

EMCO LIMITED

PROCEEDINGS OF THE FORTY-NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF EMCO LIMITED HELD ON FRIDAY, THE 8TH DAY OF AUGUST, 2014 AT THE REGISTERED OFFICE OF THE COMPANY AT N-104, M.I.D.C. AREA, JALGAON – 425 003 AT 11.30 A.M.

Present:

Mr. Shailesh S. Jain => Vice Chairman
Mr. S. V. Deo => Chairman of the Audit Committee

In Attendance:

Mr. Praveen Kumar => Company Secretary
Mr. Ganesh Tawari => General Manager (Accounts & Commercial)
Mr. Sanjay Chheda => Statutory Auditor
M/s. P. Raj & Co.
Chartered Accountants
Mr. Rajul Agarwal => Representative of Statutory Auditor
M/s Chaturvedi & Shah
Chartered Accountants

The presence of the members at the meeting was as under:

35 members (in person)
5 members (by proxy)

In the absence of Mr. Rajesh S. Jain, Chairman of the Board of Directors, the members present unanimously elected Mr. Shailesh S. Jain, Vice-Chairman of the Company, as the Chairman of the meeting.

The Chairman after observing that the requisite quorum was present at the meeting, called the meeting in order and commenced the proceedings.

The Chairman informed the members that the Company had received 5 (five) valid proxies for 16128775 Equity Shares constituting 24.76% of the total shareholding and 2

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(two) corporate representative u/s 113 of the Companies Act, 2013 for 5917833. Equity Shares constituting 9.09% of the total shareholding. The Chairman informed that the Proxy Register had been kept open for the inspection of members.

The Chairman further informed the members that all Statutory Registers maintained under the Companies Act, 1956 and Auditors' certificate with respect to Employees Stock Option Scheme – 2006 and Employees Stock Option Scheme – 2011 pursuant to Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 have been kept open for the inspection of members.

The Chairman further informed that the Meeting has been called, conveyed and conducted in accordance with the provisions of Companies Act, 2013 and the rules made thereunder.

With the consent of the members present, the Notice convening the Forty-Ninth Annual General Meeting along with the Explanatory Statement, Accounts and Directors' Report having already been circulated to the members, were taken as read.

Mr. Praveen Kumar, Company Secretary, then read the Auditor's Report. The members took note of the same.

The Chairman informed that the Mr. Manish Raut, Practicing Company Secretary was appointed as scrutinizer for e-voting process, the said scrutinizer was further authorised to conduct and witness the poll and to submit report thereof.

Thereafter, the following resolutions were placed before the meeting :-

ORDINARY BUSINESS:

1. ADOPTION OF ANNUAL AUDITED ACCOUNTS, AUDITORS' REPORT & DIRECTORS' REPORT:

The following resolution was placed by the Chairman as Ordinary Resolution -

"RESOLVED THAT the Audited Balance Sheet of the Company as at March 31, 2014, the Audited Statement of Profit and Loss for the year ended on that date together with the Schedules to and notes thereon and the Reports of the Board of Directors and Auditors thereon; standalone as well as consolidated, be and are hereby received , considered and adopted."

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Thereafter, the Chairman invited queries from the members on the financial results of the Company for the year under review and its general business activities. Some shareholders raised queries which were answered by the Chairman.

The Chairman then put the resolution to vote through the Poll.

2. DECLARATION OF DIVIDEND:

The following resolution was placed by the Chairman as Ordinary Resolution -

"RESOLVED THAT pursuant to the recommendation by the Board of Directors of the Company made at their meeting held on April 25, 2014, dividend for the financial year ended on March 31, 2014 ` 0.10 paisa per share (i.e. @5%) on 6,51,36,860 Equity Shares of ` 2/- each fully paid up, thus amounting to ` 65,13,686/- (Rupees Sixty Five Lakhs Thirteen Thousand Six Hundred Eighty Six Only) be and is hereby declared, and the same be paid to those Members of the Company whose names appear in the Register of Members on August 1, 2014 or who are notified as beneficiaries by the Depositories as of the close of the business hours on July 31, 2014."

The Chairman then put the resolution to vote through the Poll.

