road, Vallabh Vidyanagar – 388 120, Gujarat, in the enclosed self-addressed postage prepaid envelope affixed with requisite stamp by the Applicant Company. Thus postage has been borne and paid by the Applicant Company. However, envelopes containing Postal Ballot Form(s), if deposited in person or if sent by courier or registered/speed post at the expense of the Shareholder will also be accepted.
2. The Postal Ballot Form should be signed by the Member as per specimen signature registered with the Company. In case, Shares are jointly held, this Form should be completed and signed (as per specimen signature registered with the Company) by the first named member and in his/her absence, by the next named member. Holders of Power of Attorney (POA) on behalf of member may vote on the Postal Ballot mentioning the registration no. of the POA or enclosing an attested copy of POA. Unsigned Postal Ballot Form will be rejected.
3. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours (5.00 P.M.) on Friday, August 19, 2016. Postal Ballot Forms received after that date will be strictly treated as if reply from such member has not been received.
4. The voting rights shall be reckoned on the paid up value of Shares registered in the name of the Shareholders as on Friday, July 8, 2016 i.e. the cut-off date for dispatch of Postal Ballot Notice.
5. In case of Shares held by Companies, Trusts, Societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution / Authority and preferably with attested specimen signature(s) of the duly authorized signatory(ies) giving requisite authority to the person voting on the Postal Ballot Form.

6. Members are requested not to send any paper (other than the Resolution / Authority as mentioned under item Nos. 2 & 5 above) along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.
7. The exercise of vote by Postal Ballot is not permitted through proxy.
8. There will be only one Postal Ballot Form for every Registered Folio / Client ID irrespective of the number of Joint Member(s).
9. Shareholder need not use all the votes nor does he / she need to cast all the votes in the same way.
10. The Scrutinizer's decision on the validity of a Postal Ballot shall be final.
11. A Postal Ballot Form shall be considered invalid if: (a) A form other than one issued by the Company has been used; (b) It has not been signed by or on behalf of the Member; (c) Signature on the Postal Ballot Form doesn't match the specimen signatures with the Company; (d) It is not possible to determine without any doubt the assent or dissent of the Member; (e) Neither assent nor dissent is mentioned; (f) Any competent authority has given directions in writing to the Company to freeze the Voting Rights of the Member; (g) The envelope containing the Postal Ballot Form is received after the last date of voting mentioned in the Notice; (h) The Postal Ballot Form, signed in a representative capacity, is not accompanied by a certified copy of the relevant specific authority; (i) It is defaced or mutilated in such a way that its identity as a genuine form cannot be established; (j) Member has made any amendment to the Resolution or imposed any condition while exercising his/her vote.
12. The Scrutinizer shall submit his report to the Chairman of the Company or in his absence to the Executive Director or in his absence to any one of Chief Financial Officer or Company Secretary of the Company after completion of the scrutiny of the postal ballots including votes casted electronically. The result of the voting on the resolutions will be announced on Saturday, August 20, 2016 and published in the newspapers and displayed at the Registered Office of the Company and also communicated to the Stock Exchanges and shall also be posted on the website of the Company at www.elecon.com.
13. 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 Form will be treated as invalid.
14. The Applicant Company is pleased to offer e-voting facility as an alternate, for all the Shareholders of the Company to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional.

VOTING THROUGH E-VOTING

In compliance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2015, the Applicant Company is pleased to offer e-voting facility as an alternate mode of voting, for its Equity Shareholders, to enable them to cast their votes electronically. E-voting is optional. 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 under:

- (i) The voting period begins on Thursday, July 21, 2016 at 9.00 A.M. and ends on Friday, August 19, 2016 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 Friday, July 8, 2016 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.
- (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 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:

For Members holding Shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders) Physical Members who have not updated their PAN with the Company are requested to use the lowest certificate number in the PAN field. In case the certificate number is less than 10 digits enter the applicable number of 0's before the number. Eg. If your certificate number is 1000 then enter 0000001000 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).
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- (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 - 160714007 - 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 m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. 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 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.
 - 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 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

**By order of Board of Directors
For Elecon Engineering Company Limited**

**Parthiv Parikh
Company Secretary**

Dated this 27th day of April, 2016
Place : Vallabh Vidyanagar

Registered Office :

Anand-Sojitra Road, Vallabh Vidyanagar – 388120, Gujarat.

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 291 OF 2016

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

AND

In the matter of Elecon Engineering Company Limited (CIN: L29259GJ1960PLC001082), a Company incorporated under the Companies Act, 1956 and having its Registered Office at Anand-Sojitra Road, Vallabh Vidyanagar – 388120, in the State of Gujarat;

AND

In the matter of Scheme of Amalgamation between Elecon EPC Projects Limited and Elecon Engineering Company Limited.

ELECON ENGINEERING COMPANY LIMITED

(CIN : L29259GJ1960PLC001082), a Company incorporated under the Companies Act, 1956 and having its Registered Office at Anand – Sojitra Road, Vallabh Vidyanagar – 388120, in the State of Gujarat.

..... Applicant Transferee Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE OF THE COURT CONVENED MEETING AND THE NOTICE FOR POSTAL BALLOT AND E-VOTING IN THE MANNER SET OUT UNDER SEBI CIRCULAR NO. CIR/CFD/DIL/16/2015 DATED NOVEMBER 30, 2015 OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY

1. This is a statement accompanying the Notice convening the Meeting of the Equity Shareholders of the Applicant Company, pursuant to an Order dated July 7, 2016 passed by the Hon'ble High Court of Gujarat at Ahmedabad in the Company Application No.291 of 2016 referred to hereinabove, to be held at Audio Visual Hall, Eimco Elecon Building, Anand-Sojitra Road, Vallabh Vidyanagar – 388120, Gujarat, on Friday, August 19, 2016 at 11:00 A.M., for the purpose of considering and, if thought fit, approving with or without modification(s), the amalgamation embodied in the Scheme of Amalgamation of Elecon EPC Projects Limited ("EEPL" or "Transferor Company") into Elecon Engineering Company Limited ("Applicant Company" or "EECL" or "Transferee Company") ("Scheme"). The other definitions contained in the Scheme shall also apply to this Explanatory Statement.
2. Additionally, in terms of Clause 9 of Annexure I of Securities and Exchange Board of India (SEBI) Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, the said Scheme shall also be subject to the approval of Public Shareholders (i.e. Equity Shareholders other than those forming part of Promoter and Promoter Group) by passing an Ordinary Resolution through postal ballot / e-voting, as specified in the Notice of Postal Ballot forming part of this Notice.
3. A copy of the Scheme, setting out in detail terms and conditions of the amalgamation, inter alia, providing for Amalgamation of EEPL into EECL, which has been duly approved by the Board of Directors of the Applicant Company at its Meeting held on April 27, 2016, is attached to this Explanatory Statement.

Background of the Companies:

3.1. Elecon EPC Projects Limited

1. Elecon EPC Projects Limited (hereinafter referred to as "Elecon EPC" or "Transferor Company") is a closely held public limited company incorporated under the provisions of the Companies Act, 1956 in the State of Gujarat and having its Corporate Identification Number: U29219GJ1991PLC015379 and having its Registered Office at C/o. Elecon Engineering Company Limited, Anand-Sojitra Road, Vallabh Vidyanagar – 388 120, Gujarat. Transferor Company was originally incorporated on April 10, 1991 as private limited company under the name and style of "Narmada Travels Private Limited" as per certificate of registration issued by Registrar of Companies, Dadra & Nagar Haveli, Gujarat. Subsequently, the Transferor Company was converted into a deemed public limited company and consequently name of the Transferor Company was changed to "Narmada Travels Limited" with effect from April 29, 1994. Subsequently, the Transferor Company was converted into a public limited company with effect from February 01, 2002. Further, the name of the Transferor Company was changed to "Aakaash Projects Limited" with effect from May 18, 2012. Further again, the name of the Transferor Company was changed to "Elecon EPC Projects Limited" with effect from September 5, 2012. Vide an Order dated December 21, 2012 passed by Hon'ble Gujarat High Court, Material Handling Equipment

Undertakings of Prayas Engineering Limited and EMTICI Engineering Limited were de-merged and transferred to the Transferor Company and Material Handling Equipment Undertaking of Elecon Engineering Company Limited was transferred under slump sale to the Transferor Company under a Composite Scheme of Arrangement.

- The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferor Company as on March 31, 2016 is as under:

Elecon EPC Projects Limited (Transferor Company)

Share Capital	₹ in Lacs
Authorized Share Capital	
5,00,000 Equity Shares of ₹ 10/- each	50.00
1,27,50,000 0% Non-Cumulative Non-Convertible Redeemable Preference Shares of ₹ 100/- each	12,750.00
TOTAL	12,800.00
Issued, Subscribed and Paid-Up Share Capital	
4,46,609 Equity Shares of ₹ 10/- each	44.66
1,27,32,000 0% Non-Cumulative Non-Convertible Redeemable Preference Shares of ₹ 100/- each	12,732.00
TOTAL	12,776.66

Above mentioned Shareholding was similar as on March 30, 2015 i.e. Appointed Date and there has been no change in the Capital Structure of the Transferor Company as on date since then.

- The Transferor Company is a closely held public limited company. It is mainly engaged in business of providing engineering, procurement, construction and project management services. It manufactures all types of bulk material handling equipment.
- The main objects of EEPL as listed out in its Memorandum of Association are as under:
 - To prepare designs and drawings of various processes, plants and projects and to manufacture, erect, install, commission, supply, fabricate, construct, repair, maintain, procure and deal in all types of material handling equipment and other machineries of all kinds and do all related services and work, to act as consulting engineers and undertake studies and projects in India and other parts of the World.

3.2. Elecon Engineering Company Limited

- Elecon Engineering Company Limited (hereinafter referred to as "Elecon" or "Transferee Company") is public listed company incorporated under the provisions Companies Act, 1956 in the State of Gujarat and having its Corporate Identification Number: L29259GJ1960PLC001082 and having its Registered Office at Anand-Sojitra Road, Vallabh Vidyanagar - 388 120, Gujarat. The Transferee Company was originally incorporated on January 11, 1960 as a private limited company under the name and style of "Elecon Engineering Company Private Limited" as per certificate of registration issued by Registrar of Companies, Bombay. Vide a certificate dated August 24, 1961, issued by the Asstt. Registrar of Companies, Maharashtra, the Registered Office of the Company was shifted to Gujarat. Subsequently, the name of the Transferee Company was changed to "Elecon Engineering Company Limited" with effect from November 28, 1961. Vide an Order dated December 21, 2012 passed by Hon'ble Gujarat High Court, Gears Business Undertakings of Prayas Engineering Limited and EMTICI Engineering Limited were de-merged and transferred to the Transferee Company and Material Handling Equipment Undertaking of the Transferee Company was transferred under slump sale to Elecon EPC Projects Limited under a Composite Scheme of Arrangement. Equity Shares of Transferee Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").
- The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferee Company as on March 31, 2016 is as under:

Elecon Engineering Company Limited (Transferee Company)

Share Capital	₹ in Lacs
Authorized Share Capital	
22,50,00,000 Equity Shares of ₹ 2/- each	4,500.00
2,50,00,000 Cumulative Redeemable Preference Shares of ₹ 2/- each	500.00
TOTAL	5,000.00
Issued, Subscribed and Paid-Up Share Capital	
10,89,35,843 Equity Shares of ₹ 2/- each	2,178.72
TOTAL	2,178.72

Above mentioned Shareholding was similar as on March 30, 2015 i.e. Appointed Date and there has been no change in the Capital Structure of the Transferee Company as on date since then.

3. EECL, the Transferee Company is a listed public limited company. The Equity Shares of Transferee Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). It is engaged in the business of manufacturing industrial geared motors and reducers, mining equipment, casting processes, material handling equipment etc. It is also engaged in designing and manufacturing worm gears; parallel shaft and right angle shaft; helical and spiral level helical gears; fluid geared and flexible couplings, as well as planetary gear boxes. Upon scheme being effective, it proposes to undertake the commercial activities of the Transferor Company.
4. The main objects of the Transferee Company are mentioned in the object clause of its Memorandum of Association.

