



inspired by tomorrow

## EMCO LIMITED

CIN : L31102MH1964PLC013011

Registered Office: N-104, MIDC Area, Jalgaon 425 003, Maharashtra, India

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Tel. No. +91 257 2272 462, Fax No. +91 257 2272 598

## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE EXTRA ORDINARY GENERAL MEETING OF THE MEMBERS OF EMCO LIMITED WILL BE HELD ON THURSDAY, 22<sup>ND</sup> JANUARY 2015 AT 11:30 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT N-104, MIDC AREA, JALGAON - 425 003 TO TRANSACT THE FOLLOWING BUSINESS:**

### **SPECIAL BUSINESS:**

1. 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 Section 14 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force, and the Rules made thereunder, a new set of Articles of Association of the Company be and is hereby adopted in substitution of the existing Articles of Association of the Company, duly placed before the members initialed by the Chairman for the purpose of identification.

**RESOLVED FURTHER THAT** the Board of Directors or any of its duly constituted committee be and is hereby authorised to do all such acts, deeds and things which are necessary for giving effect to this resolution."

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

**"RESOLVED THAT** in accordance with the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("the SEBI ESOP Regulations"), Foreign Exchange Management Act, 1999, relevant guidelines, rules, regulations, notifications, circulars and other requirements as specified by the Securities and Exchange Board of India, the Reserve Bank of India and other appropriate authorities, listing agreement with Stock Exchanges where the shares of the Company are listed (including any statutory modification(s) or re-enactment of any of them for the time being in force) and subject to such approvals, consents, permissions and/or sanctions as may be necessary and also subject to such conditions, stipulations and modifications as may be prescribed or imposed by the appropriate authorities while granting such approvals, consents, permissions and/or sanctions; which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include the ESOP Committee or any other committee of Directors duly authorized in the matter), consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and grant up to 30,00,000 (Thirty Lakhs) Equity Stock Options to the eligible present and future employees and Directors (whether whole time Directors or not) of the Company and other eligible persons as defined in the Guidelines, through Employee Stock Option Scheme-2015 ("ESOS" or "the Scheme") of the Company, which entitles the option holders to subscribe one equity share of the Company of Rs.2/- (Rupees Two Only) each against each option granted to them, i.e. in total 30,00,000 (Thirty Lakhs) equity shares aggregating to face value of Rs.60,00,000/- (Rupees Sixty Lakhs only), which is equivalent to 4.61% of the issued and paid-up equity share capital of the Company as on the date of this notice; on the terms and conditions and in the manner as set out in the Explanatory Statement to this item and in the draft ESOS now placed before this meeting and initialed by the Chairman for the purpose of identification, and on such other terms and conditions and in such tranches as may be decided by the Board in its absolute discretion.

**RESOLVED FURTHER THAT** the draft ESOS placed before this meeting and initialed by the Chairman for the purpose of identification, be and is hereby approved AND THAT the Board be and is hereby authorised to modify, amend, change, vary, alter or revise from time to time, any of the terms and conditions of the Scheme, or to implement (in one or more tranches), suspend, withdraw or revive the Scheme from time to time, as it may deem fit in its sole discretion, while conforming to the provisions of the Companies Act, 2013, the SEBI ESOP Regulations, Listing Agreement with the Stock Exchanges, the Memorandum and Articles of Association of the Company and other applicable statutory provisions, rules, regulations and guidelines, or directions of any appropriate authority.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required upon exercise of option from time to time in pursuance of the Scheme and get the shares listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE); AND THAT the equity shares to be so issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing fully paid up Equity Shares of the Company, unless otherwise decided by the Board and permitted by the appropriate authorities.

**RESOLVED FURTHER THAT** the maximum number of options that can be granted under the Scheme to an individual eligible employee in each grant shall not exceed 5% of the total number of options under the Scheme i.e. 1,50,000; and in aggregate the same shall not exceed 10% of the total number of options under the Scheme i.e. 3,00,000 options, or 1% of the issued equity share capital of the Company (excluding outstanding warrants and conversion) at the time of grant of options, whichever is less. Subject to this limits, the Board shall have power to determine number of options to be granted to each eligible employee in each grant and in aggregate.

