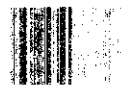


EIMCO ELECON



Report  Junction.com

ANNUAL REPORT 1998-99

EIMCO ELECON (INDIA) LIMITED

BOARD OF DIRECTORS

Mr. B.I. Patel	—	<i>Chairman & Managing Director</i>
Mr. Ilkka Hakala		
Mr. R.W. Eltringham		
Mr. Carl Schrock		
Mr. P.M. Patel		
Mr. H.S. Parikh		
Mr. P.B. Patel		
Mr. N.S. Patel		
Mr. C.T. Dave	—	<i>Executive Director</i>

COMPANY SECRETARY

Mr. Nilesh D. Shelat

AUDITORS

Messrs Talati & Talati
Chartered Accountants
Ahmedabad

BANKERS

State Bank of India
Anand

REGD. OFFICE & WORKS

Vallabh Vidyanagar
Gujarat - Pin 388 120

EIMCO ELECON (INDIA) LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-fifth Annual General Meeting of the Members of EIMCO ELECON (INDIA) LTD. will be held on Thursday, the 30th September 1999, at 3.00 p.m. at the Registered Office of the Company at Vallabh Vidyanagar 388120, Gujarat state to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 1999 and Profit & Loss Account for the year ended on that date and the reports of the Directors & Auditors.
2. To declare dividend.
3. To appoint a Director in place of Mr. P.M. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. N.S. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309, and other applicable provisions if any, of the Companies Act, 1956, the Company hereby approves the re-appointment of Mr. C.T Dave as Wholetime Director of the Company for a period of 3 (three) years with effect from 1st January 2000 on the terms & conditions including remuneration as are set out in the draft of the Agreement to be entered into by the Company with him, submitted to the meeting, which Agreement is hereby specifically approved with liberty to the

Directors to alter and vary the terms and conditions of the said appointment and/or Agreement, so as not to exceed the limits, if any, specified in schedule-XIII of the Companies Act, 1956, or any amendments thereto as may be agreed to between the Directors and Mr. C.T. Dave or as may be varied by the General Meeting."

7. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED THAT the increase by way of revision in the salary, perquisites and commission payable to Mr. B.I. Patel, Chairman & Managing Director, with effect from 1st October 1999 to 31st August 2002, as stated in the draft of the Supplemental Agreement to be entered into by the Company with him, be and is hereby approved."

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

"RESOLVED THAT pursuant to section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company, be altered in the following manner :

Insert the following Article as Article 8(d) after Article 8(c) :

DEMATERIALISATION OF SECURITIES

- Definitions : 8 (d)** 1. For the purpose of this Article :
- "Beneficial Owner" means a person or persons whose name is recorded as such with a depository;
 - 'SEBI' means the Securities and Exchange Board of India;
 - 'Depository' means a company formed and registered under the Companies Act, 1956, and

EIMCO ELECON (INDIA) LIMITED

	which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992; and 'Security' means such security as may be specified by SEBI from time to time.	Securities in depositories to be in the fungible form	4. All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in sections 153, 153a, 153b, 187b, 187c and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
Dematerialisation Of securities	2. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.	Rights of depositories and beneficial owners	5. (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner. (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it. (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
Options for Investors	3. Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its records the name of the allottee as the beneficial owner of the security.		

EIMCO ELECON (INDIA) LIMITED**Service of documents**

6. Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of securities

7. Nothing contained in section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of securities dealt with in a depository

8. Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive number of Securities held in a depository

9. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

Register and Index of beneficial owners

10. The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of members and security for the purposes of these articles.

Registered Office
Anand-Sojitra Road
Vallabh Vidyanagar
Gujarat - 388 120

By order of the Board,

Date : 12th June, 1999

Nilesh D. Shelat
Company Secretary

EIMCO ELECON (INDIA) LIMITED**ANNEXURE TO THE NOTICE****Explanatory Statement**

Pursuant to section 173 of the Companies Act, 1956.

