



BSE LIMITED PHIROZE JEEJEEBHOY TOWERS DALAL STREET MUMBAI - 400001	NATIONAL STOCK EXCHANGE OF INDIA LIMITED "EXCHANGE PLAZA" BANDRA KURLA COMPLEX BANDRA (E) MUMBAI - 400051
Scrip Code: 522074	Scrip Code: ELGIEQUIP

Dear Sirs,

DATE: 19/08/2020

Sub: Postal Ballot Notice dated 14th August 2020 pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Postal Ballot Notice dated 14th August, 2020, as sent out to the members on their registered email address, seeking approval for the following business as set out in the said Postal Ballot Notice:

1. Approval for increasing the Authorized Share Capital and consequent amendment to Memorandum of Association of the Company (Ordinary Resolution)
2. Approval for issue of bonus shares (Ordinary Resolution)
3. Approval for creation of mortgages/ charges/ hypothecation of the properties of the company under section 180(1)(a) of the Companies Act, 2013 in respect of the borrowings of the company (Special Resolution)
4. Approval to make investments or grant loans or provide guarantee or security in excess of the limits specified under section 186 of the Companies Act, 2013 (Special Resolution)

In compliance with the General Circular(s) No.14/2020 dated 8th April 2020, No. 17/2020 dated 13th April 2020 and No.22/2020 dated 15th June 2020 issued by the Ministry of Corporate Affairs ("the MCA Circulars"), the Postal Ballot Notice has been sent to all the shareholders, who have registered their email addresses with the Company/RTA or depository participants and the hard copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope are not being sent to the shareholders for this Postal Ballot. The shareholders have been requested to communicate their assent or dissent through the remote e-voting system only.

ELGI EQUIPMENTS LIMITED

Trichy Road, Singanallur, Coimbatore - 641005, Tamilnadu, India

T: +91 422 2589 555, **W**: www.elgi.com, **Toll - free No**: 1800-425-3544, **CIN**: L29120TZ1960PLC000351



The Company is providing e-voting facility to enable the shareholders to vote on the resolution(s) proposed in the aforesaid notice. The Company has availed the services of Link Intime India Pvt. Ltd ("LI IPL") for providing the e-voting facility.

Further, the Company has fixed 14th August 2020 as the cut-off date to determine the shareholders, who are eligible to cast their vote through electronic means on the resolutions mentioned in the said Notice. The Company has appointed Mr. M.D.Selvaraj of MDS & Associates, Practicing Company Secretaries, Coimbatore, as the Scrutinizer for conducting the postal ballot / e-voting process in a fair and transparent manner.

The e-voting period commences on Thursday, 20th August 2020 at 9:00 AM and ends on 18th September 2020 at 5:00 PM.

A copy of the Postal Ballot Notice has also been uploaded on the website of the Company www.elgi.com. The Company will announce the results of the- Postal Ballot (e-voting) on or before 5:00 PM on Saturday, 18th September 2020 and the same will be communicated to the stock exchange along with the Scrutinizer's report within the prescribed time

The said information is also available in the website of the Company www.elgi.com

Kindly acknowledge receipt of this letter and update your records.

Thanking you,

Yours faithfully,

For **ELGI EQUIPMENTS LIMITED**

RAGUNATHAN K
COMPANY SECRETARY

ELGI EQUIPMENTS LIMITED

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ELGI EQUIPMENTS LIMITED

CIN: L29120TZ1960PLC000351

Regd. Off.: Elgi Industrial Complex III, Trichy Road,
Singanallur, Coimbatore – 641005

Phone: 0422-2589555 Fax: 0422-2573697

Email: investor@elgi.com Website: www.elgi.com

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Shareholder(s),

Notice is hereby given pursuant to the provisions of Sections 108, 110 of the Companies Act, 2013 ('the Act'), read with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014 ("Rules") (including any statutory modification or re-enactment thereof for the time being in force) and other applicable provisions of the Act and Rules made thereunder and the General Circular No. 14/2020 dated 8th April 2020, No. 17/2020 dated 13th April 2020 & No. 22/2020 dated 15th June 2020, issued by the Ministry of Corporate Affairs, Government of India ("MCA Circulars"), as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for seeking approval of the shareholders by way of the following special/ ordinary resolutions (as indicated) through postal ballot ("Postal Ballot") only through remote e-voting

