



EVEREST KANTO CYLINDER LIMITED

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

CIN: L29200MH1978PLC020434

Tel.: 022 3026 8300 / 01. **Fax:** 022 2287 0720. **Email:** investors@ekc.in

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(s) appended below is proposed to be passed as a special resolution by way of postal ballot / electronic voting (e-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.

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 have the option to vote either by Postal Ballot or through e-voting. Members desiring to exercise their votes by Postal Ballot are requested to read carefully the instructions printed on the Postal Ballot Form. Members should record their 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 03/06/2018 to be eligible for being considered, failing which, it will be considered that no reply has been received from the Member.

Members desiring to opt for e-voting are requested to read carefully the instructions given in the Notes forming part of the Notice.

Upon completion of the e-voting process and the scrutiny of Forms, the Scrutinizer will submit his report to the Chairman / Managing Director / Director. The result of the Postal Ballot would be announced by a Director or the

Company Secretary of the Company on or before 05/06/2018. 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.

SPECIAL RESOLUTION

ITEM NO 1. RESOLUTION FOR SALE / TRANSFER OF UNDERTAKING UNDER SECTION 180(1)(a) OF THE COMPANIES ACT, 2013

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 and rules made thereunder, Regulation 24 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby accorded to Board of Directors (hereinafter called "the Board" which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) to sell/ transfer entire shareholding in the subsidiary, EKC Industries (Tianjin) Co. Ltd, whether held directly or indirectly, on such terms, conditions and with

such modifications which may deem fit and appropriate by the Board of Directors in the best interest of the Company;

RESOLVED FURTHER THAT Mr. P. K. Khurana, Chairman & Managing Director, Mr. Puneet Khurana, Chief Executive Officer, Mr. Pushkar Khurana, Non-Executive Director of the Company and other official(s) of the Company as may be authorized by the Board of Directors of the Company, be and are hereby severally authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matter connected therewith or incidental thereto.

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.”

ITEM NO 2. ALTERATION OF ARTICLES OF ASSOCIATION

To consider and if thought fit, to pass with or without modification(s) the following resolutions as SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to Section 14 and other applicable provisions and sections, if any, of the Companies Act, 2013, read with rules made thereunder (including any statutory modification (s) or re-enactments thereof, for time being in force), the draft regulations contained in the Articles of Association be and hereby approved and adopted in substitution, and in complete exclusion, of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such steps and actions for the purposes of making all such filings and registrations as may be required in relation to the aforesaid amendment to the Articles of Association and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

ITEM NO 3. TO APPROVE AVAILING OF THE FINANCIAL ASSISTANCE HAVING AN OPTION AVAILABLE TO THE LENDERS FOR CONVERSION OF

SUCH FINANCIAL ASSISTANCE INTO EQUITY SHARES OF THE COMPANY UPON OCCURRENCE OF CERTAIN EVENTS

To consider and if thought fit, to pass with or without modification(s) the following resolutions as SPECIAL RESOLUTION.

“RESOLVED THAT pursuant to the provisions of Section 62(3), 110 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder and subject to such approval(s) and condition(s) as may be applicable, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which expression shall be deemed to include any Committee duly constituted by the Board to exercise its powers, including the powers conferred by this Resolution) in respect of availing of the Financial Assistance (comprising loans, debentures or any other financial assistance categorised as loans), *inter-alia*, up to an amount and in a manner as approved by the Shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013, on terms and conditions contained in the respective financing documents as may be approved by the Board from time to time, which terms and conditions may, *inter-alia*, provide for an enabling option to the Lenders, at their absolute discretion, on one or more occasions during the currency of such Financial Assistance, (i) upon occurrence of a default in payment of Interest or repayment of any Installment or Interest thereon or any combination thereof, subject to notice of such default and a cure period for the said default as may be agreed to by the relevant Lenders; and/or (ii) in accordance with the rights conferred on the Lenders pursuant to any regulations of Reserve Bank of India as may be modified from time to time; to convert the whole or any part of such outstanding Financial Assistance into fully paid up Equity Shares of the Company, as per the relevant guidelines of the Securities Exchange Board of India or such other method as may be prescribed, and in the manner specified in a notice in writing (which shall be in accordance with the applicable law) to be given by the relevant Lenders (or their agents or trustees) to the Company (“Notice of Conversion”) and consequently the right to sell such shares, so converted to any third party through Stock Exchanges or otherwise.