3. RE-APPOINTMENT OF MR. SHAILESH S. JAIN WHO IS RETIRING BY ROTATION :

Chairman being interested in this Resolution, members present there requested Mr. S.V. Deo to take the Chair for the next item of business. Then Mr. S. V. Deo took the Chair

The following resolution was placed by Mr. S.V. Deo as Ordinary Resolution -

"RESOLVED THAT Mr. Shailesh S. Jain, Director of the Company, who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

The Mr. S.V. Deo then put the resolution to vote through the Poll.

Now, Mr. S.V. Deo requested Mr. Shailesh S. Jain to take back the chair. Mr. Shailesh S. Jain again took the chair and carried through the next businesses.

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4. RE-APPOINTMENT OF JOINT STATUTORY AUDITORS- " M/S P RAJ & CO." AND "M/S CHATURVEDI & SHAH" AND TO FIX THEIR REMUNERATION.

The following resolution was placed by the Chairman as Ordinary Resolution -

"RESOLVED THAT pursuant to section 139 of the Companies Act, 2013, M/s P. Raj & Co. Chartered Accountants, registered firm of Institute of Chartered Accountants of India, having firm registration number 108310W and M/s. Chaturvedi & Shah, Chartered Accountants, registered firm of Institute of Chartered Accountants of India, having firm registration number 101720W (the retiring auditors), be and are hereby appointed as Joint Statutory Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration as may be decided by the Board of Directors in consultation with the Joint Statutory Auditors.

RESOLVED FURTHER THAT any one of the Directors and / or the Company Secretary of the Company be and are hereby severally authorized to do such other acts, deeds and things as are necessary to give effect to the above resolution."

The Chairman then put the resolution to vote through the Poll.

SPECIAL BUSINESS:

5. APPOINTMENT OF MR. S V DEO AS INDEPENDENT DIRECTOR

The following resolution was placed by the Chairman as Ordinary Resolution -

"RESOLVED THAT pursuant to provisions of section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. S. V. Deo (DIN 00210554), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for the period of 1 year with effect from August 8, 2014 and will hold office till the conclusion of next Annual General Meeting ."

The Chairman then put the resolution to vote through the Poll.

6. APPOINTMENT OF MR. SANJAY BHATNAGAR AS INDEPENDENT DIRECTOR

The following resolution was placed by the Chairman as Ordinary Resolution -

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“RESOLVED THAT pursuant to provisions of section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Sanjay Bhatnagar (DIN 00867848), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for the period of 1 year with effect from August 8, 2014 and will hold office till the conclusion of next Annual General Meeting .”

The Chairman then put the resolution to vote through the Poll.

7. APPOINTMENT OF MR. BHERULAL CHOUDHARY AS INDEPENDENT DIRECTOR

The following resolution was placed by the Chairman as Ordinary Resolution -

“RESOLVED THAT pursuant to provisions of section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Bherulal Choudhary (DIN 00011905), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for the period of 1 year with effect from August 8, 2014 and will hold office till the conclusion of next Annual General Meeting .”

The Chairman then put the resolution to vote through the Poll.

8. APPOINTMENT OF MR. RAJESH S JAIN WHOLE TIME DIRECTOR DESIGNATED AS CHAIRMAN.

Chairman being interested in the next Resolution, members present there requested Mr. S.V. Deo to take the Chair for the next item of business. Then Mr. S. V. Deo took the Chair.

The following resolution was placed by the Mr. S. V. Deo as Ordinary Resolution -

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the approval of the Company, be and is hereby accorded to the re-appointment of Mr. Rajesh S. Jain

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(00005829) as a Whole-time Director of the Company designated as Chairman, for a period of 3 (three) years with effect from 20th October, 2014, upon terms and conditions set out in the Agreement (a draft of which is laid on the table and for the purpose of identification initialed by the Chairman);

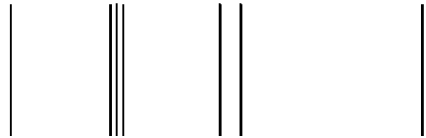
Remuneration payable to Mr. Rajesh S. Jain