4. Background of the Scheme

The Scheme provides for, inter alia, for:

- (a) The amalgamation of EEPL into EECL;
- (b) Issuance of Equity Shares of EECL as consideration for amalgamation of EEPL into EECL to the Shareholders of EEPL based on swap ratio determined by Independent Chartered Accountants;
- (c) Transfer of all assets and liabilities of EEPL into EECL; and
- (d) Dissolution of EEPL without winding up in accordance to Sections 391 to 394 of the Companies Act, 1956.

5. Rationale of the Scheme

This Scheme (as defined hereinafter) envisages the amalgamation of Elecon EPC into Elecon, resulting in consolidation of the business in one entity, creating a vertically integrated engineering company 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 the Transferor Company and the Transferee Company and their respective Shareholders. The proposed amalgamation of Elecon EPC into Elecon 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. The Transferor Company and the Transferee Company believe that the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Transferor Company and the Transferee 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 the Transferor Company and the Transferee Company believe that this Scheme shall benefit the respective companies and other Stakeholders of respective companies, inter-alia, on account of the following reasons:

- (a) Enable Transferee Company to use the resources of Transferor Company and generate significant synergy in operations;
- (b) 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;
- (c) Reduction of overheads and other expenses, facilitate administrative convenience and ensure optimum utilization of available services and resources.

6. Salient features of the Scheme

- (a) The Scheme envisages the amalgamation of Transferor Company with Transferee Company pursuant to Sections 391 to 394 of the Companies Act, 1956 on a going concern basis in the manner provided for in the Scheme.
- (b) The Scheme shall be effective from Appointed Date i.e. March 30, 2015 and would come into effect from the date on which certified copies of the orders passed by the Hon'ble High Court of Gujarat at Ahmedabad is filed with the Registrar of Companies, Gujarat at Ahmedabad.
- (c) With effect from the Appointed Date, the Transferor Company along with its all assets and liabilities shall stand merged with the Transferee Company, as a going concern, pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956, together with all the properties, assets, rights, liabilities, benefits and interest therein.
- (d) Upon this Scheme becoming effective and as consideration of the Scheme, Transferee Company shall without any further application, act, instrument or deed, issue and allot its Equity Shares, credited as fully paid up, to the extent indicated below, to the Equity Shareholders of Transferor Company (except Transferee Company) and whose name appear in the Register of Members of the Transferor Company on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of Transferor Company / Transferee Company in consideration of the amalgamation of Transferor Company into Transferee Company in the following ratio / proportion ("Share Exchange Ratio"):

"37 (Thirty Seven) Equity Shares of face value of ₹ 2/- at par each fully paid-up of Transferee Company for every 2 (Two) Equity Shares of face value of ₹ 10/- each fully paid-up held in Transferor Company."

It is clarified that upon this Scheme becoming effective, Equity Shares of Transferor Company held by the Transferee Company directly and / or through its nominee(s), constituting 60.49% of Paid-up Equity Share Capital and entire Preference Share Capital of the Transferor Company will stand cancelled. No Shares or consideration shall be issued / paid by the Transferee Company pursuant to the amalgamation of the Transferor Company with Transferee Company in respect of Equity and Preference Shares of Transferor Company held by Transferee Company.

- (e) For the avoidance of doubt, in respect of Equity Shareholders of the Transferor Company (except Transferee Company) who, on the Record date do not hold Equity Shares in the Transferor Company in multiple of 2 (Two) shall be allotted number of fully paid-up Equity Shares of ₹ 2/- each at par of the Transferee Company in the same ratio as the actual number of Equity Shares held by the member in the Transferor Company on the Record Date, bear to the Share Exchange Ratio.
- (f) Upon sanction of the Scheme, the Authorized Equity and Non-Cumulative Non-Convertible Redeemable Preference Share Capital of the Transferor Company shall be deemed to be added to the Authorized Share capital of Transferee Company. Consequent to Scheme becoming effective, Authorized Equity Share Capital of the Transferee Company will be 22,75,00,000 Equity Shares of ₹ 2/- each amounting to ₹ 4,550 Lacs, 2,50,00,000 Cumulative Redeemable Preference Shares of ₹ 2/- each amounting to ₹ 500 Lacs and 1,27,50,000 Non-Cumulative Non-Convertible Redeemable Preference Shares of ₹ 100/- each amounting to ₹ 12,750 Lacs.
- (g) On and from the Effective Date, all employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions not less favorable than those on which they are engaged by the Transferor Company as on the Effective Date.
- (h) With effect from the date of passing of the Board Resolution for approving the Scheme i.e. April 27, 2016, Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities for and on account of and in trust for the Transferee Company. Transferor Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date.
- (i) All suits, writ petition, appeal, revision or other proceedings of whatever nature by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of all assets and liabilities of the Transferor Company or of anything contained in the Scheme, but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.
- (j) On the Scheme becoming effective, the Transferor Company shall be dissolved without winding up in accordance with the provisions of Sections 391 to 394 of the Companies Act, 1956.
- (k) The Scheme is conditional upon and subject to the approvals and / or sanctions laid down in Clause 15 of the Scheme.

Please note that the features set out above being only the salient features of the Scheme of Amalgamation; the Equity Shareholders are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

7. Board Meeting, Valuation Report and Fairness Opinion

- (a) The Proposed Scheme of Amalgamation was approved by the Board of Directors of the Transferee Company at the Meeting held on April 27, 2016 after considering the recommendations of the Audit Committee. The Company has obtained a Joint Certificate dated April 26, 2016 issued by two Independent Chartered Accountants' Firms, Haribhakti & Co. LLP and SSPA & Co., recommending fair Equity Share Exchange Ratio for the purpose of proposed amalgamation of EEPL into EECL and a Fairness Opinion dated April 26, 2016 of an Independent Merchant Banker, RBSA Capital Advisors LLP.
- (b) In accordance with the Circular No. CIR/CFD/CMD/16/2015 issued by SEBI dated November 30, 2015, the Audit Committee of the Transferee Company had on April 27, 2016 recommended the proposed Scheme of Amalgamation for approval of the Board.

8. Capital Structure : Pre-Amalgamation and Post-Amalgamation

Pre-Amalgamation and Post-Amalgamation Capital Structure of Elecon Engineering Company Limited is as follows:

	Particulars	Pre-Amalgamation as on March 30, 2015		Post-Amalgamation	
		No. of Shares	Amount (₹ In Lacs)	No. of Shares	Amount (₹ In Lacs)
A	Authorized Share Capital				
	Equity Shares of ₹ 2/- each	22,50,00,000	4,500.00	22,75,00,000	4,550.00
	Cumulative Redeemable Preference Shares of ₹ 2/- each	2,50,00,000	500.00	2,50,00,000	500.00
	Non-Cumulative Non-Convertible Redeemable Preference Shares of ₹ 100/- each	-	-	1,27,50,000	12,750.00
	Total	25,00,00,000	5,000.00	26,52,50,000	17,800.00
B	Issued, Subscribed and Paid-up Share Capital				
	Equity Shares of ₹ 2/- each, fully paid-up	10,89,35,843	2,178.72	11,21,99,965	2,243.99
	Total	10,89,35,843	2,178.72	11,21,99,965	2,243.99

Pre-Amalgamation Capital Structure of EEPL is mentioned in paragraph 3.1. On the Scheme becoming effective, EEPL shall be dissolved without being wound up and without any further act by the parties to this Scheme.

9. Pre-Amalgamation and Post-Amalgamation Shareholding Pattern

Pursuant to Listing Agreement entered into with Stock Exchanges, the Pre-Amalgamation and the Post-Amalgamation Shareholding Pattern of Elecon Engineering Company Limited and Pre-Amalgamation Shareholding of Elecon EPC Projects Limited is given below:

Code	Category of Shareholders	Transferee Company (EECL) Pre-Amalgamation		Transferee Company (EECL) Post-Amalgamation		Transferor Company (EEPL) Pre-Amalgamation	
		No. of Shares	As % age of total capital	No. of Shares	As % age of total capital	No. of Shares	As % age total capital
	Promoters – Preference Shares	-	-	-	-	12732000	100.00
(A)	Shareholding of Promoter and Promoter Group - Equity Shares						
1	Indian						
(a)	Individuals / HUF	4117366	3.78	4377957	3.90	14086	3.15
(b)	Central/State Government	0	0.00	0	0.00	0	0.00
(c)	Bodies Corporate	58345553	53.56	61349084	54.68	432523	96.85
(d)	Financial Institutions/Banks	0	0.00	0	0.00	0	0.00
(e)	Any Other (specify)	0	0.00	0	0.00	0	0.00
	Sub Total (A)(1)	62462919	57.34	65727041	58.58	446609	100.00
2	Foreign						
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0.00	0	0.00	0	0.00
(b)	Bodies Corporate	0	0.00	0	0.00	0	0.00
(c)	Institutions	0	0.00	0	0.00	0	0.00
(d)	Qualified Foreign Investors	0	0.00	0	0.00	0	0.00
(e)	Any Other (specify)	0	0.00	0	0.00	0	0.00
	Sub Total (A)(2)	0	0.00	0	0.00	0	0.00
	Total Shareholding of Promoter & Promoter Group (A) = (A)(1) + (A)(2)	62462919	57.34	65727041	58.58	446609	100.00
(B)	Public Shareholding						
1	Institutions						
(a)	Mutual Funds/UTI	8773222	8.05	8773222	7.82	0	0.00
(b)	Financial Institutions/Banks	303547	0.28	303547	0.27	0	0.00
(c)	Central/State Government(s)	278648	0.26	278648	0.25	0	0.00
(d)	Venture Capital Funds	0	0.00	0	0.00	0	0.00
(e)	Insurance Companies	0	0.00	0	0.00	0	0.00
(f)	Foreign Institutional Investors	10212	0.01	10212	0.01	0	0.00
(g)	Foreign Venture Capital Investors	0	0.00	0	0.00	0	0.00
(h)	Foreign Portfolio Investors	571666	0.52	571666	0.51	0	0.00
(i)	Any Other(specify)	0	0.00	0	0.00	0	0.00
	Sub-Total (B)(1)	9937295	9.12	9937295	8.86	0	0.00
2	Non Institutions						
(a)	Bodies Corporate	3640320	3.34	3640320	3.24	0	0.00
(b)	Individuals						
	i) Holding nominal Share capital upto ₹ 2 Lakh	26029595	23.89	26029595	23.20	0	0.00
	ii) Holding nominal Share capital in excess of ₹ 2 Lakh	3055991	2.81	3055991	2.72	0	0.00
(c)	Qualified Foreign Investors	0	0.00	0	0.00	0	0.00

Code	Category of Shareholders	Transferee Company (EECL) Pre-Amalgamation		Transferee Company (EECL) Post-Amalgamation		Transferor Company (EEPL) Pre-Amalgamation	
		No. of Shares	As % age of total capital	No. of Shares	As % age of total capital	No. of Shares	As % age total capital
(d-i)	Trust	1000	0.00	1000	0.00	0	0.00
(d-ii)	HUF	1750553	1.61	1750553	1.56	0	0.00
(d-iii)	NRI (Non-Repat)	172061	0.16	172061	0.15	0	0.00
(d-iv)	NRI	884821	0.81	884821	0.79	0	0.00
(d-v)	Other Directors	422261	0.39	422261	0.38	0	0.00
(d-vi)	Clearing Members	550590	0.51	550590	0.49	0	0.00
(d-vii)	Market Maker	28437	0.03	28437	0.03	0	0.00
	Sub-Total (B)(2)	36535629	33.54	36535629	32.56	0	0.00
	Total Public Shareholding (B) = (B)(1) + (B)(2)	46472924	42.66	46472924	41.42	0	0.00
	Total (A)+(B)	108935843	100.00	112199965	100.00	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued						
1	Promoter and Promoter Group	0	0.00	0	0.00	0	0.00
2	Public	0	0.00	0	0.00	0	0.00
	Sub-Total (C)	0	0.00	0	0.00	0	0.00
	Grand Total Equity = (A)+(B)+(C)	108935843	100.00	112199965	100.00	446609	100.00
	Grand Total – Preference Capital	-	-	-	-	12732000	100.00

