



EVEREST KANTO CYLINDER LIMITED

Registered Office: 204, Raheja Centre, Free Press Journal Marg, 214, Nariman Point, Mumbai 400021

CIN: L29200MH1978PLC020434

Email: investors@ekc.in

Tel. No.: 022 3026 8300/01. Fax: 022 2287 0720

Web: www.everestkanto.com

POSTAL BALLOT NOTICE

Dear Member(s),

Notice is hereby given that pursuant to Section 110 and other applicable provisions of the Companies Act, 2013 (the "Act"), if any, read together with Rule 22 of the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, the Resolution appended below is proposed to be passed as a special resolution by way of postal ballot / electronic voting. The Explanatory Statement, pursuant to Section 102 of the Act, pertaining to the said Resolution, setting out the material facts concerning the item and the reasons thereof is annexed hereto along with a Postal Ballot Form (the "Form") for your consideration.

According to Section 180(1)(a) of the Companies Act, 2013, sale, lease or otherwise disposal of the whole or substantially the whole of an undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking, requires the approval of the shareholders by way of a special resolution.

The Company proposes to sell / dispose off its Land, Building and Electrical installations attached to such Land and Building of the Company situated at plot no. 141/1 as consolidated, admeasuring 22.11 Acres, plot no. 147/1 as consolidated, admeasuring 19.09 Acres and plot nos. 138/1, 143, 139/1, 139 (Paiki) & 140(Paiki) admeasuring 27.71 Acres, at village Varsana, near NH-8A East, Taluka Anjar, Gandhidham - Kutch, Gujarat – 370 240 ("Undertaking") for a consideration of USD 29 Million (approx. Rs. 194 Crore) (US Dollar Twenty Nine Million – approx. Rupees One Hundred and Ninety Four Crore)

The Company is therefore seeking your consent for the said proposal as contained in the Special Resolution appended below. An Explanatory Statement pertaining to the Resolution setting out all material facts and the reasons for which such Resolution is proposed is also annexed.

As per Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 ("Rules"), the consent of the Company's shareholders for the above purpose is required to be obtained by means of a postal ballot. Accordingly, the said Special Resolution and the Explanatory Statement is being sent to you along with the Form for your kind consideration. Further, as per the provisions of the Act, read with the Rules and the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to provide to its members, facility to exercise their right to vote by electronic means. Accordingly, instructions for e-voting have been provided hereunder.

Rule 22 of the Rules specify that any consent or otherwise received after thirty days from the date of dispatch of this notice shall be treated as if the reply from the member has not been

received. Practically, viewing the time frame of counting thirty days from the date of dispatch of this notice, it would be advisable to mail your Form at the Company's Registered Office latest by September 15, 2016. You are requested to carefully read the instructions printed on the accompanying Form, record your assent (for) or dissent (against) therein and return the same in original duly completed in the attached self-addressed, pre-paid postage envelope (if posted in India) so as to reach the Scrutinizer not later than 5:00 p.m. on September 15, 2016 to be eligible for being considered, failing which, it will be considered that no reply has been received from the Member.

The Board of Directors has appointed M/s. Aashish K. Bhatt and Associates, Practicing Company Secretaries as the Scrutinizer for conducting the Postal Ballot / Electronic Voting process in a fair and transparent manner.

Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the instructions in the notes to the Postal Ballot Notice.

Upon completion of the e-voting process and the scrutiny of Forms, the Scrutinizer will submit his report to the Chairman & Managing Director of the Company. The result of the Postal Ballot would be announced by the Chairman & Managing Director or the Company Secretary of the Company on or before September 17, 2016. The said results would be displayed at the Registered Office of the Company, intimated to the Stock Exchanges where the Company's shares are listed and Registrar & Share Transfer Agent and displayed along with the Scrutinizer's report on the Company's website viz. www.everestkanto.com and also on the website of the agency providing e-voting facility i.e. Central Depository Services (India) Limited ("CDSL"). The date of declaration of the result of the postal ballot shall be the date on which the appended resolution would be deemed to have been passed, if approved by requisite majority. The Members are requested to consider and, if thought fit, pass the following resolution as a Special Resolution.

The Resolution will be deemed to have been passed on the date of declaration of the results of the postal ballot, if approved by the requisite majority.

By Order of the Board of Directors

Mumbai
July 29, 2016

Bhagyashree Kanekar
Company Secretary

Membership No : ACS 35589

Registered Office
204, Raheja Centre, Free Press Journal Marg,
214, Nariman Point, Mumbai - 400 021

PROPOSED SPECIAL RESOLUTION

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT, pursuant to the provisions of Section 180(1)(a) and Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the “Board” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution), to sell / transfer / dispose off its Land, Building and Electrical installations attached to such Land and Building of the Company situated at plot no. 141/1 as consolidated, admeasuring 22.11 Acres, plot no. 147/1 as consolidated, admeasuring 19.09 Acres and plot nos. 138/1, 143, 139/1, 139(Paiki) & 140(Paiki) admeasuring 27.71 Acres, at village Varsana, near NH-8A East, Taluka Anjar, Gandhidham - Kutch, Gujarat – 370 240 (“Undertaking”), for a consideration of USD 29 Million (approx. Rs. 194 Crore) (US Dollar Twenty Nine Million – approx. Rupees One Hundred and Ninety Four Crore) on such terms and conditions as may be deemed fit by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to finalise and execute necessary

documents including but not limited to definitive Agreements, deeds of assignment / conveyance and other ancillary documents, with effect from such date and in such manner as is decided by the Board to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above Resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of the Undertaking as they may in their absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any Officers of the Company, with authorities as required, affixing the Common Seal of the Company on agreements/ documents, arranging delivery and execution of contracts, deeds, agreements and instruments.”