**RESOLVED FURTHER THAT** the maximum number of stock options that can be granted under the Scheme to non-executive Directors in any financial year shall not exceed 3,00,000 options and in aggregate shall not exceed 6,00,000 options.

**RESOLVED FURTHER THAT** in case the Company's equity share capital or its valuation is affected due to any corporate action like issue of Bonus Shares, Rights Shares, any split or consolidation of face value of equity shares, or any event of merger, demerger, consolidation, capitalization or other reorganization of the Company, tender offer for equity shares or Sale of Undertaking, or any other corporate action, or otherwise, at the discretion of the Board when it thinks fit and appropriate and in the interest of the Company and/or the beneficiary under the Scheme; the Board may make such adjustments with respect to stock options and take such other action as it deems necessary or appropriate to reflect such corporate actions, including but without limitation, the substitution of new stock options, or the adjustment of outstanding stock options, the acceleration of exercise period or the removal of any restrictions on outstanding stock options, which shall however be subject to necessary approvals.

**RESOLVED FURTHER THAT** the Company may through the administrative control of the Board, subject to the provisions of the Companies Act, 2013, other applicable statutes, rules, regulations, guidelines, listing agreement with the Stock Exchanges where the shares of the Company are listed, provisions of the Memorandum and Articles of Association of the Company and further subject to such approvals, consents, permissions and/or sanctions as may be necessary from the appropriate authorities, and also subject to such terms and conditions that may be prescribed or imposed by such authorities while granting the approvals, consents, permissions and/or sanctions; provide necessary financial assistance or arrange for the same (whether backed by corporate guarantee or otherwise), to or for the benefit of the stock option holders to enable them to subscribe to the equity shares offered under the Scheme.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorised on behalf of the Company to appoint a Merchant Banker and/or any other expert, consultant or intermediary as may be required and to do or cause to be done all

such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any issues, questions, difficulties or doubts that may arise in this regard."

3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:  
**"RESOLVED THAT** in accordance with the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("the SEBI ESOP Regulations"), the Foreign Exchange Management Act, 1999, relevant guidelines, rules, regulations, notifications, circulars and other requirements as specified by the Securities and Exchange Board of India, the Reserve Bank of India and other appropriate authorities, listing agreement with Stock Exchanges where the shares of the Company are listed (including any statutory modification(s) or re-enactment of any of them for the time being in force) and subject to such approvals, consents, permissions and/or sanctions as may be necessary and also subject to such conditions, stipulations and modifications as may be prescribed or imposed by the appropriate authorities while granting such approvals, consents, permissions and/or sanctions; which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include the ESOP Committee or any other committee of Directors duly authorized in the matter), consent of the Members of the Company be and is hereby accorded to the Board to extend the benefits of the Employee Stock Option Scheme-2015 ("ESOS" or "the Scheme") to all eligible present and future employees and Directors of existing and future Indian or Foreign subsidiary(ies) of the Company and also of Associate Company(ies) and/or to such other eligible persons, as may from time to time, be allowed under prevailing laws, rules, regulations and guidelines, on such terms and conditions as may be decided by the Board.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any issues, questions, difficulties, doubts or matter that may arise in this regard."