1. Approval for increasing the Authorized Share Capital and consequent amendment to Memorandum of Association of the Company
2. Approval for issue of bonus shares
3. Approval for creation of mortgages/ charges/ hypothecation of the properties of the company under section 180(1)(a) of the Companies Act, 2013 in respect of the borrowings of the company
4. Approval to make investments or grant loans or provide guarantee or security in excess of the limits specified under section 186 of the Companies Act, 2013

The Board of directors of the Company, at their meeting held on 14th August 2020, has approved the above matters, subject to, inter alia, the approval of the shareholders of the Company and such other authorities as may be required.

The Statement setting out the material facts concerning the resolutions set out in Item No. 1 to 4 of the Postal Ballot Notice dated 14th August 2020 pursuant to Section 102 of the Companies Act, 2013 relating to the resolutions are annexed. The Postal Ballot Notice is also placed on the website of the Company www.elgi.com.

In view of the current circumstances prevailing due to COVID-19 pandemic and in furtherance to the MCA Circulars, and pursuant to Section 110 of the Companies Act, 2013 and the Rules made thereunder, the Company will send Postal Ballot Notice by email to all its shareholders who have registered their email addresses with the Company or depository/depository participants and the communication of assent/dissent of the members will only take place through the e-voting system. This Postal Ballot is accordingly being initiated in compliance with the above MCA Circulars.

In compliance with the requirements of the MCA Circulars, hard copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope will not be sent to the shareholders for this Postal Ballot and shareholders are required to communicate their assent or dissent through the remote e-voting system only.

The Board of Directors of the Company vide their resolution passed on 14th August 2020 has appointed Mr. M. D. Selvaraj, FCS of M/s. MDS & Associates, Company Secretaries, Coimbatore as the Scrutinizer for conducting the voting through electronic means in a fair and transparent manner in compliance with Rule 22(5) & (6) of the Companies (Management and Administration) Rules, 2014.

Pursuant to Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of Sections 108 and 110 of the Act read with the relevant rules made thereunder and the MCA Circulars, the Company has provided electronic voting ("e-voting") facility only. The Company has engaged the services of Link Intime India Private Limited ("LI IPL") to provide e-voting facility to the Members of the Company through instavote platform at the link <https://instavote.linkintime.co.in>. Please refer the instructions for e-voting given after the proposed resolutions for the process and manner in which e-voting is to be carried out.

The e-voting platform will be opened for tendering your votes **from 9:00 AM on Thursday, 20th August 2020 to 5.00 PM on Friday, 18th September 2020**. Members are requested to read the instructions carefully while expressing their assent or dissent and cast votes via e-voting by not later than the close of working hours at 5.00 PM on Friday, 18th September 2020.

The Scrutinizer shall submit his report to the Managing Director or any other director duly authorized in this behalf. The result of the postal ballot shall be announced on or before the close of business hours (i.e., 5.00 PM) on Saturday, 19th September 2020 and the same shall be displayed on the website of the Company, Link Intime India Private Limited (LI IPL) and communicated to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE), the stock exchanges where the equity shares of the company are listed.

In the event, the resolutions as set out under Item No.1 to 4 below are assented by the requisite majority of the Members by means of Postal Ballot process, it shall be deemed to have been passed as Special/ Ordinary Resolutions, at the General Meeting of the Company and it shall be deemed to have been passed on the last date specified by the Company for e-voting.

The resolutions for the purpose as stated herein below is proposed to be passed by Postal Ballot/e-voting:

Item No. 1:

Approval for increasing the Authorized Share Capital and consequent amendment to Memorandum of Association of the Company

To consider and if thought fit, to give assent/dissent to the following resolution proposed to be passed as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 read with relevant Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, if any, required from any authority, the Authorised Share Capital of the Company be increased from ₹ 30,00,00,000/- (Rupees Thirty Crores Only) divided into 30,00,00,000 (Thirty Crores only) equity shares of ₹ 1/- (Rupees One only) each to ₹ 32,00,00,000/- (Rupees Thirty-Two Crores Only) divided into 32,00,00,000 (Thirty-Two Crores only) equity shares of ₹ 1/- (Rupees One only) each by further creation of 2,00,00,000 equity shares of ₹ 1/- each.