ITEM NO. 6**Re-appointment of Mr. C.T. Dave as Wholetime Director.**

The present term of appointment of Mr. C.T. Dave, Wholetime Director, expires on 31st December 1999. Mr. Dave has been working with this Company since its inception and considered instrumental for the growth of the Company. His indepth knowledge and vast experience in the mining industry are of great benefit to us and therefore, his continuous association is in the interest of the Company.

The Board of Directors of the Company at its meeting held on 12th June 1999 unanimously re-appointed Mr. C.T. Dave as Wholetime Director of the Company for a further period of 3 (three) years from 1st January 2000, subject to the approval of the Company in General Meeting. The terms and conditions including remuneration payable to Mr. C.T. Dave are set out in the draft of the Agreement to be entered into by the Company with him, which, inter alia, contain the following terms and conditions :

1. The Wholetime Director shall, subject to the supervision and control of the Board of Directors of the Company, manage the business and affairs of the Company.
2. Period of Agreement:- From 1st January 2000 to 31st December 2002.
3. Remuneration :
 - (a) Salary : Rs.60,000/- (Rupees Sixty thousand) per month.
 - (b) Commission: One percent commission on the net profits of the Company computed in the manner laid down in section 309(5) of the Companies Act, 1956 subject to a ceiling of 50% of the annual salary, whichever is less.

(c) Perquisites :

- i. The Wholetime Director shall be entitled to perquisites including furnished accommodation or house rent in lieu thereof, gas, electricity, water and furnishings, reimbursement of actual expenditure on medical treatment for self and family and the expenditure incurred on travel and stay abroad including that of accompanying spouse, leave travel concession for self and family, club fees, medical and personal accident insurance and such other perquisites as may be determined by the Board of Directors. The total perquisites will be restricted to Rs.4 lacs per annum. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income-tax Rules wherever applicable.
- ii. Company's contribution to Provident Fund, Superannuation Fund, Gratuity payable at the rate not exceeding half a month's salary for each completed year of service, and encashment of earned leave at the end of tenure which shall not be included in computation of perquisites.
- iii. Car for use on Company's business and telephone and other communication facilities at residence will not be considered as perquisites.
- iv. In the event of loss or inadequacy of profits in any financial year, the Wholetime Director shall be paid remuneration by way of salary and perquisites as specified above.
- v. The Wholetime Director, so long as he functions as such, shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.

The draft of the Agreement to be entered into by the Company with Mr. C.T. Dave is available for inspection to members of the Company at Company's Registered Office on all its working days between 2.00 p.m. and 4.00 p.m. except Sunday.

EIMCO ELECON (INDIA) LIMITED

Mr. C.T. Dave is concerned or interested in the resolution as it relates to him.

None of the other Directors is interested or concerned in the aforesaid resolution.

This explanation together with the accompanying notice may be treated as an abstract of the terms of re-appointment of Wholtime Director under section 302 of the Companies Act, 1956.

ITEM NO. 7

Revision in salary of B.I. Patel, Chairman & Managing Director.

The Board of Directors of the Company at its meeting held on 12th June 1999 unanimously resolved to increase the remuneration payable to Mr. B.I. Patel, Chairman & Managing Director from 1st October 1999 for the remaining period of his term of appointment i.e. upto 31st August 2002, subject to the approval of the Company in General Meeting. The terms and conditions including remuneration payable to Mr. B.I. Patel are set out in the draft of the Supplemental Agreement to be entered into by the Company with him which, inter alia, contain the following terms and conditions :

Remuneration :

- (a) Salary : Rs.60,000/- (Rupees Sixty thousand) per month.
- (b) Commission : One percent commission on the net profits of the Company computed in the manner laid down in section 309(5) of the Companies Act, 1956 subject to a ceiling of 50% of the annual salary, whichever is less.
- (c) Perquisites :
 - i. The Chairman & Managing Director shall be entitled to perquisites including furnished accommodation or house rent in lieu thereof, gas, electricity, water and furnishings, reimbursement of actual expenditure on medical treatment for self and family and the expenditure incurred on travel and stay abroad including that of accompanying spouse, leave travel concession for self and family, club fees, medical and personal accident insurance and such other perquisites as may be determined by the Board of Directors. The

total perquisites will be restricted to Rs.4 lacs per annum.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income-tax Rules wherever applicable.