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:  
**"RESOLVED THAT** in accordance with the provisions of Sections 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the Securities and Exchange Board of India (Issue and Capital Disclosure Requirements) Regulations, 2009 as amended from time to time ("SEBI ICDR Regulations") and subject to all necessary approvals, consents, permissions and/or sanctions of the Government of India, Reserve Bank of India, Foreign Investment Promotion Board, Secretariat of Industrial Approvals under the Foreign Exchange Management Act, 1999, (including any statutory modification or re-enactment thereof, for the time being in force) and other applicable laws, and enabling provisions in the Memorandum and Articles of Associations of the Company and the Listing agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to such terms and conditions as may be determined by the Board of Directors of the Company (hereinafter referred to as 'the Board' which expressions shall include any committee constituted for the time being thereof) on such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions and/or sanctions and agreed to by the Board, consent and approval of the Members of the Company be and is hereby accorded to the Board to offer, issue and allot on a preferential allotment basis 24,39,025 Equity Shares of Rs. 2/- each, for cash at a price of Rs.41/- each, including a premium of Rs.39/- per share or such additional price, if any, as may be arrived at by re-computation of the price as prescribed under Regulation 76(1) of the SEBI ICDR Regulations on such terms and conditions as may be decided and deemed appropriate by the Board of Directors of the Company (hereinafter referred to as the 'Board' which shall be deemed to include any duly authorized committee thereof) at time of issue or allotment to the following:-

Sr. No.	Name of Proposed Allottee	Category: Part of Promoter Group / Others	Equity Shares to be Issued
1.	EMCO Investments Private Limited	Promoter Group	24,39,025
	<b>Total</b>		<b>24,39,025</b>

**RESOLVED FURTHER THAT** the issue of equity shares in the manner aforesaid be governed by the respective provisions of the Companies Act, 2013, the Memorandum of Association and Articles of Association of the Company, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as "SEBI ICDR Regulations") or any other applicable laws as the case may be, or any modification thereof.

**RESOLVED FURTHER THAT** the relevant date for the preferential issue, for the purpose of determining issue price under the SEBI ICDR Regulations is 23<sup>rd</sup> December 2014.

**RESOLVED FURTHER THAT** equity shares so allotted shall rank pari passu in all respects with the existing equity shares of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorised on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion deem necessary, desirable or expedient to the issue or allotment of aforesaid shares or securities and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the said shares or securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and also to delegate all or any of the powers herein conferred, to any Committee of Directors or the Chairman or any other Director(s) or Officer(s) of the Company to give effect to the aforesaid resolution."

Date: 19<sup>th</sup> December, 2014  
Place : Mumbai

For and on behalf of the Board of Directors  
EMCO Limited

Registered Office:  
N-104, MIDC Area,  
Jalgaon - 425003

Sd/-  
Rajesh Jain  
Chairman  
DIN: 00005829

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETINGS IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL ONLY, INSTEAD OF HIMSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.

A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER

2. Members/proxies should bring the attendance slip in the meeting duly filed in, for attending the meeting.  
3. Members holding shares in physical form are requested to notify the change, if any, in their address to the Registrar and Share Transfer Agent viz. Link Intime India Pvt Ltd, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400078.  
4. 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 at the meeting.  
5. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect of the businesses under Item Nos. 1 to 4 of the Notice is annexed hereto.

6. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices and Circulars etc. from the Company electronically.
7. Members are requested to immediately intimate changes, if any, in their registered addresses along with Pincode number to the Company. Members holding shares in dematerialized mode are requested to intimate the same to their respective Depository Participants.
8. Members holding shares in physical form are requested to consider converting their holding to dematerialize form to eliminate risks associated with physical shares.
9. The Notice of the EGM is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during (3.00 pm to 5.00 pm) on all working days, upto and including the date of the Extra Ordinary General Meeting of the Company.
11. **Voting through electronic means**

In compliance with the provisions of Clause 35B of the Listing Agreement and Section 108 of the Companies Act, 2013 and the Rules made thereunder, the Members are provided with the facility to cast their vote electronically, through the e-Voting Services provided by Central Depository Services (India) Limited (CDSL) on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

- a) The voting period begins on 15<sup>th</sup> January, 2015 at 10.00 a.m. and ends on 17<sup>th</sup> January, 2015 at 5.00 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 19<sup>th</sup> December, 2014, may cast their votes electronically. The e-voting module shall be disabled by CDSL for e-voting thereafter.
- b) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- c) Click on Shareholders.
- d) 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.
- e) Next enter the Image Verification as displayed and Click on Login.
- f) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- g) If you are a first time user follow the steps given below:

	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"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB #	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio

\* Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (d)

- h) After entering these details appropriately, click on "SUBMIT" tab.
- i) 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.
- j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- k) Click on the EVSN for the relevant <EMCO Limited> on which you choose to vote.
- l) 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.
- m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- n) 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.
- o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- q) 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.
- r) Note for Non-Individual Shareholders & Custodians:
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates and Custodians respectively.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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.