10. Extent of Shareholding of Directors and Key Managerial Personnel

- (a) The Directors and Key Managerial Personnel ("KMP") of the Transferor Company and the Transferee Company and/or their relatives may be deemed to be concerned and/or interested in the Scheme only to the extent of their Shareholding in their respective companies, or to the extent the said Directors/KMP 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.
- (b) Save as aforesaid, none of the directors, managing director or the manager or KMP of the Transferee Company or the Transferor Company has any material interest in the Scheme.
- (c) It is hereby clarified that their interest in the Company shall not be treated in any differential manner than the other Shareholders and/or Creditors.
- (d) The Shareholding of the present Directors and KMPs of the Transferor Company in the Transferee Company and Transferor Company is as under:

Sr. No.	Name of Director / KMP	Shares in EEPL	Shares in EECL
1	Mr. Pradip M. Patel	Nil	43161
2	Mr. Prashant C. Amin	Nil	37675
3	Mr. Chirayu R. Amin	Nil	Nil
4	Ms. Reena P. Bhagwati	Nil	Nil
5	Mr. Jal R. Patel	Nil	Nil
6	Mr. Arvind Shore	Nil	2100
7	Mr. Rajat Jain	Nil	Nil
8	Ms. Bharti L. Isarani	Nil	Nil

- (e) The Shareholding of the relatives of present Directors and KMPs of the Transferor Company in the Transferee Company and Transferor Company is as under:

Sr. No.	Name of Relatives of Directors / KMP	Shares in EEPL	Shares in EECL
1	Ms. Trupti P. Patel	Nil	1431058
2	Ms. Unnati N. Kulur	Nil	51725
3	Mr. Nehal P. Patel	Nil	239700
4	Mr. Pradip M. Patel (On Behalf of P. M. Patel - HUF)	Nil	19251

- (f) The Shareholding of present Directors and KMPs of the Transferee Company in the Transferee Company and Transferor Company is as under:

Sr. No.	Name of Director / KMP	Shares in EEPL	Shares in EECL
1	Mr. Prayasvin B. Patel	13,700	22,55,002
2	Mr. Prashant C. Amin	Nil	37,675
3	Mr. Pradip M. Patel	Nil	43,161
4	Mr. Hasmukhlal S. Parikh (Passed away on May 8, 2016)	Nil	50,000
5	Mr. Chirayu R. Amin	Nil	Nil
6	Mr. Jal R. Patel	Nil	Nil
7	Mr. Jai S. Diwanji	Nil	28,050
8	Ms. Sonal V. Ambani	Nil	Nil
9	Mr. Rajat Jain	Nil	Nil
10	Mr. Parthiv P. Parikh	Nil	Nil

- (g) The Shareholding of the relatives of present Directors and KMPs of the Transferee Company in the Transferee Company and Transferor Company is as under:

Sr. No.	Name of Relatives of Directors / KMP	Shares in EEPL	Shares in EECL
1	Ms. Trupti P. Patel	Nil	1431058
2	Ms. Unnati N. Kulur	Nil	51725
3	Mr. Nehal P. Patel	Nil	239700
4	Mr. Pradip M. Patel (On Behalf of P. M. Patel - HUF)	Nil	19251
5	Ms. Taruna P. Patel	146	203816
6	Ms. Aishwarya P. Patel	120	Nil
7	Ms. Aakansha P. Patel	120	Nil
8	Mr. Prayasvin B. Patel (On Behalf of B. I. Patel - HUF)	Nil	227490

- (h) There is not any Secured / Unsecured loan given by Directors of Transferor Company / Transferee Company to either of the Companies.

11. Approvals

- (a) Pursuant to the Circular Number CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by the Securities and Exchange Board of India ("SEBI Circular") read with Regulation 37 of SEBI Listing Regulations, the Transferee Company had filed necessary applications before the BSE Limited and National Stock Exchange of India Limited seeking their No-Objection to the Scheme. It received Observation Letters dated June 21, 2016 from BSE Limited and National Stock Exchange of India Limited conveying its no-objection to the Scheme. Copies of the aforesaid observation letters are enclosed herewith.
- (b) As per the terms of Observation Letters, SEBI has given no adverse objection to the Scheme and has advised the Transferee Company to comply with the provisions of the SEBI Circular.
- (c) As required by the SEBI Circular, the Transferee Company has filed the Complaints Report (indicating NIL complaint) with BSE Limited and National Stock Exchange of India Limited on May 26, 2016. After filing of the Complaints Report, the Company has received NIL complaints. A copy of the aforementioned Complaints Report is enclosed herewith.
- (d) Further in compliance to the SEBI Circular, the Public Shareholders are also entitled to Postal Ballot including e-voting for the approval sought to the proposed Scheme of Amalgamation. In terms of the SEBI Circular, the approval to the Scheme of Amalgamation under postal ballot including e-voting shall be deemed to have been approved provided that the Scheme is approved by a simple majority of the Public Shareholders participating through postal ballot including e-voting.

12. General

- (a) Under Section 391 of the Companies Act, 1956, the proposed Scheme will have to be approved by a majority in number representing three-fourths in value of the members present and voting either in person or by proxy at the Meeting. A proxy form is enclosed. It is hoped that in view of the importance of the business to be transacted, you will personally attend the Meeting. The signing of the form or forms of Proxy will, however, not prevent you from attending and voting in person, if you desire.
- (b) The Scheme is conditional and subject to being approved by Shareholders of Transferee Company passed by way of postal ballot/e-voting in terms of Clause 9 of Annexure I of Circular Number CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by Securities and Exchange Board of India; provided that the said resolution shall be acted upon only if the votes cast by the public Shareholders of Transferee Company in favour of the proposal are more than the number of votes cast by the public Shareholders against it.

- (c) The Scheme is not prejudicial to the interests of the members of the Transferee Company. Pursuant to this Scheme becoming effective, the Transferor Company (i.e. EEPL) will stand dissolved without winding up. By virtue of this Scheme becoming effective there would be no change in control of the Transferee Company or in the constitution of its Board of Directors.
- (d) The financial position of the Transferee Company will not be adversely affected by this Scheme. Further, the rights and interests of the Shareholders and Creditors (Secured and Unsecured) of either of the Companies will not be prejudicially affected by this Scheme as the Transferee Company, post this Scheme, will be able to meet its liabilities as they arise in the ordinary course of business.
- (e) The latest audited accounts of the Transferee Company as on March 31, 2016 indicates that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any Secured or Unsecured Creditor of the concerned Companies would lose or be prejudiced as a result of this Scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. Hence, the amalgamation will not cast any additional burden on the Shareholders or Creditors of either Company, nor will it affect the interest of any of the Shareholders or Creditors.
- (f) The Directors of the Transferee Company have no material interest in the Scheme except as mentioned in this Statement.
- (g) There are no winding up proceedings pending against the Transferee Company as of date.
- (h) No investigation or proceedings have been instituted or are pending in relation to the either of the Companies under Section 235 to 251 of the Companies Act, 1956 and corresponding provisions of Companies Act, 2013 notified thereto.
- (i) In the event of any of the sanctions and approvals referred to in this Scheme not being obtained and/or this Scheme not being sanctioned by the Hon'ble High Court or such other competent authority and/or the order or orders not being passed as aforesaid before December 31, 2018, the Scheme shall stand revoked, cancelled and be of no effect.
- (j) Inspection of the following documents may be had by the Equity Shareholders of both the Companies at the Registered Office of the Companies on any working day except Saturdays prior to the date of the Meeting between 11.00 A.M. to 1.00 P.M.
 - (i) Copy of the Order dated July 7, 2016 of the Hon'ble High Court of Gujarat passed in Company Application Nos. 290 & 291 of 2016, directing the convening of the Meeting of the Equity Shareholders of EEPL & EECL;
 - (ii) Copy of the Company Application Nos. 290 & 291 of 2016;
 - (iii) Memorandum of Association and Articles of Association of EECL and EEPL;
 - (iv) Audited Financial Statements of EECL and EEPL for last three financial years ended March 31, 2016, March 31, 2015 and March 31, 2014;
 - (v) Register of Directors' Shareholdings of EECL and EEPL;
 - (vi) Copy of the Observation Letters dated June 21, 2016 received from BSE Limited and National Stock Exchange of India Limited;
 - (vii) Copy of the Complaints Report dated May 26, 2016 filed with BSE Limited and National Stock Exchange of India Limited;
 - (viii) Report dated April 26, 2016 issued by Independent Chartered Accountants' Firm, Haribhakti & Co. LLP and SSPA & Co.;
 - (ix) Fairness Opinion dated April 26, 2016 issued by RB SA Capital Advisors LLP;
 - (x) Certificate dated May 2, 2016 issued by the Statutory Auditors M/s. Thacker Butala Desai towards pre-merger and post-merger net worth.
- (k) This statement may be treated as an Explanatory Statement pursuant to Section 393 of the Companies Act, 1956 read with Section 102 of the Companies Act, 2013.
- (l) A copy of this Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained free of charge on any working day (including Saturdays) prior to the date of the Meeting, from the Registered Office of the Transferee Company situated at Anand-Sojitra Road, Vallabh Vidyanagar – 388120, Gujarat, and/or at the Advocate appearing for the Companies having her office at 301, 3rd Floor, Shivalik-10, Opp. SBI Zonal Office, Nr. Excise Chowky, Nr. S.M. Road, Ahmedabad – 380 015.

Dated this 7th day of July, 2016
Place: Vallabh Vidyanagar

Registered office:

Anand-Sojitra Road, Vallabh Vidyanagar – 388120, Gujarat

Sd/-
Prayasvin B. Patel
Chairman appointed for the Meeting

SCHEME OF AMALGAMATION
(UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 AND OTHER APPLICABLE
PROVISIONS OF THE COMPANIES ACT, 1956 AND THE COMPANIES ACT, 2013)
OF
ELECON EPC PROJECTS LIMITED
(TRANSFEROR COMPANY)
INTO
ELECON ENGINEERING COMPANY LIMITED
(TRANFEE COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART I

INTRODUCTION

- (A) **Elecon EPC Projects Limited** (hereinafter referred to as “Elecon EPC” or “Transferor Company”) is a public limited company incorporated under the provisions of Companies Act, 1956 in the State of Gujarat and having its Corporate Identification Number: U29219GJ1991PLC015379 and registered office at c/o Elecon Engineering Company Limited, Anand-Sojitra Road, Vallabh Vidyanagar – 388 120, Gujarat. Transferor Company was originally incorporated on April 10, 1991 as private limited company under the name and style of “Narmada Travels Private Limited” as per certificate of registration issued by Registrar of Companies, Dadra & Nagar Haveli, Gujarat. Subsequently, the Transferor Company was converted into a deemed public limited company and consequently name of the Transferor Company was changed to “Narmada Travels Limited” with effect from April 29, 1994. Subsequently, the Transferor Company was converted into a public limited company with effect from February 01, 2002. Further, the name of the Transferor Company was changed to “Aakaaish Projects Limited” with effect from May 18, 2012. Further again, the name of the Transferor Company was changed to “Elecon EPC Projects Limited” with effect from September 05, 2012. Transferor Company is engaged in the business of providing engineering, procurement, construction and project management services. It manufactures all types of bulk material handling equipment. The main object of the Transferor Company is as follows:

1. To prepare designs and drawings of various processes, plants and projects and to manufacture, erect, install, commission, supply, fabricate, construct, repair, maintain, procure and deal in all types of material handling equipment and other machineries of all kinds and do all related services and work, to act as consulting engineers and undertake studies and projects in India and other parts of the World.