By Order of the Board of Directors

Mumbai
July 29, 2016

Bhagyashree Kanekar
Company Secretary
Membership No : ACS 35589

Registered Office

204, Raheja Centre, Free Press Journal Marg,
214, Nariman Point, Mumbai - 400 021

ANNEXURE TO NOTICE

1. The Explanatory Statement for the proposed Special Resolution pursuant to Section 102 of the Act setting out material facts are appended to the Notice.
2. The Postal Ballot Notice is being sent to all the Members, whose names appear in the Register of Members / list of Beneficial Owners, received from National Securities Depository Limited (“NSDL”) / Central Depository Services (India) Limited (“CDSL”) as on August 05, 2016.
3. The voting shall be reckoned in proportion to a Member’s share of voting rights on the paid-up Equity Share Capital of the Company as on August 05, 2016.
4. As per Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot along with Postal Ballot Form is being sent to all the Members through courier.
5. In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility as an option to all the Members of the Company. The Company has entered into an agreement with CDSL for facilitating e-voting to enable the Members to cast their votes electronically instead of dispatching Postal Ballot Form. Members may please refer to the instructions below for the purpose of voting through e-voting facility.
6. The Postal Ballot Notice is placed in the ‘Investor Relations’ section on the Company’s website: www.everestkanto.com
7. The Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot Forms will be treated as invalid.
8. A Member cannot exercise his vote by proxy on postal ballot.
9. In case a Member is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send an e-mail to rnt.helpdesk@linkintime.co.in or investors@ekc.in, accordingly, the Registrar and Transfer Agent / Company shall forward the same along with postage-prepaid self-addressed Business Reply Envelope to the Member.
10. Resolutions passed by the Members through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.

11. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.
12. The Scrutinizer will submit his report to the Chairman / Managing Director / Director after the completion of scrutiny, and the result of the voting by postal ballot will be announced by the Chairman or Managing Director or any Director of the Company duly authorized, on or before September 17, 2016 at the Registered Office of the Company and will also be displayed on the Company website viz. www.everestkanto.com, and communicated to the Stock Exchanges, Depository, Registrar and Share Transfer Agent on the said date.
13. The date of declaration of results of the postal ballot shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.
14. All the material documents referred to in the explanatory statement will be available for inspection at the Registered Office of the Company during office hours on all working days from the date of dispatch of the Notice till closing of the e-voting facility.
15. Voting through electronic means:

In compliance with the provisions of section 108 of the Companies Act, 2013 and Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote for Postal Ballot by electronic means and the business may be transacted through E-voting Services provided by Central Depository Services (India) Limited (CDSL):

- (i) The voting period begins August 16, 2016 at 9.00 a.m. and ends on September 15, 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 record / cut-off date of August 05, 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 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) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Everest Kanto Cylinder Limited on which you choose to vote.
- (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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. 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.

16. M/s Aashish K. Bhatt and Associates, Practicing Company Secretaries, (Membership No. 19639) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
17. The Scrutinizer shall not later than 7 days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Director of the Company.
18. The Results shall be declared along with the Scrutinizers' Report by placing it on the Company's website

www.everestkanto.com and on the website of CDSL within seven (7) days of closing of e-voting facility for Postal Ballot and communicated to the Stock Exchanges wherein the Company's shares are listed.

Explanatory Statement pursuant to section 102 of the Companies Act, 2013

The Company, over the last three years and more has been suffering from demand contraction. This has severely hampered the profits of the Company, leading to enormous pressure on the liquidity and cash flow position of the Company principally due to high interest burden and growing competition. Presently, your Company has production capacities at Gandhidham and Tarapur. The Company has surplus land available at Kandla to be utilized for business purpose. Accordingly, the Board of Directors of the Company are of the opinion that the existing capacity of Gandhidham be shifted to Kandla and to dispose off Land, Building and Electrical installations attached to such Land of the Company situated at plot no. 141/1 as consolidated, admeasuring 22.11 Acres, plot no. 147/1 as consolidated, admeasuring 19.09 Acres and plot nos. 138/1, 143, 139/1, 139(Paiki) & 140(Paiki) admeasuring 27.71 Acres, at village Varsana, near NH-8A East, Taluka Anjar, Gandhidham - Kutch, Gujarat – 370 240 ("Undertaking") for a consideration of USD 29 Million (approx. Rs. 194 Crore) (US Dollar Twenty Nine Million – approx. Rupees One Hundred and Ninety Four Crore) and to utilize the aforesaid remittance to repay the existing loans and reduce interest burden, or enhancement of working capital of the Company or general business purpose. The Board has carefully evaluated this option having regard to the long term interests of the Company to meet its obligations to the various parties engaged in business with the Company and that the reputation and the creditworthiness of the Company is regained in the industry. Further, the Board at its meeting held on July 29, 2016, in the overall best interest of all the stakeholders, has recommended to the members of the Company, to sell its Land, Building and Electrical installations attached to such Land of the Company as per above details and to move the entire production facilities to Kandla SEZ, keeping the production capacity at same level for the Company as in the previous years.

Closing of the Transaction is conditional inter alia upon passing of the Special Resolution by the shareholders of your Company and receipt of all the required approvals. Barring unforeseen circumstances, it is anticipated that the Closing will take place by the end of September 17, 2016.

The Board of Directors of the Company has approved the proposal to sale the Undertaking as above, to the Purchaser, on the terms and conditions as referred to in this Explanatory Statement.

In compliance with the applicable provisions of the Companies Act, 2013, Special Resolution as set out in the accompanying Notice is now being placed before the members for their approval. Your Directors recommend the passing of the resolution as Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the said Special Resolution.