## Other Instructions

- A) The voting rights of Members shall be in proportion to their shares of the paid up share capital of the Company as on 19<sup>th</sup> December, 2014.
- B) Mrs. Kumudini Paranjape (Membership No.F6667 and C.P. 6690), Partner of Makarand M. Joshi & Co; Practising Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- C) 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- D) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period shall make a report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- E) The Results declared along with Scrutinizer's Report(s) will be available on the website of the Company ([www.emco.co.in](http://www.emco.co.in)) and the website of CDSL within two days of passing of resolutions and communication of the same to the stock exchanges.

Date: 19<sup>th</sup> December, 2014

Place : Mumbai

For and on behalf of the Board of Directors  
EMCO Limited

Registered Office:  
N-104, MIDC Area,  
Jalgaon - 425003

Sd/-  
Rajesh Jain  
Chairman  
DIN: 00005829

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 1

It is hereby informed that majority of the Sections of the Companies Act, 2013 have been notified. Pursuant to the notified provisions, the Articles of Association is required to be amended to align it with new provisions. It is therefore proposed to adopt a new set of the Articles of Association of the Company in the place of existing Articles of Association of the Company.

As per Section 14 of the Companies Act, 2013, approval of Members of the Company by Special Resolution is required. Therefore Members are requested to pass the necessary Special Resolution as mentioned in the notice.

The copy of draft Articles of Association of the Company is open for inspection of the Shareholders at the Registered Office of the Company during (3.00 p.m. to 5.00 p.m.) on all working days except on holidays.

The Board recommends the resolution set forth in Item No. 1 for approval of Members.

None of the Promoters, Directors or Key Managerial Personnel or their relatives, either directly or indirectly, are in any way interested or concerned in the resolution.

### Item No. 2 and 3:

Employees are considered to be back bone of the organization and its business activities, more particularly in the increasingly competitive environment where people are the key resources for success and achievement of corporate goals. In view of this, it is thought prudent to reward those employees of the Company, who are performing and critically imperative to its continued success. For the purpose of retaining the existing employees and attracting the needed number of employees to join the Company, attractive remuneration package comprising Stock Option is to be offered. As a result, the management is keen to offer Stock Options to the eligible employees and / or Directors and/or other eligible persons. An Employee Stock Option Scheme is aimed to ensure retention of qualified, talented and competent key personnel and to keep them continuously motivated to improve the business and profitability of the Company and create value for the Shareholders.

In this connection, your Board of Directors decided to introduce an Employee Stock Option Scheme "EMCO Employee Stock Option Scheme-2015"; and authorised the Compensation Committee (named as ESOP Committee) of the Board to formulate and implement the Scheme. Pursuant to the said authority, the ESOP Committee has formulated the Employee Stock Option Scheme-2015 of the Company with maximum of 30,00,000 Stock Options ("ESOS" or "the Scheme") in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("the SEBI ESOP Regulations"). Under the said Scheme, it is proposed to issue maximum of 30,00,000 stock options to the present and future eligible employees, Directors (whether whole-time or not) and other eligible persons (all herein after collectively referred to as "employee(s)" for the sake of brevity), entitling them to acquire such number of equity shares of Rs.2/- each of the Company, as may be decided by the Board of Directors / ESOP Committee. The said ESOP Committee shall administer and monitor the Scheme.