- (B) **Elecon Engineering Company Limited** (hereinafter referred to as “Elecon” or “Transferee Company”) is public listed company incorporated under the provisions of the Companies Act, 1956 in the State of Gujarat on and having its Corporate Identification Number: L29259GJ1960PLC001082 and registered office at Anand-Sojitra Road, Vallabh Vidyanagar – 388 120, Gujarat. The Transferee Company was originally incorporated on January 11, 1960 as a private limited company under the name and style of “Elecon Engineering Company Private Limited” as per certificate of registration issued by Registrar of Companies, Bombay. Subsequently, the name of the Transferor Company was changed to “Elecon Engineering Company Limited” with effect from November 28, 1961. Transferee Company is engaged in the business of manufacturing industrial geared motors and reducers, mining equipment, casting processes, material handling equipment etc. Equity shares of Transferee Company are listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”). The Transferee Company is engaged in designing and manufacturing worm gears; parallel shaft and right angle shaft; helical and spiral level helical gears; fluid geared and flexible couplings, as well as planetary gear boxes. The main objects of the Transferee Company are mentioned in the object clause of its Memorandum of Association.

RATIONALE

- (C) This Scheme (as defined hereinafter) envisages the amalgamation of Elecon EPC into Elecon, resulting in consolidation of the business in one entity, creating a vertically integrated engineering company 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 the Transferor Company and the Transferee Company and their respective shareholders. The proposed amalgamation of Elecon EPC into Elecon 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. The Transferor Company and the Transferee Company believe that the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Transferor Company and the Transferee 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 the Transferor Company and the Transferee 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 Transferee Company to use the resources of Transferor Company and generate significant 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.
- (D) The proposed amalgamation and vesting of Elecon EPC into Elecon, with effect from the Appointed Date is in the interest of the shareholders, creditors, stakeholders and employees of both the companies as it would enable a focused business approach for the maximization of benefits to all stakeholders and for the purposes of synergies of business.
- (E) This Scheme is divided into the following parts:
- (i) **Part I**, which deals with the introduction and rationale of the Scheme;
 - (ii) **Part II**, which deals with the Definitions and Share Capital;
 - (iii) **Part III**, which deals with the merger of the Transferor Company into the Transferee Company;
 - (iv) **Part IV**, which deals with the accounting treatment to the Transferor Company and the Transferee Company under this Scheme;
 - (v) **Part V**, which deals with the general terms and conditions as applicable to this Scheme.

The scheme also provides for various other matters consequential, incidental or otherwise integrally connected therewith.

PART II

1. DEFINITIONS

In this Scheme, unless inconsistent with the meaning or context, the following expressions shall have the following meanings:-

- 1.1 **"Act"** means the Companies Act, 1956 read together with the notified provisions of Companies Act, 2013 including any statutory modifications, re-enactment rules, regulations, notifications, amendments or statutory replacement or re-enactment or amendments thereof. it is being clarified that as on the date of approval of this Scheme by the Boards of Directors of the Transferor Company and Transferee Company, Section 391 and 394 of the Companies Act, 1956 continue to be in force with corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, references in this Scheme to particular provisions of the Act are references to particulars provisions of Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of provisions of Companies Act, 2013, such references shall, unless a different intention appears, to be construed as reference to the provisions so re-enacted.
- 1.2 **"Applicable Law"** shall mean any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinances, orders or instructions having the force of law enacted or issued by the any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force.
- 1.3 **"Appointed Date"** means the 30th day of March, 2015 or such other date as may be approved by the High Court of Gujarat or any other appropriate authority.
- 1.4 **"Appropriate Authority"** means any governmental, statutory, departmental or public body of authority in India, including Securities and Exchange Board of India; stock exchanges in India; Registrar of Companies, Company Law Board in India, National Company Law Tribunal ("NCLT"), the High Court of Gujarat.
- 1.5 **"Board of Directors" or "Board"** in relation to Transferor Company and / or Transferee Company, as the case may be, shall, unless it is repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors.
- 1.6 **"BSE"** means the BSE Limited, the designated stock exchange of the Transferee Company.
- 1.7 **"Court" or the "High Court"** means the Hon'ble High Court of Gujarat or the NCLT as the case may be.
- 1.8 **"Effective Date"** means the date on which certified copies of the order passed by the Hon'ble High Court of Gujarat is filed with the Registrar of Companies, Gujarat at Ahmedabad after obtaining the consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary therefore.
- 1.9 **"IT Act"** means Income tax Act, 1961
- 1.10 **"Long Stop Date"** shall mean 31st December 2018.
- 1.11 **"NSE"** means the National Stock Exchange of India Limited.
- 1.12 **"Lender" or "Lenders"** mean any person or entity that has granted or will grant any credit facility whether fund based or non-fund based and whether secured or unsecured, to the Transferor Company or the Transferee Company.
- 1.13 **"Public"** means as defined in Rule 2 of Securities Contracts (Regulations) Rules, 1957.
- 1.14 **"Record Date"** means the date to be fixed by the Board of Directors of Transferee Company in consultation with the Board of the Transferor Company for the purpose of reckoning names of the equity shareholders of the Transferor Company who shall be entitled to shares of the Transferee Company in accordance with Clause 5.1 of this Scheme.
- 1.15 **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Amalgamation in its present form or with any

modification(s) submitted to the Hon'ble High Court of Gujarat or any other appropriate authority in relevant jurisdictions with any modification(s) thereof and as approved or imposed or directed by the High Court of Gujarat or any other appropriate authority, as applicable.

- 1.16 **"SEBI"** means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
- 1.17 **"SEBI Circular"** means Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 issued by SEBI or any other circulars issued by SEBI applicable to a scheme of arrangement / amalgamation.
- 1.18 **"SEBI Regulations"** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 issued by SEBI or any other regulations applicable to scheme of arrangement / amalgamation.
- 1.19 **"Stock Exchange"** shall have the same meaning as ascribed to it under the Securities Contract (Regulation) Act, 1956.
- 1.20 **"Stock Exchanges"** means National Stock Exchange of India Limited and BSE Limited.
- 1.21 **"Transferee Company"** means Elecon Engineering Company Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at Anand-Sojitra Road, Vallabh Vidyanagar – 388120, Gujarat.
- 1.22 **"Transferor Company"** means Elecon EPC Projects Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at C/o. Elecon Engineering Company Limited, Anand-Sojitra Road, Vallabh Vidyanagar, 388120, Gujarat.
- 1.23 **"The Undertaking"** means and includes :
- (a) all the assets and properties of the Transferor Company as on the Appointed Date i.e. all the undertakings, the entire business, all the properties (whether movable or immovable – freehold or leasehold, tangible or intangible), plant and machinery, buildings and structures, including any advances for acquisition of land, allotment letters, sanctions, approvals, permits granted by any government or any other authority, offices, residential and other premises, capital work in progress, furniture, fixture, office equipment, appliances, accessories, power lines, deposits, stocks, assets, investments of all kinds and in all forms, cash balances with banks, loans, advances, contingent rights or benefits, receivables, benefit of any deposits, financial assets, leases, hire purchase contracts and assets, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, permissions, permits, quotas, rights, entitlements, guarantees, authorizations, approvals, agreements, contracts, leases, licenses, registrations, tenancies, benefits, of all taxes including but not limited to Minimum Alternate Tax ("MAT") paid under Section 115JA/115JB of the IT Act, advance taxes and tax deducted at source, right to carry forward and set off unabsorbed losses and depreciation, unutilized MAT credit under the provisions of the IT Act, right to claim deductions under Section Chapter VI-A of the IT Act including its continuing benefits; engagements, arrangements of all kinds, exemptions, benefits, incentives, privileges and rights under State tariff regulations and under various laws, all facilities and entitlements given by the Office of Development Commission, Special Economic Zones (SEZ) under the SEZ Act, 2005 and rules made there under, if any, loan agreements, titles, interests, trade and service names and marks, patents, copyrights, and other intellectual property rights to use and avail of telephones, telexes, facsimile, email, interest, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programs, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records, and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control or vested in or granted in favor of or held for the benefit of or enjoyed by the Transferor Company or which have accrued to the Transferor Company as on the Appointed Date, whether in India or abroad, of whatsoever nature and where-ever situated, (hereinafter referred to as the "Assets");
 - (b) all the debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date (hereinafter referred to as the "Liabilities");
 - (c) without prejudice to the generality of Sub-Clause (a) above, the Undertaking of the Transferor Company shall include all the Transferor Company's Reserves, the movable and immovable properties, assets, including mining leases, lease-hold rights, tenancy rights, industrial and other licenses, permits, authorizations, quota rights, trade marks, patents and other industrial and intellectual properties, import quotas, telephones, telex, facsimile and other communication facilities, rights and benefits of all agreements, guarantees including guarantees given by the State Government(s), all facilities and entitlements given by the Office of Development Commission, Special Economic Zones (SEZ) under the SEZ Act, 2005 and rules made there under, deeds, bonds, insurance policies and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals of whatsoever nature and wheresoever's situate, if any belonging to or in the ownership, power or possession or control of the Transferor Company.
 - (d) all earnest monies and/or security deposits paid by the Transferor Company.
 - (e) all the employees of the Transferor Company who are willing to become the employees of the Transferee Company.
- 1.24 In this Scheme, unless the context otherwise requires:
- (a) Words denoting singular shall include plural and vice versa;

- (b) Reference in the Scheme to “coming into effect of the Scheme” or “effectiveness of the Scheme” or “upon the Scheme being effective” shall mean from the Effective Date;
- (c) Headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- (d) References to the word “include” or “including” shall be construed without limitation;
- (e) A reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- (f) Unless otherwise defined, reference to the word “days” shall mean calendar days;
- (g) Reference to dates and times shall be construed to be references to Indian dates and times;
- (h) Reference to an act, regulation, circular, notification or a document includes an amendment or supplement to, or modification or replacement or novation or re-enactment of such act, regulation, circular, notification or document; and
- (i) Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them under the Act, Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations and byelaws, as the case may be or any statutory amendment(s) or re-enactment thereof, for the time being in force.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court of Gujarat, shall become operative from the effective Date and shall be effective from the appointed Date.

3. SHARE CAPITAL

- 3.1. The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferor Company as on 30th March, 2015 is as under :-

Share Capital	₹ in Lacs
Authorized Share Capital	
5,00,000 Equity Shares of ₹ 10/- each	50.00
1,27,50,000 0% Non-Cumulative Non-Convertible Redeemable Preference Shares of ₹100/- each	12,750.00
TOTAL	12,800.00
Issued, Subscribed and Paid-up Share Capital	
4,46,609 Equity Shares of ₹ 10/- each	44.66
1,27,32,000 0% Non-Cumulative Non-Convertible Redeemable Preference Shares of ₹ 100/- each	12,732.00
TOTAL	12,776.66

After 30th March 2015, there has been no change in authorized, issued, subscribed and paid-up share capital of the Transferor Company till the date of passing of board resolution approving the Scheme.

- 3.2. The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferee Company as on 30th March 2015 is as under:-

Share Capital	₹ in Lacs
Authorized Share Capital	
22,50,00,000 Equity Shares of ₹ 2/- each	4,500.00
2,50,00,000 Cumulative Redeemable Preference Shares of ₹ 2/- each	500.00
TOTAL	5,000.00
Issued, Subscribed and Paid-up Share Capital	
10,89,35,843 Equity shares of ₹ 2/- each	2,178.72
TOTAL	2,178.72

After 30th March 2015, there has been no change in authorized, issued, subscribed and paid-up share capital of the Transferee Company till the date of passing of board resolution approving the Scheme

- 3.3. The existing equity shares of the Transferee Company are listed on NSE and the BSE. The equity shares of the Transferor Company are not listed on any Stock Exchange.

PART III

4. TRANSFER AND VESTING

- 4.1. With effect from the Appointed Date and upon this Scheme coming into effect, the Transferor Company along with its Undertaking shall stand merged with and be vested in the Transferee Company, as a going concern, without any further act or instrument or deed, matter or thing to be made, done or executed and pursuant to the provisions of Sections 391 to 394 of the Act, together with all the properties, assets, rights, liabilities, benefits and interest therein, as more

specifically described in the subsequent clauses of this Scheme.