- ii. Company's contribution to Provident Fund, Superannuation Fund, Gratuity payable at the rate not exceeding half a month's salary for each completed year of service, and encashment of earned leave at the end of tenure which shall not be included in computation of perquisites.
- iii. Car for use on Company's business and telephone and other communication facilities at residence will not be considered as perquisites.
- iv. In the event of loss or inadequacy of profits in any financial year, the Chairman & Managing Director shall be paid remuneration by way of salary and perquisites as specified above.
- v. The Chairman & Managing Director, so long as he functions as such, shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.

The draft of the Supplemental Agreement to be entered into by the Company with Mr. B.I. Patel is available for inspection to members of the Company at Company's Registered Office on all its working days between 2.00 p.m. and 4.00 p.m. except Sunday.

Mr. B.I. Patel is concerned or interested in the resolution as it relates to him.

Mr. P.B. Patel & Mr. P.M. Patel being relatives of Mr. B.I. Patel are concerned or interested in the resolution.

None of the other Directors is interested or concerned in the aforesaid resolution.

ITEM NO. 8**Dematerialisation of Share Certificates**

With the introduction of the Depositories Act, 1996, and the Depository System, some of the provisions of the Companies Act, 1956, relating to the issue, holding, transfers and transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository System of holding

EIMCO ELECON (INDIA) LIMITED

securities in an electronic form is a far safer and more convenient method for holding and trading in the securities of a Company. It is therefore, proposed that the Articles of Association of the Company be suitably altered, as set out in Resolution No. 8 to reflect the provisions introduced by the Depositories Act, 1996, and to spell out the rights of the beneficial owner of the securities in such a system.

The Board recommends this Resolution for acceptance by the Members.

A copy of the Memorandum & Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office on all its working days between 2.00 p.m. and 4.00 p.m. except Sunday.

None of the Directors of the Company is in any way concerned or interested in the said Special Resolution.

Registered Office
Anand-Sojitra Road
Vallabh Vidyanagar
Gujarat - 388 120

By order of the Board,

Report Junction

Nilesh D. Shelat
Company Secretary

Date : 12th June, 1999

NOTES :

- A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY/PROXIES FORM/S IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- B. The Register of Members & Share Transfer Books of the Company will be closed from 3-8-1999 to 10-8-1999 (both days inclusive).
- C. The payment of dividend as recommended by the directors, if approved at the meeting, will be made to those members whose names are on the Register of Members on 10-8-1999 or to their mandatees. The dividend warrants will be posted to them by 1-11-1999.
- D. The members are requested to intimate to the Company if there is any change in their registered address.
- E. The members desiring to have any information on accounts are requested to write to the Company addressed to Company Secretary atleast one week in advance of the meeting to enable the Company to keep the information ready.
- F. The members are requested to bring with them their copy of Balance Sheet as no arrangement has been made to distribute additional copies as a measure of economy.

EIMCO ELECON (INDIA) LIMITED**INFORMATION PURSUANT TO LISTING AGREEMENT WITH STOCK EXCHANGES**

The names and addresses of the Stock Exchanges where the Company's shares are listed are :

	<u>Address</u>
i. Vadodara Stock Exchange Ltd.	Fortune Towers Dalal Street Sayagi Gunj, Vadodara 390 005.
ii. The Stock Exchange, Ahmedabad	Kamdheni Complex Opp. Sahajanand College Near Polytechnic Panjara Pole Ahmedabad - 380 015
iii. The Stock Exchange, Mumbai	Phiroze Jeejeebhoy Towers 25th Floor Dalal Street Mumbai - 400 001
iv. National Stock Exchange of India Limited	Trade World Senapati Bapat Marg Lower Parel Mumbai - 400 013

The listing fee for the year 1998-99 for all the above Stock Exchanges have been paid in time and there being neither delisting nor suspension of company's shares from trading during the period under review.

OTHER INFORMATION

1. Date & place of AGM	:	30th September 1999 at Regd. office Vallabh Vidyanagar
2. Rate of dividend	:	27%
3. Date of dividend payment	:	1st November 1999
4. Total Number of members as on 31-3-1999	:	7310