

EIMCO ELECON (INDIA) LIMITED

**ANNUAL REPORT
2014-2015**

**BOARD OF DIRECTORS**

Mr. P. M. Patel	-	Chairman
Mr. P. C. Amin	}	- Directors
Mr. H. S. Parikh		
Mr. Nirmal Bhogilal		
Mr. Nalin M. Shah		
Mrs. Manjuladevi Shroff		
Mr. M. G. Rao	-	Wholetime Director

COMPANY SECRETARY & CFO

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.

REGISTRAR & SHARE TRANSFER AGENTS**Mumbai Office**

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (W)
Mumbai - 400 078

Vadodara Office

Link Intime India Pvt. Ltd.
B-102 & 103, Shangrila Complex,
First Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta, Akota.
Vadodara - 390 020.

EIMCO ELECON (INDIA) LTD.

(CIN : L29199GJ1974PLC002574)

Registered Office : Anand-Sojitra Road,

Vallabh Vidyanagar - 388 120. Dist. Anand, Gujarat.

E-mail : investor@eimcoelecon.in

Website : www.eimcoelecon.in

Phone : 02692 - 230502 / 230602, Fax : 02692 - 236506

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 41st Annual General Meeting of EIMCO ELECON (INDIA) LTD. will be held on THURSDAY, the 13th August, 2015 at 04.30 P.M. at the Registered Office of the Company at Vallabh Vidyanagar 388 120, Gujarat State to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2015 and the reports of the Board of Directors & Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. P. M. Patel (DIN 00012138) who retires by rotation and being eligible, offers himself for re-appointment.
4. Appointment of statutory Auditors.

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

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Messrs Talati & Talati, Chartered Accountants, Ahmedabad having ICAI Firm Registration No.110758W, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby reappointed for period of two (2) years as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 43rd Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.”

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Listing Agreement and Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mrs.Manjuladevi Shroff (holding DIN 00297159) who was appointed by Board of Directors as Additional Director Pursuant to Section 161 of the Act, and who holds office as such upto the date of this Annual General Meeting and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the date of this Annual General Meeting and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013.”

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

“RESOLVED THAT pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or reenactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 the Company hereby accords its approval to the revision in remuneration payable to Mr. M. G. Rao, Wholtime Director with effect from 1st April, 2015 as set out under item No.6 of the Explanatory Statement annexed to this Notice.”

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

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable for the financial year



ending 31st March 2016 to Messrs. Y. S. Thakar & Co., Cost Accountants, having Firm Registration No.000318 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March 2016, amounting to ₹32,000/- (Rupees thirty two thousand) plus Taxes as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

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

“**RESOLVED THAT** pursuant to the provisions of the revised Clause 49(vii) of the Listing Agreement with the Stock Exchanges necessary consent of the Company be and is hereby accorded to the Board of Directors to ratify/approve all existing contracts/arrangement/agreements entered into the following transactions, contracts & arrangement with Elecon Engineering Company Ltd., a related party within the meaning of the aforesaid clause, the value of which either singly or all taken together may exceed ten percent of the annual turnover of the Company as per audited financial statements of FY 2014-15, having the following details and as detailed in the Explanatory Statement annexed hereto:

Description of contract	Total cumulative contract value with Related Party
Purchase and sale of goods, assets, job work and purchase of industrial plot	Not exceeding ₹ 20.50 crores
Providing securities and giving corporate guarantee to Axis Bank in respect of loan sanctioned to Elecon Engineering Co. Ltd.	Not exceeding ₹ 69.74 crores

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or contractual if any, in relation to the above and be authorized to approve aforesaid transactions and the terms & conditions thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds and things, to sign, execute all such documents, instruments in writing on an ongoing basis as may be required in its absolute discretion pursuant to above Resolution.”

By order of the Board of Directors

Registered office:

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

Date : 1st May, 2015

Nilesh D. Shelat
Company Secretary

NOTES :

- A. **The relative Explanatory statements pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 5 to 8 of the accompanying Notice are annexed hereto.**
- B. 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.
- A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company.**
- C. The Register of members & Share transfer Books of the Company will be closed from 05-08-2015 to 13-08-2015 (both days inclusive).
- D. The payment of dividend on equity shares as recommended by the directors for the year ended 31st March, 2015 when declared at the meeting will be paid:
1. To those members whose names appear in the Register of Members of the Company on 04-08-2015.
 2. In respect of shares held in electronics form, to those "deemed members" whose names appear on the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd, (CDSL) at the end of business hours on 04-08-2015.
- E. The dividend on Equity Shares, if declared at the Meeting, will be credited/dispatched on 17-08-2015.
- F. The members desiring to have any information on accounts are requested to write to the Company Secretary atleast one week in advance of the meeting to enable the Company to keep the information ready.
- G. 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.
- H. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Link Intime India Pvt. Ltd. to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime India Pvt. Ltd.
- I. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Link Intime India Pvt. Ltd., for assistance in this regard.
- J. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Link Intime India Pvt. Ltd., the details of such folios to gether with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.



K. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

L. Information as per Clause 5 of the Listing Agreement regarding 'Unclaimed Suspense Account' of Equity Shares :

	Number of Shareholders	Number of Equity Shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2014.	24	1450
Number of shareholders who approached the Company for transfer of shares from suspense account during the year.	NIL	NIL
Number of shareholders to whom shares were transferred from the suspense account during the year.	NIL	NIL
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2015.	24	1450

By order of the Board of Directors

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

Date : 1st May, 2015

Nilesh D. Shelat
Company Secretary

The instructions and other information relating to Remote E-Voting are as under:

- (i) The voting period begins on 10-08-2015 at 09.00 a.m. and ends on 12-08-2015 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 cut-off date (record date) of 07-08-2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN Number	<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"> Physical Members who have not updated their PAN with the Company are requested to use the lowest certificate number in the PAN field. In case the certificate number is less than 10 digits enter the applicable number of 0's before the number. Eg. If your certificate number is 1000 then enter 0000001000 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member ID / Folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant (EIMCO ELECON (INDIA) LTD.) on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.

- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non-Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

COMMENCEMENT OF REMOTE E-VOTING PERIOD:

1. The e-voting period commences on 10-08-2015 (09.00 a.m.) and ends on 12-08-2015 (05.00 p.m.). During this period Shareholders of the Company holding shares either in physical form

or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Shareholder the Shareholder shall not be allowed to change it subsequently.

The scrutinizer shall, on conclusion of the e-voting, unblock the votes in the presence of atleast 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, and forward to the Chairman of the Company.

The Results shall be declared on or after the Annual General Meeting of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.eimcoelecon.in and the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

2. The voting rights of Shareholders shall be in proportion to their shares of the paid up Equity Share Capital of the Company.
3. Mr. Dinesh Bhimani, Practising Secretary (Membership No.ACS:12192;CP No;6628) has been appointed as the Scrutinizer to scrutinize the e-voting process.
4. Facility for voting through polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
5. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
6. Voting rights be reckoned on the paid up value of shares registered in the name of the member /beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 7th August, 2015.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES Act, 2013.**Item No.5**

Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the Act) and applicable rules made thereunder and Clause 49 of the Listing Agreement entered with the Stock Exchanges, the Company had, appointed Mrs. Manjuladevi Shroff (DIN 00297159) as an Additional Director (Independent Director) w.e.f. 2nd February, 2015. In terms of Section 149, 152 and 161 of the Act, read with the relevant Rules, she holds office as an Additional Director upto the date of the ensuing Annual General Meeting and being eligible, offers herself for appointment as a Director.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Manjuladevi Shroff as an Independent Director of the Company.

The Nomination & Remuneration Committee has recommended and the Board has approved the appointment of Mrs. Manjuladevi Shroff as an Independent Director as per her letter of appointment for a period of five years from the ensuing Annual General Meeting.

Mrs. Manjuladevi Shroff has given a declaration to the Board that she meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, she fulfills the conditions specified in the Act and the rules framed thereunder for appointment as an Independent Director and she is independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Companies Act, 2013 her appointment as an Independent Director is now being placed before the Members for their approval.

The terms and conditions of the appointment of Mrs. Manjuladevi Shroff as an Independent Director of the Company shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturdays and Sundays and on the website of the Company.

She does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

Except Mrs. Manjuladevi Shroff, being an appointee, 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. 5.

A brief profile of Mrs. Manjuladevi Shroff is attached to the notice.

This Statement may also be regarded as a disclosure

under Clause 49 of the Listing agreement with the Stock Exchange.

Item No.6

Mr. M. G. Rao was appointed as Wholetime Director of the Company for a period of 5 years from 8-9-2011. The appointment and remuneration was approved by the members at the Annual General Meeting of the Company held on 30-7-2012.

As per the existing terms and conditions of remuneration, Mr. M. G. Rao is a member of Superannuation Scheme of the Company and accordingly 15% of his basic annual salary is contributed to Superannuation Scheme of the Company. The Wholetime Director has opted to withdraw from the Superannuation Scheme and accordingly on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on 1st May, 2015 has decided to pay him Superannuation allowance at the rate of ₹ 30,000/- p.m. with effect from 1st April, 2015 and he will cease to be a member of Superannuation Scheme from the said date. There is no change in other terms and conditions of remuneration payable to him.

Except Mr. M. G. Rao, 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.6.

Item No.7

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016 as per the following details:

Sr. No.	Name of Cost Auditor	Industry	Audit Fees (₹)
1.	Y. S. Thakar & Co.	Engineering	₹32,000/- Plus Govt. Levies/Taxes as applicable and out of pocket expenses at actual.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution.

Item No. 8

Pursuant to Clause 49 (vii) of the Listing Agreement, approval of the Shareholders through Special Resolution is required for all material Related Party Transactions (RPT) even if they are entered into in the ordinary course of business on arm's length basis. For this purpose, a RPT will be considered material if the transaction / transactions to be entered into individually or taken



together with previous transactions during a financial year exceeds 10% of the annual turnover of the Company as per the last audited financial statement of the Company.

Pursuant to provisions of revised clause 49 of the Listing Agreement, the above referred contracts/transactions/ arrangement are material in nature as it exceeds 10% of the turnover of the Company and requires the approval of shareholders who are not considered to be related for this Resolution.

All transactions as mentioned above are as per related party policy and at arms lengths.

It may be brought to attention of Shareholders that one transaction of providing security of Mutual Fund of

₹ 42 crores and giving corporate guarantee to Axis Bank for credit facility to Elecon Engineering Co. Ltd. Elecon Engg. Co. Ltd is confident to repay the loan and release the securities of the Company in the current financial year.

None of the Directors, Key Managerial Personnel or their relatives is interested or concerned in the said Resolution except for their holdings in the shares of the Company, if any and to the extent of their memberships and/ or directorships in the associates companies, if any.