RESOLVED FURTHER THAT pursuant to Section 13 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, the Memorandum of Association of the Company be and is hereby altered by replacing the existing Clause V thereof with the following new Clause V

"V. The Authorised share capital of the Company is ₹ 32,00,00,000/- (Rupees Thirty-Two Crores only) divided into 32,00,00,000 (Thirty-Two Crores only) Equity shares of ₹ 1/- each and the Company shall have power to increase or reduce the Capital and will be at liberty to issue any shares with special rights or privileges as to voting, dividend, capital or otherwise or to subject the same to any restrictions, limitations or conditions as the Company deems fit and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 2013 (including any amendment to re-enactment thereof) and as the Company deems fit and necessary."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the company be and is hereby authorised, to do all acts, deeds, things and take all such steps and actions and give such directions as may be in its absolute discretion deem necessary to settle any question that may arise in this regard.

Item No. 2: Approval for issue of Bonus Shares

To consider and if thought fit, to give assent/dissent to the following resolution proposed to be passed as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 63 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the regulations and guidelines issued by the Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI) from time to time, the provisions of Article 37 & 38 of the Articles of Association of the Company, and pursuant to the recommendation of the Board of Directors of the Company (hereinafter referred to as "the Board", which expression shall be deemed to include a Committee of Directors duly authorized in this behalf), and subject to such approvals as may be required in this regard, approval of the members be and is hereby accorded to the Board for capitalization and transfer to the Share Capital Account of a sum to an extent of ₹ 15,84,54,508/- standing to the credit of the securities premium

account of the Company as on 31st March 2020, for the purpose of the issue of bonus equity shares of ₹ 1/- each, credited as fully paid-up equity shares to the holders of the existing equity shares of the Company in the proportion of 1 (One) equity share for every 1 (One) existing equity share held by the members whose names appear in the Register of Members maintained by the Company/List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as on the record date as may be fixed in this regard by the Board.

RESOLVED FURTHER THAT the Bonus shares so distributed shall, for all purposes, be treated as an increase in the nominal amount in the Capital of the Company held by each such member, and not as income or distribution in lieu of dividend.

RESOLVED FURTHER THAT no letter of allotment shall be issued to the allottees of the bonus equity shares and that in the case of members who hold the equity shares in dematerialised form as on the record date, the bonus shares shall be credited to the respective beneficiary accounts of the members with their respective depository participants and in the case of members who hold equity shares in physical form as on the record date, the share certificates in respect of the bonus shares shall be dispatched, within the prescribed period.

RESOLVED FURTHER THAT the New Equity Shares of ₹ 1/- each to be allotted as Bonus Shares shall be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the fully paid up equity shares of the Company as existing on the record date as may be fixed in this regard by the Board.

RESOLVED FURTHER THAT the issue and allotment of the bonus equity shares to the extent they relate to Non-Resident Indians (NRIs), Overseas Citizen of India, Foreign Nationals, Overseas Corporate Bodies (OCBs), Foreign Portfolio Investors (FPIs) and other foreign investors of the Company will be subject to the applicable regulations under the Foreign Exchange Management Act, 1999 or any other applicable laws for the time being in force.

RESOLVED FURTHER THAT pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and any amendments thereto from time to time, with respect to the stock options which have been granted (whether vested or not) to employees of the Company under Elgi Equipments Limited Employee Stock Option Plan 2019 and outstanding as on the record date, the Board and / or the Compensation Committee of the Board be and is hereby authorized to make appropriate adjustments with respect to exercise price, the number of stock options and adjust or decide on the grant of such number of additional stock options as bonus options to the employees who have been granted stock options in the same proportion as the bonus equity shares being issued.