As per the SEBI (Share Based Employee Benefits) Regulations, 2014 read with the requirements of Clause 6.2 of the erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the necessary disclosures in respect of the Scheme are as given below:

#### **1. Total number of Options to be granted under the Scheme:**

Upto maximum of 30,00,000 (Thirty Lakhs) Stock Options in aggregate. Against exercise of each option, 1 (One) equity share of Rs.2/- (Rupees Two Only) each fully paid-up, will be available for grant to the eligible employees. Thus in aggregate, not exceeding 30,00,000 (Thirty Lakhs) equity shares of the Company will be available under the Scheme.

#### **2. Identification of classes of employees entitled to participate in the ESOS:**

All present and future employee(s) and Director(s) (whether whole-time or not) of the Company and/or its present /future Subsidiaries (Subsidiaries in India or out of India), Associate Companies (Associate Companies in India or out of India) and other persons, who are eligible for benefit under the Scheme from time to time as per the SEBI's ESOP Regulations, and selected by the ESOP Committee, shall be entitled to participate in the ESOS. The categories of employees/Directors/Persons which are restricted under the SEBI's ESOP Regulations shall not be eligible to participate in the ESOS.

#### **3. Requirement of vesting and period of vesting:**

Vesting of the options granted to the employees may be either in one or more tranches or in graded manner within such period from the date of their respective grant and subject to such terms and conditions of vesting, as may be decided by the ESOP Committee. The vesting period shall commence after expiry of One year from the date of grant of Options, and may extend up to seven years from date of each grant or such further or other period as the ESOP Committee may determine, from time to time.

The Options would vest subject to continued employment with the Company. In addition to this, the ESOP Committee may specify additional performance criteria / restrictions/conditions to be met, subject to which Options would vest in the employee. The Committee may also provide for accelerated vesting or such other mode to provide incentives in cases of deserving employees.

#### **4. Maximum Period within which the options shall be vested**

Maximum Period within which the option shall be vested can extend upto Seven years from the date of grant of options, as may be decided by the ESOP Committee.

#### **5. Exercise Price / Pricing Formula**

The exercise price for the purpose of grant of options will be decided by the ESOP Committee, subject to a maximum discount of 25% on latest available closing price of the Equity Share of the Company on the Stock Exchange, one day prior to the date of the meeting of the Board of

Directors / ESOP Committee, in which the options are granted, on that Stock exchange where there is highest trading volume on the said date.

In addition, the option holder shall also be liable to pay to the Company, the amount equivalent to the value of the perquisite tax, or any other tax as may be levied by the Government of India, or other appropriate authority from time to time and is/are payable on grant/exercise of the options, or at any other specified date in accordance with the provisions of the Income Tax Act, 1961 (or its Statutory modification or re-enactment as is in force at the relevant time). The Company shall be entitled to receive the entire consideration inclusive of tax as applicable at the time of grant/exercise of options by the option holder, irrespective of when it has to pay/deposit the tax to appropriate authorities.

#### **6. Exercise Period and the process of exercise**

The eligible employees/Directors shall be entitled to exercise the options up to a period of Seven years from the date of respective vesting of the options, subject to certain specified circumstances like termination of employment, death, disability, etc. specified in the Scheme or as may be decided by the ESOP Committee depending upon circumstances faced from time to time. The options would be exercisable by the employees in whole or in part, by submitting the requisite application along with the requisite payment based on the exercise price to the Company, for allotment of shares against Options exercised, within the permitted exercise period. The ESOP Committee shall have power to decide the frequency/interval during which the exercise can be made by then option holder, within the overall period aforesaid.

#### **7. Appraisal process for determining the eligibility of employees to ESOS**

The criteria involved in selection of the eligible employees and the number of options to be granted to each of them will be determined by the ESOP Committee on the basis of various variables like:

- a) The performance and / or merit of the employee as indicated by his periodical performance appraisal; or
- b) The minimum period of service put in by him and his remaining future service; or
- c) His Cadre/Designation in the Company; or
- d) His present and potential contribution to the success of the Company; or
- e) The key functional areas in which the employee is involved; or
- f) Such other criteria and / or factors as may be deemed relevant and / or appropriate by the ESOP Committee.

The decision of the ESOP Committee in this regard shall be final and binding on all the employees and all other concerned. The Committee may, in its sole discretion, vary the conditions on the basis of which the grant size shall be determined.