RESOLVED FURTHER THAT upon receipt of Notice of Conversion, the Board be and is hereby authorised to do all such acts, deeds and things, including allotment and issue of requisite number of fully paid up Equity Shares in the Company to such Lenders, as it deems fit.

RESOLVED FURTHER THAT the Equity Shares to be so allotted and issued to such Lenders pursuant to its exercising the right of conversion under the said financing documents shall carry, from the date of such conversion, the right to receive proportionately the dividends and other distributions declared or to be declared in respect of the Equity Capital of the Company.

RESOLVED FURTHER THAT the Equity Shares to be so allotted and issued to such Lenders pursuant to its exercising the right of conversion under the said financing documents shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to accept such modifications and to accept such terms and conditions as may be imposed or required by the Lenders arising from or incidental to the aforesaid terms providing for such option.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable or as may be required to create, offer, issue and allot the aforesaid shares, to dematerialize the shares

of the Company and to resolve and settle any question, difficulty or doubt that may arise in this regard and to do all such other acts, deeds, matters and things in connection with or incidental thereto as the Board in its absolute discretion may deem fit, without it being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

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

By Order of the Board of Directors
For EVEREST KANTO CYLINDER LIMITED
sd/-
P. K. Khurana
Chairman and Managing Director

Date : 26th April, 2018

Place : Mumbai

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 27/04/2018.
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 27/04/2018.
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 05/06/2018 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):

The voting period begins 05/05/2018 at 9:00 a.m. and ends on 03/06/2018 at 05:00 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 27/04/2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders.
- (iii) 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(6 digits alpha-numeric).
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If 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 (iii).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) 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.

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

(x) Click on the EVSN for Everest Kanto Cylinder Limited on which you choose to vote.

(xi) 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.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) 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.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians 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 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.

(xviii) 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

1. For Item No. 1 – Sale / Disposal of the undertaking

Pursuant to provisions of Section 180(1)(a) of the Companies Act, 2013 approval of the Shareholders of the Company is required to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

The Company had initiated business operation(s) in China through EKC Industries (Tianjin) Co. Ltd, a subsidiary of the Company (hereinafter referred to as “the subsidiary”) with an intention to avail advantage(s) of business opportunities prevailing over there. With frequent change in government policies, competition etc, it can be presumed that turnaround of the business operation(s) of the aforesaid subsidiary would take longer duration than expected, which would lead financial stress on business operation of the Company.

The Company along with its Subsidiary, EKC International FZE, Dubai (hereinafter referred to as “EKC Dubai”) had provided financial assistance through loans to the subsidiary to undertake business operation(s) and as on January 1, 2018 and date of this notice, the outstanding loan provided by the Company and EKC Dubai, was US\$3,269,320/- and US\$11,234,505/- respectively. The subsidiary had obtained in principle approval from Commerce Bureau, Tianjin for conversion of aforesaid loans into equity share capital of the Company and upon receipt of the final approval, the shareholding of the Company and EKC Dubai would be in the proportion of 63.96% and 36.04% respectively.

Hence the Board of Directors of the Company (“the Board”) vide circular resolution dated 23/04/2018 granted approval for sale/ transfer of the entire shareholding of the subsidiary, whether held directly or indirectly, to You Yuan office Union (Tianjin) Company Limited for a consideration upto RMB. 93.50 million (approximately Rs. 97 crores), subject to various regulatory approvals.

The Board is of the opinion that the proposed sale is in the overall best interest of the Company and recommends the passing of the resolution as set out in the accompanying notice as a special resolution.

None of the Directors and other Key Managerial Personnel or their relatives are, in any way, deemed to be concerned or interested in the said resolution (financially or otherwise) as they do not hold any shares in the aforesaid subsidiary in their individual

capacity. The effect of the said resolution on the interests of the Directors and Key Managerial Personnel or their relatives, is not any different from the effect of the said resolution on other shareholders of the Company.

The Board recommends the Special Resolution as set out at Item No.1 of the accompanying notice for the approval of the Members.