RESOLVED FURTHER THAT for the purposes of giving effect to the bonus issue of equity shares as resolved hereinbefore, the issuance of equity shares or securities representing the same, the Board and other designated officers of the Company be and are hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation to file any documents with the Securities and Exchange Board of India, Stock Exchange(s) where the shares of the Company are listed, Depositories, Ministry of Corporate Affairs and/ or concerned authorities, applying and seeking necessary listing approvals from the Stock Exchange(s), and to settle any question, difficulty or doubt that may arise in regard thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable for the purpose of giving effect to the aforesaid resolutions and determine all other terms and conditions of the issue of bonus equity shares as the Board may in its absolute discretion deem fit.

Item No. 3:

Approval for creation of mortgages/ charges/ hypothecation of the properties of the company under section 180(1)(a) of the Companies Act, 2013 in respect of the borrowings of the company

To consider and if thought fit, to give assent/dissent to the following resolution proposed to be passed as a **Special Resolution:**

RESOLVED THAT pursuant to the provisions of section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules thereof, the members of the Company hereby accord their consent to the Board of Directors to lease, mortgage or otherwise dispose of or to create charge, mortgage and/or hypothecate the part of or whole of or substantially the whole of the assets and / or undertakings of the Company, both present and future, at such time and on such terms and conditions as the Board may deem fit, in the best interest of the Company.

RESOLVED FURTHER THAT the Board shall have the power to mortgage or otherwise offer as collateral, substantial property, assets, and/or undertakings of the Company (both present and future) in certain events, to banks/financial institutions, other lending agencies, and/or trustees for the holders of

debentures/bonds/other instruments, to secure any rupee loans or foreign currency loans.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalize the terms and conditions for creating the aforesaid mortgage and/or charge and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution.

Item No. 4:

Approval to make investments or grant loans or provide guarantee or security in excess of the limits specified under section 186 of the Companies Act, 2013

To consider and if thought fit, to give assent/dissent to the following resolution proposed to be passed as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company and such other approvals as may be required in that behalf, the consent of the Company be and is hereby accorded to Board of Directors of the Company (hereinafter referred to as "the Board", which expression shall be deemed to include a Committee of Directors duly authorized in this behalf) to

- a. grant loans from time to time on such terms and conditions as it may deem expedient to any person or other bodies corporate
- b. give any guarantee or provide security in connection with a loan to any other body corporate or person
- c. acquire by way of subscription, purchase or otherwise the securities of any other body corporate;

up to an aggregate amount not exceeding ₹ 900 Crores (Rupees Nine Hundred Crores only) notwithstanding that the aggregate of loans and investments so far made, the amounts for which guarantee or security so far provided to, along with the investments, loans, guarantee or security proposed to be made or given by the Board may collectively exceed the limits prescribed under Section 186 of the Companies Act, 2013.

FURTHER RESOLVED THAT the Board be and is hereby authorised to negotiate the terms and conditions of the above said investments, loan(s), security(ies) or guarantee(s) as they deem fit and in the best interest of the Company and take all such steps as may be necessary to complete the same.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the above and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out all the material facts relating to the special business mentioned in the accompanying notice dated 14th August 2020 and shall be taken as forming part of the Notice.

Item No. 1

The current Authorized Share Capital of the Company is ₹ 30,00,00,000 (Rupees Thirty Crores only) divided into 30,00,00,000 (Thirty Crores only) equity shares of ₹ 1 (Rupee One only) each. The issue of bonus shares as set out in Item No.2 of the Notice would require increase in the Authorized Share Capital of the Company and the consequential alteration to the existing Clause V of the Memorandum of Association of the Company. The Board of Directors in its meeting held on 14th August 2020 has proposed to increase the Authorized Share Capital to ₹ 32,00,00,000 (Rupees Thirty-Two Crores only) divided into 32,00,00,000 (Thirty-Two Crores only) equity shares of ₹ 1 (Rupee One only) each to accommodate the issue of bonus shares.

Pursuant to the provisions of Sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 and subject to applicable statutory and regulatory approvals, the increase in Authorized Share Capital and the alteration of the Capital Clause of the Memorandum of Association of the Company requires the approval of the Members of the company.

Accordingly, the Board recommends the resolutions set out in Item No. 1 of the Notice for increasing the authorized share capital for the approval of the members of the Company.