- 4.2. With effect from the Appointed Date, the entire business and the whole of the Undertaking of the Transferor Company shall, without any further act or deed, be and stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company as a going concern, pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act, PROVIDED ALWAYS that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security after the amalgamation has become effective or otherwise. The transfer/vesting as aforesaid shall be subject to the existing charges/hypothecation over or in respect of the Assets or any part thereof of the Transferor Company. Further, the Transferee Company shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed /to be availed by the Transferor Company or the Transferee Company. Similarly, the Promoters shall not be required to provide additional collateral security by way of pledge of their shareholding in the Transferor/Transferee Company.
- 4.3. Any legal or other proceedings by or against Transferor Company pending on the Effective Date and relating to the Undertaking (including property rights, powers, liabilities, obligations and duties) of Transferor Company shall be continued and enforced by or against the Transferee Company, in the same manner and to the same extent as it would or might have been continued and enforced by or against Transferor Company.
- 4.4. It is expressly provided that in respect of such of the assets of the Transferor Company as are moveable in nature or are otherwise capable of being transferred by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company by physical delivery and shall become the property of the Transferee Company pursuant to the provisions of Sections 391 to 394 of the Act.
- 4.5. In respect of such of the Assets other than those referred to in sub-Clause 4.4 above, they shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in the Transferee Company pursuant to the provisions of Sections 391 to 394 of the Act and shall form an integral part of the Undertaking.
- 4.6. The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliance referred to above on the part of the Transferor Company to be carried out or performed.
- 4.7. With effect from the Appointed Date, all liabilities, debts, duties and obligations of the Transferor Company shall, without any further act or deed, also stand transferred to the Transferee Company, pursuant to the applicable provisions of the Act, so as to become as from the Appointed Date, the liabilities, debts, duties and obligations of the Transferee Company.
- 4.8. Upon the coming into effect of the Scheme, benefits of all taxes paid including but not limited to MAT paid under Section 115JA/115JB of the IT Act, advance taxes and tax deducted at source, right to carry forward and set off unabsorbed losses and depreciation, unutilized MAT credit under the provisions of the IT Act, right to claim deductions under Chapter VI-A of the IT Act including its continuing benefits, by the Transferor Company from the Appointed Date, if any regardless of the period to which they relate, shall be deemed to have been paid for and on behalf of and to the credit of the Transferee Company as effectively as if the Transferee Company had paid the same and shall be deemed to be the rights/claims of the Transferee Company. All un availed credits, incentives, exemptions, set offs, claims for refunds under any State Value Added Tax Acts, CST Acts, Central Excise and Service Tax provisions or any other State or Central statutes regardless of the period to which they may relate, shall stand transferred to the benefit of and shall be available in the hands of the Transferee Company without restrictions under the respective provisions.
- 4.9. All secured and unsecured debts, (whether in rupees or in foreign currency), all liabilities whether provided for or not in the books of the Transferor Company, duties and obligations of the Transferor Company along with any charge, encumbrance, lien or security thereon (hereinafter referred to as the "said Liabilities") shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company, so as to become the debts, liabilities, duties and obligations of the Transferee Company, and further that 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 Clause. It is clarified that in so far as the assets of the Transferor Company are concerned, the security or charge over such assets or any part thereof, relating to any loans, debentures or borrowing of the Transferor Company shall without any further act or deed continue to relate to such assets or any part thereof, after the Effective Date and shall not relate to or be available as security in relation to any or any part of the assets of the Transferee Company, save to the extent warranted by the terms of the existing security arrangements to which any of the Transferor Company and the Transferee Company are parties, and consistent with the joint obligations assumed by them under such arrangement.
- 4.10. All the properties including freehold & leasehold properties, leases, estates, assets, rights, titles, interests, benefits, licenses, consents, allotment letters, sanctions, approvals, permissions and authorities etc. as described in Clause 4.1 accrued to and/or acquired by the Transferor Company after the Appointed Date, shall have been and deemed to have accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon the coming into effect of the Scheme, pursuant to the provisions of Section 394 of the Act and without any further act, instrument or deed, be and

stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the properties, leases, estates, assets, rights, titles, interests, benefits, licenses, approvals, permissions and authorities etc. of the Transferee Company.

- 4.11. All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company after the Appointed Date, shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date.
- 4.12. All inter party transactions between the Transferor Company and the Transferee Company with as may be outstanding on the Appointed Date or which may take place subsequent to the Appointed Date and prior to the Effective Date, shall be considered as intra party transactions for all purposes from the Appointed Date. Any loans or other obligations, if any, due inter-se i.e. between the Transferor Company with the Transferee Company as on the Appointed Date, and thereafter till the Effective Date, shall stand automatically extinguished.
- 4.13. This Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under Section 2(1B) of the IT Act. If any terms or provisions of the Scheme is / are inconsistent with the provisions of Section 2(1B) of the IT Act, the provisions of Section 2(1B) of the IT Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the IT Act, such that the modification to not affect other parts of the Scheme.

5. ISSUE OF SHARES

- 5.1. Upon this Scheme becoming effective, the Transferee Company shall without any further application, act, instrument or deed, issue and allot its equity shares, credited as fully paid up, to the extent indicated below, to the equity shareholders of Transferor Company (except Transferee Company) and whose name appear in the register of members of the Transferor Company on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of Transferor Company / Transferee Company in consideration of the amalgamation of Transferor Company into Transferee Company in the following ratio / proportion ("Share Exchange Ratio"):

"37 (Thirty Seven) equity shares of face value of ₹ 2/- at par each fully paid-up of Transferee Company for every 2 (Two) equity shares of face value of ₹ 10/- each fully paid-up held in Transferor Company."

It is clarified that upon this Scheme becoming effective, Equity Shares of Transferor Company held by the Transferee Company directly and / or through its nominee(s), constituting 60.49% of paid-up equity share capital and entire preference share capital of the Transferor Company will stand cancelled. No shares or consideration shall be issued / paid by the Transferee Company pursuant to the amalgamation of the Transferor Company with Transferee Company in respect of equity and preference shares of Transferor Company held by Transferee Company.

For the avoidance of doubt, in respect of equity shareholders of the Transferor Company (except Transferee Company) who, on the Record date do not hold equity shares in the Transferor Company in multiple of 2 (Two) shall be allotted number of fully paid-up equity shares of ₹ 2/- each at par of the Transferee Company in the same ratio as the actual number of equity shares held by the member in the Transferor Company on the Record Date, bear to the Share Exchange Ratio.

- 5.2. The equity shares to be issued and allotted by Transferee Company as above shall be subject to the provisions of the memorandum and articles of association of Transferee Company and shall rank paripassu in all respects including dividends.
- 5.3. In respect of fractional entitlements, if any, by Transferee Company, to the equity shareholders of Transferor Company at the time of issue and allotment of Transferee Company's Equity Shares under Clause 5.1, the Board of Directors of Transferee Company shall consolidate all fractional entitlements, and allot Transferee Company's Equity Shares in lieu thereof to a Director or such other authorized representative(s) as the Board of Directors of Transferee Company shall appoint in this behalf, who shall hold the Transferee Company's Equity Shares issued in Transferee Company, in trust on behalf of the equity shareholders 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 it/he/they may deem fit, and pay to Transferee Company, the net sale proceeds thereof, whereupon Transferee Company shall distribute such net sale proceeds (after deduction of applicable taxes), to the equity shareholders in proportion to their respective fractional entitlements. The Board of Directors of Transferee Company, 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 new equity shares issued pursuant to Clause 5.1 above shall be issued in the dematerialized form by Transferee Company unless otherwise notified in writing by the shareholders of Transferor Company to Transferee Company on or before such date as may be determined by the Board of Directors of Transferee Company. In the event, such notice has not been received by Transferee Company in respect of any of the members of Transferor Company, the new equity shares shall be issued to such shareholders in dematerialized form provided that the members of Transferor Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that Transferee Company shall issue and directly credit the dematerialized securities account of such members of Transferor Company.

In the event that Transferee Company has received the notice from any of the shareholders of Transferor Company that the new equity shares are to be issued in certificate form or if any shareholder has not provided the requisite details

regarding the account with a depository participant or other confirmations as may be required, then Transferee Company shall issue the new equity shares in certificate form in such number.

Such physical share certificates (if any) shall be sent by Transferee Company to such equity shareholders of Transferor Company at their respective registered addresses, as appearing in the register of members maintained by Transferor Company as of Record Date with respect to their respective shareholders (or in the case of joint shareholders - to the address of that one of the joint shareholders whose name stands first in such register of members in respect of such joint shareholding) and Transferee Company shall not be responsible for any loss in transit.

- 5.5. The Board of Directors of Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government / Regulatory authorities for the issue and allotment of equity shares pursuant to Clause 5.1 of the Scheme.
- 5.6. Equity shares of Transferee Company issued in terms of Clause 5.1 above shall be listed on the relevant stock exchange/s, where the existing equity shares of Transferee Company are listed and / or admitted to trading in accordance with the applicable laws including without limitation the SEBI Circulars and SEBI Regulations. Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the Applicable Laws or regulations for complying with the formalities of the relevant stock exchanges.
- 5.7. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Transferor Company, the Board of Directors of Transferee Company or any committee thereof if in existence, or failing which the Board of Directors or any committee thereof of Transferee Company shall be empowered in appropriate case, even subsequent to the Record Date to effectuate such a transfer in Transferor Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of the share(s) in Transferor Company and in relation to the equity shares of Transferee Company after the Scheme becomes effective.
- 5.8. The equity shares to be issued pursuant to this Scheme by Transferee Company in respect of the equity shares of Transferor Company which are held in abeyance under the provisions of Section 126 of the Companies Act, 2013 (erstwhile Section 206A of the Companies Act, 1956) or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by Transferee Company.
- 5.9. On the Scheme becoming effective and as an integral part of the Scheme, the authorized, issued, subscribed and the paid-up share capital of Transferee Company shall stand suitably increased consequent on the issue of the Equity Shares by Transferee Company. It is clarified that approval of this Scheme by the shareholders of Transferee Company shall be deemed to be the due compliance of the provisions of Section 62(1)(c) of the Companies Act, 2013 and the other relevant and applicable provisions thereof for the issue and allotment of equity shares by Transferee Company to the shareholders of Transferor Company, as provided in this Scheme.
- 5.10. The approval of this Scheme by the shareholders of Transferee Company and Transferor Company under Section 391 and 394 of the Act or any corresponding provisions of Companies Act, 2013 shall be deemed to have the approval under Section 16, 31 and other applicable provisions of the Act or any corresponding provisions of Companies Act, 2013 and any other applicable law, including but not limited to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended and any other consents and approvals required in this regard.

6. ALTERATIONS / AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION AND CONSOLIDATION OF AUTHORIZED CAPITAL

A. COMBINATION OF AUTHORISED CAPITAL

- 6.1. Upon sanction of the scheme, the authorised share capital of Transferee company shall stand increased without any further act, instrument or deed on the part of Transferee company including payment of stamp duty and fees payable to Registrar of Companies, by the authorised Equity and Non-Cumulative Non-Convertible Redeemable Preference Share Capital of Transferor Company amounting to ₹ 50,00,000/- (Rupees Fifty Lacs only) and ₹ 1,27,50,00,000 (Rupees One Hundred and Twenty Seven Crores and Fifty Lacs) respectively and the Memorandum of Association and Articles of Association of Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duty and fees paid on the authorized capital of Transferor Company shall be utilized and applied to the increased authorized share capital of Transferee Company and there would be no requirement for any further payment of stamp duty and / or fee by Transferee Company for increase in the authorised share capital to that extent.
- 6.2. Consequent upon the Scheme becoming effective, the authorised share capital of Elecon will be as under:

Particulars	₹ in Lacs
Authorised Capital	
22,75,00,000 Equity Shares of ₹ 2/- each	4,550.00
2,50,00,000 Cumulative Redeemable Preference Shares of ₹ 2/- each	500.00
1,27,50,000 Non-Cumulative Non-Convertible Redeemable Preference Shares of ₹ 100/- each	12,750.00
Total	17,800.00

- 6.3. It is hereby clarified that the consent of the shareholders of Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, Section 14, Section 61 or any other applicable provisions of the Companies Act, 2013, would be required to be separately passed.