A. Salary :

Basic salary at the rate of Rs. 5,50,000/- per month with annual increment of Rs. 50000/- per month and increment shall be effective from 1st April every year;

B. Perquisites :

- (i) Rent-free furnished accommodation or house rent allowance in lieu thereof, not exceeding 50% of the basic salary plus actual electricity charges, gas bill, society maintenance, property tax, water charges, home servant salary for his house.
- (ii) Leave Travel Allowance/ Concession for self and family once in year as per actual amount spent towards, air ticket, hotel, and other incidental expenses, like car/taxi charge, porter charges etc.
- (iii) Mr. Rajesh S. Jain shall be covered under Key Managerial Personnel insurance policy or equivalent other insurance policy taken by the Company and personal accident insurance policy as per the rules of the Company.
- (iv) Reimbursement of all medical expenses for self and family including hospitalization in India or abroad.
- (v) The Company's contribution towards Provident Fund. Such contribution shall not be included in the computation of the ceiling on remuneration to the extent this, either singly or put together, is not taxable under the Income Tax Act, 1961.
- (vi) Gratuity not exceeding half a month's salary for each completed year of service, which shall not be included in the computation of





(00005829) as a Whole-time Director of the Company designated as Chairman, for a period of 3 (three) years with effect from 20th October, 2014, upon terms and conditions set out in the Agreement (a draft of which is laid on the table and for the purpose of identification initialed by the Chairman);

Remuneration payable to Mr. Rajesh S. Jain

A. Salary :

Basic salary at the rate of Rs. 5,50,000/- per month with annual increment of Rs. 50000/- per month and increment shall be effective from 1st April every year;

B. Perquisites :

- (i) Rent-free furnished accommodation or house rent allowance in lieu thereof, not exceeding 50% of the basic salary plus actual electricity charges, gas bill, society maintenance, property tax, water charges, home servant salary for his house.
- (ii) Leave Travel Allowance/ Concession for self and family once in year as per actual amount spent towards, air ticket, hotel, and other incidental expenses, like car/taxi charge, porter charges etc.
- (iii) Mr. Rajesh S. Jain shall be covered under Key Managerial Personnel insurance policy or equivalent other insurance policy taken by the Company and personal accident insurance policy as per the rules of the Company.
- (iv) Reimbursement of all medical expenses for self and family including hospitalization in India or abroad.
- (v) The Company's contribution towards Provident Fund. Such contribution shall not be included in the computation of the ceiling on remuneration to the extent this, either singly or put together, is not taxable under the Income Tax Act, 1961.
- (vi) Gratuity not exceeding half a month's salary for each completed year of service, which shall not be included in the computation of the ceiling on minimum remuneration.
- (vii) Leave encashment in accordance with the rules of the Company.
- (viii) Club fees: Fees for any club (s) use by Mr. Rajesh S. Jain and his family.
- (ix) Use of chauffeur driven Company maintained car(s) for private and official purposes.
- (x) Use of Company's telephone at residence for official and personal purposes and Company paid mobile phone for official and personal use.

"Family" for the purpose above shall mean self, spouse, children and parents of Mr. Rajesh S. Jain.

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The perquisites and allowances, wherever applicable, shall be valued as per the Income Tax Rules, 1962.

C. Commission:

Such remuneration by way of commission in addition to salary, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year during the tenure of this agreement, subject to the overall ceiling stipulated in sections 197 read with Schedule V of the Companies Act, 2013. The specific amount payable to Mr. Rajesh S. Jain will be decided by the Board/ Nomination and Remuneration Committee of the Board and will be payable annually after the annual accounts of the Company have been approved by the Board of Directors and adopted by the shareholders.

RESOLVED FURTHER THAT the Board (including its Committee thereof) be and is hereby authorised to alter, vary, and modify the said remuneration including salary, allowances and perquisites in such manner as may be agreed upon between the Board and Mr. Rajesh S. Jain within and in accordance with and subject to the limits prescribed in Schedule V of the said Act or any amendment(s) and/or any statutory modification(s) thereto, and if necessary, as may be stipulated by the Central Government and as may be agreed to accordingly between the Board and Mr. Rajesh S. Jain ;

AND THAT notwithstanding anything hereinabove stated, where in any financial year during the currency of the term of Mr. Rajesh S. Jain as the Whole-time Director, the Company incurs loss or its profit is inadequate, the Company shall pay to Mr. Rajesh S. Jain minimum remuneration by way of salary, allowances and perquisites within the limit specified in Part II of Schedule V of the said Act subject to the any statutory approval, if any and such conditions or modification as may be imposed or prescribed while granting such approvals."