A copy of the Memorandum of Association together with proposed alteration is available for inspection at the registered office of the company on any working day during the usual business hours up to the date of declaration of results of the postal ballot.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, in Item No. 1 of this Notice.

Item No. 2

On the occasion of the 60th anniversary of the Company, the Board of Directors at their meeting held on 14th August 2020 considered, approved and recommended the issue of bonus shares in the proportion of one new equity share of the Company for every one existing equity share of the Company held by the Members by capitalizing a part of the securities premium account of the Company as at 31st March 2020. Consequent to the issue of bonus shares, the total paid-up equity share capital of the Company shall increase from ₹ 15,84,54,508/- consisting of 15,84,54,508 equity shares of ₹ 1/- each to ₹ 31,69,09,016/- consisting of 31,69,09,016 equity shares of ₹ 1/- each

The bonus shares, once allotted, shall rank pari-passu in all respects and carry the same rights as the existing equity shares and holders of the bonus shares shall be entitled to participate in full in any dividend and other corporate action, recommended and declared after the new equity shares are allotted.

The bonus issue of equity shares would, inter alia, require appropriate adjustments with respect to all the stock options which have been granted to employees of the Company under the Elgi Equipments Limited Employee Stock Option Plan 2019, pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014 and any amendments thereto from time to time such that the number of stock options which are available for granting and those already granted but not exercised as on Record Date shall be appropriately adjusted.

Article 37 of the Articles of Association of the Company permits capitalisation of any part of the amount for the time being standing to the credit of Company's Reserve Accounts or to the credit of Profit and Loss Account or any Capital Redemption Reserve Account or in the hands of the Company and available for distribution as dividend or representing premiums received on the issue of shares standing to the credit of the Share Premium Account, by applying the same towards payment of unissued shares to be issued to the Members as fully paid bonus shares.

Pursuant to the provisions of Sections 63 and other applicable provisions, if any, of the Companies Act, 2013 and subject to applicable statutory and regulatory approvals, the issue of bonus shares of the Company requires the approval of the Members of the company.

Accordingly, the Board recommends the resolutions set out in Item No. 2 of the Notice for issue of bonus shares for the approval of the members of the Company

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, in Item No. 2 of this Notice except to the extent of their shareholding in the Company.

Item No. 3

Pursuant to Section 180(1)(a) of the Companies Act, 2013, the Board of Directors cannot sell, lease, mortgage, hypothecate or create charge or otherwise dispose of the whole or substantially the whole of the assets/undertakings of the Company without the approval of members in the general meeting.

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company may require additional funds. For this purpose, the Company may also raise finances from various banks and/or financial institutions and/ or any other lending institutions and/or bodies corporate and/or such other persons/ individuals as may be considered necessary. In order to facilitate security to the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the assets/undertakings of the Company.

The Company had earlier obtained approval of shareholders under Section 293 (1) (a) of the Companies Act, 1956. Accordingly, the approval of the shareholders is being sought to create charges on the assets/undertakings of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013.

The Board recommends the resolution set out in Item No. 3 of the Notice for the approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3 of the Notice.

Item No. 4

The Company has been making investments in, giving loans and guarantees to and providing securities in connection with loans to various persons and bodies corporate (including its subsidiary) from time to time, in compliance with the applicable provisions of the Companies Act, 2013 ('the Act').

The provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in

connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more. Further, the said Section provides that where the giving of any loan or guarantee or providing any security or the acquisition as provided under Section 186(2) of the Act, exceeds the limits specified therein, prior approval of Members by means of a Special Resolution is required to be passed at a general meeting.

It was apprehended that the gap between the value of loans, securities and investments already extended/made by the Company till date and the limits under Section 186 was too close and the values could exceed 100% of the company's security premium account and free reserves combined as of 31st March, 2020 i.e. the date of latest audited balance sheet in the near future.

That in view of a) further investments considering the long term business plans; b) further guarantees c) reduction in reserves due to distribution of dividends; it was felt that as a precautionary measure it would be better for the Company to enhance the limits under Section 186. Therefore based on the foregoing and on consultation with experts in the field, the Company decided to approach the Members to make sizeable loans / investments and issue guarantees / securities to persons or bodies corporate, from time to time, in excess of the limits prescribed under Section 186 of the Companies Act, 2013 up to an aggregate amount not exceeding Rs.900 Crores.