B. OBJECT CLAUSE

- 6.4. With effect from the Appointed Date and upon the Scheme becoming effective, the Object Clause of the Memorandum of Association of the Transferee Company shall stand amended without any act, instrument or deed and stand altered, modified and amended pursuant to applicable provisions of the Act as set out below:
- 6.5. Subsequent to Clause III (2) of the Memorandum of Association of the Transferee Company a new Clause III (2A) shall be inserted as reproduced hereunder:
- 2A. To prepare designs and drawings of various processes, plants and projects and to manufacture, erect, install, commission, supply, fabricate, construct, repair, maintain, procure and deal in all types of material handling equipment and other machineries of all kinds and do all related services and work, to act as consulting engineers and undertake studies and projects in India and other parts of the World.
- 6.6. It is clarified that upon approval of Scheme by the High Court the Transferee Company shall not be required to seek separate consent / approval of its shareholders for the alternation of the Memorandum and Articles of Association of the Transferee Company as required under Section 13, 14, 61 and 64 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and Companies Act, 1956.

7. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE:

- 7.1. With effect from the date of passing of the board resolution for approving the Scheme and up to and including the Effective Date, Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the business and undertaking of Transferor Company for and on account of and in trust for the Transferee Company. Transferor Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date.
- 7.2. With effect from the date of passing of the board resolution for approving the Scheme and up to and including the Effective Date, Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of Transferee Company alienate, charge, mortgage, encumber or otherwise deal with or dispose of Transferor Company or part thereof.
- 7.3. With effect from the Appointed Date and up to and including the Effective Date, all the profits or income accruing or arising to Transferor Company or expenditure or losses arising or incurred or suffered by Transferor Company pertaining to the business and undertaking of Transferor Company shall for all purposes be treated and be deemed to be and accrue as the income or profits or losses or expenditure as the case may be of the Transferee Company.
- 7.4. With effect from the date of passing of the board resolution for approving the Scheme and up to and including the Effective Date, Transferor Company shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company as the case may be, prior to the Appointed Date.
- 7.5. With effect from the date of passing of the board resolution for approving the Scheme and up to and including the Effective Date, Transferor Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Transferee Company, may require pursuant to this Scheme.
- 7.6. All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken and all encumbrances/ charges created by Transferor Company over assets of the Undertaking in order to secure the said loans, debts and liabilities on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken or created for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 391 to 394 of the Act, without any further act, instrument or deed be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which the Transferee Company shall meet, discharge and satisfy the same.

8. TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES

On and from the Effective Date:

- 8.1. All employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions not less favourable than those on which they are engaged by the Transferor Company as on the Effective Date.
- 8.2. The accumulated balances standing to the credit of the employees of the Transferor Company on the Effective Date in the Provident Fund, Gratuity Fund, Superannuation Fund and/or other Funds and including any surplus in any such Funds created or existing for the benefit of the employees of the Transferor Company shall be identified, determined and transferred to the corresponding funds of the Transferee Company in due course.

9. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 9.1. Subject to other provisions of this Scheme, the Transferee Company shall accept all acts, deeds and things relating to

the Undertaking of the Transferor Company done and executed by and/or on behalf of the Transferor Company on or after the Appointed Date as acts, deeds and things done and executed by and/or on behalf of the Transferee Company.

- 9.2. Subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, leases, insurance policies and other instrument of whatsoever nature relating to the Undertaking to which the Transferor Company is a party and subsisting or having effect on or before the Effective date shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually, as if, instead of the Transferor Company, the Transferee Company had at all material times been a party thereto.
- 9.3. On this Scheme finally taking effect as aforesaid:
- (a) All the agreements, guarantees, approvals, consents, permissions, licenses, sanctions, leases and the like entered into with and/or given by, as the case may be, the various Central/ State Governments, statutory or regulatory body or agencies or third parties with respect to the Transferor Company shall, without any further act, deed, matter or thing, stand transferred to and vested in the Transferee Company;
 - (b) All business activities engaged in by the Transferor Company shall be continued by the Transferee Company under its own name; and
 - (c) The Transferor Company shall stand dissolved without winding up.

10. LEGAL PROCEEDINGS:

If any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called the "Proceedings") by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking of the Transferor Company or of anything contained in the Scheme, but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

11. DIVIDEND:

Following provisions will apply with regard to any distribution or declaration or payment of dividend or interim dividend, as the case may be, by the Board of Directors of the Transferor Company and / or Transferee Company:

- 11.1. The Transferor Company may declare and pay dividend subject to the provisions of the Act, to its equity and preference shareholders for the accounting period commencing on or after the Appointed Date but prior to the Effective Date provided the Board of Directors of the Transferor Company has obtained prior consent and approval of the Board of Directors of the Transferee Company before making such declaration or payment to the members of the Transferor Company.
- 11.2. The Transferee Company may also declare and pay dividend subject to the provisions of the Act, to its equity shareholders for the accounting period commencing on or after the Appointed Date but prior to the Effective Date. It is hereby clarified that the shareholders of Transferor Company shall not be entitled to any dividend from Transferee Company under this sub-clause.
- 11.3. The Transferee Company may, on or after the Effective Date but on or before the Record Date, declare and pay dividend to its equity shareholders subject to the provisions of the Act provided the shareholders of the Transferor Company who are entitled to receive shares of Transferee Company shall also be entitled to such dividend in the same manner and to the same extent as if they were shareholders of the Transferee Company on the date of such declaration by the Board of Directors of Transferee Company. In such event, the shareholders of the Transferor Company who are entitled to receive shares of Transferee Company shall, on Record Date, also be eligible to receive an amount representing such dividend proportionate to the shares they are entitled to receive. For this purpose, the Transferee Company shall, at the time of declaration of dividend to its shareholders as aforesaid, reserve the amount required for payment of dividend to such Transferor Company's shareholders. The Board of Directors of Transferee Company will declare the aforesaid reserved amount as dividend to such Transferor Company's shareholders after the Record Date and the amount set apart will be appropriate towards such declaration. For the avoidance of doubt, it is clarified that no interest shall be payable by the Transferee Company to such Transferor Company's shareholders in relation to such amount to be applied towards payment of such dividend.
- 11.4. Subject to the provisions of the Scheme, the profits of the Transferor Company, for the period beginning from the Appointed Date, shall belong to and be the profits of Transferee Company and will be available to Transferee Company for being disposed of in any manner as it thinks fit.
- 11.5. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any rights on any member of the Companies to demand or claim any dividends which, subject to the provisions of Companies Act, 1956 / Companies Act, 2013, as applicable, shall be entirely at the discretion of the respective Board of Directors of the Companies, and subject to the approval, if required, of the respective members of the Companies.

PART IV

12. ACCOUNTING TREATMENT

12.1. Upon the Scheme becoming effective:

- (a) The Transferee Company shall account for amalgamation in accordance with the 'Purchase Method of Accounting'

laid down by Accounting Standard 14 (Accounting for Amalgamation) issued by the Institute of Chartered Accountants of India.

- (b) Upon coming into effect of this Scheme, Transferee Company shall record, all the assets and liabilities of Transferor Company transferred to and vested in Transferee Company pursuant to this Scheme, at their respective fair market values at the close of business on the day immediately preceding the Appointed Date.
- (c) Inter-company balances and investments, if any, appearing in the books Transferor Company and Transferee Company inter se, will stand cancelled.
- (d) Transferee Company shall credit to its Equity Share Capital account, the aggregate face value of the Equity Shares issued and allotted under Clause 5.1 of this Scheme.
- (e) The difference, if any, between Net Assets Value of Transferor Company transferred to and recorded by Transferee Company in terms of this Clause, and the amount credited to Equity Share Capital and cancellation of inter-company balances and investment as per this Clause, shall be credited to the Capital Reserve or shall be debited to the Goodwill Account of Transferee Company as the case may be.
[“Net Asset Value” shall be computed as the value of assets less the value of liabilities, of Transferor Company transferred to Transferee Company and recorded in books of Transferee Company in terms of this Scheme]
- (f) If considered appropriate for the purpose of application of uniform accounting methods and policies between the Transferor Company and Transferee Company, Transferee Company may make suitable adjustments and reflect the effect thereof in the Capital Reserve or Goodwill Account of Transferee Company, as the case may be.
- (g) The amalgamation of Transferor Company with the Transferee Company in terms of this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961.

PART V

13. APPLICATION TO THE HIGH COURT

On the Scheme being agreed to by the requisite majorities of the members and creditors of the Transferor Company and the Members of Transferee Company as per requirement of Companies Act, 1956 or Companies Act, 2013 and SEBI Circular, SEBI Regulations, the Transferor Company and the Transferee Company shall respectively and/or jointly with reasonable dispatch, apply to the Hon'ble High Court for sanctioning this Scheme of Amalgamation under Sections 391 to 394 of the Act and for an order or orders under Section 394 of the Act for carrying this Scheme into effect.

14. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 14.1. The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors) may, in their full and absolute discretion, assent to any alterations or modifications in this Scheme which the Court may deem fit to approve or impose and may give such directions as they may consider necessary to settle any questions or difficulty that may arise under the Scheme or in regard to its implementation or in any matter connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholder of the respective Company). In the event that any conditions are imposed by the High Court which the Transferor Company or the Transferee Company find unacceptable for any reason whatsoever then the Transferor Company and/or the Transferee Company shall be entitled to withdraw from the Scheme.
- 14.2. For the purpose of giving effect to the Scheme or to any modification thereof, the Board of Directors or a Committee appointed by the Board of the Transferee Company are hereby authorized to give such directions and / or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

15. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

The Scheme is conditional upon and subject to:

- (a) The Scheme being agreed to by the respective requisite majorities of the members and creditors of the Transferor Company and the Transferee Company as required under the Act, SEBI Circular, SEBI Regulations and the requisite order or orders referred to in Clause 13 hereof being obtained;
- (b) The sanction of the Scheme by public shareholders through postal ballot and e-voting in accordance with Clause 9 of Annexure I of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.
- (c) The sanction of the Scheme by the Hon'ble Court under Sections 391 and 394 of the Act;
- (d) Obtaining approval of the designated stock exchange as required under the SEBI Circular.
- (e) The certified copies of the order of the Hon'ble High Court referred to in Clause 13 above being filed with the Registrar of Companies, Gujarat at Ahmedabad.
- (f) Any other sanction or approval of any governmental or regulatory authority, as may be considered necessary and appropriate by the respective Board of Directors of the Transferor Company and the Transferee Company, being obtained and granted in respect of any of the matters for which such sanction or approval is required.

16. EFFECTIVE DATE OF THE SCHEME

- 16.1. This Scheme shall become effective when all the following conditions are fulfilled:

- (a) The Scheme being approved by the requisite majority of the shareholders and creditors of the Transferor Company and the Transferee Company as may be required under the Act, SEBI Circular, SEBI Regulations and/or the orders of the High Court.
- (b) The Scheme is sanctioned by the said High Court under Section 394 of the Act.
- (c) The certified copy of the order of the said High Court sanctioning the Scheme is filed with the Registrar of Companies, Gujarat at Ahmedabad.

16.2. In the event of this Scheme failing to take effect finally within such period or periods as may be decided by the Transferor Company (by its Directors) and the Transferee Company (by its Directors), this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the Parties or any one of them. In such a case, each company shall bear its own cost or as may be mutually agreed.

16.3. The Transferor Company and the Transferee Company shall be at liberty to withdraw this Scheme at any time as may be mutually agreed through the Board of Directors of the Transferor Company and the Transferee Company. In such a case, each company shall bear its own cost or as may be mutually agreed.

17. OPERATIVE DATE OF THE SCHEME

The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date.

18. DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall be dissolved without winding up in accordance with the provisions of Sections 391 to 394 of the Act.