#### **8. Maximum number of Options to be issued per employee and in aggregate**

The maximum number of options to be granted per employee including eligible Directors in each grant shall not exceed 5% of the total number of options under the Scheme i.e. 1,50,000; and in aggregate the same shall not exceed 10% total number of options under the Scheme i.e. 3,00,000 options, or 1% of the issued equity share capital of the Company (excluding outstanding warrants and conversion) at the time of grant of options, whichever is lower. Subject to the above, the ESOP Committee shall have power to determine number of options to be granted to each employee in each grant and in aggregate.

#### **9. Conformation to the Accounting Policies**

The Company shall conform to the Accounting Policies specified in Clause 15 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

#### **10. Valuation Method**

The Company shall value its Options by using Intrinsic Value Method.

#### **11. Disclosure in Directors' Report**

The Company undertakes that in case the Company calculates the employee compensation using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of options, shall be disclosed in the Directors' Report and also the impact of this difference on profit and on EPS of the Company shall also be disclosed in the Directors' Report.

#### **Re-issue of the Lapsed Options:**

The options that are considered as lapsed as per the terms of the ESOS shall be available for adding back to the kitty of the live and available options under the ESOS, for grant and reissue by the ESOP Committee at its discretion. This however, shall be subject to the prescribed restrictions under the SEBI ESOP Regulations or by any statutory authority.

It is proposed to extend the benefits of the Scheme to all eligible present and future employees (including eligible Directors (whether whole time or not) and other eligible persons of existing and future subsidiaries and/ or associates of the Company, whether Indian or foreign, on such terms and conditions as may be decided by the ESOP Committee.

In accordance with the requirements of Clause 6 of SEBI ESOP Regulations, approval of the members is being sought vide special resolution at item No.2 of the notice for implementing Employee Stock Option Scheme-2015 of the Company and providing its benefits to all eligible employees and Directors (whether Whole time or not), and other eligible persons of the Company.

Further, approval of the members of the Company is also being sought by a special resolution proposed under Item no.3 of this notice, to extend the benefits of Employee Stock Option Scheme-2015 of the Company to the eligible employees and Directors (whether Whole time or not), and other eligible persons of the existing and future subsidiary/subsidiaries and / or associate companies of the Company.

The Board / Committee shall have the absolute authority to vary or modify the terms of ESOS in accordance with the regulations and guidelines prescribed by SEBI or regulations that may be issued by any appropriate authority from time to time.

In the terms of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the SEBI (Share Based Employee Benefits) Regulations, 2014, the shareholders' consent is being sought to authorize the Board of Directors/ESOP Committee to implement the ESOS and to issue, offer and grant the Employees Stock Options under the ESOS and issue and allot the resultant equity shares upon exercise of options by their holders, in the manner set out in the special resolutions aforesaid. A copy of the draft Scheme on ESOP shall be available at the registered office of the Company for inspection during working hours except on holidays.

The Board recommends the special resolutions at item Nos.2 and 3 for approval by the Members.

None of the Promoters, Directors or Key Managerial Person of the Company or their relatives is deemed to be concerned or interested in the aforesaid Resolution, except to the extent of the Options/equity shares that may be offered to them under the ESOS.

#### **Item No. 4:**

The Board of Directors proposes to make a private placement of 24,39,025 equity shares of Rs. 2/- each at a price of Rs.41/- per share by way of preferential issue for cash. The disclosures as required under Chapter VII of SEBI (ICDR) Regulations, 2009 are as follows:-

**Object of the issue:** The objective of the issue is to provide working capital margin to the Company.

**Intention of the Promoters/directors/key management persons to subscribe the offer:**

EMCO Investments Private Limited, being the Promoter Group Company, proposes to subscribe to the offer to the extent mentioned below.

**Terms of Shares:** The equity shares issued shall rank pari passu in all respects with the existing equity shares of the Company. The equity shares shall be subject to the Memorandum and Articles of Association of the Company.