It is clarified to the Members that the Company is not seeking to raise any large amounts of incremental debt but, given the tight gap as explained above, the Company is approaching the members only for their approval for additional investments / security to be provided to the extent of an aggregate amount not exceeding ₹ 900 Crores. This is purely by way of an enabling provision for the long term future requirements.

Considering the same it has been sought to obtain the prior approval of the Members for enhancing the said limits. Hence, the necessary resolution has been set out in Item No.4 of the Notice for the approval of the members.

Accordingly, the Board recommends the Special resolution as set out in Item No. 4 of the Notice for the approval by the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4 of the Notice.

By Order of the Board
For **Elgi Equipments Limited**

Place : Coimbatore

Date : 14th August 2020

Ragunathan K
Company Secretary

Notes:

1. The Board of Directors of the Company have appointed Mr.M.D.Selvaraj, FCS of M/s.MDS & Associates, Company Secretaries, Coimbatore as the Scrutinizer for conducting the postal ballot through remote e-voting in a fair and transparent manner and for the purpose of ascertaining the requisite majority.
2. The approval of the shareholders is being sought through the Postal Ballot, pursuant to Section 110 of the Companies Act, 2013 read with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The facility of voting by electronic means is being provided by Link Intime India Private Limited (LI IPL) for which the required procedure is incorporated in the Postal Ballot Notice.
4. The Notice is being sent only by email to all those Members of the Company, whose names appear in the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited ("NSDL")/Central Depository Services (India) Limited ("CDSL") as on 14th August 2020 (cut-off date) and who have registered their email addresses in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited (LI IPL) ("RTA") in accordance with the provisions of the Companies Act, 2013, read with Rules made thereunder and Ministry of Corporate Affairs, Government of India's General Circular No. 14/2020 dated 8th April 2020, No. 17/2020 dated 13th April 2020 & No. 22/2020 dated 15th June 2020 ("MCA Circulars").
5. All the Members of the Company whose names are appearing on the Register of Members / List of Beneficial Owners as on 14th August, 2020 the cut-off date (including those Members who may not have received this Notice due to non-registration of their e-mail address with the Company or the