19. SCHEME RENDERED NULL AND VOID

19.1. This Scheme although comes into operation from the Appointed Date shall not become effective until the last of the date on which the last of the aforesaid consents, approvals, permissions, resolutions and orders as mentioned in Clause 15 shall be obtained or passed. The last of such dates shall be the "Effective Date" for the purpose of this Scheme.

19.2. In the event of this Scheme failing to take effect on or before Long Stop Date, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the Parties or any one of them and accordingly Transferor and Transferee Company shall be entitled to take requisite steps to withdraw the Scheme.

19.3. In the event the Board of Directors of the Transferor Company and the Transferee Company, either through itself or through a committee appointed in this behalf, agree to proceed with the sanctioning of the Scheme in part, the Transferor Company and the Transferee Company shall proceed with the High Court's Order for sanctioning of the Scheme in part.

20. EXPENSES CONNECTED WITH THE SCHEME

20.1. Save and except as provided elsewhere in the Scheme, all costs, charges taxes, levies and other expenses including registration fee of any deed, in relation to or in connection with negotiations leading up to the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of the Scheme shall be borne and paid by the Transferee Company.

20.2. In the event that this Scheme fails to take effect within such period or periods as may be decided by the Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors), or the Scheme is rendered null and void in terms of Clause 19 above of this Scheme then, the Transferor Company and Transferee Company shall bear their own costs and expenses incurred by them, in relation to or in connection with the Scheme.

21. GENERAL TERMS AND CONDITIONS

21.1. The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make all applications / petitions under Section 391 and 394 and other applicable provisions of the Act to the Court for the sanctioning of the Scheme and obtain all approvals and consents as may be required under law or any agreement.

21.2. The respective Board of Directors of the Transferor Company and the Transferee Company may empower any Committee of Directors or Officer(s) or any individual director, officer or other person to discharge all or any of the powers and functions, which the said Board of Directors are entitled to exercise and perform under the Scheme.

21.3. In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Transferee Company and the Transferor Company and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.

21.4. If any part of this Scheme is invalid, ruled illegal by any court(s) or authority of competent jurisdiction or unenforceable under the present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part.



RBSA Capital Advisors LLP

*SEBI Registered Category 1 Merchant Banker
Registration Code: INM000011724*

April 26, 2016

Report Ref No: RCA/MUM/FAS/2016-17/0003

**The Board of Directors,
Elecon Engineering Company Limited**
Anand Sojitra Road,
Vallabh Vidyanagar – 388120
Gujarat, India

Dear Sirs,

Sub: Fairness Opinion on Share Swap Ratio for proposed Amalgamation of Elecon EPC Projects Limited into Elecon Engineering Company Limited

We understand that the Board of Directors of Elecon Engineering Company Limited are considering Amalgamation of Elecon EPC Projects Limited (hereinafter referred to as “Elecon EPC” or “Transferor Company”) into itself pursuant through Scheme of Amalgamation under Section 391 – 394 of the Companies Act, 1956 and other applicable and notified provisions of the Companies Act 2013.

In order to comply with the requirements of regulations, Elecon Engineering Company Limited (hereinafter referred to as “Elecon” or “Transferee Company”) has appointed Haribhakti & Co. LLP and SSPA & Co. (the “Valuers”) for the said transaction.

RBSA Capital Advisors LLP (“RBSA” or “We” or “Us”) has been requested to provide a fairness opinion on the Share Swap Ratio to the equity shareholders of Elecon as recommended by the Valuers.

Company Profile:

Elecon is a public listed company incorporated under the provisions Companies Act, 1956 in the State of Gujarat and having its registered office at Anand-Sojitra Road, Vallabh Vidyanagar – 388120, Gujarat. Transferee Company is engaged in the business of manufacturing industrial geared motors and reducers, mining equipment, casting processes, material handling equipment etc. The equity shares of Transferee Company are listed on BSE Limited (“BSE”) and The National Stock Exchange of India Limited (“NSE”).

As at December 31 2015, the issued, subscribed and paid up equity share capital of Elecon is INR 2,178.72 lacs, consisting of 108,935,843 equity shares of face value of INR 2 each fully paid up.

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Corporate Office: 21/23, T.V. Industrial Estate, 248-A, S.K. Ahire Marg, Off. Dr. A.B. Road, Worli, Mumbai – 400030 Ph: +91 22 24940150-54



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Elecon EPC is a public limited company incorporated under the provisions of Companies Act, 1956 in the State of Gujarat and having its registered office at Anand-Sojitra Road, Vallabh Vidyanagar – 388120, Gujarat. Transferor Company is engaged in the business of providing engineering, procurement, construction and project management services. The company manufactures all types of bulk material handling equipment.

As at December 31 2015, the issued, subscribed and paid up equity share capital of Elecon EPC is INR 44.66 lacs, consisting of 446,609 equity shares of face value of INR 10 each fully paid up. The company has also issued 12,732,000 preference shares of face value of INR 100 each fully paid up; which are held by Elecon.

We understand that the Draft Scheme envisages the amalgamation of Elecon EPC into Elecon, 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.

Sources of Information:

For arriving at the fairness opinion set forth below, we have relied upon the following sources of information as provided to us by Elecon:

1. Annual Report of Elecon and Elecon EPC for financial year 2014-2015.
2. Unaudited Financial Statements of Elecon and Elecon EPC for 9 months ending December 31, 2015.
3. Draft Scheme of Amalgamation u/s 391 to 394 of Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013.
4. Report on the share swap ratio recommended by the Valuers based on their joint report dated April 26, 2016.

In addition to the above, we have also obtained such other information and explanation, which were considered relevant for the purpose of Analysis.

Our Opinion:

As per the joint report, the Valuers have recommended the following share swap ratio:
37 equity shares of face value INR 2 of Elecon Engineering Company Limited for every 2 shares of INR 10 per share of Elecon EPC Limited.





RBSA Capital Advisors LLP

Pursuant to amalgamation:

- The investment in preference share capital of Elecon EPC held by Elecon, would stand cancelled.
- The equity shares held by Elecon in Elecon EPC will be cancelled;
- Remaining equity shareholders of Elecon EPC will be issued equity shares of Elecon as consideration for the proposed amalgamation

Based on and subject to foregoing we are of the opinion that, as of the date hereof, the share swap ratio is fair to the equity shareholders of Elecon Engineering Company Limited.

Exclusions and Limitations:

We have not carried out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not conducted any independent appraisal of any assets or liabilities of Elecon or Elecon EPC.

Our work did not constitute a validation of the financial statements of the Companies, and accordingly, we do not express any opinion on the same. If there were any omissions, inaccuracies or misrepresentations of the information provided by the Management, it may have a material effect on our findings.

No consideration has been given to liens or encumbrances against the assets, beyond the loans and disclosed in the accounts. Therefore no liabilities have been assumed for matters of legal nature.

In rendering our opinion, we have assumed that the scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary Regulatory or third party approvals for the Scheme, no delay, limitations, restrictions or condition will be imposed that would have an adverse effect on the Transferee Company.

This opinion is based on business, economic, market and other conditions as they existed as of April 26, 2016. Subsequent events or circumstances that could affect the conclusions set forth in the Opinion include, without limitation, adverse changes in industry performance or market conditions and changes to the business, financial condition and results of operations of the Company. RBSA is under no obligation to update, revise or reaffirm the Opinion.





RBSA Capital Advisors LLP

The Opinion is intended solely for the information of the person or persons to whom it is addressed, solely for the purposes in connection with proposed Amalgamation of Elecon EPC Projects Limited into Elecon Engineering Company Limited and may not be relied upon by any other person or for any other purpose. RBSA has relied upon the Company's representations that the information provided by it, or on its behalf, is accurate and complete in all material respects. While all public information (including industry and statistical information) was obtained from sources we believe are reliable, RBSA makes no representation as to the accuracy or completeness thereof, and we have relied upon such public information without further verification.

The opinion should not be construed, to be investment advice in any manner whatsoever. Furthermore, no opinion, counsel or interpretation is intended in matters that require legal, accounting, tax or other appropriate professional advice. It is assumed that such opinions, counsel or interpretations have been or will be obtained from the appropriate professional sources.

The fee for our services is not contingent upon the results of the proposed amalgamation. This opinion is subject to laws of India.

Our opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with Scheme or any matter related thereto.

For **RBSA Capital Advisors LLP**


Gautam Mirchandani

Authorized Signatory and Group Director



Date: 26th May, 2016

To,

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

Sub: Complaints Report pursuant to application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation") and in terms of the SEBI Circular no. CIR/CFD/CMD/16/2015 dated 30th November, 2015 ("SEBI Circular")

Ref: Scheme of Arrangement in the Nature of Merger of M/s. Elecon EPC Projects Limited with M/s. Elecon Engineering Company Limited and their respective shareholders and creditors under sections 391 to 394 of the Companies Act, 1956

In continuation to our application dated 3rd May, 2016 under the aforementioned regulation for the proposed Scheme of Arrangement in the Nature of Merger of M/s. Elecon EPC Projects Limited with M/s. Elecon Engineering Company Limited and their respective shareholders and creditors and pursuant to SEBI Circular, please find enclosed herewith "Complaints Report", in the prescribed format for your necessary actions.

The Complaints Report will also be uploaded on the website of the Company, i.e. www.elecon.com as per the requirement of the said circular.

Request you to take the same on your records and oblige.

We request you to provide necessary "No Objection" to the Scheme at the earliest so as to enable us to file the same with the Hon'ble High Court.

Thanking you.

Yours faithfully,
For Elecon Engineering Company Limited


Parthiv Parikh
Company Secretary



Encl: a/a.



Gearing industries. Gearing economies.

Complaints Report

ANNEXURE III

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NA
5.	Number of complaints pending	NA

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.		Not Applicable	

For Elecon Engineering Company Limited


 Parthiv Parikh
 Company Secretary



Date: 26th May, 2016
 Place: Vallabh Vidyanagar



Gearing industries. Gearing economies.

DCS/AMAL/ND/24(f)/427/16-17
June 21, 2016

The Company Secretary
Elecon Engineering Co. Ltd.
Post Box No 6, Anand Sojitra Road,
Vallabh Vidyanagar - 388120



Sir/Madam,

Sub: Observation letter regarding the Draft Scheme of Amalgamation of Elecon EPC Projects Ltd with Elecon Engineering Co. Ltd.

We are in receipt of Draft Scheme of Amalgamation of Elecon EPC Projects Ltd with Elecon Engineering Co. Ltd. As required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated June 20, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall duly comply with various provisions of the Circulars."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular;
- h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin Puri
Manager



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai 400 001
T: +91 22 2272 1354/55 E: corp.com@bseindia.com www.bseindia.com
Corporate Identity Number : U67120MH2005PLC0987



Ref: NSE/LIST/77245

June 21, 2016

The Company Secretary
Elecon Engineering Company Limited
Anand-Sojitra Road,
Vallabh Vidyanagar
Gujarat- 388120

Kind Attn.: Mr. Parthiv Parikh

Dear Sir,

Sub: Observation letter for draft Scheme of Amalgamation of Elecon EPC Projects Limited (Transferor Company) into Elecon Engineering Company Limited (Transferee Company) and their respective shareholders and creditors under section 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013.

This has reference to draft Scheme of Amalgamation of Elecon EPC Projects Limited (Transferor Company) into Elecon Engineering Company Limited (Transferee Company) and their respective shareholders and creditors under section 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 submitted to NSE vide your letter dated May 03, 2016.

Based on our letter reference no Ref: NSE/LIST/75059 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 read with Regulation 94(2) of SEBI (LODR) Regulations, 2015, SEBI has vide letter dated June 20, 2016 has given following comments on the draft Scheme of Amalgamation:

a. "The Company shall duly comply with various provisions of the Circulars."

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

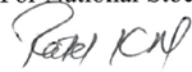
The validity of this "Observation Letter" shall be six months from June 21, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

1.



- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Limited


Hwy Kamlesh Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm

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ELECON ENGINEERING COMPANY LIMITED

CIN: L29259GJ1960PLC001082

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

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

Email ID: ppparikh@elecon.com / investor.relations@elecon.com Website: www.elecon.com

ATTENDANCE SLIP

Regd. Folio No. / DP ID - Client ID No.	
Shareholder(s) Name:	
Address of Shareholder(s):	
In case of Proxy or Authorized Representative	
Name of Proxy or Authorized Representative:	
Address of Proxy or Authorized Representative:	
No. of Shares held	

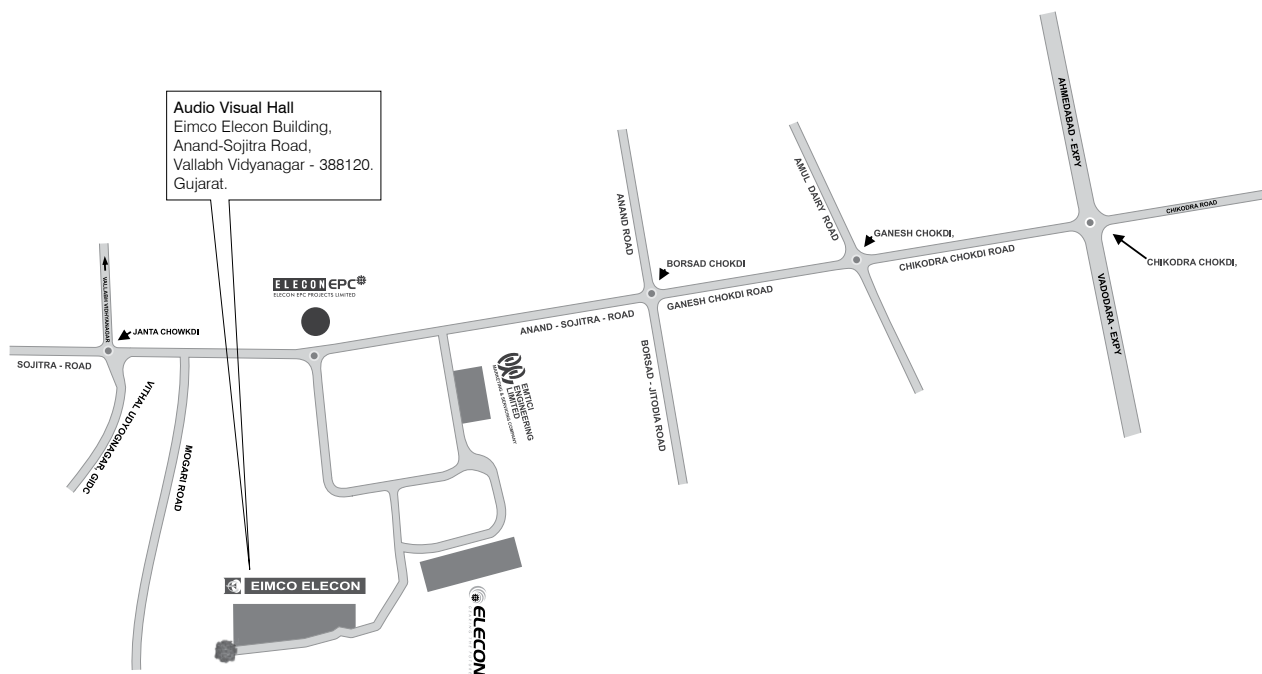
I/We hereby record my/our presence at the Court Convened Meeting of the Equity Shareholders of Elecon Engineering Company Limited, convened pursuant to an Order dated July 7, 2016 of the Hon'ble High Court of Gujarat, at Audio Visual Hall, Eimco Elecon Building, Anand-Sojitra Road, Vallabh Vidyanagar – 388120 on Friday, August 19, 2016 at 11:00 A.M.

Signature of Shareholder / Proxy / Authorized Representative

Notes:

- Equity Shareholders / Proxyholder(s) attending the Meeting are requested to complete and to bring the Attendance Slip and hand it over at the entrance of the Meeting Hall.
- Please do not bring with you any person who is not a member of the Company at the Meeting.

Route map to the venue of the Meeting



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**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 291 OF 2016**

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

AND

In the matter of Elecon Engineering Company Limited (CIN: L29259GJ1960PLC001082), a Company incorporated under the Companies Act, 1956 and having its Registered Office at Anand-Sojitra Road, Vallabh Vidyanagar – 388120, in the State of Gujarat;

AND

In the matter of Scheme of Amalgamation between Elecon EPC Projects Limited and Elecon Engineering Company Limited.

ELECON ENGINEERING COMPANY LIMITED

(CIN : L29259GJ1960PLC001082), a Company incorporated under the Companies Act, 1956 and having its Registered Office at Anand – Sojitra Road, Vallabh Vidyanagar – 388120, in the State of Gujarat. Applicant Transferee Company

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN : L29259GJ1960PLC001082

Name of the Company : ELECON ENGINEERING COMPANY LIMITED

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

Name of the member(s)	
Registered address	
Email ID	
Folio No. / Client ID	
DP ID	

I/ We, being the member(s) of Equity Shares of Elecon Engineering Company Limited, hereby appoint

1. Name : E-mail ID:
Address :
Signature : or failing him/her
2. Name : E-mail ID:
Address :
Signature : or failing him/her
3. Name : E-mail ID:
Address :
Signature :

as my/our proxy to attend and vote [on a poll] for me/us and on my/our behalf at the Court Convened Meeting of the Equity Shareholders of the Company, to be held at Audio Visual Hall, Eimco Elecon Building, Anand-Sojitra Road, Vallabh Vidyanagar – 388120, Gujarat, on Friday, August 19, 2016 at 11:00 A.M., for the purpose of considering and if thought fit, approving, with or without modification(s), the proposed Scheme of Amalgamation of Elecon EPC Projects Limited into Elecon Engineering Company Limited and their respective Shareholders under Sections 391 to 394 of the Companies Act, 1956 at such Meeting and any adjournment or adjournments thereof, to vote for me/us and in my/our name(s)

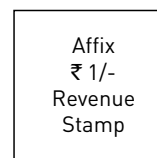
..... (here, if for, insert 'FOR', or if against, insert 'AGAINST' and in the latter case strike out the words 'EITHER WITH OR WITHOUT MODIFICATIONS' after the word resolution) the said Amalgamation embodied in the Scheme and the resolution, either with or without modification(s)*, as my/our proxy may approve.

*strike out whatever is not applicable

Signed this day of 2016

Signature of Shareholder(s) :

Signature of Proxy holder:.....



Signature across the stamp

Notes:

- a) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Anand-Sojitra Road, Vallabh Vidyanagar – 388 120, Gujarat, not less than 48 hours before commencement of the Meeting.
- b) A proxy need not be a member of the Company.
- c) All alterations made in the form of proxy should be initialed.
- d) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of Court Convened Meeting of Equity Shareholders.
- e) A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total Share Capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total Share Capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.



If undelivered please return to :

ELECON ENGINEERING COMPANY LIMITED

(CIN : L29259GJ1960PLC001082)

Anand-Sojitra Road,

Vallabh Vidyanagar - 388 120.

Gujarat, India.

Tel. No. (02692) 236469 / 236513



ELECON ENGINEERING COMPANY LIMITED

CIN: L29259GJ1960PLC001082

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

Ph. No.: [02692] 236469 / 236513, **Fax.:** [02692] 227484

Email ID: ppparikh@elecon.com / investor.relations@elecon.com **Website:** www.elecon.com

POSTAL BALLOT FORM

(Please read carefully the instructions printed overleaf before exercising the vote)

Serial No.....

1.	Name(s) of First Named Member(s) (in block letters)	:	
2.	Registered address of the Member(s)	:	
3.	Name of the Joint Member(s), if any	:	
4.	I. Registered Folio No.	:	
	II. DP ID No. / Client ID No. (Applicable to investors holding shares in dematerialized form)	:	
5.	I / We hereby exercise my/our vote in respect of the Resolutions to be passed through Postal Ballot for the business stated in the Notice of the Company dated April 27, 2016 by recording my/our assent or dissent to the said Resolution by placing the tick ("√") mark at the appropriate box below:		

Item No.	Description of the Resolution	No. of Shares	I / We assent to the Resolution (FOR)	I / We dissent to the Resolution (AGAINST)
1.	To approve the Scheme of Amalgamation of Elecon EPC Projects Limited with Elecon Engineering Company Limited and their respective Shareholders and Creditors, pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 and corresponding provisions of the Companies Act, 2013.			

Place:

Date:

(Signature of Member / Beneficial Owner)

Note: Last date for receipt of Postal Ballot Forms by the Scrutinizer is Friday, August 19, 2016 upto 5.00 P.M.

INSTRUCTIONS

1. The relative Explanatory Statement pursuant to Section 102(2) of the Companies Act, 2013 setting out material facts is annexed hereto.
2. Pursuant to the provisions of Section 110 of the Companies Act, 2013 read with rule 22 of the Companies (Management and Administration) Rules, 2014, the assent or dissent of the Members in respect of the Resolution contained in the Postal Ballot Notice dated April 27, 2016 is being determined through Postal Ballot including facility of E-voting through CDSL platform.
3. The Board has appointed Mr. Dinesh Bhimani, Practising Company Secretary as the Scrutinizer for the purpose of conducting business through Postal Ballot.
4. A member desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form and send it directly to the Scrutinizer in the attached preprinted self-addressed envelope. No postage is required to be paid by the Shareholder as the prepaid self-addressed postal envelope is enclosed. Envelope containing Postal Ballots Forms, if deposited with the Company in person or, if sent by courier/ registered post at the expense of the registered Shareholder, shall also be accepted by the Company.
5. Assent or dissent to the proposed resolution may be recorded by placing a tick mark ("V") in the appropriate column. Postal Ballot Form bearing tick mark ("V") in both the column will render the form invalid.
6. Any incomplete, unsigned, incorrectly completed, incorrectly ticked, defaced, torn, mutilated, over-written, wrongly signed Postal Ballot Form will be rejected. The Postal Ballot shall not be exercised by a proxy.
7. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours 5.00 P.M. on Friday, August 19, 2016. Postal Ballot Forms received after that date will be strictly treated as if reply from such member has not been received.
8. This form should be completed and signed by the member as per the specimen signatures registered with the Company. In case of joint holdings, this form should be completed and signed (as per the Specimen Signature registered with the Company) by first named Shareholder and in his absence, by the next named joint holder. In case the Form is signed by persons other than individual members, this form should be signed by an authorized signatory whose signature is already registered with the Company/Depository Participant.
9. In case of shares held by Companies, Trust, Societies etc., duly completed Postal Ballot Form should also be accompanied by a certified copy of the Board Resolution/Other Authority together with the attested specimen signatures of the duly authorized person exercising the voting by Postal Ballot.
10. If any extraneous paper is found in such envelop the same would not be considered by the Scrutinizer and would be destroyed.
11. There will be one Postal Ballot Form for every Folio/Client ID irrespective of the number of joint holders.
12. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.
13. The Scrutinizer shall submit his report to the Chairman of the Company or in his absence to the Executive Director or in his absence to any one of Chief Financial Officer or Company Secretary of the Company after completion of the scrutiny of the postal ballots including votes casted electronically. The result of the voting on the resolutions will be announced on Saturday, August 20, 2016 and published in the newspapers and displayed at the Registered Office of the Company and also communicated to the stock exchanges and shall also be posted on the website of the Company at www.elecon.com.

E-VOTING – The Company is pleased to provide e-voting facility as an alternative for members of the Company to enable them to cast their vote electronically instead of through physical postal ballot. In case a member has voted through e-voting facility, he/she need not send the physical postal ballot form. In case a member votes through e-voting facility as well as sends his/her vote through physical vote, the votes cast through e-voting shall only be considered and the voting through physical postal ballot shall not be considered by the scrutinizer. Members are requested to refer to the Postal Ballot Notice and Explanatory Statement along with notes for detailed instructions with respect to electronic voting.