**Pricing of Equity Shares:** The above Equity Shares will be issued and allotted at a price not less than the higher of the following in terms of the SEBI (ICDR) Regulations, 2009:

- the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on the recognised stock exchange during the 26 weeks preceding the relevant date; or
- the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the 2 weeks preceding the relevant date.

The average price per share calculated in accordance with the Regulations works out to Rs.40.4210/- and the allotment is proposed to be made at Rs.41/- per share. In case the price of Rs.40.4210/- be required to be recomputed as prescribed under Regulation 76(1) of SEBI (ICDR) Regulation, 2009, and if such price is higher than Rs.41/-, the proposed allottee undertakes to pay the difference by way of bringing in cash at the time of such re-computation and the shares allotted shall be locked-in till the time the difference payable on account of re-computation is paid by the allottee.

**Shareholding Pattern:** The Shareholding Pattern giving present position as also considering full allotment of shares arising out of the securities issued as above, is given below:

Sr. No.	Category	Pre Preferential Issue		Post Preferential Issue	
		No. of Shares	% of Holding	No. of Shares	% of Holding
<b>(A)</b>	<b>Promoter Holding</b>				
1.	<b>Indian</b>				
a.	Individual	2,23,65,140	34.34%	2,23,65,140	33.10%
b.	Bodies Corporate	59,16,833	9.08%	83,55,858	12.37%
2.	<b>Foreign</b>	-	-	-	-
	<b>Sub Total (A)</b>	<b>2,82,81,973</b>	<b>43.42%</b>	<b>3,07,20,998</b>	<b>45.46%</b>
<b>(B)</b>	<b>Public Holding</b>				
1.	<b>Institutions</b>				
a.	Mutual Funds	32,31,500	4.96%	32,31,500	4.78%
b.	Financial Institutions & Banks	1,69,290	0.26%	1,69,290	0.25%
c.	Insurance Companies	3,84,838	0.59%	3,84,838	0.57%
d.	Foreign Financial Institutions	4,500	0.01%	4,500	0.01%
2.	<b>Non Institutions</b>				
a.	Bodies Corporate	1,24,90,762	19.18%	1,24,90,762	18.48%
b.	Individual holding shares upto 1lakh	1,39,20,092	21.37%	1,39,20,092	20.60%
c.	Individual holding shares 1 lakh and above	52,70,390	8.09%	52,70,390	7.80%
d.	Clearing Members	3,62,144	0.56%	3,62,144	0.54%
e.	NRIs (Repatriable)	5,82,889	0.89%	5,82,889	0.86%
f.	NRIs (Non Repatriable)	3,10,451	0.48%	3,10,451	0.46%
g.	Relatives of Director	62,975	0.10%	62,975	0.09%
h.	Hindu Undivided Family (HUF)	64,606	0.10%	64,606	0.10%
i.	Trusts	450	0.00%	450	0.00%
	<b>Sub Total (B)</b>	<b>3,68,54,887</b>	<b>56.58%</b>	<b>3,68,54,887</b>	<b>54.54%</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	-	-	-	-
	<b>Sub Total (C)</b>	-	-	-	-
	<b>Total (A+B+C)</b>	<b>6,51,36,860</b>	<b>100.00%</b>	<b>6,75,75,885</b>	<b>100.00%</b>

**Lock in - period:** The specified securities allotted on preferential basis to persons belonging to promoter group shall be locked in for a period of 3 years from the date of trading approval.

**Proposed time limit within which the allotment shall be completed:** Within 15 days from the date of passing this resolution or within 15 days from the date of receipt of any approval by any regulatory authority or Central Government, whichever is later as per SEBI (ICDR) Regulations, 2009.