2. For Item No. 2 – Adoption of Articles of Association of the Company

The Articles of Association (AOA) of the Company as presently in force are based on the provisions of the Companies Act, 1956 and several regulations of the existing AOA contains references to specific Section of the Companies Act, 1956 and certain other regulations are not in conformity with the requirements of the Companies Act, 2013 (“the Act”) and hence needs alignment with the Act.

Accordingly it has been felt necessary to replace AOA in totality rather than to modify certain regulations of the existing AOA.

In terms of the provisions of the Section 14 and other applicable provisions of the Act read with the rules made thereunder, adoption of new “AOA” requires approval by members by way of special resolution.

The proposed new set of AOA is uploaded on the Company's website www.everestkanto.com for the perusal of the members. A copy of the same would be given upon receipt of the request, in writing, during the notice period and shall be available for inspection at the registered office of the Company during business hours, on all working days, from 11.00 am to 5.00 pm till the date of passing the resolution.

None of the Directors and other Key Managerial Personnel or their relatives are, in any way, deemed to be concerned or interested in the said resolution (financially or otherwise).

The Board recommends the Special Resolution as set out at Item No.2 of the accompanying notice for the approval of the Members.

3. For Item No. 3 – To approve availing of the Financial Assistance having an option available to the Lenders for conversion of such Financial Assistance into Equity Shares of the Company upon occurrence of certain events

Section 62(1)(c) of the Companies Act, 2013, inter-alia, provides that where at any time, a company having a share capital proposes to increase its subscribed

capital by the issue of further shares, such shares shall be offered to any person, if it is authorized by a special resolution either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.

Further, Section 62(3) of the Companies Act, 2013, provides that nothing in Section 62 shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company; provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

Pursuant to the Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, the Members of the Company, at the 35th Annual General Meeting of the Company held on August 2, 2014, accorded their consent to the Board of Directors of the Company to borrow any sum or sums of monies (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), from time to time, in such form and manner and on such terms and conditions as the Board may deem fit, not exceeding three times of the then paid up capital of the Company and its free reserves; and to create charges on the Company's properties for securing the borrowings within the above limits and working capital facilities to be availed by the Company.

For the purposes of such Borrowings, the Company may, from time to time, be required to execute financing documents, which provides for an enabling option to the Lenders, to convert the whole or any part of such outstanding Financial Assistance (comprising loans, debentures or any other financial assistance categorised as loans), into fully paid up Equity Shares of the Company;

- (i) upon occurrence of a default in payment of Interest or repayment of any Installment or Interest thereon or any combination thereof, subject to an appropriate notice of default and a cure period for the said default as may be agreed to; and/or

- (ii) in accordance with the rights conferred on the Lenders pursuant to any regulations of Reserve Bank of India as modified from time to time.

Such conversion, in the events as mentioned above, will be at a price in accordance with the relevant guidelines of the Securities Exchange Board of India or such other method as may be prescribed.

In line with the changes in the Companies Act and various directives issued by the Reserve Bank of India, the Company has been advised to pass a Special Resolution under Section 62(3) and other applicable provisions of the Companies Act, 2013 and rules made thereunder for enabling the Lenders to convert the outstanding Financial Assistance (comprising loans, debentures or any other financial assistance categorised as loans), into Equity Shares of the Company upon the occurrence of certain events, as aforesaid. The Company hereby clarifies that this resolution is merely an enabling resolution and there are no proposals of conversion of loan into Equity, either pending or envisaged currently.

Accordingly, the Board recommends the proposed Special Resolution as an enabling Resolution under the provisions of Section 62(3) and other applicable provisions of the Companies Act, 2013.

None of the Directors and other Key Managerial Personnel or their relatives are, in any way, deemed to be concerned or interested in the said resolution (financially or otherwise).

The Board recommends the Special Resolution as set out at Item No.3 of the accompanying notice for the approval of the Members.

**By Order of the Board of Directors
For EVEREST KANTO CYLINDER LIMITED**
sd/-
P. K. Khurana
Chairman and Managing Director

Date : 26th April, 2018
Place : Mumbai

THIS PAGE IS INTENTIONALLY KEPT BLANK