- Depositories / Depository Participants) shall be eligible for remote e-voting. A person who is not member on cut-off date should treat this notice for information purpose only.
6. Voting period commences from 9:00 AM on Thursday, 20th August 2020 to 5.00 PM on Friday, 18th September 2020 (both days inclusive). During this period, the Members of the Company holding equity shares either in physical form or dematerialised form, as on 14th August 2020 ('cut-off date'), may cast their vote electronically. Please note that E-voting module shall be disabled for voting by Link Intime India Private Limited after the said last date and time. Once vote on a resolution is cast by the member, he/ she shall not be allowed to change it subsequently or cast the vote again.
 7. On account of threat posed by COVID-19 and in terms of the MCA Circulars, the Company will send this Notice in electronic form only and hard copy of this Notice along with postal ballot forms and pre-paid business envelope will not be sent to the shareholders for this postal ballot. Accordingly, the communication of the assent or dissent of the members would take place through the E-voting system. Therefore, those shareholders who have not yet registered their e-mail address are requested to get their e-mail addresses submitted by following the procedure given below:
 - i. In light of the MCA Circulars, for remote E-voting for this postal ballot, the shareholders whether holding equity shares in demat form or physical form and who have not submitted their email addresses and in consequence to whom the E-voting notice could not be serviced, may temporarily get their e-mail addresses registered with the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, by clicking the link: https://linkintime.co.in/emailreg/email_register.html and follow the registration process as guided thereafter. Post successful registration of the e-mail address, the shareholder would get soft copy of this Notice and the procedure for e-voting along with the user-id and the password to enable e-voting for this postal ballot. In case of any queries, shareholder may write to the Company at investor@elgi.com or to Registrar and Transfer Agent at coimbatore@linkintime.co.in
 - ii. It is clarified that for permanent submission of e-mail address, the shareholders are however requested to register their email address, in respect of electronic holdings with the depository through the concerned depository participants and in respect of physical holdings with the Company's Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, having its office at Surya, 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641 028, Tamil Nadu, India (Tel: 0422 – 2314792), by following the due procedure.
 - iii. Those shareholders who have already registered their e-mail address are requested to keep their e-mail addresses validated with their depository participants / the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited to enable servicing of notices / documents / annual Reports electronically to their e-mail address.
 8. Any query/grievance may please be addressed to Mr.K.Ragunathan, Company Secretary with respect to the voting by Postal Ballot including voting by electronic means at: Email id: investor@elgi.com or may contact Mr. Rajiv Ranjan, Assistant Vice President - e-voting, Link Intime India Private Limited at the designated email id: enotices@linkintime.co.in.
 9. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Link Intime India Private Limited through Instavote Platform, on the resolutions set forth in this Notice.
 10. Members are requested to carefully read the instructions while expressing their assent or dissent and cast votes via e-voting by not later than the close of working hours at 5.00 PM on Friday, 18th September 2020.
 11. The result of the Postal Ballot shall be announced on or before 5.00 PM on Saturday, 19th September 2020, at the registered office of the Company and shall also be displayed on the Company's website www.elgi.com, on the website of LIPL and will also be communicated to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE), the stock exchanges where the equity shares of the Company are listed.
 12. The Postal Ballot Notice has been placed on Company's website www.elgi.com and LIPL e-voting website <https://instavote.linkintime.co.in> and will remain on such website until the last date of the Postal Ballot votes (through remote e-voting) from members.
 13. The voting rights of members shall be in proportion to their share of the paid-up equity share capital of the Company as on 14th August 2020 the cut-off date.
 14. A member cannot exercise his vote by proxy in case of Postal Ballot.
 15. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of

notice /documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to give their consent by providing their e-mail addresses to the Company or to Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company.

INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MEANS:

In compliance with provisions of Sections 108, 110 and other applicable provisions, if any, of the Act read with rules framed thereunder, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings-2 and the MCA Circulars, the Company is pleased to provide e-voting facility to all its members, to enable them to cast their vote electronically instead of dispatching the physical postal ballot form by post. For this purpose, the Company has availed the services of Link Intime India Private Limited ("LI IPL") for facilitating e-voting.

The instructions for members for voting electronically are as under: -

- i. The voting period begins on 9:00 AM on Thursday, 20th August 2020 to 5.00 PM on Friday, 18th September 2020. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 14th August 2020 the cut-off date may cast their vote electronically. The e-voting module shall be disabled by LI IPL for voting thereafter.
- ii. The shareholders should log on to the e-voting website <https://instavote.linkintime.co.in>.
- iii. Click on "Login" tab, available under 'Shareholders' section.
- iv. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT"
- v. Your User ID details are given below:
 - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
 - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company
- vi. Your Password details are given below:

If you are using e-Voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

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 Depository Participant or in the company records are requested to use the sequence number which is shared to the members.
DOB / DOI	Enter the Date of Birth / Date of Incorporation as recorded with the depository participant or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details (last 4 digits) as recorded in your demat account or in the Company records for the said demat account or folio no. <ul style="list-style-type: none"> • Please enter the DOB / DOI or Dividend Bank details in order to login. If the above mentioned details are not recorded with the depository participants or Company please enter member ID or folio number in the Dividend Bank details field as mentioned in instruction v(c).

If you are holding shares in demat form and had registered on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Click on Forgot Password and enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LI IPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Cast your vote electronically

vii. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.

viii. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

ix. If you wish to view the entire resolution details, click on the 'View Resolutions' File Link.

x. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

xi. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

xii. You can also take the printout of the votes cast by you by clicking on "Print" option on the voting page.

General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".

- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

16. The Scrutinizer will submit his report after completion of scrutiny, on or before 5.00 PM on Saturday, 19th September 2020. The Managing Director or any other director duly authorized in this behalf will announce the results of the voting by Postal Ballot on or before 5.00 PM on Saturday, 19th September 2020, at the Registered Office of the Company.