**Identity of the proposed allottee(s), the natural persons who are the ultimate beneficial owners and percentage of post preferential issue capital that may be held by them:**

Sr. No.	Name of Proposed Allottees and Natural Persons who are the ultimate beneficial owners	Equity Shares Allotted	Post Preferential Issue Shareholding	% of Post Preferential Issue
1.	EMCO Investments Private Limited EMCO Investments Private Limited is a Promoter Group Company of EMCO Ltd. Almost 96.60% of the equity share capital of EMCO Investments Private Limited is held collectively by Mr. Shailesh Jain and Ms. Ratna Jain, who are also promoters of EMCO Ltd. (Mr. Shailesh Jain holds 19.32% and Ms. Ratna Jain 77.28% in EMCO Investments Private Limited)	24,39,025	83,55,858	12.37%
	<b>Total</b>	<b>24,39,025</b>	<b>83,55,858</b>	<b>12.37%</b>

**Auditors' Certificate:** A copy of the Certificate of the Statutory Auditors of the Company in respect of Compliance of the SEBI ICDR Regulations shall be placed before the Shareholders.

The approval of the shareholders is sought pursuant to section 42 and section 62(1)(c) of the Companies Act, 2013 and in the terms of the Listing Agreement executed with the Stock Exchange(s) as set out in the resolution.

The Board recommends the resolution set forth in item no. 4 for approval of members.

None of the Promoters, Directors, Key Managerial Personnel or their relatives is in any way concerned or interested in the said resolution except M/s. EMCO Investments Private Limited (being the Promoter Group Company and proposed allottee), Mr. Shailesh Jain and Ms. Ratna Jain who are also on the Board of Directors of EMCO Investments Private Limited and hold more than 2% of the paid up capital of EMCO Investments Private Limited.

**Date:** 19<sup>th</sup> December, 2014  
**Place :** Mumbai

**For and on behalf of the Board of Directors**  
**EMCO Limited**

**Registered Office:**  
N-104, MIDC Area,  
Jalgaon - 425003

**Sd/-**  
**Rajesh Jain**  
**Chairman**  
**DIN: 00005829**



# EMCO LIMITED

CIN : L31002MH1964PLC013011

Registered Office: N-104, MIDC Area, Jalgaon 425 003, Maharashtra, India  
Email: investorrelation@emco.co.in, Website: www.emco.co.in  
Tel. No. +91 2572272462, Fax No. +91 2572272598

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s): \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Folio No/ Client Id: \_\_\_\_\_ DP ID: \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ Equity shares of the above named company, hereby appoint

1. Name: \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him/her

2. Name: \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him/her

3. Name: \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extra- Ordinary General Meeting of the Company, to be held on the 22<sup>nd</sup> day of January 2015 at 11:30 A.M. at N-104, MIDC Area, Jalgaon 425 003, Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
<b>SPECIAL BUSINESS</b>	
1	Alteration of Articles of Association of the Company.
2	Approval to ESOS Scheme 2015 for the eligible persons of the Company.
3	Approval to ESOS Scheme 2015 for the eligible persons of Subsidiaries and/or Associates Companies of the Company.
4	Issue of shares to promoter group on a preferential basis.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

Signature of Shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Re. 1.00  
Revenue  
Stamp

**Note: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**



# EMCO LIMITED

CIN : L31002MH1964PLC013011

Registered Office: N-104, MIDC Area, Jalgaon 425 003, Maharashtra, India  
Email: investorrelation@emco.co.in, Website: www.emco.co.in  
Tel. No. +91 2572272462, Fax No. +91 2572272598

## ATTENDANCE SLIP

DP-ID \_\_\_\_\_

Client-ID \_\_\_\_\_

Folio No. \_\_\_\_\_

No. of Shares \_\_\_\_\_

Name of the attending Member/ Proxy \_\_\_\_\_  
(in BLOCK LETTERS)

I certify that I am a member/ proxy for the member of the Company. I hereby record my presence at the Extra- Ordinary General Meeting of the Company held on the 22<sup>nd</sup> day of January, 2015 at 11.30 a.m. at N-104, M. I. D. C. Area, Jalgaon - 425 003.

Member's / Proxy's Signature

**Note:** Persons attending the meeting in person or by proxy are requested to complete the attendance slip and hand over the same at the entrance of the meeting hall.