The Mr. S.V. Deo then put the resolution to vote through the Poll.

Now, Mr. S.V. Deo requested Mr. Shailesh S. Jain to take back the chair. Mr. Shailesh S. Jain again took the chair and carried through the next businesses.

9. AUTHORISATION TO CREATE CHARGE/MORTGAGE ON THE ASSETS OF THE COMPANY

The following resolution was placed by the Chairman as Special Resolution -

"RESOLVED THAT in suppression of the Ordinary Resolution passed by the Members at the 44th Annual General Meeting of the Company held on August

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25, 2009 and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being force) and Rules made thereunder, approval of the Members be and is hereby accorded to authorise the Board of Directors of the Company to mortgage/ charge / hypothecate/ encumber all or any of its moveable and/ or immovable properties of the Company wherever situated, both present and future or to lease or otherwise dispose of the whole or substantially the whole of the undertakings of the company on such terms in such form and such manner as the Board of Directors may think fit, in favour of all or any of the following viz. Financial Institutions, State Financial Corporations/ Companies, Banks, Insurance Companies, Trustees for holders of debenture/ bonds and other secured lenders (hereinafter referred to as "Lenders") for securing any loans (Rupee Loans and / or Foreign Currency Loans) and / or advances already obtained or that may hereinafter be obtained from any of the lenders and / or to secure any debentures/ bonds issued / that may be issued and all interest, compound additional interest, commitment charge, trustees remuneration, costs, charges, expenses and all other monies payable to the respective lenders and/ or agents and / or trustees to the debentures/ bonds in terms of the respective Loan Agreements, Hypothecation Agreements, Letters of Sanction or any other documents entered with or to be entered with the lenders.

RESOLVED FURTHER THAT any one of the Directors and / or the Company Secretary of the Company be and are hereby severally authorized to do such other acts, deeds and things as are necessary to give effect to the above resolution."

The Chairman then put the resolution to vote through the Poll.

10. AUTHORISATION TO BORROW MONEY FOR THE BUSINESS OF THE COMPANY

The following resolution was placed by the Chairman as Special Resolution -

"RESOLVED THAT in suppression of the Ordinary Resolution passed by the Members at the 44th Annual General Meeting of the Company held on August 25, 2009 and pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being force) and Rules made thereunder, approval of the Members be and is hereby accorded to authorise the Board of Directors of the Company to borrow from time to time all such sum of monies as they may deem necessary for the purpose of business of the Company notwithstanding that money to be borrowed by the Company together with the money already borrowed by the company may exceed the aggregate of its paid-up share capital of the Company and free reserves, i.e. to say reserves not set



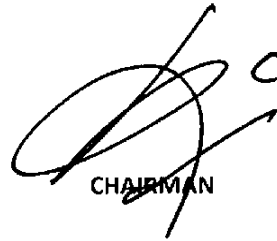
apart for any specific purpose (apart from temporary loans obtained from the Company's bankers in the ordinary course of business viz. cash credit facility and / or working capital facility whether fund based and/or non fund based) provided that the total amount upto which moneys be borrowed by the Board of Directors shall not exceed the sum of Rs. 2000 Cores."

The Chairman then put the resolution to vote through the Poll.

The Chairman then requested the members to put the Ballot forms in the Ballot Box and requested the Scrutinizer to take the Charge of the Same. He also informed the members that the Consolidated result of the voting (i.e e-voting and Poll) on the resolutions along with the Scrutinizer Report shall be published within 48 hours on the website of the Company and also to be file with CDSL and Stock Exchanges.

Vote of Thanks.

There being no other business to be transacted at the meeting, then the meeting concluded with a vote of thanks to the Chair.



CHAIRMAN

Place: *Jalgaon*
Date: *8/8/2014*